

DANVILLE CARPENTERS PENSION PLAN

Defined Benefit Plan 8.0

Restated September 1, 1997

ARTICLE VIII

TERMINATION OF PLAN AND WITHDRAWAL LIABILITY

SECTION 8.01-TERMINATION OF PLAN.

The Plan may be terminated by amendment or by withdrawal of every Employer. The Plan may also be terminated through proceedings instituted by the Pension Benefit Guaranty Corporation (PBGC). A Participant affected by termination of Plan will be fully vested in his Accrued Benefit to the extent funded; however, upon termination of Plan the relevant provisions of the Multiemployer Act shall apply.

SECTION 8.02-WITHDRAWAL LIABILITY.

This article sets forth and describes rules and regulations applicable to the determination of payment of Employer withdrawal liability as established by the Multiemployer Act. These rules and regulations shall apply to complete or partial withdrawals, as defined in the Multiemployer Act. The relevant provisions of the Multiemployer Act shall apply to any matter affecting the withdrawal liability of an Employer to the extent not addressed in this article.

SECTION 8.03-CALCULATION OF WITHDRAWAL LIABILITY.

An Employer's withdrawal liability shall be equal to the sum of (a), (b) and (c) below:

- (a) The Employer's withdrawal liability for Plan Years ending after September 25 1980. This amount is equal to the sum of the Employer's withdrawal liability for each of the Plan Years ending after September 25, 1980 and before the Plan Year of withdrawal. The Employer's withdrawal liability for any Plan Year shall be equal to (1) reduced by (2), and multiplied by (3) below:
 - (1) The change in unfunded vested benefits for the given Plan Year. The change in unfunded vested benefits is equal to the unfunded vested benefits as of the end of the given Plan Year less the sum of (i) and (ii) below:
 - (i) The unfunded vested benefits on the last day of the last Plan Year ending before September 26, 1980, reduced by 5% for each Plan Year ending after September 25, 1980 and before the given Plan Year.
 - (ii) The sum of the changes in the unfunded vested benefits for each Plan Year ending after September 25, 1980 and ending before the given Plan Year (each such change reduced by 5% for each Plan Year ending after the Plan Year for which the change is being determined and before the given Plan Year).
 - (2) 5% for each Plan Year ending after the given Plan Year and before the Plan Year of withdrawal.
 - (3) A fraction.

- (i) the numerator being the total amount required to be contributed under the Plan by all Employers for the last 5 Plan Years ending with the given Plan Year, and
 - (ii) the denominator being the total amount contributed under the Plan by all Employers for the 5 Plan Years ending with the given Plan Year reduced by contributions made in such years by Employers who withdrew from the Plan during such years.
- (b) The Employer's withdrawal liability for Plan Years ending before September 26, 1980. The Employer's pre-September 26, 1980 withdrawal liability shall be equal to (1) reduced by (2), and multiplied by (3) below:
 - (1) The unfunded vested benefits on the last day of the last Plan Year ending before September 26, 1980.
 - (2) 5% for each Plan Year ending after September 25, 1980 and before the Plan Year of withdrawal.
 - (3) A fraction,
 - (i) the numerator being the total amount required to be contributed under the Plan by the Employer for the last 5 Plan Years ending before September 26, 1980, and
 - (ii) the denominator being total contributions for the same 5 Plan Years made by all Employers who (A) were required to contribute for the first Plan Year ending on or after September 26, 1980 and (B) had not withdrawn from the Plan before September 26, 1980.
- (c) The Employer's withdrawal liability for reallocated unfunded vested benefits. This amount is equal to the sum of the Employer's withdrawal liability for reallocated unfunded vested benefits for each Plan Year ending before the Plan Year in which the Employer withdraws from the Plan. The Employer's withdrawal liability for reallocated unfunded vested benefits for any Plan Year shall be equal to (1) reduced by (2), and multiplied by (3) below:
 - (1) The reallocated unfunded vested benefits for the given Plan Year. The reallocated unfunded vested benefits are equal to the sum of the amounts which the Trustees determine in that year.
 - (i) to be uncollectible from an Employer because of bankruptcy or similar proceedings,
 - (ii) will not be assessed because of the de minimis rules, the 20-year payment cap, or the dollar limitations on liability, and
 - (iii) to be uncollectible or unassessable for other reasons which are not inconsistent with regulations prescribed by the PBGC.

- (2) 5% for each Plan Year ending after the given Plan Year and before the Plan Year of withdrawal.
- (3) A fraction,
 - (i) the numerator being the total amount required to be contributed under the Plan by the Employer for the last 5 Plan Years ending with the given Plan Year, and
 - (ii) the denominator being the total amount contributed under the Plan by all Employers for the 5 Plan Years ending with the given Plan Year reduced by contributions made in such years by Employers who withdrew from the Plan during such years.

SECTION 8.04-DE MINIMIS REDUCTION OF WITHDRAWAL LIABILITY.

The unfunded vested benefits allocable to an Employer who withdraws from the Plan shall be reduced (but not below zero) by the lesser of (a) or (b), reduced by (c) below:

- (a) ___ of 1% of the Plan's unfunded vested benefits (determined as of the end of the Plan Year ending before the date of withdrawal).
- (b) \$50,000
- (c) Any amount by which the unfunded vested benefits allocable to the Employer exceeds \$100,000.

The de minimis reduction does not apply in the event of a withdrawal of all or substantially all Employers which contribute to the Plan.

SECTION 8.05-ACTUARIAL ASSUMPTIONS.

Withdrawal liability shall be determined on the basis of actuarial assumptions and methods which, in the aggregate, are reasonable (taking into account the experience of the Plan and reasonable expectations) and which, in combination, offer the actuary's best estimate of anticipated experience under the Plan.

SECTION 8.06-PAYMENT OF WITHDRAWAL LIABILITY.

The unfunded vested benefits allocable to an employer who withdraws from the Plan shall be paid as follows:

- (a) The amount of payment shall be calculated as follows:
 - (1) Except as provided in (2) and (4) below, and in (c) and (d) below, an Employer shall pay the amount determined under the CALCULATION OF WITHDRAWAL LIABILITY SECTION of this article, reduced according to the provisions of the DE MINIMIS REDUCTION OF WITHDRAWAL LIABILITY SECTION of this article and appropriately adjusted for partial withdrawal according to the provisions of the Multiemployer Act. The Employer will make level annual payments in an amount determined under (3) below. The level annual payments will be paid over a period of years required to amortize the amount payable by the Employer. The amortization period will be calculated as if the first payment were made on the first day of the Plan Year following the Plan Year in which withdrawal occurs and as if each

subsequent payment were made on the first day of each subsequent Plan Year.

The amortization period shall be determined based on actuarial assumptions used in the most recent actuarial valuation of the Plan.

- (2) If the amortization period described in (1) above exceeds 20 years, the liability of the Employer shall be limited to the first 20 annual payments determined in (3) below.
 - (3) Except as provided in (5) below, the amount of each annual payment shall be the product of (i) and (ii) below:
 - (i) The average annual number of contribution hours for the 3 consecutive Plan Years, during the 10 consecutive Plan Years ending before the plan Year in which withdrawal occurs, in which the number of contribution hours for which the Employer has an obligation to contribute to the Plan is highest.
 - (ii) The highest contribution rate at which the Employer had an obligation to contribute to the Plan during the 10 Plan Years ending with the Plan Year in which the withdrawal occurs.
 - (4) In the event of the withdrawal of all or substantially all Employers which contribute to the Plan. (2) above shall not apply, and total unfunded vested benefits shall be allocated among all such Employers according to the regulations established by PBGC.
 - (5) In the event of a partial withdrawal, the amount of annual payment will be adjusted according to the provisions of the Multiemployer Act.
- (b) Withdrawal liability shall be payable in four equal quarterly installments. Payment of withdrawal liability shall begin no later than 60 days after the date of the Trustees' demand for payment.
 - (c) An Employer shall be entitled to prepay his withdrawal liability and accrued interest without penalty.
 - (d) In the event that an Employer fails to make any payment when due, interest, at the prevailing market rate, shall accrue on the payment from the due date until the date the payment is made. An Employer shall be considered in default if such Employer fails to make any payments within 60 days after the Employer receives notice from the Trustees of such failure. In the event of a default, the outstanding amount of the withdrawal liability shall immediately become due and payable.

SECTION 8.07-RESOLUTION OF DISPUTES.

A dispute between the Employer and the Trustees concerning a determination of withdrawal liability or withdrawal liability payments shall be resolved through arbitration. Either party can initiate the arbitration proceeding within a 60-day period following the earlier of (a) or (b) below:

- (a) The date the Trustees notify the Employer of their decision after a reasonable review of any matter raised, or

- (b) 120 days after the date the Employer requests a review of the Trustees' determination of withdrawal liability.

The parties may jointly initiate arbitration within the 180-day period following the date of the Trustees' initial notice and demand.

Such arbitration proceeding shall be the subject to the relevant provisions of the Multiemployer Act.