

**LICENSEE'S EXHIBIT NO. 6**

**AGREEMENTS TO TRANSFER OF CONTROL**

**PART II:**

- 4. Investor Rights Agreement**
- 5. Tribune Employee Stock Ownership Plan**
- 6. Tribune Employee Stock Ownership Trust**

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INVESTOR RIGHTS AGREEMENT

by and among

TRIBUNE COMPANY,

EGI-TRB, L.L.C.

and

GREATBANC TRUST COMPANY,  
solely as trustee of the  
TRIBUNE EMPLOYEE STOCK OWNERSHIP TRUST  
which forms a part of the  
TRIBUNE EMPLOYEE STOCK OWNERSHIP PLAN

Dated as of April 1, 2007

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## INVESTOR RIGHTS AGREEMENT

This INVESTOR RIGHTS AGREEMENT (this "Agreement") is entered this 1st day of April, 2007, by and among Tribune Company, a Delaware corporation (the "Company"), EGI-TRB, L.L.C., a Delaware limited liability company ("EGI-TRB"), and GreatBanc Trust Company, not in its individual or corporate capacity, but solely as trustee (the "ESOP Fiduciary") of the Tribune Employee Stock Ownership Trust, which forms a part of the Tribune Employee Stock Ownership Plan (the "ESOP" and together with EGI-TRB, the "Initial Shareholders").

### WITNESSETH:

WHEREAS, concurrently herewith, EGI-TRB, the ESOP, Tesop Corporation, a Delaware corporation ("Merger Sub"), and the Company have entered into that certain Agreement and Plan of Merger, dated as of April 1, 2007 (the "Merger Agreement"), pursuant to which Merger Sub, a wholly owned subsidiary of the ESOP, will be merged with and into the Company, with the Company surviving the Merger (the "Merger"), on the terms and subject to the conditions set forth therein.

WHEREAS, concurrently herewith, the Company and EGI-TRB have entered into a Securities Purchase Agreement (the "EGI Purchase Agreement") pursuant to which EGI-TRB has, on the terms and subject to the conditions set forth in the EGI Purchase Agreement, agreed to purchase (i) (a) 1,470,588 shares of Common Stock prior to consummation of the Merger and (b) a \$200 million unsecured subordinated exchangeable promissory note in the form attached as an exhibit thereto, and (ii) (y) a \$225 million unsecured subordinated promissory note in the form attached as an exhibit thereto and (z) a warrant to purchase 43,478,261 shares of Common Stock of the Company immediately following consummation of the Merger (the "Warrant") pursuant to a warrant agreement in the form attached as an exhibit thereto (the "Warrant Agreement").

WHEREAS, concurrently herewith, the ESOP Fiduciary, on behalf of the ESOP, and the Company have entered into an Equity Purchase Agreement (the "ESOP Purchase Agreement") pursuant to which the ESOP has, on the terms and subject to the conditions set forth in the ESOP Purchase Agreement, agreed to purchase 8,928,571 shares of Common Stock prior to consummation of the Merger (the "ESOP Purchase").

WHEREAS, the Company and each of the Initial Shareholders have entered into this Agreement for purposes, among others, of (a) establishing the composition of the Company's board of directors (the "Board"), (b) granting to the Shareholders (as defined herein) certain rights in connection with the sale or transfer of Shares (as defined herein) and (c) granting to the Shareholders certain other rights, including information rights, with respect to the Company, in each case, upon consummation of the Merger.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties (as defined herein) hereby agree as follows:

## ARTICLE I DEFINITIONS

Section 1.1 Definitions. When used in this Agreement, the following terms shall have the meanings set forth below:

- (a) "Additional Financing" shall have the meaning set forth in Section 4.4.
- (b) "Affiliate" shall mean, with respect to a Person, another Person who, directly or indirectly, controls, is controlled by or is under common control with such Person, including, without limitation, any general partner, officer, director, or manager of such Person; provided, however, that no Person for whom the ESOP Fiduciary serves as trustee shall be deemed to be an Affiliate of the ESOP Fiduciary.
- (c) "Agreement" shall have the meaning set forth in the Preamble.
- (d) "Annual Budget" shall have the meaning set forth in Section 7.1.
- (e) "Board" shall have the meaning set forth in the Recitals.
- (f) "Code" shall mean the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.
- (g) "Common Stock" shall mean the common stock, par value \$.01 per share, of the Company.
- (h) "Company" shall have the meaning set forth in Preamble.
- (i) "Convertible Securities" shall mean any evidences of indebtedness, shares or other securities directly or indirectly convertible into or exchangeable for Common Stock, but excluding Options.
- (j) "Effective Date" shall mean the date of consummation of the Merger.
- (k) "EGI Purchase Agreement" shall have the meaning set forth in the Recitals.
- (l) "EGI Transferee" shall mean any direct or indirect Affiliate of EGI-TRB, Equity Group Investments, L.L.C. or Samuel Zell, and any senior employee of Equity Group Investments, L.L.C. and any direct or indirect Affiliate thereof.
- (m) "EGI-TRB" shall have the meaning set forth in the Preamble.
- (n) "EGI-TRB Director" shall have the meaning set forth in Section 2.1.
- (o) "ESOP" shall have the meaning set forth in the Preamble.
- (p) "ESOP Fiduciary" shall have the meaning set forth in the Preamble.

(q) "ESOP Loan Agreement" shall mean the Loan Agreement, dated as of the date of the ESOP Purchase, by and between the Company and the ESOP Fiduciary.

(r) "ESOP Pledge Agreement" shall mean the Stock Pledge Agreement, dated as of the date of the ESOP Purchase, by and between the Company and the ESOP Fiduciary.

(s) "ESOP Purchase" shall have the meaning set forth in the Recitals.

(t) "ESOP Purchase Agreement" shall have the meaning set forth in the Recitals.

(u) "Excluded Transactions" shall mean (a) the issuance of shares of Common Stock, Options or Convertible Securities as a dividend or distribution on Shares, (b) the issuance of shares of Common Stock, Options or Convertible Securities by reason of a stock split, split-up or other distribution on shares of Common Stock, (c) the issuance of shares of Common Stock or Options to employees or directors of, or consultants or advisors to, the Company or any of its subsidiaries pursuant to a compensatory plan, agreement or arrangement approved by the Board or (d) the issuance of shares of Common Stock or Convertible Securities upon the exercise of Options or upon the conversion or exchange of Convertible Securities, in each case, provided such issuance is pursuant to the terms of such Option or Convertible Security.

(v) "Fully-Exercising Shareholder" shall have the meaning set forth in Section 4.2.

(w) "General Notice" shall have the meaning set forth in Section 4.2.

(x) "Independent Director" shall have the meaning set forth in the Company's By-laws in effect from time to time.

(y) "Initial Directors" shall mean the persons initially designated as directors on the Effective Date, including the directors designated in accordance with the provisions of Section 2.1 hereof.

(z) "Initial Shareholders" shall have the meaning set forth in the Preamble.

(aa) "Joinder" shall have the meaning set forth in Section 3.6.

(bb) "Merger" shall have the meaning set forth in the Recitals.

(cc) "Merger Agreement" shall have the meaning set forth in the Recitals.

(dd) "Merger Sub" shall have the meaning set forth in the Recitals.

(ee) "Option" shall mean any right, option or warrant to subscribe for, purchase or otherwise acquire Common Stock or Convertible Securities.

(ff) "Other Shareholder" shall have the meaning set forth in Section 3.2.

(gg) "Parties" shall mean the parties to this Agreement.

(hh) "Permitted Transferees" shall have the meaning set forth in Section 3.3.

(ii) "Person" shall mean an individual, corporation, partnership, limited liability company, association, trust, unincorporated organization, entity or group.

(jj) "Qualified Public Offering" shall mean a firm commitment underwritten public offering of the Common Stock to the public with gross proceeds to the Company of not less than \$250 million, pursuant to an effective registration statement filed under the Securities Act of 1933, as amended.

(kk) "Sale of the Company" shall mean either (a) a merger or consolidation in which (i) the Company is a constituent party or (ii) a subsidiary of the Company is a constituent party and the Company issues shares of its capital stock pursuant to such merger or consolidation, except any such merger or consolidation involving the Company or a subsidiary pursuant to which the shares of capital stock of the Company outstanding immediately prior to such merger or consolidation continue to represent, or are converted into or exchanged for shares of capital stock that represent, immediately following such merger or consolidation, at least a majority, by voting power, of the capital stock of (A) the surviving or resulting corporation or (B) if the surviving or resulting corporation is a wholly owned subsidiary of another corporation immediately following such merger or consolidation, the parent corporation of such surviving or resulting corporation (provided that, for purposes of this definition, all Shares issuable upon exercise of rights, options or warrants to subscribe for, purchase or otherwise acquire Shares or securities convertible into Shares, which are outstanding immediately prior to such merger or consolidation or upon conversion of convertible securities outstanding immediately prior to such merger or consolidation shall be deemed to be outstanding immediately prior to such merger or consolidation and, if applicable, converted or exchanged in such merger or consolidation on the same terms as the actual outstanding Shares are converted or exchanged), (b) the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, by the Company or any subsidiary of the Company of all or substantially all the assets of the Company and its subsidiaries taken as a whole, or the sale or disposition (whether by merger or otherwise) of one or more subsidiaries of the Company if substantially all of the assets of the Company and its subsidiaries taken as a whole are held by such subsidiary or subsidiaries, except where such sale, lease, transfer, exclusive license or other disposition is to a wholly owned subsidiary of the Company or (c) a Stock Sale. Notwithstanding the foregoing, a "Sale of the Company" shall not include the Merger or any other transaction contemplated by the Merger Agreement.

(ll) "Sale Notice" shall have the meaning set forth in Section 3.2.

(mm) "Shareholder" or "Shareholders" shall mean (and this Agreement shall bind and create rights in) the Initial Shareholders and any other transferee to which (a) any Shares are permitted by this Agreement to be issued or Transferred or (b) any Warrants are assigned, in each case, in accordance with the terms of this Agreement. Each of the foregoing Persons shall remain a Shareholder as long as he, she or it continues to own Shares or Warrants in the Company.

(nn) "Shares" shall mean (a) the shares of Common Stock acquired by the Initial Shareholders as a result of the Merger and the ESOP Purchase or otherwise, (b) the shares of Common Stock issued upon conversion of the Warrant and (c) any Common Stock issued with respect to the securities referred to in clauses (a) and (b) by way of stock dividend or stock split or in connection with a combination of shares, recapitalization, merger, consolidation or other reorganization. "Shares" shall also include shares or other interests in any successor to the Company, whether by merger, consolidation or otherwise.

(oo) "Stock Sale" shall mean a transaction or series of related transactions in which a Person, or a group of related Persons, acquires from Shareholders of the Company capital stock and other voting securities representing more than fifty percent (50%) of the outstanding voting power of the Company.

(pp) "Transfer" or "Transferred" shall mean to directly or indirectly sell, assign, give, mortgage, pledge, hypothecate, issue, bequeath or in any manner encumber or dispose of, or permit to be sold, assigned, encumbered, attached or otherwise disposed of in any manner, whether voluntarily, involuntarily or by operation of law, with or without consideration other than as part of a distribution of Shares by the ESOP to a participant of the ESOP as may be required by the terms thereof.

(qq) "Transferring Shareholder" shall have the meaning set forth in Section 3.2.

(rr) "Warrant" shall have the meaning set forth in the Recitals.

(ss) "Warrant Agreement" shall have the meaning set forth in the Recitals.

(tt) "Zell Family Group" shall mean Samuel Zell and his spouse, lineal ancestors and descendants (whether natural or adopted), and any trust or retirement account primarily for the benefit of Samuel Zell and/or his spouse, lineal ancestors and descendants.

## ARTICLE II CORPORATE GOVERNANCE

Section 2.1 Size and Composition of the Board. Upon and following the Effective Date, each Shareholder agrees that in any election of directors of the Company, such Shareholder shall vote, or cause to be voted, all shares of Common Stock and any other voting securities of the Company owned by such Shareholder, or over which such Shareholder has voting control, and shall take all other necessary or desirable actions within such Shareholder's control (whether in the capacity of a Shareholder, director, member of a Board committee or officer of the Company or otherwise, and including, without limitation, attendance at meetings in person or by proxy for purposes of obtaining a quorum and execution of written consents in lieu of meetings), and the Company shall take all necessary or desirable actions within its control (including, without limitation, calling special Board and shareholder meetings), so that:

(a) the Initial Directors shall serve as directors until the third (3rd) annual election following consummation of the Merger;

(b) there shall be two (2) directors designated by EGI-TRB (each an "EGI-TRB Director");

(c) there shall be one (1) director who shall be the Company's chief executive officer; provided that if for any reason the chief executive officer of the Company shall cease to serve in such capacity, each Shareholder shall take all other necessary or desirable actions within such Shareholder's control (whether in the capacity of a Shareholder, director, member of a Board committee or officer of the Company or otherwise, and including, without limitation, attendance at meetings in person or by proxy for purposes of obtaining a quorum and execution of written consents in lieu of meetings), and the Company shall take all necessary or desirable actions within its control, to (i) remove the former chief executive officer of the Company from the Board if such person has not resigned as a member of the Board and (ii) elect or appoint such person's replacement as chief executive officer of the Company as a director;

Section 2.2 Removal of EGI-TRB Directors. Subject to any limitation in the Company's By-laws, each Shareholder agrees that it shall take all other necessary or desirable actions within such Shareholder's control (whether in the capacity of a Shareholder, director, member of a Board committee or officer of the Company or otherwise), and the Company shall take all necessary or desirable actions within its control, to ensure that no EGI-TRB Director elected or appointed as a member of the Board pursuant to Section 2.1 may be removed from office unless such removal is directed or approved by EGI-TRB (in its sole and absolute discretion).

Section 2.3 Written Consent. All Shareholders agree to execute any written consents required to perform the obligations under Sections 2.1 and 2.2 of this Agreement, and the Company agrees at the request of any Party entitled to designate directors to call a special meeting of shareholders for the purpose of electing directors.

Section 2.4 No Liability for Election or Appointment of Recommended Directors. No Party, nor any Affiliate of any such Party, shall have any liability as a result of designating a person for election or appointment as a Board member or committee member for any act or omission by such designated person in his or her capacity as a Board member or committee member, as applicable, nor shall any Party have any liability as a result of voting for any such designee in accordance with the provisions of this Agreement.

Section 2.5 Compensation of Board. Upon and following the Effective Date, the Company agrees to reimburse all members of the Board for their actual and reasonable out-of-pocket expenses incurred in attending meetings of the Board and all committees thereof, and otherwise incurred in fulfilling their duties as Board members or committee members, as applicable, and pay such reasonable compensation to members of the Board as the Board shall from time to time determine.

Section 2.6 No Other ESOP Obligations. For the avoidance of doubt, nothing in this Article II shall require the ESOP or its participants to vote in any manner on matters other than the election of directors.



Section 2.7 Termination. Subject to Article IX, the rights of EGI-TRB under Sections 2.1 and 2.2 shall continue for so long as EGI-TRB and its Permitted Transferees hold in the aggregate at least ten percent (10%) of the outstanding Shares (including for purposes of this Section 2.7, Shares subject to the Warrant) on a fully diluted basis.

### ARTICLE III TRANSFERS

Section 3.1 Transfer of Shares. Subject to Article VI, upon and following the Effective Date, no Shareholder shall Transfer its Shares, except (a) pursuant to the provisions of Section 3.2, (b) pursuant to a Transfer of not more than two percent (2%) of the outstanding Common Stock (on a fully diluted basis) to any transferee or (c) to a Permitted Transferee; provided that in no event shall any Transfer of Shares pursuant to Section 3.2 be made for any consideration other than cash payable upon consummation of such Transfer or in installments over time and no Shares may be pledged (except for a pledge of Shares by a transferee to secure indebtedness to the transferor thereof hereunder). In connection with any transfer pursuant to Section 3.2, no Shareholder shall consummate any Transfer until thirty (30) calendar days after delivery to the Company and the other Shareholders of such Shareholder's Sale Notice, unless the parties to the Transfer have been finally determined pursuant to this Article III prior to the expiration of such thirty (30) calendar day period.

Section 3.2 Co-Sale Rights. Subject to Section 3.1, upon and following the Effective Date, at least thirty (30) calendar days prior to any Transfer of Shares, the transferring Shareholder (the "Transferring Shareholder") shall deliver a written notice (the "Sale Notice") to the Company and the other Shareholders (the "Other Shareholders") specifying in reasonable detail the identity of the prospective transferee(s), the number of Shares to be Transferred and the terms and conditions of the Transfer. The Other Shareholders may elect to participate in such Transfer as sellers at the same price per share and on the same terms by delivering written notice to the Transferring Shareholder within thirty (30) calendar days after delivery of the Sale Notice. If any Other Shareholders have elected to participate in such Transfer, the Transferring Shareholder and such Other Shareholders shall be entitled to sell in the contemplated Transfer, at the same price and on the same terms, a number of Shares equal to the result of (a) an amount equal to (i) the percentage of Shares owned by such Person (including for these purposes, in the case of the holder of the Warrant, the Shares underlying the Warrant) divided by (ii) the aggregate percentage of Shares owned by the Transferring Shareholder and the Other Shareholders participating in such sale (including for these purposes, in the case of the holder of the Warrant, the Shares underlying the Warrant) multiplied by (b) the number of Shares to be sold in the contemplated Transfer.

Each Transferring Shareholder shall use reasonable best efforts to obtain the agreement of the prospective transferee(s) to the participation of the Other Shareholders in any contemplated Transfer, and no Transferring Shareholder shall Transfer any of its Shares to any prospective transferee if such prospective transferee(s) declines to allow the participation of the Other Shareholders. Each Shareholder transferring Shares pursuant to this Section 3.2 shall pay its pro rata share (based on the number of Shares to be Transferred) of the expenses incurred by the Company and the Transferring Shareholder in connection with such Transfer and shall be obligated to join on a pro rata basis (based on the number of Shares to be Transferred) in any

indemnification or other obligations that the Transferring Shareholder agrees to provide in connection with such transfer (other than any such obligations that relate specifically to a particular Shareholder, such as indemnification with respect to representations and warranties given by a Shareholder regarding such Shareholder's title to and ownership of Shares; provided that no holder shall be obligated in connection with such Transfer to agree to indemnify or hold harmless the prospective transferee(s) with respect to an amount in excess of the net cash proceeds paid to such holder in connection with such Transfer).

Section 3.3 Permitted Transfers. Subject to Article VI, the restrictions set forth in this Article III shall not apply with respect to any Transfer of Shares (a) by any Shareholder to or among its Affiliates, (b) by EGI-TRB to or among any EGI Transferee or (c) by EGI-TRB to or among any member of the Zell Family Group (collectively referred to herein as "Permitted Transferees"); provided that the restrictions contained in this Article III and Article VI shall continue to be applicable to such Shares after any such Transfer. Notwithstanding the foregoing, no Party hereto shall avoid the provisions of this Agreement by making one or more transfers to one or more Permitted Transferees and then disposing of all or any portion of such party's interest in any such Permitted Transferee.

Section 3.4 ESOP Provisions. Notwithstanding anything in this Agreement to the contrary, nothing in this Agreement shall be construed as a restriction upon the ESOP's ability to Transfer its Shares if such Transfer is required by the exercise of the Trustee's fiduciary duty to the ESOP and its participants.

Section 3.5 Transfers in Violation of Agreement. Any Transfer or attempted Transfer of any Shares in violation of any provision of this Agreement shall be void, and the Company shall not record such Transfer on its books or treat any purported transferee of such Shares as the owner of such shares for any purpose.

Section 3.6 Joinder. Upon and following the Effective Date, prior to Transferring any Shares (other than pursuant to a Qualified Public Offering or Sale of the Company) to any Person, the Transferring Shareholder shall cause the prospective transferee to be bound by this Agreement and to execute and deliver to the Company and the other Shareholders a joinder in the form of Exhibit A hereto (a "Joinder").

Section 3.7 Legend. Upon and following the Effective Date, each certificate evidencing Shares and each certificate issued in exchange for or upon the transfer of any Shares (if such shares remain Shares after such transfer) shall be stamped or otherwise imprinted with a legend in substantially the following form:

"The securities represented by this certificate are subject to an Investor Rights Agreement dated as of April 1, 2007, among the issuer of such securities (the "Company") and certain of the Company's shareholders, as amended and modified from time to time. A copy of such Investor Rights Agreement shall be furnished without charge by the Company to the holder hereof upon written request."

The Company shall imprint such legend on certificates evidencing Shares outstanding as of the date hereof. The legend set forth above shall be removed from the certificates evidencing any shares which cease to be Shares hereunder.

Section 3.8 Further Assurances. The parties hereto agree that, to the extent the exercise of any rights or the enforcement of any obligations of any party hereto requires the prior consent of the Federal Communications Commission to a transfer of control of the Company pursuant to law then in effect, the parties hereto shall cooperate fully in obtaining all necessary prior approval prior to the taking of any action that would constitute or be deemed to effect a transfer of control of the Company requiring such prior approval.

Section 3.9 Termination. Subject to Articles VI and IX, the restrictions on the Transfer of Shares set forth in this Article III shall terminate upon the earlier to occur and shall not be applicable to Transfers occurring as part of (a) a Qualified Public Offering and (b) a Sale of the Company.

#### **ARTICLE IV PRE-EMPTIVE RIGHTS**

Section 4.1 General. Subject to the terms and conditions specified in this Article IV, and applicable securities laws, the Company hereby grants to the Shareholders a right of first offer with respect to sales by the Company of its Shares following the Effective Date, as follows:

Section 4.2 Procedures. Following the Effective Date, each time the Company proposes to offer any Shares, the Company shall first make an offering of such Shares to each Shareholder in accordance with the following provisions:

(a) The Company shall deliver a written notice ("General Notice") to the Shareholders stating (i) its bona fide intention to offer such Shares, (ii) the number of such Shares to be offered and (iii) the price and terms upon which it proposes to offer such Shares.

(b) By written notification received by the Company within ten (10) calendar days after the giving of the General Notice, each Shareholder may elect to purchase, at the price and on the terms specified in the General Notice, up to that portion of such Shares that equals the proportion that the number of Shares then held by such Shareholder (including for these purposes, in the case of the holder of the Warrant, the Shares underlying the Warrant) bears to the total number of Shares then outstanding (including the Shares underlying the Warrant). The Company shall promptly, in writing, inform each Shareholder that elects to purchase all the Shares available to it (a "Fully-Exercising Shareholder") of any other Shareholder's failure to do likewise. During the ten (10) calendar day period commencing after such information is given, each Fully-Exercising Shareholder may elect to purchase up to that portion of the Shares for which Shareholders were entitled to subscribe, but which were not subscribed for by the Shareholders, that is equal to the proportion that the number of Shares then held by such Fully-Exercising Shareholder (including for these purposes, in the case of the holder of the Warrant, the Shares underlying the Warrant) bears to the total number of Shares then held by all Fully-Exercising Shareholders who wish to purchase some of the unsubscribed Shares (including for these purposes, in the case of the holder of the Warrant, the Shares underlying the Warrant).

(c) If all Shares that the Shareholders are entitled to obtain pursuant to Sections 4.2(a) and (b) are not elected to be obtained as provided in Sections 4.2(a) and (b) hereof, the Company may, subject to Article VI, during the ninety (90) calendar day period following the expiration of the period provided in Sections 4.2(a) and (b) hereof, offer the remaining unsubscribed portion of such Shares to any Person or Persons at a price not less than that, and upon terms no more favorable to the offeree than those, specified in the General Notice. If the Company does not enter into an agreement for the sale of the Shares within such period, or if such agreement is not consummated within ninety (90) calendar days of the execution thereof, the right provided hereunder shall be deemed to be revived and such Shares shall not be offered unless first reoffered to the Shareholders in accordance with this Section 4.2.

**Section 4.3 Limitations.** The rights provided in this Article IV shall not be applicable to Shares issued in any Excluded Transaction. In addition to the foregoing, the right of first offer in this Article IV shall not be applicable with respect to any Shareholder in any subsequent offering of Shares if (a) at the time of such offering, the Shareholder is not an "accredited investor," as that term is then defined in Rule 501(a) of the Securities Act of 1933, as amended, and (b) such offering of Shares is otherwise being offered only to accredited investors.

**Section 4.4 Additional Financing.** The Company shall use reasonable best efforts to lend to the ESOP under a note sufficient funds to permit the ESOP to exercise its preemptive rights in full pursuant to this Article IV (an "Additional Financing"); provided, however, that the Company shall have no obligation to provide the Additional Financing (a) if providing such Additional Financing would violate any covenant or other obligation in respect of then-outstanding indebtedness or (b) the Board reasonably determines that providing such Additional Financing would adversely affect in a material manner the Company's business plans and objectives, financial position or results of operations. The Company shall be deemed to have satisfied its obligations under this Section 4.4 if it shall have offered such Additional Financing on terms substantially similar to or more favorable than existing loan obligations between the Company and the ESOP.

**Section 4.5 Termination.** Subject to Article IX, the covenants set forth in this Article IV shall terminate upon the earlier to occur and shall not be applicable to Transfers occurring as part of (a) a Qualified Public Offering or (b) a Sale of the Company.

## **ARTICLE V RESTRICTIVE COVENANTS**

The Company hereby covenants and agrees that, from and after the Effective Date, it shall not, without the prior approval or prior written consent of a majority of the Board, which majority shall include a majority of the Independent Directors and one EGI-TRB Director, enter into any transaction, contract, agreement or arrangement to:

(a) amend, alter or repeal any provision of the Certificate of Incorporation or By-laws of the Company;

(b) create, or authorize the creation of, or issue or obligate itself to issue shares of, any additional class or series of capital stock other than shares issued and sold to the

ESOP at fair market value solely for purposes of maintaining its 51% equity ownership of the Company, on a fully diluted basis;

(c) liquidate, dissolve or wind-up the business and affairs of the Company, or consent to any of the foregoing;

(d) purchase or redeem (or permit any subsidiary to purchase or redeem) or pay or declare any dividend or make any distribution on, any shares of capital stock of the Company other than (i) repurchases of stock from former employees, officers, directors, consultants or other Persons who performed services for the Company or any subsidiary in connection with the cessation of such employment or service, (ii) dividends or distributions necessary to enable the ESOP to make all payments due under the terms of the ESOP Loan Agreement as they come due and (iii) repurchases of stock from the ESOP as required by the terms of the ESOP plan document;

(e) engage in transactions with Affiliates other than in their capacity as a stockholder, director, officer or employee of the Company, including any transaction, contract, agreement or arrangement between the ESOP and the Company, or any amendment or waiver thereof, other than this Agreement, the Merger Agreement, the ESOP Purchase Agreement, the ESOP Loan Agreement and the ESOP Pledge Agreement, and the transactions contemplated thereby;

(f) make, or permit any subsidiary to make, any loan or advance to, any subsidiary or other corporation, partnership or other entity unless it is wholly owned by the Company;

(g) make, or permit any subsidiary to make, any loan or advance to any Person, including, without limitation, any employee or director of the Company or any subsidiary, except (i) advances and similar expenditures in the ordinary course of business or under the terms of an employee stock or option plan approved by the Board, (ii) notes that may be issued by the Company to participants of the ESOP under the terms of the ESOP and (iii) financing provided to the ESOP pursuant to Section 4.4;

(h) guarantee, directly or indirectly, or permit any subsidiary to guarantee, directly or indirectly, any indebtedness except for trade accounts of the Company or any subsidiary arising in the ordinary course of business;

(i) incur any aggregate indebtedness in excess of \$250 million that is not already included in the Annual Budget approved by the Board, other than trade credit incurred in the ordinary course of business;

(j) acquire any assets or securities of any Person in a transaction resulting in payments by the Company in an aggregate amount in excess of \$250 million;

(k) sell, assign, license, pledge or encumber any assets of the Company for an amount in excess of \$250 million;

(l) enter into any corporate strategic relationship involving the payment, contribution, or assignment by the Company or to the Company of money or assets greater than \$250 million;

(m) change the fiscal year of the Company; or

(n) elect not to qualify, or continue to qualify as an S corporation.

## ARTICLE VI S CORPORATION COVENANTS

Section 6.1 Election of S Corporation Status. The Company and the Shareholders agree to take all actions necessary to enable and allow the Company to elect, and maintain an election, to be treated as an S corporation under the Code as soon as reasonably practicable following the Effective Date (but, in any event, not later than the first day of the Company's fiscal year immediately following the fiscal year in which the Effective Date occurs). The Company shall elect the calendar year as its fiscal year in connection with its election of S corporation status.

Section 6.2 Change of Shareholder Status. Neither the Company nor any Shareholder may cause or effect a change in the status of a Shareholder or related party that would cause (i) the Shareholder to become an ineligible S corporation holder, (ii) the Company to become ineligible for S corporation status or (iii) the S corporation status of the Company to terminate.

Section 6.3 Exercise of a Warrant. For so long as the Company maintains its status as an S corporation, no Shareholder may exercise a Warrant if, as a result of such exercise, the Company becomes ineligible for S corporation status.

Section 6.4 Shareholder Acknowledgment of S Corporation Status. Each Shareholder acknowledges that a termination of the Company's status as an S corporation by reason of a Transfer of Shares or the exercise of a Warrant in violation of this Article VI or a change of status pursuant to Section 6.2 may cause material adverse tax effects to the other Shareholders. For this reason, any Shareholder who contemplates a Transfer of Shares, an exercise of a Warrant or a change of status pursuant to Section 6.2 agrees to advise the Company at least thirty (30) days (or such shorter period as the Company may agree) in advance of any such Transfer, exercise or change of status, so that the Company may take action to preserve its status as an S corporation. Each Shareholder agrees that any such Transfer, exercise or change of status that causes the Company to become ineligible for S corporation status may and should be enjoined.

Section 6.5 Inadvertent Termination. If the Company's status as an S corporation is terminated inadvertently and the Company wishes to obtain a ruling under Section 1362(f), or a successor provision, of the Code, each Shareholder agrees to make any adjustments required pursuant to Section 1362(f)(4), or a successor provision, of the Code and approved by the Board. A Shareholder's obligation to make such adjustments shall continue after the Shareholder has ceased to own Shares in the Company and after this Agreement has terminated.

Section 6.6 Further Assurances. Each Shareholder agrees to take all actions necessary to enable and allow the Company to elect, and maintain an election, to be treated as an

S corporation under the Code, including, without limitation, consenting to the election pursuant to Section 1362 of the Code.

Section 6.7 Transfer Restrictions Relating to the Company's Status as an S corporation.

(a) Notwithstanding anything to the contrary in this Agreement, upon and after the Effective Date, no Shareholder may Transfer and no Person may acquire, the legal, economic or beneficial ownership of, or any other interest in, any Share if such Transfer or acquisition would cause the Company to become ineligible for S corporation status or would cause the S corporation status of the Company to terminate, as applicable, under the provisions of the Code as in effect at the time of the purported Transfer (as a result of the status of the proposed transferee, the number of shareholders of the Company, or otherwise).

(b) Notwithstanding anything to the contrary in this Agreement, upon and after the Effective Date, no Transfer of Shares shall be permitted, and no purported Transfer shall be effective, unless and until (i) the Shareholder desiring to Transfer Shares shall have provided the Company, within a reasonable time prior to the proposed Transfer, with a statement regarding the identity of the proposed transferee sufficient to satisfy the Company that the transferee is a person that is eligible to be a shareholder of an S corporation and the Transfer will not result in an increase in the number of Shareholders of the Company such that it destroys S corporation status, (ii) if the proposed transferee is a trust, (A) the Company has received, within a reasonable time prior to the proposed Transfer, copies of all relevant trust documents, (B) the Company has, at its option and at the sole expense of the Shareholder, obtained a private letter ruling from the Internal Revenue Service or an opinion of the Company's counsel or, to the extent the Company reasonably determines it to be necessary, of the Shareholder's counsel acceptable to the Company, providing, in form and substance acceptable to the Company, that the Transfer to the trust will not adversely affect the Company or any of its Shareholders under Subchapter S of the Code and (C) any persons treated as shareholders of the Company (as determined under Section 1361 of the Code) agree to be bound by the provisions of this Agreement as if they were a Shareholder and enter into such agreements and make such representations or warranties as the Company shall request in connection therewith, (iii) the Company has provided written notice to the Shareholder and the transferee that the requirements of clause (i) or (ii) above have been satisfactorily met and (iv) the transferee has executed a Joinder.

(c) Notwithstanding anything to the contrary in this Agreement, upon and after the Effective Date, any purported Transfer or acquisition of Shares in violation of any of the covenants and restrictions of this Article VI shall be null and void ab initio. The purported transferee shall have no interest in any of the Shares purported to be transferred, shall not be deemed a Shareholder, and shall not be entitled to receive a new stock certificate for Shares or any dividends or other distributions on or with respect to the Shares. Each Shareholder agrees that any such Transfer or acquisition may and should be enjoined.

(d) No more than twenty (20) members of the Zell Family Group may hold Shares at any given time. For purposes of this Section 6.7(d), all members of the Zell Family

Group that are treated as a single shareholder pursuant to Section 1361(c)(1) of the Code shall be treated as a single member of the Zell Family Group.

Section 6.8 Termination. This Article VI shall terminate and no longer apply if the Board determines that the Company shall not elect to qualify, or continue to qualify, as an S corporation.

## ARTICLE VII INFORMATION, INSPECTION AND VISITATION RIGHTS

Section 7.1 Information Rights. Upon and following the Effective Date, any Shareholder owning ten percent (10%) or more of the Company's outstanding Common Stock (including the Warrant) shall have the right to receive, and the Company shall provide, copies of the same financial reporting information that the Company shares with senior management and its Board. As soon as reasonably practicable, but in any event within thirty (30) calendar days of the end of each month, the Company shall provide unaudited revenue and expense information for each of the publishing and broadcasting & entertainment groups and all significant business units within each of those groups for the one-month prior and year-to-date periods then ended. As soon as reasonably practicable, but in any event within sixty (60) calendar days of the end of each quarter, the Company shall provide unaudited consolidated operating data, including, consolidated statements of income, consolidated summaries of cash flows and equity income/loss, select financial information for each of the publishing and broadcasting & entertainment groups and select capital expense and balance sheet data. As soon as reasonably practicable, but in any event within one hundred eighty (180) calendar days after the end of each fiscal year of the Company, the Company shall provide to each such Shareholder (i) an income statement for such year and the prior year, (ii) a balance sheet, as of the end of such year and the prior year, (iii) a statement of stockholders' equity, as of the end of such year and the prior year, and (iv) a statement of cash flows for such year and the prior year, such year-end financial reports to be in reasonable detail, prepared in accordance with general accepted accounting principles, and audited and certified by independent public accountants of nationally recognized standing selected by the Company. The Company shall also provide as soon as practicable, an annual budget and operating plan (the "Annual Budget") for the next fiscal year, prepared on a monthly basis, including balance sheets, income statements and statements of cash flows for such months and such other information relating to the financial condition, prospects, business or corporate affairs of the Company as management and the Board shall deem appropriate; provided, however, that the Company shall not be obligated under this Section 7.1 to provide information (A) that it reasonably considers to be a trade secret or similar confidential information (unless covered by an enforceable confidentiality agreement, in form acceptable to the Company) or (B) would adversely affect the attorney-client privilege between the Company and its counsel.

Section 7.2 Inspection and Visitation Rights. Upon and following the Effective Date, the Company shall permit each Shareholder owning ten percent (10%) or more of the Company's outstanding Common Stock (including the Warrant) and such Shareholder's accountants and counsel, at such Shareholder's expense, to visit and inspect the Company's properties, to examine its books of account and records and to discuss the Company's affairs, finances and accounts with its officers, all at such reasonable times as may be requested by such Shareholder;



provided, however, that the Company shall not be obligated pursuant to this Section 7.2 to provide access to any information (a) that it reasonably considers to be a trade secret or similar confidential information (unless covered by an enforceable confidentiality agreement, in form acceptable to the Company) or (b) would adversely affect the attorney-client privilege between the Company and its counsel.

Section 7.3 Termination. The obligations set forth in this Article VII shall terminate upon the earlier to occur and shall not be applicable to Transfers occurring as part of (a) a Qualified Public Offering or (b) a Sale of the Company.

## **ARTICLE VIII REPRESENTATIONS**

Section 8.1 Shareholder Representations. Each Shareholder individually represents and warrants as follows:

(a) No Other or Conflicting Arrangements. Except for this Agreement, a voting agreement in connection with the Merger, the Merger Agreement, the EGI Purchase Agreement and the ESOP Purchase Agreement, it has not entered into any other voting trust, buy-sell, shareholder or other agreement relating to the Shares, or any arrangement, understanding or restriction with respect to the voting of the Shares, and no proxy, power of attorney or other authorization has been granted relating to the Shares. Other than the Warrant Agreement, such Shareholder is not a party to any option, warrant, purchase right or other contract, commitment or arrangement that could require a disposition of any Shares or the Warrant by such Shareholder or a Transfer of Shares or the Warrant to any Person that would cause the S corporation status of the Company to terminate. Other than pursuant to this Agreement, the Warrant Agreement and the ESOP Pledge Agreement, there are no restrictions on rights of disposition or pledge, charge or other encumbrance or restriction pertaining to such Shareholder's Shares or the Warrant.

(b) Power and Authority. The Shareholder has all requisite power and authority to enter into this Agreement and to perform its obligations hereunder.

(c) Binding Effect. The Agreement has been duly executed and delivered by such Shareholder and is a valid and binding agreement of such Shareholder, enforceable against such Shareholder in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to creditors' rights generally and by equitable principles to which the remedies of specific performance and injunctive and similar forms of relief are subject.

Section 8.2 Company Representations. The Company represents and warrants as follows:

(a) Power and Authority. The Company has all requisite corporate power and authority to enter into this Agreement and to perform its obligations hereunder.

(b) Binding Effect. The Agreement has been duly executed and delivered by the Company and is a valid and binding agreement of the Company, enforceable against the

Company in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to creditors' rights generally and by equitable principles to which the remedies of specific performance and injunctive and similar forms of relief are subject.

## **ARTICLE IX TERMINATION**

Section 9.1 Automatic Termination. This Agreement shall be terminated if (i) at any time, there is only one Shareholder, (ii) a Qualified Public Offering shall be consummated, (iii) the Company shall be declared to be bankrupt under federal law, make an assignment for the benefit of creditors or otherwise be found insolvent, (iv) the Company shall dissolve or wind up its affairs or (v) the Merger Agreement is terminated in accordance with its terms.

Section 9.2 Optional Termination. This Agreement may be terminated at any time by the mutual written consent of the Parties hereto.

Section 9.3 Effect of Termination. From and after a termination in accordance with Section 9.1 or 9.2, this Agreement shall become null and void and of no further force and effect, except for Sections 10.2, 10.3, 10.8 and 10.13. The termination of this Agreement shall not affect any rights or obligations that shall have arisen or accrued prior the date of termination.

## **ARTICLE X MISCELLANEOUS**

Section 10.1 No Other Agreements; Notice. No Shareholder shall enter into any other voting, buy-sell, shareholder or other agreement relating to the Shares that conflicts in any way with this Agreement without the prior written consent of the other Shareholder or Shareholders.

Section 10.2 Confidentiality; Announcements. Except as contemplated by this Agreement or as may otherwise be required by law, the Parties shall keep the existence and terms of this Agreement confidential. A copy of this Agreement shall be filed with the Secretary of the Company and kept with the records of the Company.

Section 10.3 Specific Performance. The Parties hereby acknowledge and agree that the failure of any Party to perform its agreements and covenants hereunder shall cause irreparable injury to the other Parties for which damages, even if available, shall not be an adequate remedy. Accordingly, each Party hereby consents, in addition to and not in lieu of monetary damages and other relief, to the issuance of injunctive relief to compel performance of such Party's obligations and to the granting of the remedy of specific performance of its obligations hereunder.

Section 10.4 Notices. Any notice given pursuant to this Agreement shall be in writing and delivered personally, sent by reputable, overnight courier service (charges prepaid), sent by registered or certified mail, postage prepaid, or by facsimile, and addressed to the last known address of the Shareholder set forth on the books and records of the Company. Such notice shall be deemed to have been given and shall be effective: at the time delivered by hand, if personally delivered; one business day after being sent, if sent by reputable, overnight courier service; at the

time received, if sent by registered or certified mail; and at the time when confirmation of successful transmission is received by the sending facsimile machine, if sent by facsimile.

Section 10.5 Assignment; Third Party Beneficiaries. Except in connection with a Transfer of Shares permitted by this Agreement, neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the Parties hereto (whether by operation of law or otherwise) without the prior written consent of the other Parties. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of each of the Shareholders and their respective permitted successors and assigns. Notwithstanding anything contained in this Agreement to the contrary, nothing in this Agreement, express or implied, is intended or shall be construed to confer upon or give to any Person, other than the Parties to this Agreement and their respective successors and assigns, or other Persons who become bound by the terms of this Agreement, any rights or remedies under or by reason of this Agreement.

Section 10.6 Amendment; Waiver. This Agreement may be amended, modified, waived or altered only in a writing signed by the Parties hereto. The failure of a Party to insist upon the performance of any provision hereof shall not constitute a waiver of, or estoppel against, assertion of the right to require such performance, nor shall a waiver or estoppel in one case or instance imply a waiver or estoppel with respect to any other case or instance, whether of similar nature or otherwise.

Section 10.7 Descriptive Headings. The descriptive headings of this Agreement are inserted for convenience only and shall not constitute a part of this Agreement.

Section 10.8 Expenses. Each Party shall bear its own costs and expenses in connection with the negotiation, execution and performance of this Agreement.

Section 10.9 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of applicable law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the extent possible.

Section 10.10 Further Assurances. The Parties agree to cooperate fully in the execution, acknowledgment and delivery of all instruments, agreements and other papers and to take such other actions as may be necessary to further carry out and fully accomplish the intent and purposes of this Agreement, including, without limitation, any amendment of the Certificate of Incorporation or By-laws of the Company.

Section 10.11 Construction. The Parties have participated jointly in the negotiation and drafting of this Agreement. If any ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the

provisions of this Agreement. Wherever in this Agreement a singular word appears, it shall also include the plural wherever required by the context, and vice versa. Wherever in this Agreement a masculine, feminine or neutral pronoun appears, it shall also include each other gender wherever required by the context.

Section 10.12 Entire Agreement. This instrument contains the entire understanding and agreement among the Parties concerning the subject matter of this Agreement, and this Agreement supersedes all prior and contemporaneous understandings, agreements, covenants, negotiations and representations concerning the subject matter of this Agreement, whether written or oral.

Section 10.13 Governing Law. This Agreement and the rights of the Parties hereunder shall be governed by and interpreted in accordance with the laws of the State of Delaware, without giving effect to any laws or principles of conflicts of laws that would cause the laws of any other jurisdiction to apply.

Section 10.14 Counterparts; Facsimile. This Agreement and any amendments hereto may be executed in one or more counterparts, each of which shall be deemed an original and all such counterparts shall constitute one and the same instrument. Any executed counterpart delivered by facsimile or other means of electronic transmission shall be deemed an original for all purposes.

Section 10.15 Effectiveness as to the Company. This Agreement shall not become effective as to the Company unless and until the Effective Date shall have occurred.

**[SIGNATURE PAGE FOLLOWS]**

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date first written above.

**EGI-TRB, L.L.C.**

By: \_\_\_\_\_  
Name: Philip G. Tinkler  
Title: Vice President

**GREATBANC TRUST COMPANY, not in its individual or corporate capacity, but solely as ESOP Fiduciary of the TRIBUNE EMPLOYEE STOCK OWNERSHIP TRUST, which forms a part of the TRIBUNE EMPLOYEE STOCK OWNERSHIP PLAN**

By: \_\_\_\_\_  
Name: Marilyn H. Marchetti  
Title: Senior Vice President

**TRIBUNE COMPANY**

By: \_\_\_\_\_  
Name: Dennis J. FitzSimons  
Title: Chairman, President and Chief Executive Officer

## INVESTOR RIGHTS AGREEMENT

### Joinder

The undersigned is executing and delivering this Joinder pursuant to that certain Investor Rights Agreement, dated as of April 1, 2007 (as the same may be hereafter amended, the "Investor Rights Agreement"), by and among Tribune Company, a Delaware corporation (the "Company"), EGI-TRB, L.L.C., a Delaware limited liability company, and GreatBanc Trust Company, not in its individual or corporate capacity, but solely as trustee of the Tribune Employee Stock Ownership Trust, which forms a part of the Tribune Employee Stock Ownership Plan.

By executing and delivering this Joinder to the Company, the undersigned hereby agrees to become a party to, to be bound by, and to comply with the provisions of the Investor Rights Agreement in the same manner as if the undersigned were an original signatory to the Investor Rights Agreement.

Accordingly, the undersigned has executed and delivered this Joinder this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Signature  
Name:

[EXECUTION COPY]

**TRIBUNE EMPLOYEE STOCK OWNERSHIP PLAN**

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## **TRIBUNE EMPLOYEE STOCK OWNERSHIP PLAN**

### **SECTION 1**

#### **Background of Plan**

##### **1.1 History and Purpose**

Tribune Company, a Delaware corporation (the "*Company*") hereby establishes the Tribune Employee Stock Ownership Plan (the "*Plan*"), to enable eligible Employees to acquire stock ownership interests in the Company by investing primarily in Company Stock. The Plan is intended to be a qualified employee benefit plan under section 401(a) of the Code and an employee stock ownership plan within the meaning of section 4975(e)(7) of the Code, and all interpretations of the Plan shall be consistent with that intent. The Plan is intended to invest primarily in Company Stock, and is specifically permitted to invest up to 100% of its assets in Company Stock.

##### **1.2 Effective Date; Plan Year**

The Effective Date of the Plan is January 1, 2007 (the "*Effective Date*"). The Plan will be administered on the basis of a plan year (the "*Plan Year*") which shall be the 12-month period ending on December 31 of each year.

##### **1.3 Trustee; Trust Agreement**

Amounts contributed under the Plan are held and invested, until distributed, by the trustee (the "*Trustee*") appointed by the Company acting by its Board of Directors. The Trustee acts in accordance with the terms of a trust agreement between the Company and the Trustee, which trust agreement is known as the Tribune Employee Stock Ownership Trust (the "*Trust*"). The Trust implements and forms a part of the Plan. The provisions of and benefits under the Plan are subject to the terms and provisions of the Trust. In the event of any conflict between the Plan and the trust agreement, the terms of the trust agreement shall control.

##### **1.4 Plan Administration**

The Plan is administered by a committee appointed by the Board of Directors of the Company (the "*Administrator*") as described in Section 17.1. Any notice or document

required to be given to or filed with the Administrator will be properly given or filed if delivered or mailed, by registered or certified mail, postage prepaid, to the Administrator, in care of the Company at its corporate headquarters.

### **1.5 Employers**

Exhibit 1 lists the payroll codes and employee groups, and the corresponding employers, which are all Controlled Group Members, are Employers. Any other Controlled Group Member by resolution may adopt the Plan with respect to one or more employee groups with the Company's consent (acting through the Administrator). The Company and any such Controlled Group Members that adopt the Plan are referred to below collectively as the "*Employers*" and sometimes individually as an "*Employer*." A "*Controlled Group Member*" means any corporation that is a member of a controlled group of corporations with the Company (within the meaning of Section 409(l)(4) of the Code). A "*Related Company*" includes the Company and any corporation or other entity treated as being in a controlled group of corporations or under common control with the Company, within the meaning of Code Sections 414(b) and (c), or that is treated as being part of an affiliated service group that includes the Company within the meaning of Code Section 414(m), or that is otherwise aggregated with the Company pursuant to any regulations issued under Code Section 414(o).

## SECTION 2

### Eligibility and Participation

#### 2.1 Eligibility to Participate

- (a) Subject to the terms and conditions of the Plan, each Eligible Employee will become a "*Participant*" in the Plan on the first day of the pay period following the date on which the Employee first completes a Year of Service and has attained age 21. An "*Eligible Employee*" is an Employee:
- (i) who is not a member of a group or class of Employees of an Employer whose terms and conditions of employment are covered by a collective bargaining agreement, unless retirement benefits were not the subject of good faith bargaining between the Employer and a collective bargaining representative;
  - (ii) who is not a Leased Employee;
  - (iii) who is not a nonresident alien;
  - (iv) the terms and conditions of whose employment are not governed by an employment agreement that precludes his participation in the Plan;
  - (v) who does not perform services for an Employer as an employee of a personal service corporation, professional corporation or similar intervening corporate entity, regardless of whether the validity of that corporate entity is subsequently nullified by the Internal Revenue Service or any court; and
  - (vi) who is a member of a group of employees to which the Plan has been extended by his Employer (Exhibit 1 lists the groups of Employers to which the Plan is extended as of the Effective Date).
- (b) For all purposes of the Plan, an individual shall be an "*Employee*" of or be "employed" by a Related Company for any Plan Year only if such individual is treated as a common law employee by the Related Company for purposes of employment taxes and wage withholding for federal income taxes. If an individual is not considered to be an "Employee" of a Related Company in accordance with the preceding sentence for a Plan Year, a subsequent determination by the Related Company, any governmental agency or court that the individual is a

common law employee of the Related Company, even if such determination is applicable to prior years, will not have a retroactive effect for purposes of eligibility to participate in the Plan.

- (c) Any Participant who terminates employment but is reemployed by an Employer before incurring a One Year Break in Service shall continue to participate in the Plan in the same manner as if such termination had not occurred, effective as of the date of reemployment. Any Participant who terminates employment but is reemployed by an Employer after incurring a One Year Break in Service shall be treated as a new hire and participate in the Plan only after again satisfying the requirements of this Section.

## **2.2 Participation Not Guarantee of Employment**

Participation in the Plan does not constitute a guarantee or contract of employment and will not give any Employee the right to be retained in the employ of the Employers nor any right or claim to any benefit under the terms of the Plan unless such right or claim has specifically accrued under the terms of the Plan.

## **2.3 Leased Employees**

A "*Leased Employee*" means any person defined in Code Section 414(n), which includes any person who is not an Employee of an Employer, but who has provided services to an Employer, which services are performed under the primary direction or control of the Employer, on a substantially full-time basis for a period of at least one year, pursuant to an agreement between the Employer and a leasing organization. If a Leased Employee is subsequently employed by an Employer, the period during which a Leased Employee performs services for the Employer shall be taken into account for purposes of Section 3.1 of the Plan.

## **2.4 Military Service**

Notwithstanding any provision of this Plan to the contrary, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with Code Section 414(u). A Participant returning to employment after serving in the uniformed services is treated as not having incurred a One Year Break In Service (as defined in subsection 3.3) during the period of qualified military service. Each period of qualified military service is considered under the Plan to be service with the Employer for the purposes of:

- (a) determining the nonforfeitability of the Participant's Account balances, in accordance with the provisions of Section 10 of the Plan; and



(b) determining the Participant's benefit allocations under  
Section 4.

## **2.5 Omission of Eligible Employee**

If, in any Plan Year, any Employee who should be included as a Participant in the Plan is erroneously omitted, and discovery of such omission is not made until after a contribution by the Employer for the Plan Year has been made, the Employer shall make a subsequent contribution with respect to the omitted Employee in the amount which the Company would have contributed if he or she had not been omitted. Such contribution shall be made regardless of whether or not it is deductible in whole or in part in any taxable year under applicable provisions of the Code.

## **2.6 Inclusion of Ineligible Person**

If, in any Plan Year, any person who should not have been included as a Participant in the Plan is erroneously included, and discovery of such incorrect inclusion is not made until after a contribution by the Company for the year has been made, the Company shall not be entitled to recover the contribution made with respect to the ineligible person regardless of whether a deduction is allowable with respect to such contribution. In such event, the amount contributed with respect to the ineligible person shall constitute a Forfeiture for the Plan Year in which the discovery is made.

## SECTION 3

### Service & Compensation

#### 3.1 Years of Service

The term "*Years of Service*" means an Employee's or Participant's period of service with the Employer or Controlled Group Member determined in accordance with the following:

- (a) An Employee shall be credited with one "Year of Service" for eligibility purposes if he or she is employed with an Employer or Controlled Group Member for a period of 12 months following the date he or she first completes an Hour of Service and completes 1,000 Hours of Service during that period. If the Employee fails to do so, then he or she shall be credited with one "Year of Service" for eligibility purposes if he or she is employed by an Employer during the 12 months of a Plan Year and completes 1,000 Hours of Service during that period, beginning with the Plan Year including the first anniversary of the date on which the Employee first completes an Hour of Service for an Employer or Controlled Group Member.
- (b) For purposes of vesting under Section 10, a Participant will be credited with a Year of Service upon completing 1,000 Hours of Service during a Plan Year.
- (c) Years of Service shall include service performed prior to the Effective Date of the Plan and shall include service regardless of age.
- (d) If any former Participant is reemployed after a One Year Break in Service has occurred, Years of Service shall include Years of Service prior to his One Year Break in Service, subject to the following rules:
  - (i) If a former Participant has a One Year Break in Service, his pre-break and post-break service shall be used for computing Years of Service for eligibility and for vesting purposes only after he has been employed for one (1) Year of Service following the date of his reemployment with an Employer;
  - (ii) Any former Participant who under the Plan does not have a nonforfeitable right to any interest in the Plan resulting from Employer Contributions shall lose credits otherwise allowable under (i) above if his consecutive One Year Breaks in Service equal or exceed the greater of (A) five (5) or (B) the aggregate number of his pre-break Years of Service;

- (iii) After five (5) consecutive One Year Breaks in Service, a former Participant's vested balance of his Accounts attributable to pre-break service shall not be increased as a result of post-break service;
- (iv) If a former Participant who has not had his Years of Service before a One Year Break in Service disregarded pursuant to (ii) above completes one (1) Year of Service for eligibility purposes following his reemployment with an Employer, he shall participate in the Plan retroactively from his date of reemployment;
- (v) If a former Participant who has not had his Years of Service before a One Year Break in Service disregarded pursuant to (ii) above completes a Year of Service (a One Year Break in Service previously occurred, but employment had not terminated), he shall participate in the Plan retroactively from the first day of the Plan Year during which he completes one (1) Year of Service.

### **3.2 Hour of Service**

Subject to the following provisions of this Section, the term "*Hour of Service*" means, with respect to any Employee, (1) each hour for which the Employee is directly or indirectly paid or entitled to payment by an Employer for the performance of duties; (2) each hour for which the Employee is directly or indirectly paid or entitled to payment by an Employer for reasons other than the performance of duties (such as vacation, holiday, sickness, jury duty, disability, lay-off, military duty or leave of absence); and (3) each hour for which back pay, irrespective of mitigation of damages, has been either awarded or agreed to by an Employer. These hours will be credited to the Employee for the computation period or periods to which the award or agreement pertains rather than the computation period in which the award, agreement or payment is made. The same Hours of Service shall not be credit both under (1) or (2), as the case may be, and under (3). All Hours of Service shall be determined and credited in accordance with Department of Labor Reg. Sec. 2530.200b-2.

An Employee or Participant shall not be credited with more than 501 Hours of Service for any single continuous period during which he performs no duties for an Employer. Payments considered for purposes of the foregoing shall include payments unrelated to the length of the period during which no duties are performed but shall not include payments made solely as reimbursement for medically related expenses or solely for the purpose of complying with applicable workmen's compensation, unemployment compensation or disability insurance laws.

### **3.3 One Year Break in Service**

The term "*One Year Break in Service*" means any Plan Year during which an Employee or a Participant does not complete more than 500 Hours of Service.

To the extent necessary to avoid a One Year Break in Service and to the extent Hours of Service are not otherwise credited as provided in Section 3.2, an Employee or Participant shall be credited with up to 501 Hours of Service during a Plan Year on account of an absence during such Plan Year due to:

- (a) the pregnancy of the Employee or Participant;
- (b) the birth of a child of the Employee or Participant;
- (c) the placement of a child with the Employee or Participant in connection with the adoption of such child by such Employee or Participant; and
- (d) caring for such child for a period beginning immediately following such birth or placement.

### **3.4 Compensation**

Except as otherwise provided below, a Participant's "*Compensation*" for a Plan Year means the base salary, wages and commissions paid by his Employer for personal services, excluding the following: bonuses; overtime pay; shift differential amounts; deferred compensation; severance pay; accrued vacation pay paid in a lump sum after the Employee has terminated employment; incentive pay or incentive commissions; amounts attributable to the grant or exercise of stock options, the grant of restricted stock, the lapse of restrictions on restricted stock, or dividends paid on restricted stock; payments from or contributions to any employee benefit plan (except as specifically provided below); and special allowances (such as amounts paid to a Participant during an authorized leave of absence, moving expenses, car expenses, tuition reimbursement, meal allowances, the cost of excess group life insurance includible in taxable income, and similar items). Compensation shall be determined prior to reduction for any contributions made on behalf of the Participant to this Plan or to any plan which is qualified under Section 125, 132(f) or 401(k) of the Internal Revenue Code.

For a Participant's initial year of participation, Compensation shall be recognized only for the period he is a Participant.

In no event shall the amount of a Participant's Compensation taken into account for purposes of the Plan for any Plan Year exceed the dollar limitation in effect under Code Section 401(a)(17) (as that limitation is adjusted from time to time by the Secretary of the Treasury pursuant to Code Section 401(a)(17) and which is \$225,000 for the Plan Year commencing in 2007). If this period consists of fewer than 12 months, the annual compensation limit shall be an amount equal to the otherwise applicable annual compensation

limit multiplied by a fraction, the numerator of which is the number of months in the short determination period, and the denominator of which is 12.

## SECTION 4

### Employer Contributions

#### 4.1 Employer Contributions

(a) **Timing, Form and Amount.** Subject to the conditions and limitations of the Plan, the Company, in its sole discretion, may direct the Employers to make a contribution (the "*Employer Contribution*") to the Plan for any Plan Year. Any such Employer Contribution for a Plan Year shall be made in such amount, if any, as determined by the Company prior to the end of the Plan Year or within a reasonable period of time after the end of the Plan Year, provided, however, that the Company shall direct the Employer to make Employer Contributions at least in the amount which, when combined with Dividends which may lawfully be used to make payments on an Acquisition Loan, is sufficient to meet the Plan's obligations on all outstanding Acquisition Loans. Employer Contributions shall be made in cash or in Company Stock (in the discretion of the Company) as of the last day of the Plan Year. Employer Contributions may also be made in the form of forgiveness of any indebtedness owing by the Plan to an Employer, or by an Employer's payment of indebtedness owing by the Plan to any third party.

(b) **Allocation of Employer Contributions -- General Rule.** An "*Eligible Participant*" for a Plan Year is a Participant (1) who completes 1,000 Hours of Service during the Plan Year and who is actively employed by an Employer on the last day of the Plan Year, or (2) who terminated employment with the Related Companies due to retirement, disability, or death as described in Section 9.1(a), (b), or (c) during the Plan Year. Except as otherwise provided herein, Employer Contributions for a Plan Year shall be allocated to the ESOP Stock Account or ESOP Cash Account, as applicable, of each Eligible Participant in the proportion that such Eligible Participant's Compensation for the Plan Year bears to the total Compensation of all Eligible Participants for such Plan Year.

#### (c) Allocation of Employer Contributions -- Special Rules.

(1) If in any Plan Year, as a result of excluding from the allocation for such year Participants with less than 1,000 Hours of Service or who are not employed on the last day of the Plan Year as described in paragraph (b), the Plan would fail to qualify under section 401(a)(3) of the Code due to failure to comply with the "*Ratio Percentage Test*" described below, then for such Plan Year a number of Participants as determined in the following sentence shall be treated as Eligible Participants, to the extent necessary to satisfy such Ratio Percentage Test, and the allocation of Employer Contributions shall be recomputed accordingly. The number of such Participants who were not otherwise Eligible Participants who shall become Eligible Participants shall be the minimum number of Participants as are necessary to permit the Plan to satisfy the Ratio Percentage Test, and the specific Participants who shall become Eligible Participants under the terms of this paragraph shall be those Participants who were employed by an Employer on the last day of the Plan Year and who

completed the greatest number of Hours of Service in the Plan Year. If, after including all Participants described in the preceding sentence as Eligible Participants, the Plan still fails to satisfy the Ratio Percentage Test, then Participants who were not employed by an Employer on the last day of the Plan Year shall be included, in the order of those who completed the greatest number of Hours of Service during the Plan Year. In the event more than one Employee has completed a specific number of Hours of Service, all such Employees shall be Eligible Participants if any one of them would be so eligible. The plan shall be deemed to comply with the Ratio Percentage Test if the percentage of non-Highly Compensated Employees benefiting under the Plan for a Plan Year is at least 70% of the percentage of Highly Compensated Employees benefiting under the Plan. Employees who are nonresident aliens, who are under age 21, or who do not have a Year of Service for eligibility purposes, or who were not employed by an Employer on the last day of the Plan Year and who had less than 500 Hours of Service during the Plan Year shall be excluded from this computation. For this purpose, an Employee shall be considered to benefit under the Plan for a Plan Year if he or she receives an allocation of Employer Contributions for that Plan Year.

(2) If, for any Plan Year, it is necessary to rely on the special rules of Section 415(c)(6) of the Code to permit the Plan to comply with the limitations of Section 415 of the Code for that year, and more than one third of the Employer Contributions for such Plan Year would be allocated in accordance with this section to the accounts of Highly Compensated Employees, then the following procedure shall be utilized instead of the procedure in paragraph (b): (1) exactly one third of the Employer Contributions shall be allocated to the accounts of the Highly Compensated Employees who are Eligible Participants, pro rata on the basis of such Eligible Participants' Compensation for such Plan Year; (2) the remaining Employer Contributions shall be allocated to the accounts of the non-Highly Compensated Employees who are Eligible Participants, pro rata on the basis of such Eligible Participants' Compensation for such Plan Year.

**(d) No Participant Contributions.** No contributions, including rollover contributions, will be permitted by Employees or Participants.

#### **4.2 Due Date for Employer Contributions**

Any Employer Contributions for a Plan Year shall be due on the last day of the Plan Year and, if not paid by the end of that Plan Year, shall be payable to the Trustee as soon as practicable thereafter, without interest, but not later than the time prescribed by law for filing the Company's Federal income tax return for such Plan Year, including extensions thereof.

#### **4.3 Payment of Acquisition Loans**

For each Accounting Period during which an Acquisition Loan is outstanding, the Trustee shall use any Employer Contributions made for such Accounting Period pursuant to Section 4.1 to make principal and interest payments then due on the Acquisition Loan or

loans outstanding at the end of such Accounting Period. Each such payment by the Trustee will release shares of Company Stock from the Loan Suspense Account of the Trust. Except as provided in Section 7.6, Company Stock that is so released will be allocated to Participants' ESOP Stock Accounts as provided in Section 4.1. If no Acquisition Loan is outstanding at the end of an Accounting Period, the Trustee shall invest the contributions made for such Accounting Period as directed by the Administrator, in accordance with the provisions of Section 6.1.

**4.4 Individual Employer's Share of Employer Contributions; Limitations on Employers' Contributions**

The Company shall determine each Employer's share of Employer Contributions to be made pursuant to Section 4.1. The certificate of the Company as to the correctness of any amounts or calculations relating to the Employers' contributions under the Plan shall be conclusive on all persons.



## SECTION 5

### Company Stock; Acquisition Loans

#### 5.1 Company Stock

For purposes of the Plan, the term "*Company Stock*" shall mean common stock issued by a Controlled Group Member that is readily tradable on an established securities market; provided, however, if no Controlled Group Member's common stock is readily tradable on an established securities market, the term "*Company Stock*" shall mean common stock issued by a Controlled Group Member having a combination of voting power and Dividend rights equal to or in excess of: (a) that class of common stock of the Controlled Group Members having the greatest voting power and (b) that class of common stock of the Controlled Group Members having the greatest Dividend rights. Non-callable preferred stock shall be treated as Company Stock for purposes of the Plan if such stock is convertible at any time into stock that is readily tradable on an established securities market (or, if applicable, that meets the requirements of (a) and (b) next above) and if such conversion is at a conversion price that, as of the date of the acquisition by the Plan, is reasonable. For purposes of the immediately preceding sentence, preferred stock shall be treated as non-callable if, after the call, there will be a reasonable opportunity for a conversion that meets the requirements of the immediately preceding sentence. Company Stock shall be held under the Trust only if such stock satisfies the requirements of Section 407(d)(5) of ERISA.

#### 5.2 Acquisition Loans

An "*Acquisition Loan*" means the issuance of notes, a series of notes or other installment obligations incurred by the Trustee, in accordance with the Trust, in connection with the purchase of Company Stock. The term "*Financed Shares*" means shares of Company Stock acquired by the Trustee with the proceeds of an Acquisition Loan. The terms of each Acquisition Loan shall meet the applicable requirements of Treasury Regulations Section 54.4975-7(b), including the requirements: (a) that the loan bear a reasonable rate of interest, be for a definite period (rather than payable on demand), and be without recourse against the Plan, and (b) that the only assets of the Plan that may be given as collateral are Financed Shares purchased with the proceeds of that loan or with the proceeds of a prior Acquisition Loan.

## SECTION 6

### Investment of Employer Contributions

#### 6.1 ESOP Stock Account Investments in Company Stock

Employer Contributions that are used to repay an Acquisition Loan shall be invested in Company Stock through the release of Financed Shares and the crediting of such shares to Participants' Accounts (as described in Sections 7.4, 7.5 and 7.6). If an Acquisition Loan is not outstanding, the Administrator may direct the Trustee to invest the Employer Contributions in Company Stock.

#### 6.2 Diversification of Investments in Company Stock

Pursuant to rules established by the Administrator, Active Participants may elect to diversify portions of their ESOP Stock Accounts, subject to the following:

- (a) Each Active Participant who has attained age 55 years and has at least ten years of participation in the Plan (a "*Qualified Participant*") may elect during each of the Participant's Qualified Election Periods to diversify up to twenty-five percent (fifty percent in the case of the Participant's last Qualified Election Period) of the number of shares of Company Stock in the Qualified Participant's ESOP Stock Account eligible for diversification (as described in paragraph (b) next below), by receiving a cash distribution of the applicable amount.
- (b) The portion of a Qualified Participant's ESOP Stock Account balance subject to diversification shall equal twenty-five percent (fifty percent in the case of the Qualified Participant's last year of the Qualified Election Period) of the total number of shares of Company Stock allocated to the Participant's ESOP Stock Account (including shares that the Participant previously elected to diversify pursuant to this Section), less the number of such shares previously diversified pursuant to the Qualified Participant's election under this Section.
- (c) For purposes of this Section, a "*Qualified Election Period*" means: (i) the ninety-day period immediately following the last day of the first Plan Year in which the Participant becomes a Qualified Participant, and (ii) the ninety-day period immediately following the last day of each of the five Plan Years immediately following the first Plan Year in which the Participant becomes a Qualified Participant. Any election made in accordance with the provisions of paragraph (a) next above with respect to any Qualified Election Period shall be given effect within ninety days after the end of that Qualified Election Period.

- (d) The provisions of this Section shall not apply to any Participant if the value of the Participant's ESOP Stock Account (determined as of the regular Accounting Date immediately preceding the first day on which the Participant would otherwise be entitled to make an election under this Section) is \$500 or less.

## SECTION 7

### Accounting

#### 7.1 Participants' Accounts

The Administrator shall maintain or cause to be maintained under the Plan the following accounts in the name of each Participant (to the extent applicable):

- (a) **ESOP Stock Account.** An "*ESOP Stock Account*" to reflect shares of Company Stock allocated to such Participant.
- (b) **ESOP Cash Account.** An "*ESOP Cash Account*" to reflect assets other than Company Stock allocated to such Participant.

In addition to the accounts described above, the Administrator may maintain such other accounts and subaccounts in the names of Participants or otherwise as the Administrator may consider necessary or advisable. Collectively, all accounts and subaccounts maintained for a Participant are referred to as the Participant's "*Accounts*."

The Administrator may establish such nondiscriminatory rules and procedures relating to the maintenance, adjustment and liquidation of Participants' Accounts as the Administrator may consider necessary or advisable.

#### 7.2 Loan Suspense Account

The Administrator shall maintain or cause to be maintained in the Trust a "*Loan Suspense Account*" to reflect the Financed Shares acquired by the Trustee with the proceeds of an Acquisition Loan, if any, prior to the transfer of such Financed Shares to the Participants' ESOP Stock Accounts, any Dividends attributable to such shares or transferred to the Loan Suspense Account pursuant to Section 7.5, and any Investment Income attributable to such Dividends.

#### 7.3 Accounting Dates; Special Accounting Dates; Accounting Period

The last day of each Plan Year shall be the "*Accounting Date*." Participants' Accounts shall be adjusted on the Accounting Date. A "*Special Accounting Date*" is any date designated as such by the Administrator or a Special Accounting Date occurring under Section 16.3. The term "Accounting Date" includes an annual Accounting Date and a Special Accounting Date. Any references to an "*Accounting Period*" ending on an Accounting Date shall mean the period since the next preceding regular Accounting Date.

#### **7.4 Transfer of Shares From Loan Suspense Account to Participants' ESOP Stock Accounts**

At the direction of the Administrator, the Trustee shall use the following to repay an Acquisition Loan:

- (a) Employer Contributions under Section 4.1 and any investment income attributable to such contributions; and
- (b) Cash Dividends paid on shares of Company Stock, as provided in Sections 7.5 and 7.6, and any investment income attributable to such Dividends.

The repayment of an Acquisition Loan shall cause a release of shares of Company Stock from the Loan Suspense Account to the Participants' ESOP Stock Accounts in accordance with Sections 7.5 and 7.6 as of each applicable Accounting Date. The number of shares to be released shall be determined by multiplying the number of shares in the Loan Suspense Account by a fraction, the numerator of which is the principal and interest payments during the applicable Accounting Period and the denominator of which is the sum of the numerator plus the total projected principal and interest payments during the remainder of the term of the Acquisition Loan.

#### **7.5 Adjustment of Participants' Accounts**

Participants' Accounts shall be adjusted as follows:

- (a) **Repayments of Acquisition Loans and Purchases of Company Stock.** For each Accounting Period, Financed Shares that are released from the Loan Suspense Account in accordance with Section 7.4 as a result of the use of Employer Contributions to make payments on an Acquisition Loan shall be credited to the Participants' ESOP Stock Accounts in accordance with the provisions of Section 4.1(b). For each Accounting Period, Employer Contributions in cash shall be credited as of the applicable Accounting Date to the Participants' ESOP Cash Accounts as in accordance with the provisions of Section 4.1. Upon the purchase of Company Stock with such cash, an appropriate number of shares of Company Stock shall be credited to the Participant's ESOP Stock Account, as appropriate, and the Participant's ESOP Cash Account shall be charged by the amount of the cash used to buy such Company Stock. At all times cash in Participants' ESOP Cash Account may be used to purchase Company Stock from any source.
- (b) **Dividends.** The term "*Dividend*" shall include both dividends as described in Code Section 316 and all distributions made with respect to the shares of stock of an S corporation. Subject to the provisions of

Section 7.6, cash Dividends on shares of Company Stock in the Loan Suspense Account shall be used to repay the outstanding Acquisition Loan incurred in connection with the acquisition of such shares, and the released shares shall be credited to the Participants' ESOP Stock Accounts, in accordance with the provisions of Section 7.6. Subject to the provisions of Section 7.6, the Administrator shall credit to the Participants' ESOP Cash Accounts any cash Dividends paid to the Trustee on shares of Company Stock held in the Participants' ESOP Stock Accounts as of the record date. Such cash Dividends credited to the Participants' ESOP Cash Accounts may, to the extent permitted by law, be applied to the repayment of the Acquisition Loan incurred in connection with the acquisition of such shares, or, as determined in the discretion of the Administrator, be used to purchase shares of Company Stock, or be paid to the Participants as described in Section 7.6(c). The Administrator shall credit an appropriate number of shares of Company Stock to the ESOP Stock Account of such Participant, and the Participant's ESOP Cash Account shall then be charged by the amount of cash used to repay an Acquisition Loan or used to purchase such Company Stock for the Participant's ESOP Stock Account.

- (c) **Employer Contributions in Shares of Company Stock.** For any Accounting Period in which the Employer Contributions are made in the form of shares of Company Stock, such stock shall be credited to the Participants' ESOP Stock Accounts, as of the applicable Accounting Date, in accordance with the applicable provisions of Section 4.1(b).
- (d) **Forfeitures.** As of each Accounting Date, any amounts which have been deemed Forfeitures pursuant to subsection 10.3 since the immediately prior Accounting Date shall be allocated to the Participants' ESOP Stock Accounts and ESOP Cash Accounts, as applicable, pursuant to the allocation formula provided in subsection 4.1(b). The terminated Participants' Accounts from which such amounts are deemed Forfeitures shall be charged accordingly.
- (e) **Distributions.** As of each Accounting Date, any amounts which have been distributed to Participants or their Beneficiaries shall be charged against the applicable Accounts of such Participants and Beneficiaries.
- (f) **Appreciation, Depreciation, Etc.** As of each Accounting Date, before the allocation of any Employer Contributions under Section 4.1, any appreciation, depreciation, income, gains or losses in the fair market value of the Participants' ESOP Cash Accounts shall be allocated among and credited to the ESOP Cash Accounts of Participants, pro rata, according to the balance of each ESOP Cash Account as of the

immediately preceding Accounting Date, reduced in each case by the amount of any charge to such ESOP Cash Account since the next preceding Accounting Date. Any gain or loss realized by the Trustee on the sale of Company Stock credited the Participants' ESOP Stock Accounts will be allocated to the Participants' ESOP Cash Accounts, pro rata, according to the balance of Participants' ESOP Stock Accounts, as of the next preceding Accounting Date. Dividends paid on Company Stock during a Plan Year will be allocated prior to the allocation of Employer Contributions for that Plan Year.

#### **7.6 Dividends on Company Stock**

The following shall apply with respect to Dividends on Company Stock:

- (a) **Dividends Credited to ESOP Cash Accounts.** Any cash Dividends paid with respect to shares of Company Stock allocated to Participants' ESOP Stock Accounts or held in the Loan Suspense Account may, as determined by the Administrator, be allocated among and credited to Participants' ESOP Cash Accounts in accordance with Section 7.5(b).
- (b) **Dividends Used to Repay Acquisition Loan.** To the extent permitted by applicable law, any cash Dividends paid with respect to Financed Shares allocated to Participants' ESOP Stock Accounts or held in the Loan Suspense Account may (as required by applicable Acquisition Loan documentation or, if not so required, as determined in the sole discretion of the Administrator) be used to make payments on an outstanding Acquisition Loan incurred in connection with the acquisition of such shares, or to purchase additional shares of Company Stock. Financed Shares released from the Loan Suspense Account by reason of Dividends paid with respect to such Company Stock shall be allocated to Participants' ESOP Accounts as follows:
  - (i) First, Financed Shares with a fair market value (determined as of the valuation coincident with or immediately preceding the Dividend declaration date) equal to the Dividends paid with respect to the Company Stock allocated to Participants' ESOP Stock Accounts shall be allocated among and credited to the ESOP Stock Accounts of such Participants, pro rata, according to the number of shares of Company Stock held in such accounts on the Dividend declaration date; and
  - (ii) Next, any remaining Financed Shares released from the Loan Suspense Account shall be allocated among and credited in accordance with Section 4.1 to the Participants' ESOP Stock Accounts, as applicable.

## **7.7 Investment of Cash in Trust**

At the direction of the Administrator, cash held in the Loan Suspense Account or Participants' ESOP Cash Accounts under the Trust will be invested by the Trustee, to the extent practicable, in short term securities or cash equivalents having ready marketability, mutual funds or in any other investment vehicle permitted under the terms of the Trust agreement. Investment Income resulting from such investments shall be credited to the account to which it pertains. The term "*Investment Income*" means income resulting from the temporary investment of Employer Contributions in cash, cash Dividends and any other amounts.

## **7.8 Fair Market Value of Company Stock**

For purposes of the Plan and Trust, the fair market value of Company Stock that is not readily tradable on an established securities market shall be determined, as of the last day of each Plan Year, by the Trustee after consultation with an independent appraiser, as defined in Section 401(a)(28)(C) of the Code, in accordance with the terms of the Trust and the provisions of Section 3(18) of ERISA.

## **7.9 Stock Dividends, Stock Splits and Capital Reorganizations Affecting ESOP Shares**

Shares of Company Stock received by the Trustee that are attributable to stock dividends, stock splits or to any reorganization or recapitalization of the Company shall be credited to the Loan Suspense Account, if attributable to shares held in that account, or shall be credited to the Participants' ESOP Stock Accounts if attributable to shares held in such Accounts, so that the interests of Participants immediately after any such stock dividend, split, reorganization or recapitalization are the same as such interests immediately before such event.

For any period in which the Company is an S-corporation, no allocation of Company Stock (or other assets in lieu of such Stock) may be made to any "*Disqualified Person*" (as defined below) during any "*Nonallocation Year*" (as defined below) or if such allocation would result in a Nonallocation Year.

For purposes of this Section, the following definitions shall apply:

(1) A "Nonallocation Year" shall mean a Plan Year during which, at any time, more than 50% of the outstanding stock of the Company is held by Disqualified Persons. Synthetic Equity held by Disqualified Persons (but not by others) and all other Deemed-Owned Shares held by a Disqualified Person shall be included in the determination of whether there is a Nonallocation Year. The ownership attribution rules of Code Section 318(a) shall apply for this purpose, except that the family members as described in Code Section 318(a)(1) shall include all of (1) the person's spouse, (2) the ancestors and lineal descendants of the person and the person's spouse, (3) siblings of the person and the person's



spouse, and lineal descendants of such siblings, and (4) the spouse of any person described in (2) or (3).

(2) A "Disqualified Person" shall mean any person if (1) the aggregate number of Deemed-Owned Shares of such person and members of such person's family (as described in preceding paragraph) exceeds 20% of all of the Deemed-Owned Shares of the Company, or (2) the aggregate number of Deemed-Owned Shares of such person exceeds 10% of the Deemed-Owned Shares of the Company.

(3) "*Deemed-Owned Shares*" shall mean (1) shares of Company Stock allocated to a person's Account; plus (2) a proportion of all of the unallocated shares of Company Stock held under the Plan equal to the proportion of Company Stock allocated to the person during the preceding Plan Year; plus (3) Synthetic Equity held by such person.

(4) "*Synthetic Equity*" shall mean any stock option, warrant, restricted stock, deferred issuance stock right, or similar right to acquire stock from the Company in the future. Synthetic Equity shall also include the value at any time of any stock appreciation right, phantom stock unit, or similar right to a future cash payment based on the value (or appreciation in value) of Company Stock, divided by the most recently determined fair market value of a share of Company Stock. The amount of nonqualified deferred compensation that a person is entitled to receive shall also be treated as a number of shares of Synthetic Equity equal to the value of the deferred compensation (determined as of the last day of each Plan Year) divided by the fair market value per share of Company Stock as of such date. The number of Synthetic Equity shares owned by a person for purposes of determining whether the person is a Disqualified Person or whether a Nonallocation Year has occurred shall be multiplied by a fraction, the numerator of which is the number of shares of outstanding stock of the Company held by the Trust (and any other tax-exempt entity), and the denominator of which is all outstanding shares of stock of the Company.

To the extent necessary to avoid a Nonallocation Year and to prevent a violation of Code Section 409(p), the Administrator may take either of the following actions as it determines in a uniform and nondiscriminatory manner:

(i) Company Stock in an amount sufficient to prevent a Nonallocation Year shall remain a part of the Plan but shall be deemed to be held by a separate profit sharing plan and not governed by the ESOP features of the Plan; provided however, that any applicable non-lapse provisions of the ESOP features shall apply to such reclassified contributions; or

(ii) To the extent permitted by law, the Administrator may adjust the mix of assets in Participants' Accounts to prevent the occurrence of a Nonallocation Year, by removing Company Stock from the accounts of Disqualified Persons and replacing it with other assets of identical value taken from the Accounts of Active Participants who are not Disqualified Persons, subject to the requirements that: (i) no such action may diminish the overall value of any Participant's Accounts, (ii) each Participant shall continue to have the

right to receive distribution of his entire Account balance in the form of Company Stock to the extent otherwise permitted hereunder, and (iii) the Accounts of each Active Participant who is not a Disqualified Person shall be adjusted in the same proportionate manner as the Accounts of all other Active Participants who are not Disqualified Persons.

The Plan intends to comply with Code Section 409(p) and the terms and operation of this Section shall be interpreted in a manner consistent with Code Section 409(p) and Treas. Reg. Section 1.409(p)-1T.

#### **7.10 Allocation of Proceeds from Sale or Liquidation**

- (a) Proceeds with respect to Company Stock allocated to Participants' ESOP Stock Accounts as a result of sale or redemption of Company Stock or of distributions from liquidation of the Company resulting from sale or other disposition of substantially all of the Company's assets shall be allocated in the Plan Year in which such proceeds are received by the Trust.
- (b) Proceeds with respect to Company Stock held in the Loan Suspense Account as a result of sale or redemption of Company Stock or of distributions from liquidation of the Company resulting from sale or other disposition of substantially all of the Company's assets shall be first applied to repayment of any outstanding Acquisition Loan with respect to such Company Stock in the Plan Year in which such proceeds are received by the Trust, any remaining proceeds shall be allocated in the Plan Year received by the Trust to the Participants' Accounts pro rata based on the Participant's ESOP Stock Account balances.

## SECTION 8

### Contribution and Benefit Limitations

#### 8.1 Contribution Limitations

The Annual Addition to a Participant's Accounts for a Limitation Year shall not exceed the lesser of the amount specified under Section 415(c)(1)(A) of the Code, as adjusted from time to time pursuant to Section 415(d)(1)(C) of the Code, which amount is \$45,000 for the Plan Year ending in 2007, or one hundred percent of the Participant's Compensation for that Limitation Year.

##### (a) Definitions

The term "*Limitation Year*" means the Plan Year.

The term "*Annual Addition*" for any Limitation Year means the total amount of Employer Contributions, voluntary Employee contributions and forfeitures allocated to the Accounts of a Participant under this Plan and any Related Defined Contribution Plan for a Plan Year, except that if no more than one-third of the Employer Contributions which are deductible under Code section 404(a)(9) are allocated to the Accounts of Highly Compensated Employees during the Plan Year, then any Employer Contributions which are applied by the Trustee to pay interest on an Acquisition Loan, and any Financed Shares which are allocated as Forfeitures, shall not be included in computing Annual Additions. In the event that Employer Contributions are applied to the repayment of an Acquisition Loan and shares of Company Stock are released from the Loan Suspense Account and allocated to the Participants' ESOP Stock Accounts, each Participant's Annual Addition for a Limitation Year based on the allocated shares of Company Stock shall be calculated as the lesser of: (i) the amount of such Employer Contributions credited to the Participant's Accounts, as adjusted by the preceding sentence, or (ii) the fair market value of shares of Company Stock credited to the Participant's Accounts resulting from the application of such Employer Contributions to the repayment of the Acquisition Loan.

The term "*Related Defined Contribution Plan*" means any defined contribution plan (as defined in section 414(i) of the Code) maintained by the Company or a Related Company.

- (b) **Corrections.** If it is anticipated that a Participant's Annual Addition will exceed the limitations of this Section, the Administrator shall reduce such Participant's Annual Addition to the extent necessary to meet the above limitations. If any Employer Contributions cannot be allocated to any Participant's Accounts by reason of this limitation, the Administrator shall,

first, in a Related Defined Contribution Plan, return salary reduction contributions made by the Participant and reduce other employer contributions made for the Participant. If after the return of all salary reduction contributions and the reduction of employer contributions in a Related Defined Contribution Plan, any Employer Contributions hereunder still cannot be allocated to a Participant's Accounts, the Administrator shall credit such Employer Contributions to a "suspense account" pursuant to the authority and regulations of Treasury Regulation Section 1.415-6(b)(6), to the extent permitted thereby.

## **8.2 Combining of Plans**

In applying the limitations set forth in Section 8.1, reference to this Plan shall mean this Plan and all other defined contribution plans (whether or not terminated) ever maintained by the Related Companies. It is intended that in complying with the requirements of Section 8.2, a Participant's benefits under this Plan shall be limited after the Participant's benefits under any other defined contribution plan maintained by the Employers are limited.

## **8.3 Highly Compensated Employee**

With respect to any Plan Year, a "*Highly Compensated Employee*" means an eligible Employee who is a highly compensated employee as defined in Section 414(q) of the Code, which includes any Employee who:

- (a) was at any time a 5 percent owner (as defined in Section 416(i) of the Code) of any Employer or any Related Company during the Plan Year or the preceding Plan Year; or
- (b) for the preceding Plan Year received compensation from an Employer or any Related Company in excess of the amount specified in Section 414(q)(1)(B)(i) of the Code, as adjusted pursuant to Section 414(q)(1) of the Code, which amount is \$100,000 for the Plan Year ending in 2007, and was in the top 20 percent of Employees when ranked on the basis of Compensation paid for such preceding year.

A former Employee will be considered a Highly Compensated Employee if such former Employee was a Highly Compensated Employee either when he separated from service with the Employers, or at any time after he attained age 55. The determination of whether an Employee is a Highly Compensated Employee will be made with reference to the definitions provided in Section 414(q) of the Code and any regulations issued by the Secretary of the Treasury thereunder (including any cost-of-living adjustments to the dollar figure above). For purposes of this Section, an Employee's compensation for a Plan Year shall be the wages paid to the Employee within the meaning of section 3401(a) of the Code and all other payments of compensation to the Employee by an Employer for which the Employer is required to furnish the Participant a written statement, as described in Treas. Reg. § 1.415-

2(d)(11)(i), but including the Employee's elective deferral contributions made pursuant to Sections 125, 132(f)(4) and 401(k) of the Code (including income deferral contributions, if any) made under this Plan).

## SECTION 9

### Period of Participation

#### 9.1 Settlement Date

A Participant's "*Settlement Date*" will be the date on which his employment with the Related Companies is terminated because of the first to occur of the following events:

- (a) **Normal Retirement.** The Participant retires or is retired from the employ of the Employers and the Related Companies on or after the date on which he attains age 65 ("*Normal Retirement Age*"). A Participant's right to the balances in his Accounts shall be non-forfeitable on or after the date he attains Normal Retirement Age.
- (b) **Disability Retirement.** The Participant is retired on account of total and permanent disability when the Administrator determines a physical or mental condition of a Participant resulting from bodily injury, disease or mental disorder which renders the Participant incapable of continuing any gainful occupation. This determination will be made in a nondiscriminatory manner to all Participants. A Participant's right to the balances in his Accounts shall be nonforfeitable on or after the date he retires due to disability.
- (c) **Death.** The Participant's death.
- (d) **Resignation or Dismissal.** The Participant resigns or is dismissed from the employ of the Employers and the related companies before retirement in accordance with paragraph (a) or (b) next above.

If a Participant is transferred from employment with an Employer to employment with a Related Company that is not an Employer, then for purposes of determining when the Participant's Settlement Date occurs under this Section, the Participant's employment with such Related Company (or any Related Company to which the Participant is subsequently transferred) shall be considered as employment with the Employers.

## SECTION 10

### Vesting in Benefits; Forfeitures; Reinstatements

#### 10.1 Fully Vested Benefits

If a Participant's employment with an Employer or a Related Company is terminated because the Participant retires, becomes disabled, or dies, under Sections 9.1(a), (b) or (c), respectively, the balances in all of his Accounts as at the Accounting Date coincident with or next following his Settlement Date (after all adjustments required under the Plan as of that date have been made) shall be non-forfeitable and shall be distributable to him, or in the event of his death to his Beneficiary, under Section 11.1.

#### 10.2 Partially Vested Benefits

If a Participant resigns or is dismissed from the employ of an Employer or a Related Company under Section 9.1(d), the balances in his ESOP Cash Account and ESOP Stock Account as of the Accounting Date coincident with or next following his Settlement Date (after all adjustments required under the Plan as of that date have been made) will each be reduced to a vested percentage thereof computed in accordance with the following schedule:

<u>If the Participant's Number of Years of Service Is:</u>	<u>The Vested Percentage of His Account Will Be:</u>
Less than 2 years	0%
2 years but less than 3 years	20%
3 years but less than 4 years	40%
4 years but less than 5 years	60%
5 years but less than 6 years	80%
6 years or more	100%

The resulting balances in his ESOP Cash Account and ESOP Stock Account will be distributable to the Participant in the time and manner provided in Sections 11.1 and 11.4.

#### 10.3 Forfeitures

Except as provided in Section 10.4, the portion of a Participant's Accounts that is not distributable to him on his Settlement Date by reason of the provisions of Section 10.2 shall become a "*Forfeiture*" on the last day of the Plan Year in which such Participant has incurred five consecutive One Year Breaks in Service. The amount deemed as Forfeitures will be reallocated for such Plan Year in accordance with the provisions of Section 4.1(b). Assets in the Participant's Accounts other than Financed Shares will be forfeited before Financed Shares are forfeited.

#### **10.4 Reinstatement**

If a Participant who is not 100% vested terminates employment with the Employers and then returns to employment with an Employer prior to receiving any distribution of his Accounts and prior to incurring five consecutive One Year Breaks in Service, his Accounts shall cease to be subject to forfeiture arising from his earlier termination of employment.

If a Participant who is not 100% vested terminates employment with the Employers and receives a distribution of any portion of his Accounts prior to the occurrence of five consecutive One Year Breaks in Service, and is reemployed by an Employer prior to the occurrence of five consecutive One Year Breaks in Service, the portion of his Accounts which was not vested shall be maintained separately until he becomes 100% vested. His vested and nonforfeitable percentage in such separate Accounts upon his subsequent termination of Service shall be equal to:

$$\frac{X-Y}{100\%-Y}$$

For purposes of applying this formula, X is the vested percentage at the time of the subsequent termination, and Y is the vested percentage at the time of the prior termination.



## **SECTION 11**

### **Distributions Following Settlement Date**

#### **11.1 Manner of Distribution**

Distribution will be made in the form of whole and/or fractional shares of Company Stock, but the value of any fractional shares of Company Stock may be distributed in cash. However, if the Company's charter or bylaws restrict ownership of substantially all of the outstanding Company Stock to Employees and the Trust, or if the Company has elected to be taxed as an "S corporation," the Participant's Accounts will be distributed in cash, or if the Administrator elects, shares of Company Stock subject to a requirement that they be sold to the Company immediately upon distribution in the manner described in Section 12.2. If the Company is an S corporation, the Administrator may deny distribution in the form of Company Stock to any person who elects direct rollover of such a distribution as described in Section 11.5.

Subject to the conditions set forth below, distribution of the balances in a Participant's ESOP Cash Account and ESOP Stock Account will be made to, or for the benefit of, the Participant or, in the case of the Participant's death, to or for the benefit of the Participant's Beneficiary, as directed by the Administrator in its sole discretion, either in the form of a lump sum or, in the form of substantially equal annual installments over a period not to exceed five years. In the event distribution is made in the form of installments, the balance in the Participant's ESOP Stock Account and ESOP Cash Account will continue to be subject to appreciation, depreciation, income, gains, and earnings or losses pursuant to Section 7.5(e) until the final installment is paid.

Notwithstanding the foregoing, the period over which distribution of a Participant's ESOP Stock Account may be made may be increased by one year, up to four additional years, for each \$180,000 (or fraction thereof) by which the total balance of the Participant's Accounts exceeds \$915,000. The aforementioned dollar amounts shall be subject to cost-of-living adjustments after 2007 as prescribed by the Secretary of the Treasury.

#### **11.2 Determination of Account Balances**

After a Participant's Settlement Date has occurred and pending complete distribution of the Participant's Account balances, the Participant's Accounts will be held under the Plan and will be subject to adjustment under Section 7.

#### **11.3 Reinvestment of ESOP Stock Account**

As of the end of any Plan Year in which a Participant who has terminated employment with the Employers ("Inactive Participant") has shares of Company Stock in his

ESOP Stock Account, after all allocations of Employer Contributions, Forfeitures, Dividends, and earnings have been made, the Administrator shall exchange any cash or other liquid assets held in the ESOP Cash Accounts of Participants who are actively employed by the Employers ("Active Participants") for the shares of Company Stock held in the Inactive Participant's ESOP Stock Account, at an exchange rate determined based on the contemporaneous appraised fair market value of Company Stock. Such exchange shall be made pro rata based on the Active Participants' ESOP Cash Account balances. In the event that there is not sufficient cash or other liquid assets in the Active Participants' ESOP Cash Accounts to exchange for all of the shares of Company Stock in the Inactive Participants' ESOP Stock Accounts, the exchange shall be pro rata based upon the Inactive Participants' ESOP Stock Accounts. The purpose of this exchange is to assure that the Accounts of Active Participants are invested in Company Stock, to the maximum extent possible within the assets available to the Trust, and to assure that the Accounts of Inactive Participants are invested in assets other than Company Stock, to the maximum extent possible within the assets available to the Trust.

#### **11.4 Timing of Distributions**

Distribution of the balance of a Participant's Accounts shall be made as follows:

- (a) **Distribution of Accounts.** Subject to the Participant consent requirements of paragraph (c) below, distribution of a Participant's Accounts balances shall commence as follows:
  - (i) **Distribution Upon Retirement, Disability or Death.** If a Participant retires, becomes disabled, or dies (as described in Sections 9.1(a), (b) or (c)) while in the employ of an Employer or a Related Company, distribution of the Participant's Accounts will commence on or about the 180th day following the end of the Plan Year in which the Participant's Settlement Date occurs.
  - (ii) **Distribution Upon Resignation or Dismissal.** If a Participant's Settlement Date occurs under Section 9.1(d), distribution of the Participant's Accounts will commence on or about the 180th day following the close of the Plan Year which is the earlier of (A) the fifth Plan Year following the Plan Year in which the Participant's Settlement Date has occurred or (B) the Plan Year in which the Participant attains age 65, unless in either case the Participant is reemployed by an Employer or a Related Company before such time. However, solely for purposes of the preceding sentence, a Participant's Accounts shall not be deemed to include Financed Shares until the close of the Plan Year in which the Acquisition Loan relating to such

Financed Shares has been repaid in full, or if earlier the Plan Year that ends on December 31, 2017 or the Plan Year in which the Participant attains age 65 (but not before the year following the year in which the Participant's Settlement Date occurs).

- (b) **Distributions to Beneficiary Upon Death.** Notwithstanding the provisions of paragraph (a) above, distributions upon the death of a Participant shall be made in accordance with the requirements of paragraph (d) below.
- (c) **Participant Consent.** Notwithstanding any other provision of this Section, if a Participant's vested Account balances total \$1,000 or more at any time at or after his Settlement Date, no portion of his Accounts may be distributed to him before he attains Normal Retirement Age without his written consent. Failure to provide such consent within 30 days following solicitation of such consent by the Administrator shall defer the Participant's right to receive a distribution until his attainment of Normal Retirement Age (or his death, if earlier).
- (d) **Required Commencement Date.**
  - (1) Notwithstanding any contrary provision of the Plan, distribution of the Account balance of a Participant shall commence by April 1 of the calendar year next following the later of: (i) the calendar year on which the Participant attains age 70½ or (ii) the calendar year in which the Participant's Settlement Date occurs ("*Required Commencement Date*"); provided, however, that the Required Commencement Date of a Participant who is a five-percent owner (as defined in Code Section 416) of an Employer or Related Company in the calendar year in which the Participant attains age 70½ shall be April 1 of the calendar year next following the calendar year which the Participant attains age 70½.
  - (2) All distributions required under this subsection will be determined and made in accordance with the Treasury Regulations under Code Section 401(a)(9).
  - (3) If the Participant dies before distributions begin, the Participant's entire interest will be distributed in accordance with the otherwise applicable provisions of the Plan; provided, however, that in no event will such entire interest be distributed to the Designated Beneficiary later than December 31 of the calendar year containing the fifth anniversary of the Participant's death, unless an election is made by the Designated Beneficiary involved to receive distributions in accordance with (A) or (B) below. Any such election must be made no later than the earlier of September 30 of the calendar year in which distributions

would be required to begin under this Subsection (d)(3), or, if applicable, by September 30 of the calendar year which contains the 5th anniversary of the Participant's (or if applicable, Surviving Spouse's) death.

(A) If the Participant's Surviving Spouse is the Participant's sole Designated Beneficiary, then distributions to the Surviving Spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained age 70½, if later.

(B) If the Participant's Surviving Spouse is not the Participant's sole Designated Beneficiary, then distributions to the Designated Beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.

(C) If there is no Designated Beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(D) If the Participant's Surviving Spouse is the Participant's sole Designated Beneficiary and the Surviving Spouse dies after the Participant but before distributions to the Surviving Spouse begin, this Subsection (d)(3), other than Subsection (d)(3)(A), will apply as if the Surviving Spouse were the Participant.

For purposes of this Subsection and Subsections (d)(7), (d)(8), and (d)(9), unless Subsection (d)(3)(D) applies, distributions are considered to begin on the Participant's Required Beginning Date. If Subsection (d)(3)(D) applies, distributions are considered to begin on the date distributions are required to begin to the Surviving Spouse under Subsection (d)(3)(A).

(4) Unless the Participant's interest is distributed in a single sum on or before the Required Beginning Date, as of the First Distribution Calendar Year distributions will be made in accordance with the otherwise applicable Plan provisions, subject to the requirements of Subsection (d)(5) through Subsection (d)(9) of this Section.

(5) During the Participant's lifetime, the minimum amount that will be distributed for each Distribution Calendar Year is the lesser of:

(A) the quotient obtained by dividing the Participant's account balance by the distribution period in the Uniform Lifetime Table set forth in § 1.401(a)(9)-9 of the Treasury Regulations, using the Participant's age as of the Participant's birthday in the Distribution Calendar Year; or

(B) if the Participant's sole Designated Beneficiary for the distribution calendar year is the Participant's Spouse, the quotient obtained by dividing the Participant's account balance by the number in the Joint and Last Survivor Table set forth in § 1.401(a)(9)-9 of the Treasury Regulations, using the Participant's and Spouse's attained ages as of the Participant's and Spouse's birthdays in the Distribution Calendar Year.

(6) Required minimum distributions will be determined under this Subsection beginning with the first Distribution Calendar Year and up to and including the Distribution Calendar Year that includes the Participant's date of death.

(7) If the Participant dies on or after the date distributions begin and there is a Designated Beneficiary, the minimum amount that will be distributed for each Distribution Calendar Year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the longer of the remaining life expectancy of the Participant or the remaining life expectancy of the Participant's Designated Beneficiary, determined as follows:

(A) The Participant's remaining life expectancy is calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

(B) If the Participant's surviving Spouse is the Participant's sole Designated Beneficiary, the remaining life expectancy of the surviving Spouse is calculated for each Distribution Calendar Year after the year of the Participant's death using the surviving Spouse's age as of the Spouse's birthday in that year. For Distribution Calendar Years after the year of the surviving Spouse's death, the remaining life expectancy of the surviving Spouse is calculated using the age of the surviving Spouse as of the Spouse's birthday in the calendar year of the Spouse's death, reduced by one for each subsequent calendar year.

(C) If the Participant's surviving Spouse is not the Participant's sole Designated Beneficiary, the Designated Beneficiary's remaining life expectancy is calculated using the age of the Beneficiary

in the year following the year of the Participant's death, reduced by one for each subsequent year.

(8) If the Participant dies on or after the date distributions begin and there is no Designated Beneficiary as of September 30 of the year after the year of the Participant's death, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the Participant's remaining life expectancy calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

(9) If elected as provided under Subsection (d)(3), if the Participant dies before the date distributions begin and there is a Designated Beneficiary, the minimum amount that will be distributed for each Distribution Calendar Year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the remaining life expectancy of the Participant's Designated Beneficiary, determined as provided in Subsection (d)(8). If the Participant dies before the date distributions begin and there is no Designated Beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death. If the Participant dies before the date distributions begin, the Participant's surviving Spouse is the Participant's sole Designated Beneficiary, and the surviving Spouse dies before distributions are required to begin to the surviving Spouse under Subsection (d)(3)(A), this Subsection (d)(9) will apply as if the surviving Spouse were the Participant.

(10) The following definitions shall apply for purposes of this Subsection:

**Designated Beneficiary:** The individual who is designated as the Beneficiary under the Plan and is the Designated Beneficiary under Code Section 401(a)(9) and § 1.401(a)(9)-1, Q&A-4, of the Treasury Regulations.

**Distribution Calendar Year:** A calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the First Distribution Calendar Year is the calendar year immediately preceding the calendar year which contains the Participant's Required Beginning Date. For distributions beginning after the Participant's death, the First Distribution Calendar Year is the

calendar year in which distributions are required to begin under Subsection (d)(3). The required minimum distribution for the Participant's First Distribution Calendar Year will be made on or before the Participant's Required Beginning Date. The required minimum distribution for other Distribution Calendar Years, including the required minimum distribution for the Distribution Calendar Year in which the Participant's Required Beginning Date occurs, will be made on or before December 31 of that Distribution Calendar Year.

**Life Expectancy:** Life expectancy as computed by use of the Single Life Table in § 1.401(a)(9)-9 of the Treasury Regulations.

**Participant's Account Balance:** The account balance as of the last Valuation Date in the calendar year immediately preceding the Distribution Calendar Year (Valuation Calendar Year) increased by the amount of any contributions made and allocated or forfeitures allocated to the account balance as of dates in the Valuation Calendar Year after the Valuation Date and decreased by distributions made in the Valuation Calendar Year after the Valuation Date. The account balance for the Valuation Calendar year includes any amounts rolled over or transferred to the Plan either in the Valuation Calendar Year or in the Distribution Calendar Year if distributed or transferred in the Valuation Calendar Year.

(11) A Participant who is not a 5 percent owner and who attains age 70-1/2 while still employed by an Employer or a Related Company may elect to receive a distribution commencing April 1 of the calendar year next following the calendar year in which he attains age 70-1/2, in installments as described in Subsection (d)(5).

(12) Distribution shall also commence not later than the 60th day following the close of the Plan Year in which the latest of the following occurs: (1) the Participant attains Normal Retirement Age; (2) the tenth anniversary of the date on which the Participant commenced participation under this Plan; or (3) the Participant terminates employment with all Employers.

## **11.5 Direct Rollovers**

Certain individuals who are to receive distributions under the Plan may elect that such distributions be paid in the form of a direct rollover (as described in Section 401(a)(31) of the Code and the regulations thereunder) to the Trustee or custodian of a plan eligible to accept direct rollovers, subject to the following:

- (a) **Eligible Rollover Distribution.** A distribution may be paid in a direct rollover under this Section only if the distribution constitutes an Eligible Rollover Distribution. An "*Eligible Rollover Distribution*" means distribution under the Plan to an Eligible Distributee other than: (i) a distribution that is one of a series of substantially equal payments made annually or more frequently either over the life (or life expectancy) of the Participant or the joint lives (or life expectancies) of the Participant and his Beneficiary or over a specified period of ten years or more, (ii) a distribution required under Section 11.4(d) to meet the minimum distribution requirements of Section 401(a)(9) of the Code, (iii) a hardship distribution, or (iv) a distribution excluded from the definition of an Eligible Rollover Distribution under applicable Treasury Regulations. Notwithstanding the immediately preceding sentence, an Eligible Rollover Distribution includes only those amounts that would be includible in the gross income of the Eligible Distributee if such amounts were not rolled over to another plan as provided under Section 402(c) of the Code.
- (b) **Eligible Distributee.** An "*Eligible Distributee*" is: (i) a Participant, (ii) a Participant's surviving Spouse who is entitled to receive payment of the Participant's Account balances after the Participant's death, or (iii) the Spouse or former spouse of a Participant who is an alternate payee under a qualified domestic relations order (as defined in Section 414(p) of the Code).
- (c) **Eligible Retirement Plan.** A direct rollover of an Eligible Rollover Distribution may be made to no more than one Eligible Retirement Plan. Except as otherwise provided below, an "*Eligible Retirement Plan*" is: (i) an individual retirement account described in Section 408(a) of the Code, (ii) an individual retirement annuity described in Section 408(b) of the Code (other than an endowment contract), (iii) an annuity plan described in Section 403(a) of the Code or an eligible plan under Section 457(b) of the Code, or (iv) a plan qualified under Section 401(a) of the Code that by its terms permits the acceptance of rollover contributions. With respect to the surviving Spouse of a deceased Participant who is entitled to receive a distribution of the Participant's Accounts, an "*Eligible Retirement Plan*" shall mean only an individual retirement account described in Section 408(a) of the Code or an individual retirement annuity described in Section 408(b) of the Code (other than an endowment contract).
- (d) **Minimum Amounts.** An Eligible Distributee may elect a direct rollover of all or a portion of an Eligible Rollover Distribution only if the total amount of the Eligible Rollover Distributions expected to be



received by the Eligible Distributee during the Plan Year is \$200 or more (or such lesser amount as the Administrator may establish). An Eligible Distributee may elect payment of a portion of an Eligible Rollover Distribution as a direct rollover and may receive directly the remainder of such distribution, provided that the amount paid by direct rollover is at least \$500 (or such lesser amount as the Administrator may establish).

- (e) **Elections.** An Eligible Distributee's election of a direct rollover pursuant to this Section must be in writing on a form designated by the Administrator and must be filed with the Administrator at such time and in such manner as the Administrator shall determine. The Administrator shall establish such rules and procedures as it deems necessary to provide for distributions by means of direct rollover.
- (f) **Automatic Rollovers.** Any distribution in excess of \$1,000 shall be made by transferring the amount to be distributed to an individual retirement plan designated by the Administrator, unless the Participant or Beneficiary entitled to receive the distribution elects (1) to receive the distribution directly, or (2) to have the distribution paid directly to another Eligible Retirement Plan as described in this section.

#### **11.6 Designation of Beneficiary**

Each Participant may designate any person or persons (who may be designated concurrently, contingently or successively) to whom the Participant's benefits are to be paid if the Participant dies before the Participant receives all of his benefits. A beneficiary designation must be made on a form furnished by the Administrator for this purpose, and the Participant must sign such form. A beneficiary designation form will be effective only when the form is filed with the Administrator while the Participant is alive and will cancel all the Participant's beneficiary designation forms previously filed with the Administrator.

Notwithstanding the foregoing provisions of this Section and any beneficiary designation filed with the Administrator in accordance with this Section, if a Participant dies and has a surviving Spouse at the Participant's date of death, the Account balances described in the preceding sentence shall be payable in full to the Participant's surviving Spouse in accordance with this Section 11 (treating such surviving Spouse as the Participant's Beneficiary), unless prior to the Participant's death the following requirements were met:

- (a) The Participant elected that the Participant's benefits under the Plan be paid to a person other than the Participant's surviving Spouse;
- (b) The Participant's Spouse consented in writing to such election;

- (c) The Spouse's consent acknowledged the effect of such election and was witnessed by a notary public; and
- (d) Such election designates a beneficiary that may not be changed without further spousal consent, unless the Spouse executed a general written consent expressly permitting changes of the beneficiary without any requirement of further consent of the Spouse.

For purposes of the Plan, and subject to the provisions of any qualified domestic relations order (as defined in Section 414(p) of the Code), a Participant's "*Spouse*" means the person to whom the Participant is legally married at the earlier of the date of the Participant's death or the date payment of the Participant's benefits commenced and who is living at the date of the Participant's death.

If a deceased Participant failed to designate a Beneficiary as provided above, or if the Beneficiary dies before the Participant or before complete payment of the Participant's benefits, the Participant's benefits shall be distributed to the Participant's Spouse, or if there is none, to the legal representative or representatives of the estate of the last to die of the Participant and the Participant's Beneficiary.

The term "*Beneficiary*" as used in the Plan means the natural or legal person or persons designated by a Participant as the Participant's beneficiary under the last effective beneficiary designation form filed with the Administrator under this Section and to whom the Participant's benefits would be payable under this Section.

#### **11.7 Missing Participants or Beneficiaries; Delays in Determining Benefits**

Each Participant and each Beneficiary must file with the Administrator from time to time in writing his post office address and each change of post office address. If a Participant dies before the Participant receives all of the Participant's vested Account balances, the Participant's Beneficiary must file any change in his post office address with the Administrator. Any communication, statement or notice addressed to a Participant or Beneficiary at the last post office address filed with the Administrator, or if no address is filed with the Administrator then, in the case of a Participant, at the Participant's last post office address as shown on the Employers' records, will be binding on the Participant and the Participant's Beneficiary for all purposes of the Plan.

If the amount of a Participant's or beneficiary's distribution cannot be determined by the date on which a distribution is to commence, or if the Participant or Beneficiary cannot be located by such date, then distribution shall commence within 60 days following the date on which the amount of the distribution can be determined or after the date on which the Trustee locates the Participant or Beneficiary.

The Employers, the Trustee, and the Administrator shall not be required to search for or locate a Participant or Beneficiary. If the Administrator attempts to notify a Participant or Beneficiary that the Participant or Beneficiary is entitled to a payment and also attempts to notify the Participant or Beneficiary of the provisions of this Section, and the Participant or Beneficiary fails to claim his benefits or make his whereabouts known to the Administrator by the end of the third Plan Year following such attempted notification, the benefits of the Participant or Beneficiary shall be deemed a Forfeiture, and allocated among the Eligible Participants for such Plan Year in accordance with Section 4.1. If, after such a Forfeiture has occurred, such Participant or Beneficiary later claims his benefit, the amount so forfeited (but not any subsequent earnings thereon) shall be reinstated to the Participant's Account from the Employer Contributions and Forfeitures for the Plan Year in which such claim is made.

#### **11.8 Facility of Payment**

When a person entitled to benefits under the Plan is under legal disability, or, in the Administrator's opinion, is in any way incapacitated so as to be unable to manage the person's financial affairs, the Administrator may direct the Trustee to pay the benefits to such person's legal representative. Any payment made in accordance with the preceding sentence shall be a full and complete discharge of any liability for such payment under the Plan.

## SECTION 12

### Rights, Restrictions, and Options on Company Stock

#### 12.1 Right of First Refusal

Subject to the provisions of the last sentence of this Section, shares of Company Stock while held by the Trust and when distributed to Participants shall be subject to a "*Right of First Refusal*." The Right of First Refusal shall provide that, prior to any subsequent transfer, the Trust, the Participant (or the Participant's Beneficiary) must first make a written offer of such Company Stock to the Trust (if applicable) and to the Company at the then fair market value of such Company Stock, as determined by an "independent appraiser" (as defined in Section 401(a)(28) of the Code). The Trust shall have the first priority to exercise the right to purchase the Company Stock, and then the Company shall have second priority to exercise the right. A bona fide written offer from an independent prospective buyer shall be deemed to be the fair market value of such Company Stock for this purpose, unless the value per share, as determined by the independent appraiser as of the Accounting Date at the end of the immediately preceding Plan Year, is greater. The Company and the Trust shall have a total of 14 days (from the date the offer is first received by the Company or the Trust) to exercise the Right of First Refusal on the same terms offered by the prospective buyer. A Participant (or the Participant's Beneficiary) entitled to a distribution of Company Stock may be required to execute an appropriate stock transfer agreement (evidencing the Right of First Refusal) prior to receiving a certificate for Company Stock. No Right of First Refusal shall be exercisable by reason of any of the following transfers:

- (a) The transfer upon disposition of any such shares by any legal representative, heir or legatee, but the shares shall remain subject to the Right of First Refusal;
- (b) The transfer by a Participant or a Participant's Beneficiary in accordance with the Put Option pursuant to Section 12.2; or
- (c) The transfer while Company Stock is listed on a national securities exchange registered under Section 6 of the Securities Exchange Act of 1934 or quoted on a system sponsored by a national securities association registered under Section 15A(b) of the Securities Exchange Act of 1934.

#### 12.2 Put Option

The Company shall issue a "*Put Option*" to each Participant (or each Participant's Beneficiary) who receives a distribution of Company Stock if, at the time of such distribution, Company Stock is not then readily tradable on an established market, as defined in Section 409(h) of the Code and the regulations thereunder. The Put Option shall permit the Participant (or the Participant's Beneficiary) to sell such Company Stock at its then fair

market value, as determined by the Trustee in accordance with the provisions of Section 7.8, to the Company at any time during the sixty-day period commencing on the date the Company Stock was distributed to the Participant (or the Participant's Beneficiary), and, if not exercised within that period, the Put Option will temporarily lapse. The Administrator, in its sole discretion, may extend the sixty-day period referred to in the immediately preceding sentence if such an extension is necessary in order for the Company Stock to be valued by an independent appraiser as of the applicable Accounting Date coincident with or immediately preceding the date the Company Stock was distributed to the recipient. As of the annual Accounting Date coincident with or immediately preceding the Plan Year in which such temporary lapse of the Put Option occurs, the independent appraiser shall determine the value of the Company Stock in accordance with the provisions of Section 7.8, and the Administrator shall notify each distributee who did not exercise the initial Put Option prior to its temporary lapse in the preceding Plan Year of the revised value of the Company Stock. The time during which the Put Option may be exercised shall recommence on the date such notice or revaluation is given and shall permanently terminate sixty days thereafter. The Trustee may be permitted by the Company to purchase Company Stock put to the Company under a Put Option. Payment for Company Stock sold pursuant to a Put Option shall be made, as determined in the discretion of the Administrator, in the following forms:

- (a) If a Participant's ESOP Stock Account is distributed in a total distribution (that is, a distribution within one taxable year of the balance to the credit of the Participant's ESOP Stock Account), then payment for such Company Stock may be made with a promissory note that provides for substantially equal annual installments commencing within thirty days from the date of the exercise of the Put Option and over a period not exceeding five years, with interest payable at a reasonable rate (as determined by the Administrator) on any unpaid installment balance, with adequate security provided, and without penalty for any prepayment of such installments; or
- (b) In a lump sum no later than thirty days after such Participant exercises the Put Option.

If the Company's charter or by-laws restrict ownership of substantially all of the outstanding Company Stock to Employees and the Trust or if the Company has elected to be taxed as an "S corporation" under Code Section 1361, then shares of Company Stock distributed to or for the benefit of a Participant (or his Beneficiary) must be immediately sold to the Company in accordance with this Section and the Participant will not be entitled to the two 60-day put periods.

### **12.3 Share Legend; Other Restrictions**

Shares of Company Stock held or distributed by the Trustee may include such legend restrictions on transferability as the Company may reasonably require in order to assure compliance with applicable Federal and state securities laws and the provisions of this Section 12.

Except as otherwise provided in this Section, no shares of Company Stock held or distributed by the Trustee may be subject to a put, call or other option, or buy-sell or similar arrangement.

### **12.4 Nonterminable Rights**

The provisions of this Section 12 are nonterminable, and shall continue to be applicable to shares of Company Stock even if the Plan ceases to be an employee stock ownership plan within the meaning of Section 4975(e)(7) of the Code.

## SECTION 13

### Voting and Tendering of Company Stock

The voting of Company Stock held in the Trust, and if a tender offer is made for Company Stock, the tendering of such shares, shall be subject to the provisions of ERISA and the following provisions, to the extent such provisions are not inconsistent with ERISA:

- (a) **Allocated Shares.** For purposes of this Section, shares of Company Stock shall be deemed to be allocated and credited to a Participant's ESOP Stock Account in an amount to be determined based on the balance in such account on the Accounting Date coincident with or next preceding the record date of any vote or tender offer.
- (b) **Voting of Company Stock.** With respect to any corporate matter which involves the voting of Company Stock which is a registration-type class of securities, or which involves the voting of Company Stock which is not a registration type class of securities with respect to the approval or disapproval of any corporate merger or consolidation, recapitalization, reclassification, liquidation, dissolution, sale of substantially all of the assets of a trade or business, or such other transactions which may be prescribed by regulation, each Participant may be entitled to direct the Trustee as to the exercise of any shareholder voting rights attributable to shares of Company Stock then allocated to his Accounts, but only to the extent required by Sections 401(a)(22) and 409(e) of the Code and the regulations thereunder. For purposes of the foregoing sentence, each Participant shall be a Named Fiduciary of the Plan as described in Section 402(a)(2) of ERISA. The Administrator shall have the sole responsibility for determining when a corporate matter has arisen that involves the voting of Company Stock under this provision. If a Participant is entitled to so direct the Trustee, all allocated Company Stock as to which such instructions have been received (which may include an instruction to abstain) shall be voted by the Trustee in accordance with such instructions, provided that the Trustee may vote the shares as it determines is necessary to fulfill his fiduciary duties under ERISA. The Trustee shall vote in his discretion, subject to his fiduciary duties under ERISA: (1) any shares of Company Stock held in the Loan Suspense Account; (2) any allocated shares of Company Stock as to which no voting instructions have been received; and (3) all shares of Company Stock held in the Trust on any issue not subject to Participant voting direction under this paragraph.
- (c) **Tendering of Company Stock.** In the event of a tender offer or other offer to purchase shares of Company Stock held by the Trust, the

Trustee shall tender or sell the shares in its sole discretion, subject to the fiduciary duties under ERISA.

In carrying out its responsibilities under this Section, the Trustee may rely on information furnished to it by the Administrator, including the names and current addresses of Participants, the number of shares of Company Stock allocated to their Accounts, and the number of shares of Company Stock held by the Trustee that have not yet been allocated.



## **SECTION 14**

### **General Provisions**

#### **14.1 Interests Not Transferable**

The interests of Participants and their beneficiaries under the Plan are not in any way subject to their debts or other obligations and, except as may be required by the tax withholding provisions of the Code or any state's income tax act, may not be voluntarily or involuntarily sold, transferred, alienated or assigned. Notwithstanding the foregoing, the Plan shall comply with any domestic relations order that, in accordance with procedures established by the Administrator, is determined to be a qualified domestic relations order (as defined in Section 414(p)(1)(A) of the Code), and shall comply with any judgment or settlement to the extent permitted by Code section 401(a)(13)(C).

#### **14.2 Absence of Guaranty**

The Administrator, the Employers, and the Trustee do not in any way guarantee the Trust from loss or depreciation. The liability of the Administrator or the Trustee to make any payment under the Plan will be limited to the assets held by the Trustee that are available for that purpose.

#### **14.3 Employment Rights**

The Plan does not constitute a contract of employment, and participation in the Plan will not give any Employee the right to be retained in the employ of an Employer, nor any right or claim to any benefit under the Plan, unless such right or claim has specifically accrued under the terms of the Plan.

#### **14.4 Litigation by Participants or Other Persons**

To the extent permitted by law, if a legal action against the Trustee, an Employer, or the Administrator by or on behalf of any person results adversely to that person, or if a legal action arises because of conflicting claims to a Participant's or Beneficiary's benefits, the cost to the Trustee, an Employer, or the Administrator of defending the action will be charged to the extent possible to the sums, if any, that were involved in the action or were payable to the Participant or Beneficiary concerned.

#### **14.5 Evidence**

Evidence required of anyone under the Plan may be by certificate, affidavit, document or other information that the person acting on it considers pertinent and reliable, and signed, made or presented by the proper party or parties.

#### **14.6 Waiver of Notice**

Any notice required under the Plan may be waived by the person entitled to such notice.

#### **14.7 Controlling Law**

To the extent not superseded by the laws of the United States, the laws of Illinois shall be controlling in all matters relating to the Plan.

#### **14.8 Statutory References**

Any reference in the Plan to the Code means the Internal Revenue Code of 1986, as amended (the "*Code*"). Any reference in the Plan to ERISA means the Employee Retirement Income Security Act of 1974, as amended ("*ERISA*"). Any reference in the Plan to a section of the Code or ERISA or to a section of any other Federal law, shall include any comparable section or sections of any future legislation that amends, supplements or supersedes that section.

#### **14.9 Severability**

In case any provisions of the Plan shall be held illegal or invalid for any reason, such illegality or invalidity shall not affect the remaining provisions of the Plan, and the Plan shall be construed and enforced as if such illegal and invalid provisions had never been set forth in the Plan.

#### **14.10 Additional Employers**

With the consent of the Company, any Controlled Group Member may, by filing with the Company a written instrument to that effect, become an Employer hereunder by adopting the Plan and becoming a party to the Trust agreement.

#### **14.11 Action By Employers**

Any action authorized or required to be taken by the Company or an Employer under the Plan shall be by resolution of its board of directors, by resolution of a duly authorized committee of its board of directors, or by a person or persons authorized by resolution of its board of directors or such committee.

#### **14.12 Gender and Number**

Where the context admits, words in the masculine gender include the feminine and neuter genders, the plural includes the singular, and the singular includes the plural.

#### **14.13 Indemnification**

To the extent permitted by law, any member or former member of the Administrator, any person who was, is or becomes an officer or director of the Company, an Employer, or a Related Company or any Employee of an Employer to whom the Administrator or any Employer has delegated any portion of its responsibilities under the Plan, and all employees and agents thereof, shall be indemnified and saved harmless by the Employers (to the extent not indemnified or saved harmless under any liability insurance contract or other indemnification arrangement with respect to the Plan) from and against any and all liability to which the Administrator and such other persons may be subject by reason of any act done or omitted to be done in good faith with respect to the administration of the Plan and the Trust, including all expenses reasonably incurred in their defense in the event that the Employers failed to provide such defense after having been requested in writing to do so.

#### **14.14 Automated Systems**

The Administrator, in its discretion, may authorize Participants to make various requests for information, elections and other transactions under the Plan through the use of one or more of the following methods: (a) written communications, (b) telephonic, automated voice response system, (c) computer network, or (d) any other method designated by the Administrator.

## SECTION 15

### Restrictions as to Reversion of Trust Assets to the Employers

The Employers shall have no right, title or interest in the assets of the Trust, except as may be provided in a pledge agreement entered into between an Employer and the Trustee in connection with an Acquisition Loan (a "*Pledge Agreement*"). No part of the assets of the Trust at any time will revert or will be repaid to the Employers, directly or indirectly, except as follows:

- (a) If the Internal Revenue Service initially determines that the Plan, as applied to an Employer, does not meet the requirements of a qualified plan under Section 401(a) of the Code, the assets of the Trust attributable to contributions made by the Employer under the Plan shall be returned to the Employer within one year of the date of denial of qualification of the Plan as applied to the Employer.
- (b) If a contribution or a portion of a contribution is made by an Employer as a result of a mistake of fact, such contribution or portion of a contribution shall not be considered to have been contributed to the Trust by the Employer and, after having been reduced by any losses of the Trust allocable thereto, shall be returned to the Employer within one year of the date the amount is paid to the Trust.
- (c) Each contribution made by an Employer is conditioned upon the deductibility of such contribution as an expense for Federal income tax purposes. If and to the extent the deduction for the contribution made by the Employer is disallowed, such contribution, or portion of such contribution, after having been reduced by any losses of the Trust allocable thereto, shall be returned to the Employer within one year of the date of disallowance of the deduction.
- (d) If there is a default on an Acquisition Loan, an Employer may exercise its rights under the Pledge Agreement with respect to the shares of Company Stock subject to the Pledge Agreement (including, but not limited to, the sale of pledged shares, the transfer of pledged shares to the Employer, and the registration of pledged shares in the Employer's name).

Contributions may be returned to an Employer pursuant to paragraph (a) above only if they are conditioned upon initial qualification of the Plan as applied to that Employer and an application for determination was made by the time prescribed by law for filing the Employer's Federal income tax return for the taxable year in which the Plan was adopted (or such later date as the Secretary of the Treasury may prescribe). In no event may the return of

a contribution pursuant to paragraph (b) or (c) above cause any Participant's Account balances to be less than the amount of such balances had the contribution not been made under the Plan.

## **SECTION 16**

### **Amendment and Termination**

#### **16.1 Amendment**

While the Company expects and intends to continue the Plan, the Company reserves the right to amend the Plan from time to time by action of the Board of Directors. Notwithstanding the foregoing:

- (a) An amendment may not change the duties and liabilities of the Administrator or the Trustee without the consent of the Administrator or the Trustee, whichever is applicable;
- (b) An amendment shall not reduce the value of a Participant's nonforfeitable benefits accrued prior to the later of the adoption or the Effective Date of the amendment; and
- (c) Except as provided in Section 15, under no condition shall any amendment result in the return or repayment to the Employers of any part of the Trust or the income therefrom or result in the distribution of the Trust for the benefit of anyone other than Employees and former Employees of the Employers and any other persons entitled to benefits under the Plan.

The Administrator shall notify the Trustee of any amendment of the Plan within a reasonable period of time.

#### **16.2 Termination**

The Plan will terminate as to all Employers on any date specified by the Company. The Plan will terminate as to an individual Employer on the date it is terminated by that Employer if thirty days' advance written notice of the termination is given to the Administrator, the Trustee and the other Employers.

#### **16.3 Nonforfeitability and Distribution on Termination**

On termination or partial termination of the Plan, the rights of all affected Participants to benefits accrued to the date of such termination, after all adjustments then required have been made, shall be nonforfeitable. The Administrator shall specify the date of such termination or partial termination as a Special Accounting Date. All appropriate provisions of the Plan will continue to apply until the account balances of all such Participants have been distributed under the Plan.

#### **16.4 Plan Merger, Consolidation, Etc.**

In the case of any merger or consolidation with, or transfer of assets or liabilities to, any other plan, each Participant's benefits (if the Plan terminated immediately after such merger, consolidation or transfer) shall be equal to or greater than the benefits the Participant would have been entitled to receive if the Plan had terminated immediately before the merger, consolidation or transfer.

## **SECTION 17**

### **Administration**

#### **17.1 The Administrator**

The Plan is administered by an Administrator appointed by the Company, which shall consist of one or more individuals (who may but need not be Employees of the Employers) to conduct Plan administrative functions (the "*Administrator*").

#### **17.2 The Administrator's General Powers, Rights, and Duties**

The Administrator shall have all the powers necessary and appropriate to discharge its duties under the Plan, which powers shall be exercised in the sole and absolute discretion of the Administrator, including, but not limited to, the following:

- (a) To construe and interpret the provisions of the Plan and to make factual determinations thereunder, including the power to determine the rights or eligibility under the Plan of Employees, Participants, or any other persons, and the amounts of their benefits (if any) under the Plan, and to remedy ambiguities, inconsistencies or omissions, and such determinations by the Administrator shall be binding on all parties. Benefits under this Plan will be paid only if the Administrator decides in its discretion that the applicant is entitled to them.
- (b) To adopt such rules of procedure and regulations as in its opinion may be necessary for the proper and efficient administration of the Plan and as are consistent with the Plan and Trust agreement.
- (c) To enforce the Plan in accordance with the terms of the Plan and the Trust and in accordance with the rules and regulations the Administrator has adopted.
- (d) To direct the Trustee as respects payments or distributions from the Trust in accordance with the provisions of the Plan.
- (e) To furnish the Employers with such information as may be required by them for tax or other purposes in connection with the Plan.
- (f) To employ agents, attorneys, accountants, actuaries or other persons (who also may be employed by the Employers) and to allocate or delegate to them such powers, rights and duties as the Administrator may consider necessary or advisable to properly carry out administration of the Plan, provided that such allocation or delegation



and the acceptance thereof by such agents, attorneys, accountants, actuaries or other persons, shall be in writing.

- (g) To appoint an investment manager as defined in section 3(38) of ERISA to manage (with power to acquire and dispose of) the assets of the Plan, which investment manager may or may not be a subsidiary of the Company, and to delegate to any such investment manager all of the powers, authorities and discretions granted to the Administrator hereunder or under the Trust agreement (including the power to delegate and the power, with prior notice to the Administrator, to appoint an investment manager), and to remove any investment manager; provided, however, that the power and authority to manage, acquire, or dispose of any asset of the Plan shall not be delegated except to an investment manager, and provided further that the acceptance by any investment manager of such appointment and delegation shall be in writing, and the Administrator shall give notice to the Trustee, in writing, of any appointment of, delegation to or removal of an investment manager.
- (h) Special Exercise of Trustee Discretion: To authorize the Trustee to act without the direction of the Administrator with regard to any matter concerning the purchase, sale, or voting of Company Stock, including the financing and other matters incidental to such purchase or sale, upon the written consent of the Trustee to accept such responsibility, in which case the Administrator shall have no authority or responsibility whatsoever with regard to the matters so delegated to the Trustee.

### **17.3 Interested Administrator Member**

If a member of the Administrator is also a Participant in the Plan, the Administrator member may not decide or determine any matter or question concerning distributions of any kind to be made to the Administrator member or the nature or mode of settlement of the Administrator member's benefits, unless such decision or determination could be made by the Administrator member under the Plan if the Administrator member were not serving on the Administrator.

### **17.4 Administrator Expenses**

All costs, charges and expenses reasonably incurred by the Administrator will be paid by the Company to the extent not paid from the assets of the Trust. No compensation will be paid to a member of the Administrator as such.

### **17.5 Uniform Rules**

The Administrator shall administer the Plan on a reasonable and nondiscriminatory basis and shall apply uniform rules to all persons similarly situated.

### **17.6 Information Required by the Administrator**

Each person entitled to benefits under the Plan shall furnish the Administrator with such documents, evidence, data or information as the Administrator considers necessary or desirable for the purpose of administering the Plan. The Employers shall furnish the Administrator with such data and information as the Administrator may deem necessary or desirable in order to administer the Plan. The records of the Employers as to an Employee's or a Participant's period of employment, Hour of Service, termination of employment and the reason therefore, leave of absence, reemployment and Compensation will be conclusive on all persons unless determined to the Administrator's satisfaction to be incorrect.

### **17.7 Review of Benefit Determinations**

The Administrator will provide notice in writing to any Participant or Beneficiary whose claim for benefits under the Plan is denied, and the Administrator shall afford such Participant or Beneficiary a full and fair review of its decision if so requested.

### **17.8 Administrator's Decision Final**

Subject to applicable law, any interpretation of the provisions of the Plan and any decisions on any matter within the discretion of the Administrator made by the Administrator in good faith shall be binding on all persons. A misstatement or other mistake of fact shall be corrected when it becomes known, and the Administrator shall make such adjustment on account thereof as it considers equitable and practicable.

### **17.9 Denial Procedure and Appeal Process**

A Participant with an unresolved question about benefits may request a formal review of the situation in writing from the Administrator within sixty days after receiving notification of his Plan benefits. A review decision will be made within sixty days after receipt of such request (one hundred twenty days in special circumstances) and the Participant will be informed of the decision within ninety days after receipt of such request (one hundred eighty days in special circumstances). However, if the Participant is not informed of the decision within the period described above, the Participant may request a further review by the Administrator as described below as if he or she had received notice of an adverse decision at the end of that period. The decision will be written in a manner setting forth the specific reasons for any denial of a benefit or benefit option, specific reference to pertinent Plan provisions on which such denial is based, a description of any additional material or information necessary for the Participant to perfect the claim and an explanation of why such material or information is necessary, and an explanation of the Plan's claim review procedure. The Participant may request a further review by the

Administrator of the decision denying the claim by filing with the Administrator within sixty days after such notice has been received a written request for such review, and may review pertinent documents, and submit issues and comments in writing, within the same sixty-day period. If such request is so filed, such review shall be made by the Administrator within sixty days after receipt of such request, unless special circumstances require an extension of time for processing in which case the review will be completed and decision rendered within one hundred twenty days. The Participant will be given written notice of the decision which will include specific reasons for the decision, and specific references to the pertinent Plan provisions on which the decision is based, and such decision by the Administrator shall be final and shall terminate the review process.

If a Participant claims disability benefits under the ESOP, within 45 days of receiving an application for such benefits, the Committee, or its authorized representative, will provide the Participant with a written notice of its decision. This 45-day period may be extended by 30 days if the Committee determines the extension is necessary because of circumstances outside the ESOP's control, and the Participant is notified before the end of the 45-day period. If before the end of the 30-day extension period, the Committee determines that additional time is necessary, the period may be extended for a second 30-day period, if the Participant is notified before the end of the first 30-day extension period and the notice specifies the circumstances requiring the extension and the date as of which the Plan expects to render a decision.

In the case of a denial of the Participant's application, the written notice will contain the following:

1. The specific reasons for the denial, with reference to the ESOP provisions upon which the denial is based;
2. A description of any additional information or material necessary for perfection of the application (together with an explanation why the material or information is necessary); and
3. An explanation of the ESOP's claim review procedure and the time limits applicable to such procedure, including a statement of the Participant's right to bring a civil action (under Section 502 of ERISA) after an adverse benefit determination on appeal.

If an internal rule, guideline, protocol, or other similar criterion was relied upon in making the adverse determination, the Committee either will provide the specific rule, guideline, protocol or other similar criterion or the Committee will provide a statement that such rule, guideline, protocol or other similar criterion was relied upon in making the adverse determination and that a copy of such rule, guideline, protocol, or other criterion will be provided free of charge to the claimant upon request.

A Participant may appeal an adverse benefit determination relating to a claim for disability benefits under the ESOP or contest the amount of benefits payable, by filing an appeal in writing within sixty (60) days after the date of notice of the decision with respect to the application. If the claim was neither approved nor denied within the ninety day period provided above, then the appeal must be made within sixty (60) days after the expiration of the ninety (90) day period. The appeal will be given full and fair review by the Committee. The Participant may review all pertinent documents and submit issues and comments in writing in connection with the appeal.

Any review of an appeal of a denied claim that a Participant is disabled under the ESOP must meet the following standards: the review does not afford deference to the initial adverse benefit determination; the review is conducted by an appropriate named fiduciary who is neither the party who made the initial adverse benefit determination that is the subject of the appeal nor a subordinate of such party; the review provides that the appropriate named fiduciary consult with health care professionals with appropriate training and experience in the field of medicine involved in the medical judgment in deciding the appeal of an adverse benefit determination that is based in whole or in part on a medical judgement; and the review provides for the identification of the medical or vocational experts whose advice was obtained in connection with the Participant's adverse benefit determination, without regard to whether the advice was relied upon in making the determination.

The decision on appeal will be made promptly, and not later than 45 days after the receipt of a request for review, unless special circumstances require an extension of time for processing, in which case, the special circumstances and the date by which a decision is expected to be rendered shall be communicated to the Participant in writing. In no event will the extension exceed a period of 45 days from the end of the initial 45-day period.

The decision on review shall be in writing and shall include:

1. The specific reasons for the denial, with reference to the ESOP provisions upon which the denial is based;
2. A statement that the Participant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claim for disability benefits.
3. A statement of the Participant's right to bring a civil action (under Section 502 of ERISA) after an adverse benefit determination on appeal.

If an internal rule, guideline, protocol, or other similar criterion was relied upon in making the adverse determination, the Participant will either be provided the specific rule, guideline, protocol or other similar criterion or will be provided a statement that such rule, guideline, protocol or other similar criterion was relied upon in making the adverse

determination and that a copy of such rule, guideline, protocol, or other criterion will be provided free of charge to the claimant upon request.

## SECTION 18

### Special Rules Applicable When Plan is Top-Heavy

#### 18.1 Purpose and Effect

The purpose of this Section 18 is to comply with the requirements of Section 416 of the Code. The provisions of this Section 18 are effective for each Plan Year beginning on or after the Effective Date in which the Plan is a "*Top-Heavy Plan*" within the meaning of Section 416(g) of the Code.

#### 18.2 Top-Heavy Plan

In general, the Plan will be a Top-Heavy Plan for any Plan Year if, as of the "*Determination Date*" (that is, the last day of the preceding Plan Year), the sum of the amounts in paragraphs (a), (b) and (c) below for Key Employees exceeds sixty percent of the sum of such amounts for all Employees who are covered by this Plan or by a defined contribution plan or defined benefit plan that is aggregated with this Plan in accordance with Section 18.4:

- (a) The aggregate account balances of Participants under this Plan.
- (b) The aggregate account balances of Participants under any other defined contribution plan included under Section 18.4.
- (c) The present value of the cumulative accrued benefits of Participants calculated under any defined benefit plan included in Section 18.4.

In making the foregoing determination: (i) a Participant's account balances or cumulative accrued benefits shall be increased by the aggregate distributions, if any, made with respect to the Participant during the 1-year period (except with respect to in-service distributions, for which a 5-year period shall apply) ending on the Determination Date, including distributions under a terminated plan that, if it had not been terminated, would have been required to be included in the aggregation group, (ii) the account balances or cumulative accrued benefits of a Participant who was previously a Key Employee, but who is no longer a Key Employee, shall be disregarded, (iii) the account balances or cumulative accrued benefits of a Beneficiary of a Participant shall be considered Accounts or accrued benefits of the Participant, (iv) the account balances or cumulative accrued benefits of a Participant who has not performed services for an Employer or a Related Company at any time during the 1-year period ending on the Determination Date shall be disregarded and (v) any rollover contribution (or similar transfer) from a plan maintained by a corporation other than an Employer under this Plan initiated by a Participant shall not be taken into account as part of the Participant's aggregate account balances under this Plan.

### **18.3 Key Employee**

In general, a "*Key Employee*" is an Employee (or a former or deceased Employee) who, at any time during the Plan Year is or was:

- (a) an officer of the Employer having annual compensation greater than \$130,000, as adjusted from time to time by the Internal Revenue Service; provided that, for purposes of this paragraph, no more than fifty Employees of the Employer (or, if lesser, the greater of three Employees or ten percent of the Employees) shall be treated as officers;
- (b) a five percent or greater owner of an Employer; or
- (c) a one percent or greater owner of an Employer having annual compensation from the Employer of more than \$150,000 (as adjusted by the Internal Revenue Service).

For purposes of this Section, a Participant's compensation means the wages paid to a Participant within the meaning of Section 3401(a) of the Code and all other payments of compensation to the Participant by an Employer for which the Employer is required to furnish the Participant a written statement, as described in Treas. Reg. § 1.415-2(d)(11)(i), but including for such Plan Year or Accounting Period all of a Participant's salary deferrals made during such time pursuant to an arrangement maintained by an Employer under Sections 125, 132(f) or 401(k) of the Code.

### **18.4 Aggregated Plans**

Each other defined contribution plan and defined benefit plan maintained by an Employer that covers a Key Employee as a Participant or that is maintained by an Employer in order for a plan covering a Key Employee to satisfy Section 401(a)(4) or 410 of the Code, regardless of whether or not such plan has been terminated, shall be aggregated with this Plan in determining whether this Plan is top-heavy. In addition, any other defined contribution or defined benefit plan of an Employer may be included if all such plans that are included, when aggregated, will not discriminate in favor of officers, shareholders or Highly Compensated Employees and will satisfy all of the applicable requirements of Sections 401(a)(4) and 410 of the Code.

### **18.5 Minimum Employer Contribution**

Subject to the following provisions of this Section and Section 18.6, for any Plan Year in which the Plan is a Top-Heavy Plan, the Employer contribution credited to each Participant who is not a Key Employee shall not be less than 3 percent of such Participant's total compensation from the Employers for that year. In no event, however, shall the total

### 18.5 Minimum Employer Contribution

Subject to the following provisions of this Section and Section 18.6, for any Plan Year in which the Plan is a Top-Heavy Plan, the Employer contribution credited to each Participant who is not a Key Employee shall not be less than 3 percent of such Participant's total compensation from the Employers for that year. In no event, however, shall the total Employer contribution credited in any year to a Participant who is not a Key Employee (expressed as a percentage of such Participant's total compensation from the Employers) be required to exceed the maximum total Employer contribution credited in that year to a Key Employee (expressed as a percentage of such Key Employee's total compensation from the Employers). Contributions made by an Employer under the Plan pursuant to Participants' income deferral authorizations shall not be deemed Employer Contributions for purposes of this Section. Employer matching contributions (as defined in Code Section 401(m)(4)(A)) shall be taken into account for purposes of this paragraph. The amount of minimum Employer contribution otherwise required to be allocated to any Participant for any Plan Year under this Section shall be reduced by the amount of Employer Contributions allocated to him for a Plan Year ending with or within that Plan Year under any other tax-qualified defined contribution plan maintained by an Employer.

### 18.6 Coordination of Benefits

For any Plan Year in which the Plan is top-heavy, in the case of a Participant who is a non-Key Employee and who is a Participant in a top-heavy tax-qualified defined benefit plan that is maintained by an Employer and that is subject to Section 416 of the Code, Section 18.6 shall not apply, and the minimum benefit to be provided to each such Participant in accordance with this Section 18 and Section 416(c) of the Code shall be the minimum annual retirement benefit to which he is entitled under such defined benefit plan in accordance with such Section 416(c), reduced by the amount of annual retirement benefit purchasable with his Plan Accounts (or portions thereof) attributable to Employer contributions under this Plan and any other tax-qualified defined contribution plan maintained by an Employer.

IN WITNESS WHEREOF, the foregoing plan is adopted by the Company, this  
1st day of April, 2007.

TRIBUNE COMPANY



By: Dennis J. FitzSimons  
Its. Chairman, President and Chief Executive  
Officer



## EXHIBIT 1

### Tribune Employee Stock Ownership Plan

List of Participating Employers as of January 1, 2007

Co Code	Company Name
100	Tribune Publishing Company
101	Chicago Tribune Company
103	Chicago Tribune Press Services
104	Newspapers Readers Agency, Inc
105	Tribune Direct
106	Chicagoland Publishing Company
109	Chicago Tribune Interactive
121	Tribune Media Net
130	Sun Sentinel
131	Gold Coast Publications
132	Sun Sentinel Development
135	Forum Publishing Group, Inc.
136	TI - SFLA
140	Sentinel Communications
145	TI - Orlando
160	The Daily Press
162	Virginia Gazette, LLC
163	TI - Hampton Roads
170	Tribune Media Services
171	Tribune Interactive
172	TMS - Glens Falls
173	TMS Europe
174	Tribune Media Serv-Glendale, WI
178	Tribune Media Svcs
190	Chicagoland TV
191	Oakbrook Productions
200	Tribune Broadcasting Company
210	WPIX-TV
213	KCPQ, Inc.
215	KHCW-TV
217	WXMI
220	KTLA-TV
225	KSWB-TV

230	WGN-TV
231	WGN Cable Sales
232	Tower Distribution Company
241	WTIC-TV
242	WXIN-TV
243	KDAF-TV
244	WPMT-TV
245	KTXL-TV
246	WSFL-TV
250	WGNO/WNOL
252	WDCW-TV
255	WPHL-TV
265	KWGN-TV
270	KPLR-TV
275	KRCW-TV
285	Tribune Broadcasting News Ntwk
290	WGN-AM Radio 720
310	Tribune Entertainment Company
311	5800 Sunset Productions
500	Tribune Company
501	Tribune Information Systems
504	Tribune Finance Service Center
505	Tribune Properties
600	Los Angeles Times Commun. LLC
601	Los Angeles Times Newspapers
603	Los Angeles Times Interactive
605	Recycler Classifieds
609	California Community News
610	The Hartford Courant
611	Tribune Interactive - Hartford
613	Valumail
614	New Mass Media
620	The Morning Call, Inc.
621	Morning Call Interactive
623	Tribune Direct (ABE)
640	The Baltimore Sun
641	Interactive
642	Patuxent Publishing Company
643	Homestead Publishing Co.

660	Newsday
661	Newsday.com
662	Newsday, Inc.
663	Star Community Publishing Grp
664	DSA Community Publishing
669	Tribune NY Newspaper Holdings
670	Hoy Publications LLC
671	Hoy L.A.
672	Hoy Chicago
674	Hoy-Central
703	Metromix Central

[EXECUTION COPY]

**TRIBUNE EMPLOYEE STOCK OWNERSHIP TRUST**

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## **TRIBUNE EMPLOYEE STOCK OWNERSHIP TRUST**

THIS AGREEMENT, made this 1st day of April, 2007, effective as of the 7th day of February, 2007, by and between Tribune Company, a Delaware corporation, (the "Company"), and GreatBanc Trust Company, not in its individual or corporate capacity, but solely as trustee of the Tribune Employee Stock Ownership Trust (the "Trust"), and its successor or successors and assigns (the "Trustee").

### **WITNESSETH THAT:**

WHEREAS, the Company has established an employee stock ownership plan (as described in Section 4975(e)(7) of the Internal Revenue Code of 1986, as it may be amended from time to time (the "Code")), which is known as the Tribune Employee Stock Ownership Plan (the "Plan"); and

WHEREAS, the Plan was established for the exclusive benefit of eligible employees of the Company and those of any Controlled Group Member (as defined in Section 4) which adopts the Plan and becomes a party to this Trust Agreement as provided in Section 4 (the Company and the Controlled Group Members that are parties hereto are sometimes referred to below collectively as the "Employers" and individually as an "Employer");

NOW THEREFORE, pursuant to the authority delegated to the undersigned officers of the Company by resolution of its Board of Directors (the "Board"), IT IS AGREED, by and between the parties hereto, that the trust provisions contained herein shall constitute the agreement between the Company and the Trustee in connection with the Plan; and

IT IS FURTHER AGREED, that the Trustee hereby accepts its appointment as such under this Trust Agreement, effective as of February 7, 2007.

IT IS FURTHER AGREED, by and between the parties hereto as follows:

### **SECTION 1**

#### **Name**

This Trust Agreement and Trust hereby evidenced shall be known as the "TRIBUNE EMPLOYEE STOCK OWNERSHIP TRUST."

### **SECTION 2**

#### **MANAGEMENT AND CONTROL OF TRUST FUND ASSETS**

##### **2.1 The Trust Fund**

The "Trust Fund" at any date means all property of every kind then held by the Trustee pursuant to this Trust Agreement. The Trustee may manage, administer and invest all contributions made by the several Employers under the Plan as one Trust Fund. If, for any

reason, it becomes necessary to determine the portion of the Trust Fund allocable to employees and former employees of any Employer as of any date, the Administrator (as defined in Section 2.2) shall specify such date as an accounting date, and after all adjustments required under the Plan as of that accounting date have been made, the portion of the Trust Fund attributable to such employees and former employees shall be determined and shall consist of an amount equal to the aggregate of the account balances of employees and former employees of that Employer plus an amount equal to any allocable contributions made by that Employer since the close of the immediately preceding Plan Year.

## **2.2 Plan Administration**

The Plan shall be administered by a committee of one or more persons (the "Administrator"), the members of which shall be certified to the Trustee by the Company. The Administrator may authorize one or more individuals to sign all communications between the Administrator and Trustee and shall at all times keep the Trustee advised of the names of the members of the Administrator, the individuals authorized to sign on behalf of the Administrator, and provide specimen signatures thereof. With the Trustee's prior written consent, the Administrator may authorize the Trustee to act, without specific directions or other directions or instructions from the Administrator, on any matter or class of matters with respect to which directions or instructions from the Administrator are called for hereunder. The Trustee shall be fully protected in relying on any communication sent by any authorized person and shall not be required to verify the accuracy or validity of any signature unless the Trustee has reasonable grounds to doubt the authenticity of any signature. If the Trustee requests any directions hereunder with respect to a matter that is not within the Trustee's sole discretion and does not receive them, the Trustee shall act or refrain from acting, as it may determine, with no liability for such action or inaction. If at any time the person(s) serving as the Administrator and the person(s) serving as the Trustee are identical, then there shall be no need for written instructions from the Administrator to the Trustee, and all actions taken by the Trustee shall be deemed to have been properly authorized by the Administrator.

## **2.3 Exercise of Trustee's Duties**

The Trustee shall discharge its duties hereunder solely in the interest of the Participants and their Beneficiaries, as such terms are described in the Plan, and:

- (a) for the exclusive purpose of:
  - (i) providing benefits to Participants and Beneficiaries, and
  - (ii) defraying reasonable expenses of administering the Plan;
- (b) with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims;
- (c) in accordance with the documents and instruments governing the Plan unless, in the good faith judgment of the Trustee, the documents and instruments are not



consistent with the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"); and

- (d) in a manner that does not constitute a non-exempt prohibited transaction under section 4975 of the Code or sections 406 or 407 of ERISA.

## **2.4 Investment in Company Stock**

The primary purpose of the Plan is to acquire an ownership interest in the Company either from the Company or its shareholders and to provide deferred compensation benefits to Participants and Beneficiaries in the form of Company Stock. Accordingly, the Plan has been established to provide for investment primarily in shares of Company Stock. In furtherance of the purposes for which the Plan has been established and designed, the Trustee shall, in accordance with the terms of the Plan, ERISA and the Code (a) acquire shares of Company Stock with Trust Assets or with the proceeds of a loan, (b) hold unallocated shares of Company Stock which have been acquired with the proceeds of a loan in a suspense account for release and allocation to the accounts of Participants, (c) hold shares of Company Stock which have been otherwise purchased by the Trustee or which have been contributed by the Company and (d) distribute to Participants or their Beneficiaries under the terms of the Plan the value of shares of Company Stock and other assets which have been allocated to the Accounts of such Participants pursuant to the terms of the Plan. The Trustee is expressly authorized, in accordance with the terms of the Plan, to hold one hundred (100) percent of the Trust Assets in shares of Company Stock.

## **2.5 General Powers**

Subject to the provisions of Sections 2.3, and 3, with respect to the Trust Fund, the Trustee shall have the following powers, rights and duties in addition to those provided elsewhere in this Trust Agreement or by law.

- (a) To receive and to hold all contributions paid to it under the Plan; provided, however, that the Trustee shall have no duty to require any contributions to be made to it, or to determine that the contributions received by it comply with the provisions of the Plan or with any resolution of the Board providing therefor.
- (b) To retain in cash (pending investment, reinvestment or the distribution of dividends) such reasonable amount as may be required for the proper administration of the Trust and to invest such cash as provided herein.
- (c) As directed by the Administrator, to make distributions from the Trust Fund to such persons or trusts, in such manner, at such times and in such forms as directed without inquiring as to whether a payee is entitled to the payment, or as to whether a payment is proper, and without liability for a payment made in good faith without actual notice or knowledge of the changed condition or status of the payee. If any payment of benefits directed to be made from the Trust Fund by the Trustee is not claimed, the Trustee shall notify the Administrator of that fact promptly. The Administrator shall make a diligent effort to ascertain the whereabouts of the payee or distributee of benefits returned unclaimed. The

Trustee shall dispose of such payments as the Administrator shall direct. The Trustee shall have no obligation to search for or ascertain the whereabouts of any payee or distributee of benefits from the Trust Fund.

- (d) To vote or exercise other rights with respect to any "Company Stock" (as defined in the Plan) in the Trust Fund at its discretion, except to the extent provided in the Plan, and to vote or exercise other rights with regard to any other stocks, bonds or other securities held in the Trust, or otherwise consent to or request any action on the part of the issuer in person, by proxy or power of attorney.
- (e) To contract or otherwise enter into transactions between the Trust and the Company or any Company shareholder or other person, for the purpose of acquiring, selling, or exchanging Company Stock and, to retain in the Trust Fund any Company Stock so acquired.
- (f) To compromise, contest, arbitrate, settle or abandon claims and demands by or against the Trust Fund.
- (g) To begin, maintain or defend any litigation necessary in connection with the investment, reinvestment and administration of the Trust.
- (h) To report to the Company as of the last day of each Plan Year (which shall be the same as the Trust's fiscal year), as of any "Accounting Date" as defined in the Plan (or as soon thereafter as practicable), or at such other times as may be required under the Plan, the then "Net Worth" of the Trust Fund, that is, the fair market value of all property held in the Trust Fund, reduced by any liabilities other than liabilities to Participants in the Plan and their Beneficiaries, as determined by the Trustee.
- (i) To furnish to the Company an annual written account or accounts for such other periods as may be required under the Plan, showing the Net Worth of the Trust Fund at the end of the period, all investments, receipts, disbursements and other transactions made by the Trustee during such period, and such other information as the Trustee may possess which the Administrator requires in order to comply with the reporting and disclosure requirements of ERISA. The Trustee shall keep accurate accounts of all investments, earnings thereon, and all accounts, books and records related to such investments shall be open to inspection by any person designated by the Company or the Administrator. All accounts of the Trustee shall be kept on an accrual basis. If, during the term of this Trust Agreement, the Department of Labor issues regulations under ERISA regarding the valuation of securities or other assets for purposes of the reports required by ERISA, the Trustee shall use such valuation methods for purposes of the accounts described by this subparagraph. If the Administrator determines that there is not a generally recognized market (as contemplated by Section 3(18)(A) of ERISA) for shares of Company Stock, all valuations of shares of Company Stock shall initially be made by an independent appraiser (as described in Section 401(a)(28)(C) of the Code) ("Independent Appraiser") retained by the Trustee, and reviewed and finalized by

the Trustee, in accordance with Section 3(18)(B) of ERISA. The Company may approve such accounting by written notice of approval delivered to the Trustee or by failure to express objection to such accounting in writing delivered to the Trustee within one hundred twenty (120) days from the date upon which the accounting was delivered to the Company. Upon the receipt of a written approval of the accounting, or upon the passage of the period of time within which objection may be filed without written objections having been delivered to the Trustee, such accounting shall be deemed to be approved, and the Trustee shall be released and discharged as to all items, matters and things set forth in such account, as fully as if such accounting had been settled and allowed by decree of a court of competent jurisdiction in an action or proceeding in which the Trustee, the Company and all persons having or claiming to have any interest in the Trust Fund or under the Plan were parties.

- (j) As directed by the Administrator, to pay any estate, inheritance, income or other tax, charge or assessment attributable to any benefit which it shall or may be required to pay out of such benefit; and to require before making any payment such release or other document from any taxing authority and such indemnity from the intended payee as the Trustee shall deem necessary for its protection.
- (k) To employ and to reasonably rely upon information and advice furnished by agents, attorneys, appraisers, accountants or other persons of its choice for such purposes as the Trustee considers necessary for the proper administration of the Trust.
- (l) To assume, until advised to the contrary, that the Trust evidenced by this Agreement is qualified under Section 401(a) of the Code and is entitled to tax-exempt status under Section 501(a) thereof.
- (m) To invest and reinvest the assets of the Trust Fund in personal property of any kind, including, but not limited to bonds, notes, debentures, mortgages, equipment trust certificates, investment trust certificates, guaranteed investment contracts, preferred or common stock, and registered investment companies.
- (n) To exercise any options, subscription rights and other privileges with respect to Trust assets.
- (o) To register ownership of any securities or other property held by it in its own name or in the name of a nominee, with or without the addition of words indicating that such securities are held in a fiduciary capacity, and may hold any securities in bearer form, but the books and records of the Trustee shall at all times reflect that all such investments are part of the Trust.
- (p) To borrow such sum or sums from time to time as the Trustee considers necessary or desirable and in the best interest of the Trust Fund, and for that purpose to mortgage or pledge any part of the Trust Fund.

- (q) To deposit securities with a clearing corporation as defined in Article 8 of the Uniform Commercial Code. The certificates representing securities, including those in bearer form, may be held in bulk form with, and may be merged into, certificates of the same class of the same issuer which constitute assets of other accounts or owners, without certification as to the ownership attached. Utilization of a book-entry system may be made for the transfer or pledge of securities held by the Trustee or by a clearing corporation. The Trustee shall at all times, however, maintain a separate and distinct record of the securities owned by the Trust.
- (r) To participate in and use the Federal Book-Entry Account System, a service provided by the Federal Reserve Bank for its member banks for deposit of Treasury securities.
- (s) To perform any and all other acts which are necessary or appropriate for the proper management, investment and distribution of the Trust Fund.
- (t) To form corporations or any other entities as it deems appropriate in its sole discretion.
- (u) To perform any and all other acts, in its sole discretion, which are necessary or appropriate for the Trust to participate in a transaction or series of transactions designed to increase the Trust's ownership of the Company.

## **2.6 Responsibility of Trustee**

The Trustee shall not be responsible in any way for the adequacy of the Trust Fund to meet and discharge any or all liabilities under the Plan or for the proper application of distributions made or other action taken upon the direction of the Administrator. The powers, duties and responsibilities of the Trustee shall be limited to those set forth in this Trust Agreement, and nothing contained in the Plan, either expressly or by implication, shall be deemed to impose any additional powers, duties or responsibilities on the Trustee.

## **2.7 Compensation and Expenses**

The Trustee shall be entitled to reasonable compensation for services, as agreed to between the Company and the Trustee from time to time in writing and to reimbursement of all reasonable expenses incurred by it in the administration of the Trust. The Trustee is authorized to pay from the Trust Fund all expenses of administering the Plan and Trust, including its compensation, compensation to any agents employed by the Trustee and any accounting, legal and valuation expenses, to the extent they are not paid directly by the Employers. The Trustee shall be fully protected in making payments of administrative expenses pursuant to the written directions of the Administrator.

## **2.8 Continuation of Powers Upon Trust Termination**

Notwithstanding anything to the contrary in this Agreement, upon termination of the Trust, the powers, rights and duties of the Trustee hereunder shall continue until all Trust Fund assets have been liquidated.

## **2.9 No Reversion to Company**

No part of the corpus or income of the Trust Fund shall revert to any Employer or be used for, or diverted to, purposes other than for the exclusive benefit of Participants and other persons entitled to benefits under the Plan, except to the extent specifically provided in the Plan and permissible under the Code and ERISA.

# **SECTION 3**

## **PROVISIONS RELATED TO INVESTMENT IN COMPANY STOCK**

### **3.1 Purchase and Sale of Company Stock**

The Trustee shall have complete discretion with regard to all purchases and sales of Company Stock by the Trust, without regard to any instructions from the Administrator. The Trustee is authorized to purchase or sell Company Stock from or to the Company or from or to any other person, and such stock may be outstanding, newly issued or treasury stock. All such purchases must be at a price not in excess of fair market value, as determined by the Trustee based on an independent appraisal when the Company Stock is not publicly traded. Pending investment of cash in Company Stock, such cash may be invested in savings accounts, certificates of deposit, high-grade short-term securities, common or preferred stocks, bonds, or other investments, or may be held in cash. Such investments may include any collective investment trust which provides for the pooling of assets of plans described in section 401(a) of the Code and exempt from tax under section 501(a) of the Code the terms of which are incorporated by reference.

### **3.2 Stock Dividends, Splits and Other Capital Reorganizations**

Any Company Stock received by the Trustee as a stock split or dividend or as a result of a reorganization or other recapitalization of the Company shall be allocated as of each Accounting Date under the Plan in proportion to the Company Stock to which it is attributable.

### **3.3 Voting and Tender of Shares**

The Trustee shall exercise all voting, tender, exchange and other rights with respect to Company Stock held in the Trust Fund at its discretion, except to the extent set forth in the Plan and otherwise consistent with its duties described in Section 2.3.

### **3.4 Put Option**

If the distribution of any portion of a Participant's ESOP Stock Account as defined in the Plan is to be made in cash, or the Trustee expects to incur substantial Trust expenses which will

not be paid directly by the Employers, and the Trustee determines that the Trust Fund has insufficient cash to make anticipated distributions or pay Trust expenses, the Trust shall have a "put option" on Company Stock it holds to the Company for the purpose of making such anticipated distributions and paying such expenses; provided, however, that the Company shall not be obligated to make any payment under such put option if prohibited from doing so by law. The implementation of such a put option shall be pursuant to one or more of the following arrangements as the Trustee shall determine.

- (a) The Trustee shall put Company Stock to the Company on an Accounting Date in an amount sufficient to provide an amount of cash estimated in good faith to be sufficient to make anticipated distributions from the Trust for payment of benefits or expenses until the next succeeding Accounting Date.
- (b) If permitted under applicable law, rulings and regulations, and not a prohibited transaction under section 4975(c) of the Code or sections 406 or 407 of ERISA, the Trustee, in its discretion, shall put Company Stock to the Company on a date other than an Accounting Date, and shall be paid therefor the fair market value of such Company Stock determined as of the next preceding Accounting Date.
- (c) The Trustee may cause a special valuation of the Company Stock to be made by an Independent Appraiser as of the date of the put option to the Company, or it may cause benefits to be distributed based on the value of a Participant's accounts as of the Accounting Date next preceding the date for which payment is requested.
- (d) The Trustee may exercise a put option to the Company and cause the fair market value of such Company Stock to be paid by the Company pursuant to any other arrangement agreed upon by the Trustee to the extent permitted by applicable law, rulings and regulations.

#### **SECTION 4**

##### **ADDITIONAL EMPLOYERS**

Any "Controlled Group Member" (as defined in the Plan) may become a party to this Trust Agreement by:

- (a) filing with the Company and the Trustee a certified copy of a resolution of its Board of Directors to that effect; and
- (b) filing with the Trustee a certified copy of a resolution of the Board of Directors of the Company consenting to such action.

## **SECTION 5**

### **Change of Trustee**

#### **5.1 Resignation**

The Trustee may resign at any time by giving thirty (30) days' advance written notice to the Company and the Administrator.

#### **5.2 Removal of the Trustee**

The Company may remove the Trustee by giving thirty (30) days' advance written notice to the Trustee, subject to providing the removed Trustee with satisfactory written evidence of the appointment of a successor Trustee and of the successor Trustee's acceptance of the trusteeship and subject to the Company's commitments regarding the term of trust services to be provided by the Trustee pursuant to the engagement letter between the Company and Trustee.

#### **5.3 Duties of Resigning or Removed Trustee and of Successor Trustee**

If the Trustee resigns or is removed, it shall promptly transfer and deliver the assets of the Trust Fund to the successor Trustee(s), and may reserve such amount to provide for the payment of all fees and expenses, or taxes then or thereafter chargeable against the Trust Fund and properly payable out of the Trust Fund without violating applicable law, to the extent not previously paid by the Company. The Company shall be obligated to reimburse the Trust for any amount reserved by the Trustee. Within 120 days, the resigned or removed Trustee shall furnish to the Company and the successor Trustee(s) an account of its administration of the Trust from the date of its last account. Each successor Trustee shall succeed to the title to the Trust Fund vested in his predecessor without the signing or filing of any further instrument, but any resigning or removed Trustee shall execute all documents and do all acts necessary to vest such title or record in any successor Trustee. Each successor shall have all the powers, rights and duties conferred by this Trust Agreement as if originally named Trustee. No successor Trustee shall be personally liable for any act or failure to act of a predecessor Trustee. With the approval of the Administrator, a successor Trustee may accept the account rendered and the property delivered to it by its predecessor Trustee as a full and complete discharge to the predecessor Trustee without incurring any liability or responsibility for so doing.

#### **5.4 Filling Trustee Vacancy**

The Company may fill a vacancy in the office of Trustee as soon as practicable by a writing filed with the person or entity appointed to fill the vacancy.

## **SECTION 6**

### **Amendment and Termination**

#### **6.1 Amendment**

While the Employers expect and intend to continue the Trust, the Company reserves the right to amend the Trust at any time pursuant to an action of the Company's Board of Directors, except that no amendment shall change the rights, duties, liabilities, and indemnification of the Trustee under this Trust Agreement without its prior written agreement, nor reduce a Participant's benefits to less than the amount such Participant would be entitled to receive if such Participant had resigned from the employ of the Employers on the date of the amendment.

#### **6.2 Termination**

The Trust may be terminated as to all Employees on any date specified by the Company. The Trust will terminate as to any Employer on the first to occur of the following:

- (a) the date it is terminated by that Employer;
- (b) the date such Employer's contributions to the Trust are completely discontinued;  
or
- (c) the date such Employer is judicially declared bankrupt under Chapter 7 of the U.S. Bankruptcy Code.

The Trustee's powers upon termination as described above will continue until liquidation of the Trust Fund, or the portion thereof attributable to an Employer, as the case may be. Upon termination of this Trust the Trustee shall first reserve such reasonable amounts as it may deem necessary to provide for the payment of any expenses or fees then or thereafter chargeable to the Trust Fund. Subject to such reserve, the balance of the Trust Fund shall be liquidated and distributed by the Trustee to or for the benefit of the Participants or their beneficiaries, as directed by the Administrator after compliance with applicable requirements of ERISA, as amended from time to time, or other applicable law, accompanied by a certification that the disposition is in accordance with the terms of the Plan and the Trustee need not question the propriety of such certification. The Company shall have full responsibility to see that such distribution is proper and within the terms of the Plan and this Trust.

## **SECTION 7**

### **MISCELLANEOUS**

#### **7.1 Disagreement as to Acts**

If there is a disagreement between the Trustee and anyone as to any act or transaction reported in any accounting, the Trustee shall have the right to have its account settled by a court of competent jurisdiction.



## **7.2 Persons Dealing with Trustee**

No person dealing with the Trustee shall be required to see to the application of any money paid or property delivered to the Trustee, or to determine whether or not the Trustee is acting pursuant to any authority granted to it under this Agreement or the Plan.

## **7.3 Benefits May Not Be Assigned or Alienated**

Except to the extent expressly permitted by the Code or ERISA, the interests under the Plan and this Agreement of Participants and Beneficiaries are not subject to the claims of their creditors and may not be voluntarily or involuntarily assigned, alienated or encumbered.

## **7.4 Evidence**

Evidence required of anyone under this Agreement may be by certificate, affidavit, document or other instrument which the person acting in reliance thereon considers pertinent and reliable, and signed, made or presented by the proper party.

## **7.5 Waiver of Notice**

Any notice required under this Agreement may be waived in writing by the person entitled thereto.

## **7.6 Counterparts**

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and no other counterparts need be produced.

## **7.7 Governing Laws and Severability**

This Agreement shall be construed and administered according to the laws of Illinois to the extent that such laws are not preempted by the laws of the United States of America. If any provision of this Agreement is held illegal or invalid, the illegality or invalidity shall not affect the remaining provisions of the Agreement, but shall be severable, and the Agreement shall be construed and enforced as if the illegal or invalid provision had never been inserted herein.

## **7.8 Successors, Etc.**

This Agreement shall be binding on the Employers, and any successors thereto by virtue of any merger, sale, dissolution, consolidation or reorganization, on the Trustee and its successor and on all persons entitled to benefits under the Plan and their respective heirs and legal representatives.

## **7.9 Action**

Any action required or permitted to be taken by the Company under this Agreement shall be by resolution of its Board of Directors or by a person or persons authorized by resolution of its Board of Directors. The Trustee shall not recognize or take notice of any appointment of any

representative of the Company or Administrator unless and until the Company or the Administrator shall have notified the Trustee in writing of such appointment and the extent of such representative's authority. The Trustee may assume that such appointment and authority continue in effect until it receives written notice to the contrary from the Company or Administrator. Any action taken or omitted to be taken by the Trustee upon direction of any representative of the Company or Administrator in accordance with this Trust and within the scope of the representative's authority shall be as effective for all purposes hereof as if such action or nonaction had been authorized by the Company or Administrator.

#### **7.10 Conformance with Plan**

To the extent the provisions of the Plan and this Trust Agreement conflict, the provisions of this Trust Agreement shall govern.

#### **7.11 Indemnification**

(a) Indemnification Subject to the applicable provisions of ERISA, the Company and any subsidiaries (collectively, the "Indemnitors") shall jointly and severally release, indemnify and hold harmless the Indemnitees for any loss, cost, expense, or other damage, including (but not limited to) attorney's fees, suffered by any of the Indemnitees resulting from, or incurred with respect to, any legal proceedings, actions, suits, arbitrations and investigations related in any way to the performance of services by any one or more of the Indemnitees pursuant to this Agreement and the Trust (the "Right of Indemnification"). The Right of Indemnification provided for in this Section 7.11 shall extend to: (a) any action taken or not taken in good faith by any of the Indemnitees; and (b) all reasonable costs and expenses incurred by the Indemnitees in enforcing the Right of Indemnification, including, but not limited to, reasonable attorneys' fees and court costs. However, the Right of Indemnification shall not apply to the extent that any loss, cost, expense, or damage with respect to which any of the Indemnitees shall seek indemnification is held by a court of competent jurisdiction, in a final judgment from which no appeal can be taken, to have resulted either from the gross negligence or from the willful misconduct of one or more of the Indemnitees. For purposes of this Agreement, the term "Indemnitees" shall mean the Trustee and its officers, directors, employees and agents.

##### **(b) Defense of Actions.**

(i) Notice. If one or more of the Indemnitees receives notice of any legal proceeding with respect to which indemnification may be sought against the Indemnitors pursuant to Section 7.11 (a "Proceeding"), an Indemnitee shall notify the Company of the Proceeding in writing within 30 days of the commencement of the Proceeding. However, the failure to so notify the Company shall not relieve the Indemnitors from their Right of Indemnification obligations, except to the extent that the failure to so notify the Company shall actually have prejudiced the defense of any Proceeding. The Company will be entitled to assume the defense of the Proceeding with counsel reasonably satisfactory to the Indemnitees or to otherwise participate in the Proceeding. If the Company elects to assume the defense of the Proceeding, it then shall pay all costs of defense.

(ii) Reimbursement of Expenses. The Indemnitors shall reimburse the Indemnitees for all reasonable costs that they incur in connection with any Proceeding, including (but not limited to) costs of investigation, of testifying in any hearing, of responding to discovery proceedings, and of consulting with the Indemnitors or the attorneys for the Indemnitors. The Indemnitees shall have the right to employ their own counsel in any Proceeding, and the fees and expenses of the Indemnitees' counsel shall be paid by the Indemnitors as they are incurred, if any one or more of the following conditions are satisfied:

the employment by the Indemnitees of their own counsel shall be authorized by the Company;

the Indemnitees are advised by their counsel that there may be one or more legal defenses available to them which are different from or additional to defenses available to the Company (in which case the Company shall not have the right to assume the defense of the Proceeding on behalf of the Indemnitees);

the Company fails to assume the defense of the Proceeding and to employ counsel satisfactory to the Indemnitees within 14 days after being notified of the commencement of the Proceeding; or

the Indemnitees shall be informed by their counsel that a conflict exists with the counsel selected by the Company.

(c) Governmental Investigations. The provisions of this Section 7.11 shall apply if any governmental or private commission or regulatory authority shall investigate any of the Indemnitees, or shall require any of the Indemnitees to testify in any hearing or in connection with any investigation, regarding the performance of services by the Indemnitees pursuant to the Trust. Investigations covered by this Section 7.11 shall include, but shall not be limited to, investigations conducted by any agency of the United States or of any state, by any committee of the Congress of the United States or of the legislature of any state, or by a stock exchange or other entity having authority to investigate or regulate similar to that of a stock exchange. In the case of any investigation, the Indemnitees shall have the right to employ separate counsel to represent them, and the Indemnitors shall pay the reasonable fees and expenses of the Indemnitees' counsel as they are incurred. The Trustee agrees that it shall reasonably cooperate with the Company in connection with any investigation.

(d) Limitation. If a court of competent jurisdiction shall hold that any payment or award of indemnification pursuant to the terms of this Agreement shall be unavailable to any one or more of the Indemnitees from the Indemnitors for any reason other than their gross negligence or willful misconduct, the Indemnitees shall nevertheless have a right of contribution against the Indemnitors, which shall accordingly reimburse the affected Indemnitees consistent with this Agreement, but taking into account the basis for the denial of full indemnification by the court.

#### 7.12 Headings

The headings of Sections of this Agreement are for convenience of reference only and shall have no substantive effect on the provisions of this Agreement.

#### 7.13 Multiple Trustees

In the event that more than one person shall serve as co-trustees hereunder, then the action of a majority of the co-trustees serving at any time shall be deemed to be the action of the Trustee.

#### 7.14 Integration

Except for the Trustee Engagement Agreement by and between GreatBanc Trust Company and the Company, dated February 7, 2007, this Trust Agreement and the Plan contain the entire agreement and understanding of the Company, the Company and the Trustee with respect to the subject matter thereof and supersede all prior agreements and understandings related to such subject matter. This Agreement shall be binding upon the parties hereto and their successors and assigns.

IN WITNESS WHEREOF, the Company and Trustee have caused these presents to be signed and their seals to be hereunto affixed and attested by their duly authorized officers all as of the day and year first above written.

#### TRIBUNE COMPANY

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

*Dennis J. FitzSimons*  
Dennis J. FitzSimons  
Chairman, President and Chief Executive Officer

GREATBANC TRUST COMPANY, not in its individual or corporate capacity but solely as Trustee of the Tribune Employee Stock Ownership Trust

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

*Marilyn H. Marchetti*  
Marilyn H. Marchetti  
Senior Vice President