

**CHILDREN'S HOSPITAL OF ORANGE COUNTY
RETIREMENT ACCUMULATION PLAN**

SUMMARY PLAN DESCRIPTION

SPONSORED BY:

CHILDREN'S HOSPITAL OF ORANGE COUNTY

EMPLOYER IDENTIFICATION NUMBER: 95-2321786

PLAN NUMBER: 005

EFFECTIVE DATE OF PLAN: July 23, 2000

EFFECTIVE DATE OF RESTATEMENT OF PLAN: January 1, 2019

PLAN YEAR END: December 31

PLAN ADMINISTRATOR: Children's Hospital of Orange County

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CHILDREN'S HOSPITAL OF ORANGE COUNTY RETIREMENT ACCUMULATION PLAN

ARTICLE I: INTRODUCTION TO THE PLAN

1.1 WHAT IS THE PURPOSE OF THIS PLAN?

CHILDREN'S HOSPITAL OF ORANGE COUNTY (hereinafter "CHOC") has amended and restated the CHILDREN'S HOSPITAL OF ORANGE COUNTY RETIREMENT ACCUMULATION PLAN as of January 1, 2019. CHOC continues to maintain this Plan in order to provide funds for your retirement and to provide funds for your beneficiary(ies) in the event of your death. The Plan was established for the exclusive benefit of the Participants and their Beneficiaries.

1.2 WHAT TYPE OF RETIREMENT PLAN IS THIS?

This Plan is a "403(b)" Plan. "403(b)" is the section of the Internal Revenue Code which governs this type of plan. The Plan is funded by one or more Investment Arrangements selected by the Plan Administrator.

You may elect to defer a portion of your Compensation to the Plan. The amount of your deferral is then used to fund Investment Arrangements on your behalf. Your deferral may be on a pre-tax or Roth (after-tax) basis.

In addition, CHOC will, under the terms of the Plan, make contributions to an Investment Arrangement on your behalf. These contributions are exempt from federal income taxation until they are distributed from the Plan.

1.3 HOW ARE CONTRIBUTIONS TO THE PLAN INVESTED?

Contributions to the Plan are invested in one or more Investment Arrangements approved by the Plan Administrator for use in this Plan. Investment Arrangements provide for contributions to be held and credited with interest, or gains and losses, depending on the Investment Arrangement selected. Your benefits under the Plan will be in the form of payments under the Investment Arrangement will in the form of a lump sum payment or any other type of payments allowed under the Plan document. Each Investment Arrangement selected by Participants in the Plan must meet the requirements of Section 403(b) of the Internal Revenue Code.

The Plan is intended to be an ERISA Section 404(c) participant-directed plan, which means that the participants exercise control over the assets in their individual accounts and that Plan fiduciaries may be relieved of liability for losses that are a result of participant investment instructions if certain requirements are met.

Contributions to the Plan on your behalf may be invested in mutual funds which are held

in a custodial account pursuant to Section 403(b)(7) of the Internal Revenue Code. Any such custodial accounts made available under the Plan must be held by a bank or an approved non-bank trustee or custodian permitted under the Internal Revenue Code or by the Secretary of the Treasury.

All contributions made to the Plan on your behalf will be placed in individual Accounts in your name. The Plan will maintain control of these Accounts as long as they remain under the Plan.

YOU SHOULD CAREFULLY REVIEW THE CUSTODIAL AGREEMENT, PROSPECTUS, OR OTHER MATERIAL PROVIDED BY THE PLAN ADMINISTRATOR, THE INSURANCE COMPANY OR THE CUSTODIAN TO UNDERSTAND YOUR OPTIONS UNDER THE INVESTMENT ARRANGEMENT YOU SELECTED, HOW THE PLAN FUNDS ARE INVESTED, AND ANY CHARGES WHICH MAY APPLY. HOWEVER, IF THERE IS EVER A CONFLICT BETWEEN THE PROVISIONS OF THIS PLAN AND ANY MATERIAL YOU RECEIVE FROM AN INVESTMENT PROVIDER UNDER THE PLAN, THE PLAN PROVISIONS WILL APPLY. ADDITIONAL INFORMATION MAY BE OBTAINED FROM THE PLAN ADMINISTRATOR.

1.4 WHAT IS A "SUMMARY PLAN DESCRIPTION"?

The Summary Plan Description is a brief explanation of the Plan as well as of your rights, obligations, and benefits under the Plan. This Summary Plan Description is not intended to interpret, extend or change the provisions of the Plan in any way. The provisions of the Plan may be determined accurately only by reading the actual provisions of the Plan document, copies of which may be obtained from the Plan Administrator. The Plan Administrator (see section 2.2) will answer any questions concerning the Plan or this Summary Plan Description.

Certain words which are capitalized are "defined terms". That is, they are defined for this Plan in a certain way. The definitions are provided throughout this Summary Plan Description and an alphabetical index of the terms can be found at the back.

In the event of any discrepancy between this Summary Plan Description and the actual provisions of the Plan, the Plan will govern.

ARTICLE II: GENERAL PLAN INFORMATION

There is certain general information about the Plan which you should know. This information is contained in this section.

2.1 HOW CAN THE PLAN BE IDENTIFIED?

A. The name of the Plan is CHILDREN'S HOSPITAL OF ORANGE COUNTY RETIREMENT ACCUMULATION PLAN.

B. CHOC has assigned Plan Number 005 to this Plan.

C. CHOC's full name, address and Employer Identification Number (EIN) are listed below:

Children's Hospital of Orange County
1201 W. La Veta Avenue
Orange, California 92868
95-2321786

2.2 WHO IS THE "PLAN ADMINISTRATOR"?

The Plan Administrator is the person or organization responsible for keeping the records of the Plan and the day-to-day operation of the Plan. The Plan Administrator will also answer any questions you may have concerning the Plan's operation. The name, address and telephone number of the Plan Administrator are listed below:

Children's Hospital of Orange County 403(b) Plan Committee
1201 W. La Veta Avenue
Orange, California 92868
(714) 997-3000

2.3 WHO IS THE "AGENT FOR SERVICE OF LEGAL PROCESS"?

The name, address and telephone number of the Plan's Agent for Service of Legal Process are listed below:

Human Resources Department
Children's Hospital of Orange County
1201 W. La Veta Avenue
Orange, California 92868
(714) 997-3000

Service of legal process concerning the Plan may also be made upon CHOC. The Plan will be governed by the laws of the state (California) in which it is executed, except for those matters in which federal law preempts state law.

ARTICLE III: IMPORTANT DATES

3.1 WHAT IS THE "EFFECTIVE DATE" OF THE PLAN?

This is a restatement of a prior plan which was originally effective July 23, 2000. The Effective Date of this restatement is January 1, 2019.

3.2 WHAT IS THE "PLAN YEAR"?

The Plan is based on a 12 month period known as the Plan Year. Plan Years begin on January 1 and end on December 31.

ARTICLE IV: ELIGIBILITY REQUIREMENTS

4.1 HOW DO I BECOME ELIGIBLE TO MAKE ELECTIVE DEFERRALS?

A. Eligible Class of Employees. Generally, all Employees are eligible to make Elective Deferrals (see section 6.1). However, eligible Employees do not include any individual who has been classified by CHOC as an independent contractor, leased employee, or any other classification other than common law employee, even if such individual subsequently has been reclassified as an employee of CHOC pursuant to a final determination, or a court of competent jurisdiction and not until such individual becomes a participant in accordance with the terms of the Plan.

B. Eligibility Requirements. If you are an eligible Employee as described in Section 4.1A, you will be eligible to begin making Elective Deferrals to the Plan upon the date your employment begins. However, CHOC and/or the Plan Administrator may impose administrative limitations on when and how often you may start, stop, or change the amount of your deferrals in any year.

4.2 HOW DO I BECOME ELIGIBLE FOR EMPLOYER CONTRIBUTIONS?

A. Eligible Class of Employees. All Employees may become eligible to receive Employer Contributions. However, independent contractors who are considered "leased employees" of CHOC for certain federal income tax purposes are not Employees and are not eligible to receive Employer Contributions.

B. Eligibility Requirements. If you are an Employee, you will be eligible for Employer Contributions the first pay period following the first anniversary of the date on which you are first credited with an Hour of Service after any Break in Service (such anniversary is called the Match Eligibility Date).

4.3 WHEN DO I BECOME ELIGIBLE TO RE-ENTER THE PLAN FOR PURPOSES OF RECEIVING EMPLOYER CONTRIBUTIONS IF I AM REHIRED AFTER TERMINATING MY EMPLOYMENT WITH CHOC?

If you are reemployed after a Break in Service (see section 5.6), you will become eligible for Employer Contributions the date you satisfy the eligibility requirements of section 4.2. Service before such Break in Service will not be taken into account for eligibility for Employer Contributions. However, a reemployed employee who completes one Year of Service after becoming reemployed will, for purposes of determining the level of Employer Contributions, receive credit for Years of Matching Service completed prior to reemployment.

ARTICLE V: DEFINITION OF SERVICE WITH CHOC

5.1 WHAT IS AN "HOUR OF SERVICE"?

The term "Hour of Service" has a special meaning for Plan purposes. You will be credited with an Hour of Service for:

- (a) each hour for which you are paid, or entitled to payment, for the performance of duties for CHOC; plus,
- (b) each hour for which you are paid, or entitled to payment, by CHOC for a period of time during which no duties are performed for the following reasons: vacation, holiday, illness, incapacity (including Disability), layoff, jury duty, military duty, or leave of absence; plus,
- (c) each hour for which back pay is awarded or agreed to by CHOC.

5.2 WHAT IS A "YEAR OF SERVICE"?

The term "Year of Service" is used throughout this Summary Plan Description and is very important. A Year of Service is a Computation Period during which you are credited with at least 1,000 Hours of Service.

5.3 WHAT IS A "COMPUTATION PERIOD"?

A. For Eligibility Purposes. The initial period for calculating a Year of Service for eligibility purposes will be the 1-year period commencing with the date on which you are first credited with an Hour of Service.

B. For Vesting Purposes. This section is not applicable. The Plan provides 100% Vesting immediately.

5.4 DOES SERVICE WITH ANOTHER EMPLOYER COUNT AS SERVICE UNDER THIS PLAN?

Only Years of Service with CHOC, Children's HealthCare of California, CHOC Foundation, or Children's Hospital at Mission, or with an affiliated service group (under Section 414(m)), a controlled group of corporations (under Section 414(b)), or a group of trades or businesses under common control (under Section 414(c)), or an arrangement described in Section 414(o) within which such entity is a member, are recognized by this Plan.

5.5 WHAT IS "SEPARATION FROM SERVICE"?

"Separation from Service" is the date your employment with CHOC terminates for any reason.

5.6 WHAT IS A "BREAK IN SERVICE"?

A "Break in Service" is a Computation Period in which you do not complete more than 500 Hours of Service with CHOC. You will not be considered to have a Break in Service in the Plan Year in which you become a Participant, die, retire or become disabled. You will receive credit for Hours of Service for certain authorized leaves of absence and maternity or paternity leaves of absence.

You will be credited with a certain number of Hours of Service automatically, even if you are not at work, if you are absent for one of the following reasons: (a) pregnancy, (b) the birth of a child, (c) adoption of a child, or (d) for purposes of caring for such a child for a period immediately following such birth or placement. You must furnish to the Plan Administrator, in a timely manner, such information as the Plan Administrator may reasonably require to establish that the absence is for the permitted reasons. This will not increase the number of Years of Service that would otherwise be credited to you but will prevent you from sustaining a Break in Service.

A period of unpaid FMLA leave will not be treated or counted as a Break in Service for purposes of eligibility to participate. This will not increase the number of Years of Service that would otherwise be credited to you but will prevent you from sustaining a Break in Service. If any FMLA leave is also covered under the preceding paragraph regarding maternity or paternity absences, the more generous of the two rules will apply.

5.7 WHAT SPECIAL SERVICE REQUIREMENTS DETERMINE WHETHER I RECEIVE AN EMPLOYER CONTRIBUTION DURING A GIVEN PLAN YEAR?

There are no special service requirements for receiving Employer Contributions.

ARTICLE VI: CONTRIBUTIONS TO THE PLAN

6.1 WHAT ARE "ELECTIVE DEFERRALS"?

A. Definition. You may contribute to the Plan by selecting an amount or percentage which would reduce your future salary payments by a specific amount. Your salary reduction amounts are called "Elective Deferrals".

B. Minimum Elective Deferrals. You will be permitted to make Elective Deferrals in any amount up to the maximum allowed in section C below. There is no minimum required.

C. Maximum Elective Deferrals. You will be permitted to make Elective Deferrals up to the maximum allowed by current law and in no case more than 85% of your compensation.

D. Limitations on Favorable Tax Treatment. Contributions made by you as Roth deferrals are taxable when made to the Plan and are not taxed when withdrawals are made from the Plan. Earnings on Roth deferrals accrue tax-free so long as you have had a Roth account for at least five years and you take a distribution on or after 59 ½ (or due to disability or death). Other contributions made by you and contributions made by CHOC, if any, are

generally not taxable when made to the Plan but are taxed when withdrawals are made from the Plan. You will pay tax if the total contributions in a year exceed limitations under the Federal tax laws. These limits can be complicated in the case of 403(b) arrangements and you should consult the Plan Administrator if you have any questions. In addition, your own salary reduction contributions may not exceed a specified amount for the calendar year unless certain exceptions apply to you.

If you are age 50 or older, then you may elect to defer additional amounts (called "catch-up contributions") to the Plan. The additional amounts may be deferred regardless of any other limitations on the amount that you may defer to the Plan.

6.2 WHAT CONTRIBUTIONS WILL CHOC MAKE TO THE PLAN?

The following contributions will be made for you if you are eligible for Employer Contributions:

CHOC will match a percentage of your Elective Deferrals for the Plan Year. The percentage of your Elective Deferrals which CHOC will match is determined according to the following schedule:

Year(s) of Matching Service	Matching Contribution Percentage	Elective Deferrals Eligible for Match
1-5	50% match	Deferrals of up to 4% of Compensation
6-9	100% match	Deferrals of up to 3% of Compensation
10 or more	200% match	Deferrals of up to 3% of Compensation

A Year of Matching Service is initially a one-year period commencing with the date on which you are first credited with an Hour of Service and during which you are credited with at least 1,000 Hours of Service. Thereafter, a Year of Matching Service is each one-year period commencing with the anniversary of such date. If you have a Break in Service, such one-year period will commence with the first date after such Break in Service on which you are credited with an Hour of Service or with the anniversary of such date.

Changes in the Matching Contribution Percentages identified above will take place the first payroll period commencing on or after the completion of the applicable Years of Matching Service.

CHOC reserves the discretion to change the matching percentage, or to stop make contributions, at any time.

6.3 WHAT ARE "EXCESS DEFERRALS"?

If the amounts you have contributed to the Plan exceed the annual dollar limit (maximum allowed by current law) on Elective Deferrals, you may request (not later than March 1 after the close of such taxable year) that any portion of your "Excess Deferrals" and the interest earned on such portion be returned to you. This is particularly important if you participate in more than one salary deferral arrangement (even with other employers).

Excess Deferrals must be returned to you no later than April 15 after the taxable year

for which they occurred in order to avoid double taxation of the amount. Excess Deferrals are included in your gross income and are taxable for the year in which they were made, but any income earned on the excess is taxable in the year in which the Excess Deferrals are returned. If the excess is not distributed to you by April 15, the Excess Deferrals are not only taxable in the year in which they were made but are also taxable in the year in which they were distributed.

6.4 WHAT ARE "EXCESS CONTRIBUTIONS"?

The Internal Revenue Code contains several complex rules governing plans which provide for Employer Matching Contributions. Such plans must pass certain nondiscrimination tests each Plan Year. It is possible, especially if you are a "Highly-Compensated Employee" as that term is defined in the Internal Revenue Code (generally, anyone who is a 5% owner, or who earned more than \$120,000, or such other amount as adjusted for inflation by the IRS, during the previous Plan Year), that part of your Employer Matching Contributions, including any income or loss attributable to such amount, will be removed from the Plan in order to comply with the tests. Any Employer Matching Contributions would be paid to you (if applicable) as taxable income. Normally any "Excess Contributions" will be returned within 2-1/2 months following the end of the Plan Year for which they were contributed. The Plan Administrator will provide the necessary information in the event a return of contributions is required. These nondiscrimination tests do not apply to Elective Deferrals to a 403(b) plan.

IMPORTANT NOTE: *Should any Excess Contributions be returned to you, such amount will be taxable income for the year in which the contributions were made (if more than \$100.00) or the year in which they were returned (if less than \$100.00 or if returned more than 2-1/2 months after the end of the Plan Year for which they were made). However, the payor is required to issue a tax form to you for the calendar year in which any refund is made, even if the money must be included as taxable income for the prior year.*

Should any excess Employer Matching Contributions be withdrawn from your Accounts by CHOC and not paid to you, such amount will be forfeited.

CHOC may elect to make additional Employer Matching Contributions to your Accounts (if you are a "Non-Highly Compensated Employee") to avoid a return of contributions as described above. These "Qualified Matching Contributions (QMACs)" will be 100% vested at all times and may not be distributed except upon your death, Disability, Separation from Service or attainment of age 59-1/2.

6.5 WHAT ARE THE LIMITATIONS ON FAVORABLE TAX TREATMENT?

Contributions made by you other than Roth deferrals and any contributions made by your employer are generally not taxable when made to the Plan but are taxed when withdrawals are made from the Plan. See Section 6.1 above for the tax treatment of Roth deferrals. You will pay tax if the total contributions in a year exceed limitations under the Federal tax laws. These limits can be complicated in the case of section 403(b) arrangements and you should consult the Plan Administrator if you have any questions.

6.6 WHAT DOES "COMPENSATION" MEAN FOR PLAN PURPOSES?

- A. Definition. For Plan purposes, "Compensation" means the amount paid to you by

CHOC for services rendered during the Plan Year. Compensation you receive in excess of the IRS limit will not be taken into account for purposes of the Plan. Also, for purposes of determining the amount of Elective Deferrals deducted from your pay, Compensation does not include the following: bonus checks when paid as a separate check (including employee bonuses, management incentive bonuses, recruitment bonuses, and sign on bonuses), commissions, perquisites, service awards, payments from any nonqualified deferred compensation plans, car allowances, stipend payments, education reimbursements, relocation reimbursements, COBRA reimbursements, severance pay, donor reimbursements, holiday PTO cash outs, and the unused PTO payout portion of termination checks. (Compensation does not include PTO payments made for time taken off work while an Employee, such as sick or vacation time).

Notwithstanding the foregoing, Compensation includes compensation paid after severance from employment if such compensation is either (i) compensation for pay periods beginning prior to severance (i.e., the last paycheck) or (ii) "regular" pay, such as overtime, shift differential, commissions, bonuses, or other similar payments (that would have been paid prior to severance if you had continued in employment) that is paid by the later of 2 ½ months after severance from employment or the last day of the calendar year that includes the date of severance. Other than as provided in this paragraph, Compensation does not include amounts paid after severance from employment.

B. Treatment of Elective Deferrals. The Compensation taken into account for Plan purposes (under subsection A above) will include your Elective Deferrals or any amount which is contributed or deferred by the Employer at your election under a cafeteria plan or qualified transportation plan.

C. Compensation Prior to Match Eligibility Date. In the Plan Year in which you become eligible for Employer Contributions, the Employer will make contributions for you based on the Compensation you earned on and after your Match Eligibility Date.

6.7 DOES THE PLAN ACCEPT TRANSFERS/ROLLOVERS FROM ANOTHER 403(B)?

You may transfer funds from another 403(b) or 401(k) plan to this 403(b) Plan. This may be done by first rolling the distribution from the other 403(b) or 401(k) plan to an Individual Retirement Account or Annuity (IRA), and then moving the IRA funds to this 403(b) Plan. Or, the payor or Plan Administrator of the other 403(b) or 401(k) plan may transfer or directly rollover your distribution to this 403(b) Plan. In any event, your Account derived from transfers/direct rollovers/rollovers will be fully vested but will be subject to the rules of this 403(b) Plan.

At the discretion of the Plan Administrator, you may be permitted to deposit into the Plan distributions you have received from certain eligible retirement plans under Code section 402(c)(8)(B) and IRAs. Distributions of rollovers may be made at any time if there is no distributable event which permits a distribution of other accounts. You will always be 100% vested in your rollover contributions. Rollover contributions will be affected by any investment gains or losses.

ARTICLE VII: VESTING IN THE PLAN

7.1 WHAT IS "VESTING"?

"Vesting" is that portion of your Accounts which cannot be forfeited.

7.2 HOW DOES VESTING AFFECT ANY ACCOUNTS DERIVED FROM MY CONTRIBUTIONS TO THE PLAN?

At all times, you will be fully vested in your Accounts derived from your Elective Deferrals.

7.3 HOW DOES VESTING AFFECT ANY ACCOUNTS DERIVED FROM CHOC'S CONTRIBUTIONS TO THE PLAN?

At all times, you will be fully vested in your Accounts derived from CHOC's contributions.

ARTICLE VIII: BENEFITS UNDER THE PLAN

8.1 WHAT BENEFITS ARE PROVIDED UPON MY SEPARATION FROM SERVICE?

The Plan is designed to encourage you to stay with CHOC until retirement. If you terminate your employment prior to retirement, you will be entitled to the distribution of all amounts in your Account or such lesser amounts as the Plan permits.

8.2 DOES THE PLAN PROVIDE FOR PARTICIPANT LOANS?

A. Requirements. Loans will be made available to all Participants on a reasonably equivalent basis, will not be made available to highly compensated employees in an amount greater than that of other employees, will be made in accordance with specific plan provisions, will bear a reasonable rate of interest comparable to the interest rate charged on similar commercial loans by persons in the business of lending money, and will be adequately secured by your interest in the Plan.

B. Source of Loans. Loans will be made available from the following sources, including your rollover sources:

Employee Elective Deferrals
Employer Matching Contributions

C. Notes and Repayment. Your loan will be subject to the terms of a legally enforceable note. You must repay any loan by periodic level payments of principal and interest at least as frequently as quarterly over a reasonable period of time not to exceed five years. However, a loan used to purchase any dwelling unit which, within a reasonable time, is to be

used as your principal residence may be repaid over a reasonable period of time that exceeds five years. During the time you are in military service, your loan payments may be suspended.

D. Maximum Amount Available. The total of all loans you make from the plan may not exceed the lesser of \$50,000, or 50% of your interest in the Plan. If the \$50,000 limit applies, this limit is reduced by the excess of any highest outstanding balance of loans from the Plan during the one-year period ending on the day before the date on which you apply for the new loan over the outstanding balance of loans from the plan on the date on which the loan was made. For example, if you borrowed \$30,000 from the Plan 6 months ago, any additional loan may not exceed \$20,000 until 12 months after the date of the \$30,000 loan. In any event, a loan may not exceed your Account balance as of the date the loan is made.

E. Unpaid Balance. Any unpaid loan balance will be deducted from your benefits when paid as a result of any distributable event (Disability, death, retirement, Separation from Service). However, you do have the option of repaying your loan balance prior to taking a distribution.

8.3 DOES THE PLAN ALLOW HARDSHIP WITHDRAWALS?

Under the terms of the Plan, you may elect to withdraw part or all of your Account, excluding Employer Matching Contributions, in the event of "hardship". A "hardship" is defined as an immediate and heavy financial need for which you lack other reasonably available resources. Examples of hardship include the following:

- (a) expenses already incurred or necessary for anticipated medical care, defined in Section 213(d) of the Code, for you, your spouse, your children or dependents;
- (b) the purchase (excluding mortgage payments) of your principal residence;
- (c) the need to prevent eviction from or foreclosure of the mortgage on your principal residence;
- (d) the payment of burial or funeral expenses for your deceased parent, spouse, children, or dependents;
- (e) expenses for the repair of your principal residence that would qualify for the casualty deduction under Section 165 of the Code; and
- (f) payment of tuition and related educational fees, including room and board expenses, for the next 12 months of post-secondary education for you, your spouse, your children or dependents.

The amount of your hardship distribution may be adjusted upwards to cover any federal, state or local taxes, including penalty taxes, that can reasonably be anticipated to result from the distribution.

A hardship distribution will be considered an immediate and heavy financial need if the amount of the distribution is not in excess of the amount necessary to meet the financial need and you have obtained all other distributions and nontaxable loans which are available to you

from all plans of the Employer.

Your Elective Deferrals limit for the tax year following the tax year in which you receive the hardship distribution will be reduced by the amount of the distribution. You should be aware that CHOC will report any hardship distribution as a taxable distribution for the calendar year of receipt and such distribution may also be subject to a 10% early distribution tax.

ARTICLE IX: BENEFIT PAYMENT OPTIONS

9.1 UNDER WHAT CIRCUMSTANCES ARE DISTRIBUTIONS AVAILABLE TO ME WHILE I AM STILL EMPLOYED BY CHOC?

A. Elective Deferrals. The portion of your Account derived from Elective Deferrals will be available for distribution prior to your termination of employment with CHOC under the following circumstances:

- (1) in the event of hardship (see section 8.6); or,
- (2) after you reach age 59-1/2.

Notwithstanding the above distribution events, no portion of your Account derived from Elective Deferrals to a custodial account are available for distribution before (1) you reach age 59-1/2, (2) your termination of employment with CHOC, (3) death, (4) disability or (5) financial hardship, or as required under minimum distribution rules (see section 9.7) or for purposes of passing any necessary contribution limit or nondiscrimination tests.

B. Contributions Made by CHOC. The portion of your Account derived from Employer Contributions will be available for distribution prior to your termination of employment with CHOC under the following circumstances:

- (1) in the event of hardship (see section 8.6); or
- (2) after you reach age 59-1/2.

9.2 UNDER WHAT CIRCUMSTANCES ARE DISTRIBUTIONS AVAILABLE TO ME AFTER I TERMINATE EMPLOYMENT WITH CHOC?

A. Elective Deferrals. The portion of your Account derived from Elective Deferrals will be available for distribution at any time after your termination of employment with CHOC.

B. Contributions Made by CHOC. The portion of your Account derived from Employer Contributions will be available for distribution at any time after your termination of employment with CHOC.

9.3 HOW ARE RETIREMENT BENEFITS PAID?

Benefits are generally paid in a lump sum payment. If you die after payment of benefits

has begun, the remaining portion of your Accounts must be distributed at least as rapidly as under the method of distribution which was in effect on the date of your death.

Notwithstanding sections 9.1-9.3, if you separate from service when your total account balance does not exceed \$1,000, you will receive a single sum distribution of the entire account balance.

9.4 WHAT HAPPENS IF I DIE BEFORE MY RETIREMENT BENEFITS BEGIN?

A. Beneficiary Other Than Spouse. If you wish to designate a Beneficiary other than your spouse, your spouse must consent, in writing, to waive his or her right to the death benefit. Such waiver must be witnessed by a notary. You may revoke a waiver at any time and there is no limit on the amount of waivers you may make, providing each waiver complies with the rules described in this paragraph.

B. Unmarried Participant. If, however, you are not married at the time of your death, or your spouse cannot be located or your spouse has properly waived any right to the death benefit, then the death benefit will be paid to the Beneficiary you have designated with the Plan Administrator.

Since your age and marital status both have a major impact on the form and manner of your death benefit, it is essential that you inform the Plan Administrator as to your proper age and any changes in your marital status.

9.5 WHEN MUST MY BENEFITS BE PAID?

There are rules under the Internal Revenue Code which require the plan to make certain minimum distributions.

Latest Beginning Date. You must begin receiving benefit distributions no later than April 1 of the calendar year after the year in which you reach 70-1/2 or retire, whichever is later. If you are still an active Employee, you may choose whether to begin your distributions at age 70-1/2 or wait until you actually retire.

Special rules apply if your named Beneficiary is your spouse. If the Beneficiary named is not your spouse and there is a substantial age difference, minimum death incidental benefit rules will require that a higher percentage be distributed over your life expectancy. Life expectancies (except in the case of an annuity) of you and your spouse Beneficiary may be recalculated annually; life expectancies of nonspouse Beneficiaries may not be recalculated.

Insufficient distributions will be subject to a 50% penalty tax, based on the amount of shortfall. Since this penalty is very severe, and the rules governing distributions are complex, competent professional advice should be obtained.

9.6 ARE MY PLAN BENEFITS INSURED?

The Pension Benefit Guaranty Corporation (PBGC) is a government agency that insures certain benefits provided under "defined benefit" pension plans. This Plan is not a "defined benefit" plan and thus, is not insured by the PBGC.

9.7 HOW ARE PLAN BENEFITS TAXED AND WHAT PENALTIES MAY APPLY UPON DISTRIBUTION?

A. Withdrawals. A 10% penalty tax applies on distributions for reasons other than the following events:

- (1) death;
- (2) Disability;
- (3) Separation from Service during or after the year in which you reach age 55;
- (4) age 59-1/2;
- (5) if the withdrawal is to cover tax deductible, uninsured medical expenses;
- (6) in the form of an annuity based on life expectancy or in the form of substantially equal installments paid at least annually and based on your life expectancy (such payments must continue until you reach age 59-1/2 and last at least five years); or,
- (7) if pursuant to a Qualified Domestic Relations Order (see section 10.4).

B. Required Minimum Distributions. A 50% excise tax is imposed on plan distributions that do not meet the minimum Internal Revenue Code required minimum distributions and required distributions beginning date (see section 9.7).

C. Rollovers. Generally, you may defer or reduce taxes which would otherwise be due by transacting a rollover to an IRA (individual retirement account/annuity) or another 403(b) or 401(k) plan. You have the following two rollover options available.

- (1) Direct Rollovers: You may have a distribution from the Plan paid directly to an IRA or another 403(b) or 401(k) plan by the payor. The distribution check is made payable to the trustee, custodian or issuer of the IRA or 403(b) / 401(k) plan receiving the distribution. If you transact a "direct rollover," the distribution will not be subject to mandatory 20% federal income tax withholding.

Direct rollovers of eligible rollover distributions from the Plan may be paid directly to an IRA or another eligible retirement plan. Eligible retirement plans include 403(b) plans, 401(a) or 403(a) plans, an IRA described in section 408(a) or 408(b) of the Code, a Roth IRA described in section 408A(b) of the Code and governmental 457(b) plans. Under certain circumstances all or a portion of a distribution (such as a hardship distribution) may not qualify for rollover treatment. After-tax amounts may be eligible for rollover to a qualified defined contribution plan under section 401(a) or 403(a) of the Code that agrees to separately account for amounts so transferred, or to an IRA or annuity described in section 408(a) or 408(b) of the Code.

You will be provided information regarding direct rollovers and mandatory withholding when you request a distribution. It is important that you review this information carefully and consult your tax advisor before making your distribution election.

(2) Participant Rollovers: If you elect to personally receive a distribution eligible for rollover, that is, the distribution check is made payable to you, the payor is required to withhold 20% from the distribution and send it to the IRS. The amount withheld is subject to income tax and, if you are under age 59-1/2, an additional 10% penalty tax may apply. Taxation of the withheld amount may be avoided only if, within 60 days of the date you receive the distribution, you rollover the following amounts to an IRA:

- (a) the 80% of the distribution you receive; plus,
- (b) an amount obtained from funds on hand which is equal to the 20% withheld.

Example: A is eligible to receive a \$10,000 distribution from the 403(b). If A elects a direct rollover, the \$10,000 will be paid by the 403(b) directly to A's IRA or other 403(b). If A elects to personally receive the \$10,000 distribution, the following will occur:

- A will receive a check for \$8,000, reflecting mandatory 20% withholding of \$2,000. A then has 60 days to rollover the \$8,000 to an IRA to avoid tax on the \$8,000 for that year.
- Within the same 60-day period, A will have to replace the \$2,000 and rollover that amount to an IRA. Otherwise, the \$2,000 withheld will be taxable income that year and may also be subject to an additional 10% penalty tax if A was under age 59-1/2 on the date he received the distribution.

9.8 CAN I REQUEST A DISTRIBUTION IF I AM ORDERED OR CALLED TO ACTIVE DUTY?

If you are ordered or called to active duty for a period in excess of 179 days or for an indefinite period, you may request a distribution during the period of such order or call from amounts attributable to elective deferrals.

ARTICLE X: CLAIMS REVIEW PROCEDURE

10.1 HOW DO I SUBMIT A CLAIM FOR PLAN BENEFITS?

Benefits will be paid to you and your beneficiaries without the necessity of formal claims. However, if you think an error has been made in determining your benefits, then you or your beneficiaries may make a request for any Plan benefits to which you believe you are entitled. Any such request should be in writing and should be made to the Plan Administrator.

If the Plan Administrator determines the claim is valid, then you will receive a statement describing the amount of benefit, the method or methods of payment, the timing of distributions and other information relevant to the payment of the benefit.

10.2 WHAT IF MY BENEFITS ARE DENIED?

Your request for Plan benefits will be considered a claim for Plan benefits, and it will be subject to a full and fair review. If your claim is wholly or partially denied, the Plan Administrator will provide you with a written or electronic notification of the Plan's adverse determination. This written or electronic notification must be provided to you within a reasonable period of time, but not later than 90 days after the receipt of your claim by the Plan Administrator, unless the Plan Administrator determines that special circumstances require an extension of time for processing your claim. If the Plan Administrator determines that an extension of time for processing is required, written notice of the extension will be furnished to you prior to the termination of the initial 90-day period. In no event will such extension exceed a period of 90 days from the end of such initial period. The extension notice will indicate the special circumstances requiring an extension of time and the date by which the Plan expects to render the benefit determination.

In the case of a claim for disability benefits, different timeframes apply. The Plan Administrator will provide you with written or electronic notification of the Plan's adverse benefit determination within a reasonable period of time, but not later than 45 days after receipt of the claim by the Plan. This period may be extended by the Plan for up to 30 days, provided that the Plan Administrator both determines that such an extension is necessary due to matters beyond the control of the Plan and notifies you, prior to the expiration of the initial 45-day period, of the circumstances requiring the extension of time and the date by which the Plan expects to render a decision. If, prior to the end of the first 30-day extension period, the Plan Administrator determines that, due to matters beyond the control of the Plan, a decision cannot be rendered within that extension period, the period for making the determination may be extended for up to an additional 30 days, provided that the Plan Administrator notifies you, prior to the expiration of the first 30-day extension period, of the circumstances requiring the extension and the date as of which the plan expects to render a decision. In the case of any such extension, the notice of extension will specifically explain the standards on which entitlement to a benefit is based, the unresolved issues that prevent a decision on the claim, and the additional information needed to resolve those issues, and you will be afforded at least 45 days within which to provide the specified information.

The Plan Administrator's written or electronic notification of any adverse benefit

determination must contain the following information:

- (a) The specific reason or reasons for the adverse determination.
- (b) Reference to the specific Plan provisions on which the determination is based.
- (c) A description of any additional material or information necessary for you to perfect the claim and an explanation of why such material or information is necessary.
- (d) A description of the plan's review procedures and the time limits applicable to such procedures, including a statement of your right to bring a civil action under section 502(a) of the Employee Retirement Income Security Act of 1974 ("ERISA") following an adverse benefit determination on review.
- (e) In the case of disability benefits:
 - (1) If an internal rule, guideline, protocol, or other similar criterion was relied upon in making the adverse determination, either the specific rule, guideline, protocol, or other similar criterion; or a statement that such rule, guideline, protocol, or other similar criterion was relied upon in making the adverse determination and that a copy of the rule, guideline, protocol, or other similar criterion will be provided to you free of charge upon request.
 - (2) If the adverse benefit determination is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the specific or clinical judgment for the determination, applying the terms of the Plan to your medical circumstances, or a statement that such explanation will be provided to you free of charge upon request.

If no disposition of your claim is communicated to you by the Plan Administrator within the time frames outlined in this section, you will be deemed to have exhausted the internal review requirements of the Plan. If your claim has been denied, and you wish to submit your claim for review, you must follow the Claims Review Procedure below.

10.3 WHAT IS THE CLAIMS REVIEW PROCEDURE?

Upon the denial of your claim for benefits, you may file your claim for review, in writing, with the Plan Administrator.

- (a) **YOU MUST FILE THE CLAIM FOR REVIEW NO LATER THAN 60 DAYS AFTER YOU HAVE RECEIVED WRITTEN OR ELECTRONIC NOTIFICATION OF AN ADVERSE BENEFIT DETERMINATION.**

HOWEVER, IF YOUR CLAIM IS FOR DISABILITY BENEFITS, THEN INSTEAD OF THE ABOVE, YOU MUST FILE THE CLAIM FOR REVIEW NO LATER THAN 180 DAYS FOLLOWING RECEIPT OF NOTIFICATION OF AN ADVERSE BENEFIT DETERMINATION.

(b) You may submit written comments, documents, records, and other information relating to your claim for benefits.

(c) You will be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim for benefits.

(d) Your claim for review must be given a full and fair review. This review will take into account all comments, documents, records, and other information submitted by you relating to your claim, without regard to whether such information was submitted or considered in the initial benefit determination.

In addition to the Claims Review Procedure above, if your claim is for disability benefits, then under the Claims Review Procedure:

(a) Your claim will be reviewed without deference to the initial adverse benefit determination and the review will be conducted by an appropriate named fiduciary of the Plan who is neither the individual who made the adverse benefit determination that is the subject of the appeal, nor the subordinate of such individual.

(b) In deciding an appeal of any adverse benefit determination that is based in whole or part on medical judgment, the appropriate named fiduciary will consult with a health care professional who has appropriate training and experience in the field of medicine involved in the medical judgment.

(c) Any medical or vocational experts whose advice was obtained on behalf of the Plan in connection with your adverse benefit determination will be identified, without regard to whether the advice was relied upon in making the benefit determination.

(d) The health care professional engaged for purposes of a consultation under (b) immediately above will be an individual who is neither an individual who was consulted in connection with the adverse benefit determination that is the subject of the appeal, nor the subordinate of any such individual.

The Plan Administrator will provide you with written or electronic notification of the Plan's benefit determination on review. The Plan Administrator must provide you with notification of this denial within 60 days after the Plan Administrator's receipt of your written claim for review, unless the Plan Administrator determines that special circumstances require an extension of time for processing your claim. If the Plan Administrator determines that an extension of time for processing is required, written notice of the extension will be furnished to you prior to the termination of the initial 60-day period. In no event will such extension exceed a period of 60 days from the end of the initial period. The extension notice will indicate the special circumstances requiring an extension of time and the date by which the Plan expects to render the determination on review. However, if your claim relates to disability benefits, then 45 days will apply instead of 60 days in the preceding sentences. In the case of an adverse benefit determination, the notification will set forth:

- (a) The specific reason or reasons for the adverse determination.
- (b) Reference to the specific Plan provisions on which the benefit determination is based.
- (c) A statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim for benefits.
- (d) A statement describing any voluntary appeal procedures offered by the plan and your right to obtain the information about such procedures and a statement of your right to bring a civil action under section 502(a) of ERISA.
- (e) In the case of disability benefits:
 - (1) If an internal rule, guideline, protocol, or other similar criterion was relied upon in making the adverse determination, either the specific rule, guideline, protocol, or other similar criterion; or a statement that such rule, guideline, protocol, or other similar criterion was relied upon in making the adverse determination and that a copy of the rule, guideline, protocol, or other similar criterion will be provided to you free of charge upon request.
 - (2) If the adverse benefit determination is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the specific or clinical judgment for the determination, applying the terms of the Plan to your medical circumstances, or a statement that such explanation will be provided to you free of charge upon request.
 - (3) You and your Plan may have other voluntary alternative dispute resolution options, such as mediation. One way to find out what may be available is to contact your local U.S. Department of Labor Office and your State insurance regulatory agency.

If benefits are provided or administered by an insurance company, insurance service, or other similar organization subject to regulation under the insurance laws, the insurance policy, contract or certificate relating to those benefits may include the company, service or organization's own claims procedures. If so, that company, service, or organization will be the entity to which claims are addressed. Ask the Plan Administrator if you have any questions regarding the proper person or entity to which to address claims.

If you have a claim for benefits which is denied upon review, in whole or in part, you may file suit in a state or Federal court.

10.4 WHAT IS A "QUALIFIED DOMESTIC RELATIONS ORDER (QDRO)"?

As a general rule, the law provides that your interest in your Account may not be "alienated". This means that your interest may not be sold, used as collateral for a loan or debt,

or otherwise transferred. Also, your creditors may not attach, garnish or otherwise interfere with your Accounts.

There are exceptions to this rule. The Plan Administrator may be required to recognize obligations you incur as a result of court-ordered child support or alimony payments. The Plan Administrator is required to honor a "Qualified Domestic Relations Order" (QDRO). A QDRO is defined as a court order or decree that requires you to pay child support or alimony, or otherwise allocates a portion of your assets to a spouse, former spouse, child or other legal dependent (Alternate Payee). If the Plan Administrator receives a QDRO, all or a portion of your Accounts may be used to meet its terms. The Plan Administrator is required to notify you upon receipt of a QDRO and is required to determine its validity prior to making any payments from your Accounts pursuant to it. To be a valid QDRO, the order generally cannot require the Plan to permit a distribution to an Alternate Payee prior to the earliest time that you would be eligible for a distribution from the Plan, unless the Plan permits an earlier distribution to the Alternate Payee.

This Plan will permit a distribution to an Alternate Payee prior to the earliest time that you would be eligible for a distribution from the Plan.

Another exception to the anti-alienation rule is a federal tax levy by the IRS.

ARTICLE XI: MISCELLANEOUS PROVISIONS

11.1 WHAT ARE MY RIGHTS AS A PLAN PARTICIPANT?

As a Participant in this Plan, you are entitled to certain rights and protections under ERISA. ERISA provides that all Plan participants are entitled to:

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

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

(c) Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.

(d) Obtain a statement telling you whether you have a right to receive a pension at Normal Retirement Age and, if so, what your benefits would be at Normal Retirement Age if you stop working under the Plan now. If you do not have a right to a pension benefit, the statement will tell you how many years you have to work to get a right to a pension. THIS STATEMENT MUST BE REQUESTED IN WRITING AND IS NOT REQUIRED TO BE GIVEN

MORE THAN ONCE EVERY TWELVE (12) MONTHS. The Plan must provide this statement free of charge.

11.2 WHAT DUTIES ARE IMPOSED ON THE PEOPLE OR ENTITIES WHO OPERATE THE PLAN?

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

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

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110.00 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator.

If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order or a medical child support order, you may file suit in Federal court. You and your beneficiaries can obtain, without charge, a copy of the qualified domestic relations order ("QDRO") procedures from the Plan Administrator.

If it should happen that the Plan's fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees if, for example, it finds your claim is frivolous.

11.3 WHAT CAN I DO IF I HAVE QUESTIONS OR MY RIGHTS ARE VIOLATED?

If you have any questions about the Plan, then you should contact the Plan Administrator. If you have any questions about this statement, or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in the telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the

Employee Benefits Security Administration.

The claims procedures set forth in this Summary of Material Modifications are hereby adopted by the Plan Administrator and are effective with respect to claims filed on or after January 1, 2002. These claims procedures may be amended from time to time.

11.4 WHAT HAPPENS IF I LEAVE CHOC TO PERFORM MILITARY SERVICE, AND THEN RETURN TO CHOC?

If you leave the service of CHOC to perform military service, and then return to CHOC after that period of military service, you may be entitled to contributions, service credits, or other benefits under the Plan with respect to that period. You should consult the Plan Administrator if you believe this provision may apply to you.

ARTICLE XII: AMENDMENT AND TERMINATION OF THE PLAN

12.1 CAN THE PLAN BE AMENDED?

CHOC may amend the Plan at any time, at its sole discretion. However, no amendment may result in a reduction of any Participant's vested interest.

You will be given notice of amendments of the Plan to the extent required by ERISA.

12.2 CAN THE PLAN BE TERMINATED?

CHOC may terminate the Plan at any time, at its sole discretion. Upon termination, no further contributions will be made to the Plan. You will be notified if the Plan is terminated.

Upon termination, the investment providers holding assets of this Plan will distribute the contracts or custodial accounts held on your behalf to you or will transfer the assets under the contracts or custodial accounts to another 403(b) plan, if you so direct.