SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

(Mark One)
[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 1995

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ..... to .....

Commission File Number: 0-17995

AMTECH CORPORATION
(Exact Name of Registrant as Specified in its Charter)

Texas	75-2216818
(State of Incorporation)	(I.R.S. Employer Identification Number)

17304 Preston Road
Building E-100
Dallas, Texas 75252
(Address of Principal Executive Offices)
(214) 733-6600
(Registrant's Telephone Number, Including Area Code)

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

None	Not Applicable
(Title of Class)	(Name of Exchange on Which Registered)

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:
Common Stock
$0.01 Par Value
(Title of Class)

Indicate by check mark whether the Registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes [x] No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [x]

As of February 29, 1996, there were 14,685,036 shares of Amtech Corporation $0.01 par value Common Stock issued and 14,605,036 shares outstanding, 14,307,838 of which having an aggregate market value of $91,212,467 were held by non-affiliates. For purposes of the above statement, all directors and officers of the Registrant are presumed to be affiliates.

Portions of the Proxy Statement for the Registrant's 1996 Annual Meeting of Shareholders are incorporated by reference into Part III of this Form 10-K, and portions of the Registrant's 1995 Annual Report to Shareholders are incorporated by reference into Parts II and IV of this Form 10-K.

Part I

Item 1. Business

Overview

In 1994 and 1995, through a series of strategic acquisitions and investments, the Company transitioned from a company primarily focused on

designing, manufacturing and marketing radio frequency electronic identification products principally for the transportation industry, to a company that designs, manufactures, markets, installs and supports a wide array of wireless data and security technology products and solutions for a variety of industries. Today, the Company is a leading global supplier of wireless data technologies and solutions for the intelligent transportation, electronic security and logistics markets. The Company is organized into the three market-oriented groups described below, each with a core competency in a radio frequency technology: Electronic Security Group (ESG), encompassing the Cotag International and Cardkey Systems product and service lines; Transportation Systems Group (TSG), headed by Amtech Systems Corporation; and Interactive Data Group (IDG), comprised of WaveLink Technologies, Inc. The Company designs, manufactures, markets, installs and supports systems that make high-value assets and scarce resources more productive and secure. These systems make extensive use of the Company's proprietary wireless data and security technologies. The Company also continues to explore new markets and business opportunities based on these state-of-the-art technologies.

The Company was incorporated in Texas in 1988. The Company's executive offices are located at 17304 Preston Road, Building E-100, Dallas, Texas 75252 (telephone (214) 733-6600). The Company has seven directly wholly-owned operating subsidiaries: Amtech Systems Corporation, Amtech World Corporation, AMGT Corporation, Amtech SARL, Cardkey Systems, Inc., Amtech Europe Limited and Cardkey Systems Pacific Pty. Limited. At December 31, 1995, the Company's affiliate WaveLink Technologies, Inc. was 72% owned by the Company (assuming the conversion of WaveLink convertible debt securities held by the Company).

Market Groups

Electronic Security Group ("ESG")

The Company's ESG was created through the acquisition in January 1995 of Cotag International, headquartered in Cambridge, England, and the acquisition in August 1995 of Cardkey Systems, headquartered in Simi Valley, California and Reading, England. The ESG

designs, manufactures, markets, installs and supports its state-of-the-art electronic security equipment and full-service solutions for electronic security needs to corporate and government markets throughout the world. The ESG's products and services are marketed under the "Cotag/(R)/" and "Cardkey/(R)/" brand names. This equipment and systems, which are marketed directly to end users and through resellers, are targeted primarily to the electronic access control, asset management and tracking, healthcare security and security management markets. In 1995, the ESG accounted for approximately 40 percent of the Company's revenues.

Cardkey, whose name has been synonymous with access control for 50 years, is a leading supplier of electronic access control and alarm monitoring systems, which it sells through a global network of direct sales offices and resellers. Cardkey has supplied products and systems to thousands of corporate and national and state government customers, including the Tennessee Valley Authority, Coca-Cola Company, Sony Corporation, and Toyota Motor Corporation.

Cotag specializes in advanced hands-free proximity cards, tags and readers and has developed systems using these products for electronic access control and security management, which it sells through a global network of resellers and installers. Cotag's applications of low frequency RFID technology have made it a leader in hands-free proximity devices.

The ESG's radio frequency proximity electronic security technologies compete against a variety of "traditional" modes of security access control, such as magnetic stripe cards and Wiegand cards. There are a variety of suppliers of these traditional types of security access control equipment, and this market is very competitive. Within the proximity segment of the security access control market, there are relatively few suppliers. No particular supplier of proximity security equipment is dominant in the market, although certain of the ESG's competitors are part of corporations significantly larger than the Company. The market for the ESG's full-service solutions for electronic security needs is served by a variety of suppliers--and hence is extremely competitive--although the ESG is one of the larger suppliers in this specific arena. The Company believes that the principal competitive factors in the ESG's market are brand name identification, product performance, quality,

price, and customer service.

The ESG, whose principal offices are located in Simi Valley, California, and Reading, Cambridge and Manchester, England, employs nearly 500 people. The ESG's products are manufactured at the ESG's manufacturing facility located in Cambridge, England and the Company's facility in Albuquerque, New Mexico. The Cambridge facility is registered by the British Standards Institute to the ISO 9002 standard for quality management systems. The Albuquerque, New Mexico manufacturing process is quality-certified in the field of electronics by the International Standards Organization to the ISO 9001 Quality Standard Certification. The ESG's full-service solutions for electronic security needs also meet Underwriters Laboratories' standards 1076 and 294.

Transportation Systems Group ("TSG")

The Company's TSG designs, manufactures, markets, installs and supports wireless equipment and systems that permit the remote identification of, and communications with, objects through the use of high frequency radio frequency signals rather than bar codes, magnetic cards, or other means. When an object with an attached tag passes through an area covered by a reader, data is electronically retrieved from or written to the tag through the Company's patented implementation of a technique referred to as "modulated backscatter." These products, which are marketed under the "Amtech/(R)/" brand name, directly and through resellers, are targeted primarily to the rail, electronic toll collection and traffic management ("ETTM"), intermodal, airport, access control, and motor freight markets. In 1995, the TSG accounted for 60 percent of the Company's revenues.

The TSG's technology is compatible with a variety of national and international standards, as follows: (i) the mandatory standard for automatic equipment identification ("AEI") adopted by the Association of American Railroads ("AAR"), which requires that all railcars, locomotives, and other rail equipment operating in interchange service in North America (approximately 1,500,000 units of equipment) be equipped with two AEI tags (which tagging was substantially completed in 1994); (ii) the standard for AEI adopted by the Union Internationale des Chemins de fer ("UIC"), which selected the TSG's high-speed read/write DYNICOM/(TM)/ RFID technology as a standard for the UIC's 32 member railroads in greater Europe that choose to implement AEI for international vehicles; (iii) the international standard for automatic identification of intermodal containers adopted by the International Standards Organization ("ISO"); (iv) the national standard for automatic identification of intermodal containers adopted by the American National Standards Institute ("ANSI"); and (v) the standard adopted by the American Trucking Associations ("ATA") for automatic identification of tractors, trailers and related motor carrier equipment. Except for the mandatory AEI standard adopted by the AAR, compliance with the standards outlined above is voluntary. Taken together, however, the TSG believes these standards create a disincentive for participants in these markets to make significant investments in systems that are not compatible with the standards.

The TSG has granted licenses to manufacture certain products utilizing its patented technologies. In 1991, the TSG granted certain exclusive and non-exclusive manufacturing licenses to Alcatel Amtech S.A., the Company's 49% owned affiliate in Europe, through which the TSG primarily markets its products and services in Europe. Also, the TSG has committed to the AAR, ISO, ANSI, and the UIC that, if requested, it will license certain technology underlying the standard on reasonable commercial terms to qualified companies.

The ETTM, motor freight, airport, and access control markets are extremely competitive. The fragmented nature of these markets, the absence of industry-wide standards, and the variety of competing systems have resulted in intense competition. During 1995, the Company's single largest customer was the MTA Bridges and Tunnels, a New York public toll authority, for which the TSG is installing an electronic toll collection system. See "Customers" below. Conversely, The TSG has not encountered any material competition from competing AEI manufacturers in

offering its AEI systems to the rail and intermodal markets, since the TSG's AEI equipment and systems are the only products that, to the TSG's knowledge, comply

with the AEI industry standards referenced above. Significant competition in providing AEI systems to the rail and intermodal markets may be encountered in the future to the extent that licenses are granted to competing vendors pursuant to the license offers noted above. The Company believes that the principal competitive factors in the TSG's market are product performance, quality, price, brand-name identification, and customer service.

The TSG, whose principal offices are located in Dallas, Texas, and Albuquerque, New Mexico, employs approximately 300 employees. The TSG's products are manufactured at the Company's 70,000 square-foot manufacturing facility located in Albuquerque, New Mexico. The TSG, including its manufacturing process, is quality-certified by the Association of American Railroads to its Quality Standard M-1003 and by the International Standards Organization to its ISO 9001 Quality Standard certification for the field of electronics.

Interactive Data Group ("IDG")

The Company's IDG was created as a result of the Company's investment through December 1995 of approximately $1,850,000 of convertible debt and equity financing to WaveLink Technologies, Inc., a start-up enterprise headquartered in Mississauga, Ontario, Canada ("WaveLink"). As of December 31, 1995, the Company owned 72% of the WaveLink equity (assuming the conversion of the WaveLink convertible debt securities held by the Company). In the near-term, the Company anticipates making additional equity and convertible debt investments in WaveLink, which would increase the Company's ownership position.

The IDG designs, manufactures and markets, and will support, advanced wireless radio frequency data collection ("RFDC") products and systems that allow wireless information exchange between mobile computer users and host computer applications via radio frequency channels. These products combine the capability of wireless technology with products designed to collect, transmit and receive data. The IDG's products can be used by businesses to create databases on a real-time basis for more effective asset management.

In 1995, the IDG made significant progress in developing its initial product line, which is to be marketed under the "WaveLink/tm"/ trademark. Also, during the fourth quarter of 1995, prototypes of the IDG's initial product line were previewed at trade shows in Asia, Europe and North America. WaveLink is currently manufacturing and marketing its initial products on a limited scale and these products are expected to be released to volume production in mid-1996. The IDG expects to market its products directly and through a variety of distribution channels, and they will be manufactured at the Company's Albuquerque, New Mexico facility. The initial targeted markets for the IDG's products include warehousing and distribution, manufacturing, and transportation terminal management. Later target markets will include medical and retail. These markets for the IDG's products are dominated by six well-established competitors. The Company believes that the principal competitive factors in the IDG's markets are product performance, quality, price, and customer service.

The IDG, whose principal offices are located in Mississauga, Ontario, Canada, and Dallas, Texas, currently employs approximately 20 employees.

Research and Development

Research and development expenses for the Company amounted to $9,334,000, $6,222,000, and $4,407,000 in 1995, 1994, and 1993, respectively.

Patents and Trademarks

The Company owns numerous patents and has filed patent applications in the United States and a number of foreign countries covering features of the Company's tags and reader systems marketed by the TSG and by the ESG, as well as the Company's implementation of the methods by which the tags and readers communicate. Although management believes that its patents provide some competitive advantage, the Company believes that its success is primarily dependent on the skills, technical competence and marketing abilities of the Company's personnel. In addition, "AMTECH," "CARDKEY," "COTAG," "TOLLTAG," and other marks are registered trademarks of the Company in the United States and various foreign countries. The Company also licenses certain cryptographic technologies from a third party.

Customers

During the year ended December 31, 1995, the MTA Bridges and Tunnels, a New York public toll authority, accounted for 21% of the Company's sales. During the year ended December 31, 1994, Science Applications International Corporation ("SAIC") and CCTC International, Inc. ("CCTC"), distributors of the Company, accounted for 21% and 13% of the Company's sales, respectively. During the year ended December 31, 1993, SAIC (including sales to Video Masters, Inc., which was acquired by SAIC during 1993) and CCTC accounted for 25% and 14% of the Company's sales, respectively. During these periods, no other customer accounted for 10% or more of sales.

Sales Backlog

The Company's backlog, calculated as the aggregate of sales prices of orders received from customers less revenue recognized, was approximately $36,000,000 at February 29, 1996, as compared with approximately $24,000,000 at February 28, 1995. Approximately 70% of the February 29, 1996, backlog is anticipated to be realized as revenue in 1996.

Export Sales

Export sales in the Americas, the Far East, and Europe for the years 1995, 1994, and 1993 (excluding sales by the TSG's joint ventures) were as follows:

	Year ended December 31,		
	1995	1994	1993
The Americas (excluding the U.S.)	$ 6,593,000	$ 8,805,000	$ 9,362,000
Far East	3,938,000	1,577,000	2,011,000
Europe	2,867,000	1,557,000	2,593,000
	$13,398,000	$11,939,000	$13,966,000

The following table presents information about the Company's operations in different geographic areas as a result of the Company's 1995 business acquisitions:

	Year Ended December 31, 1995 (In thousands)				
	U.S.	Europe	Canada and Other	Eliminations	Total
Sales:					
Unaffiliated customers	$64,916	$14,763	$ 392	$ ----	$80,071
Inter-area transfers	586	230	208	(1,024)	-----
	$65,502	$14,993	$ 600	$(1,024)	$80,071
Operating loss	$(2,488)	$(2,182)	$(1,372)	$ ----	$(6,042)

Identifiable assets	$78,863	$12,803	$ 1,713	$ ----	$93,379

Government Regulation

The Federal Communications Commission ("FCC") regulates the radio frequency emissions of electronic devices in the United States. The FCC generally requires that certain of the Company's products be issued a grant of equipment authorization before the products may be marketed for use in the United States (i.e., imported, sold, leased, or advertised for sale or lease). To date, the TSG's and ESG's products have been demonstrated to operate within the FCC's regulatory standards. The IDG has begun the process of obtaining FCC equipment authorization for its products. Furthermore, the FCC requires that a license be obtained for each site at which certain of the TSG's and IDG's products are to be installed or used. Neither the TSG, the ESG, nor to the Company's knowledge, their customers, have experienced any

material difficulty in operating the products in compliance with relevant FCC regulations or in obtaining the necessary site licenses.

Many foreign jurisdictions also require "type approval" by regulatory agencies prior to the sale or shipment of radio frequency transmitting products, as well as an operating license for each site. Type approvals have been obtained for the TSG's and the ESG's products in many of the major industrial nations in the world, and the Company believes that these products can be readily adapted to applicable regulations in most, if not all, other countries. The IDG has begun the process of seeking the required international type approvals for its products and has obtained initial approvals in Europe.

The Company's products are required to operate within national and international established standards for electrical safety and radio frequency non-ionizing radiation emissions promulgated by, among others, the European Union, the American National Standards Institute, the Occupational Safety and Health Administration, and the International Electrotechnical Commission. In addition, there are other applicable safety standards such as those of the Underwriters Laboratories and the Canadian Standards Association.

Sale of the Company's products in foreign jurisdictions may require the approval of domestic and foreign regulatory agencies, which may impede or preclude the Company's efforts to penetrate such markets. The Company cannot predict the extent or impact of future legislation or regulation by federal, state or local authorities in the United States or foreign countries.

Item 2. Properties

The TSG leases approximately 56,000 square feet of space for the Company's and the TSG's corporate offices in Dallas, Texas, under a lease that expires in November 1997. The TSG also owns an approximately 70,000 square foot manufacturing, product engineering, and research and development facility located on an 8.33 acre site in Albuquerque, New Mexico. The ESG leases two facilities used for manufacturing and corporate offices in Cambridge, England of approximately 15,800 and 11,800 square feet under, respectively, a short-term lease expiring March 1997 and a 125 year ground lease that commenced in September 1979, and a 23,200 square foot facility and a 13,400 square foot facility used for corporate offices in Reading, England under 25 year ground leases that commenced in 1979. The ESG also leases an approximately 41,000 square foot corporate office facility in Simi Valley, California under a five year lease that commenced in October 1995. The IDG leases an approximately 9,500 square foot facility in Mississauga, Ontario, Canada as its corporate offices under a five year lease that commenced in 1994. In addition, the Company leases a variety of smaller office spaces in various locations throughout the U.S, Europe, and Australia.

Item 3. Legal Proceedings

The Company is a plaintiff and a counter-defendant in a lawsuit pending in federal district court in Dallas, Texas. The suit includes patent infringement

and unfair competition claims brought against the Company in February 1993 by AT/Comm Incorporated ("AT/Comm"), one of the TSG's competitors in the electronic toll collection market. All claims asserted against the Company have been dismissed. Once certain motions brought by the Company against AT/Comm are resolved, the court will issue a final judgment in favor of the Company with respect to the dismissed claims. Any final judgment is, of course, subject to appeal, as are the trial court's decisions to dismiss AT/Comm's claims.

WaveLink and certain of its employees are the subject of a $7,800,000 suit brought in October 1994 by Teklogix, Inc., their former employer and a competitor in the IDG's markets. The suit, which is pending in the Ontario (Canada) Court of Justice, General Division, alleges improper use of confidential information, theft of technology, misappropriation of business opportunities and similar improprieties. WaveLink has denied any wrongdoing by it or its employees and intends to vigorously defend the litigation.

While the final outcome of these matters cannot be predicted with certainty, the Company believes that the final resolution of these matters will not have a material adverse effect on the consolidated financial position of the Company.

Item 4. Submission of Matters to Vote of Security Holders

None.

PART II

Item 5. Market for Registrant's Common Equity and Related Stockholder Matters

The information required by this Item is incorporated by reference from the Company's 1995 Annual Report to Shareholders, page 21.

Item 6. Selected Financial Data

The information required by this Item is incorporated by reference from the Company's 1995 Annual Report to Shareholders, page 18.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The information required by this Item is incorporated by reference from the Company's 1995 Annual Report to Shareholders, pages 19-21.

Item 8. Financial Statements and Supplementary Data

The information required by this Item is incorporated by reference from the Company's 1995 Annual Report to Shareholders, pages 22-31.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosures

Not Applicable.

PART III

Item 10. Directors and Executive Officers of the Registrant

The information required by this Item is incorporated by reference from the section "Management -- Directors and Executive Officers" in the Company's 1996 Proxy Statement.

Item 11. Executive Compensation

The information required by this Item is incorporated by reference from the section "Management -- Compensation of Executive Officers and Directors" in the Company's 1996 Proxy Statement. Information in the section and subsection titled "Report of Board of Directors on Annual Compensation" and "Performance Graph" is not incorporated by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management

The information required by this Item is incorporated by reference from the section "Security Ownership of Certain Beneficial Owners" in the Company's 1996 Proxy Statement.

Item 13. Certain Relationships and Related Transactions

The information required by this Item is incorporated by reference from the section "Management -- Compensation of Executive Officers and Directors -- Transactions with Management and Related Parties" in the Company's 1996 Proxy Statement.

PART IV

Item 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K

(a)(1) Financial Statements

Index to Consolidated Financial Statements

The following consolidated financial statements of Amtech Corporation, included in the Company's 1995 Annual Report to Shareholders for the year ended December 31, 1995, are incorporated by reference in Item 8:

	Page in 1995 Annual Report to Shareholders
Report of Ernst & Young LLP, Independent Auditors	22
Consolidated Statements of Operations for each of the three years in the period ended December 31, 1995	23
Consolidated Balance Sheets at December 31, 1995 and 1994	24
Consolidated Statements of Cash Flows for each of the three years in the period ended December 31, 1995	25
Consolidated Statements of Stockholders' Equity for each of the three years in the period ended December 31, 1995	26
Notes to Consolidated Financial Statements	27-31

(a)(2) Financial Statement Schedules

All schedules for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission have been omitted because of the absence of the conditions under which they are required or because the information required is included in the consolidated financial statements or notes thereto.

(a)(3) Exhibits.

Exhibit No.	Description

2.1 -- Purchase Agreement among Amtech Corporation, Assa Abloy, AB, etal. Filed under exhibit number 2.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 1995, and incorporated herein by reference.

2.2* -- List of exhibits to Purchase Agreement among Amtech Corporation, Assa Abloy, AB, etal. The Registrant agrees to furnish supplementally to the Commission upon request a copy of these exhibits.

2.3 -- Amendment to Purchase Agreement listed in Exhibit 2.1. Filed under exhibit number 2.2 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 1995, and incorporated herein by reference.

2.4 -- Promissory Note of Viking Acquisition Company, in the original principal amount of $6,000,000, dated August 1, 1995, payable to Cardkey Systems, Inc. Filed under exhibit number 2.3 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 1995, and incorporated herein by reference.

2.5 -- Guaranty of Amtech Corporation, dated August 1, 1995. Filed under exhibit number 2.4 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 1995, and incorporated herein by reference.

3.1 -- Articles of Incorporation of the Company, together with all amendments thereto. Filed under exhibit number 3.1 in the Company's Registration Statement on Form S-1 (Commission No. 33-46398) and incorporated herein by reference.

3.2 -- Restated and Amended Bylaws of the Company, dated January 24, 1995. Filed under exhibit number 3.2 in the Company's Annual Report on Form 10-K for the year ended December 31, 1994, and incorporated herein by reference.

4.1 -- Specimen Certificate for Common Stock of the Company. Filed under exhibit number 4.1 in the Company's Registration Statement on Form S-1 (Commission No. 33-31209) and incorporated herein by reference.

10.1 -- Joint Venture Agreement, dated as of October 1, 1991, between the Company and Alcatel AVI S.A. Filed under exhibit number 2.1 in the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 1991, and incorporated herein by reference.

10.2 -- AVI-2 Manufacturing, Distribution and Technology License Agreement, dated as of October 10, 1991, between the Company and Alcatel Amtech S.A. Filed under exhibit number 2.2 in the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 1991, and incorporated herein by reference.

10.3 -- ISO Manufacturing, Distribution and Technology License Agreement, dated as of October 10, 1991, between the Company and Alcatel Amtech S.A. Filed under exhibit number 2.3 in the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 1991, and incorporated herein by reference.

10.4 -- 1988 Stock Option Plan of the Company. Filed under exhibit number 10.44 in the Company's Registration Statement on Form S-1 (Commission No. 33-31209) and incorporated herein by reference.

10.5 -- 1989 Stock Option Plan of the Company. Filed under exhibit number 10.45 in the Company's Registration Statement on Form S-1 (Commission No. 33-31209) and incorporated herein by reference.

10.6* -- 1990 Stock Option Plan of the Company. Filed under Appendix A in the Company's Proxy Statement for the Annual Meeting of Shareholders on May 24, 1990, and incorporated herein by reference. Filed herewith.

10.7 -- 1992 Stock Option Plan of the Company. Filed under Annex A in the Company's Proxy Statement for the Annual Meeting of Shareholders on April 16, 1992, and incorporated herein by reference.

10.8* -- 401(k) Retirement Plan of the Company.

10.9 -- 1995 Long-Term Incentive Plan of the Company. Filed under Annex A in the Company's Proxy Statement for the Annual Meeting of Shareholders held April 21, 1995, and incorporated herein by reference.

10.10 -- Director Retainer Plan. Filed under exhibit number 10.2 in the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 1993, and incorporated herein by reference.

10.11 -- Agreement between the Association of American Railroads and Amtech Corporation, dated July 6, 1990. Filed under exhibit number 10.37 in the Company's Registration Statement on Form S-1 (Commission No. 33-46398) and incorporated herein by reference.

10.12 -- Letter to American National Standards Institute, Secretariat of International Standards Organization, dated July 31, 1989. Filed under exhibit number 10.38 in the Company's Registration Statement on Form S-1 (Commission No. 33-46398) and incorporated herein by reference.

10.13 -- Agreement among Alcatel AVI S.A., Amtech Corporation and Alcatel Amtech S.A. dated August 26, 1994. Filed under exhibit number 10.26 in the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 1994, and incorporated herein by reference.

10.14 -- Amended Employment Agreement, dated January 1, 1991, by and between the Company and G. Russell Mortenson. Filed under exhibit

number 10.10 in the Company's Annual Report on Form 10-K for the year ended December 31, 1991, and incorporated herein by reference.

10.15 -- Amendment to Employment Agreement, dated January 10, 1992, by and between the Company and G. Russell Mortenson. Filed under exhibit number 10.11 in the Company's Annual Report on Form 10-K for the year ended December 31, 1991, and incorporated herein by reference.

10.16 -- Second Amendment to Employment Agreement, effective November 10, 1992, by and between the Company and G. Russell Mortenson. Filed under exhibit number 10.13 in the Company's Annual Report on Form 10-K for the year ended December 31, 1992, and incorporated herein by reference.

10.17 -- Third Amendment to Employment Agreement, dated October 19, 1994, by and between Amtech Corporation and G. Russell Mortenson. Filed under exhibit number 10.27 in the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 1994, and incorporated herein by reference.

10.18 -- Fourth Amendment to Employment Agreement, effective January 1, 1995, by and between Amtech Corporation and G. Russell Mortenson. Filed under exhibit number 10.18 in the Company's Annual Report on Form 10-K for the year ended December 31, 1994, and incorporated herein by reference.

10.19* -- Fifth Amendment to Employment Agreement, effective January 1,

10.20 -- Employment Agreement, dated August 1, 1990, by and between Amtech Systems Corporation and Jeremy A. Landt. Filed under exhibit number 10.12 in the Company's Annual Report on Form 10-K for the year ended December 31, 1991, and incorporated herein by reference.

10.21 -- Amendment to Employment Agreement, dated November 10, 1992, by and between Amtech Systems Corporation and Jeremy A. Landt. Filed under exhibit number 10.22 in the Company's Annual Report on Form 10-K for the year ended December 31, 1992, and incorporated herein by reference.

10.22 -- Second Amendment to Employment Agreement, effective October 19, 1994, by and Amtech Systems Corporation and Jeremy A. Landt. Filed under exhibit number 10.21 in the Company's Annual Report on Form 10-K for the year ended December 31, 1994, and incorporated herein by reference.

10.23 -- Third Amendment to Employment Agreement, effective January 1, 1995,by and between Amtech Systems Corporation and Jeremy A. Landt. Filed under exhibit number 10.22 in the Company's Annual Report on Form 10-K for the year ended December 31, 1994, and incorporated herein by reference.

10.24 -- Employment Agreement, dated August 6, 1991, by and between Amtech Corporation and Steve M. York. Filed under exhibit number 10.13 in the

Company's Annual Report on Form 10-K for the year ended December 31, 1991, and incorporated herein by reference.

10.25 -- Amendment No. 1 to Employment Agreement, effective May 7, 1993, by and between Amtech Corporation and Steve M. York. Filed under exhibit number 10.24 in the Company's Annual Report on Form 10-K for the year ended December 31, 1994, and incorporated herein by reference.

10.26 -- Second Amendment to Employment Agreement, dated October 19, 1994, by and between Amtech Corporation and Steve M. York. Filed under exhibit number 10.28 in the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 1994, and incorporated herein by reference.

10.27 -- Third Amendment to Employment Agreement, effective January 1, 1995, by and between Amtech Corporation and Steve M. York. Filed under exhibit number 10.26 in the Company's Annual Report on Form 10-K for the year ended December 31, 1994, and incorporated herein by reference.

10.28 -- Fourth Amendment to Employment Agreement, effective August 1, 1995, by and between Amtech Corporation and Steve M. York. Filed under exhibit number 10.2 in the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 1995, and incorporated herein by reference.

10.29 -- Employment Agreement, effective January 25, 1995, by and between Cotag International Limited and Stuart M. Evans. Filed under exhibit number 10.3 in the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 1995, and incorporated herein by reference.

10.30 -- First Amendment to Employment Agreement, effective August 1, 1995, by and between Cotag International Limited and Stuart M. Evans. Filed under exhibit number 10.4 in the Company's Quarterly

Report on Form 10-Q for the quarterly period ended September 30, 1995, and incorporated herein by reference.

10.31* -- Employment Agreement, effective November 16, 1995, by and between Amtech Systems Corporation and Jeffrey S. Wetherell.

10.32* -- Employment Agreement, effective August 1, 1995, by and between Cardkey Systems, Inc. and Michael H. Wolpert.

10.33* -- Employment Agreement, effective December 29, 1994, by and between WaveLink Technologies, Inc. and N.A. (Nino) Zaino.

13.1* -- Portions of the 1995 Annual Report to Shareholders that are incorporated by reference into Parts II and IV of this Form 10-K.

21.1* -- Subsidiaries of the Company.

23.1* -- Consent of Independent Auditors.

24.1 -- Power of attorney (included on page 17 of this Annual Report on Form 10-K).

27.1* -- Financial Data Schedule

* Filed herewith

(b) Reports on Form 8-K

No reports of the registrant on Form 8-K have been filed with the Securities and Exchange Commission during the three months ended December 31, 1995.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Dallas, State of Texas, on March 18, 1996.

AMTECH CORPORATION

By: /s/ Steve M. York

Steve M. York
Senior Vice President, Chief Financial Officer and Treasurer

POWER OF ATTORNEY

We, the undersigned, directors and officers of Amtech Corporation (the "Company"), do hereby severally constitute and appoint G. Russell Mortenson and Steve M. York and each or either of them, our true and lawful attorneys and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1995, and to file the same with all exhibits thereto, and all other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys and agents, and each or either of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys and agents, and each of them, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ G. Russell Mortenson (G. Russell Mortenson)	President, Chief Executive Officer and Director (Principal Executive Officer)	March 18, 1996
/s/ Steve M. York (Steve M. York)	Senior Vice President, Chief Financial Officer, and Treasurer (Principal Financial and Accounting Officer)	March 18, 1996
/s/ David P. Cook (David P. Cook)	Director	March 18, 1996
/s/ Gary J. Fernandes (Gary J. Fernandes)	Director	March 18, 1996
/s/ Robert M. Gintel (Robert M. Gintel)	Director	March 18, 1996
/s/ Elmer W. Johnson (Elmer W. Johnson)	Director	March 18, 1996
/s/ Dr. Jeremy A. Landt (Dr. Jeremy A. Landt)	Director	March 18, 1996
/s/ James S. Marston (James S. Marston)	Director	March 18, 1996
/s/ Antonio R. Sanchez, Jr. (Antonio R. Sanchez, Jr.)	Director	March 18, 1996

EXHIBIT INDEX

Exhibit No.		Description
2.1	--	Purchase Agreement among Amtech Corporation, Assa Abloy, AB, etal. Filed under exhibit number 2.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 1995, and incorporated herein by reference.
2.2*	--	List of exhibits to Purchase Agreement among Amtech Corporation, Assa Abloy, AB, etal. The Registrant agrees to furnish supplementally to the Commission upon request a copy of any of these exhibits.
2.3	--	Amendment to Purchase Agreement listed in Exhibit 2.1. Filed under exhibit number 2.2 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 1995, and incorporated herein by reference.
2.4	--	Promissory Note of Viking Acquisition Company, in the original principal amount of $6,000,000, dated August 1, 1995, payable to Cardkey Systems, Inc. Filed under exhibit number 2.3 to the Company's Quarterly Report on Form 10-Q for the quarterly period

ended June 30, 1995, and incorporated herein by reference.

2.5 -- Guaranty of Amtech Corporation, dated August 1, 1995. Filed under exhibit number 2.4 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 1995, and incorporated herein by reference.

3.1 -- Articles of Incorporation of the Company, together with all amendments thereto. Filed under exhibit number 3.1 in the Company's Registration Statement on Form S-1 (Commission No. 33-46398) and incorporated herein by reference.

3.2 -- Restated and Amended Bylaws of the Company, dated January 24, 1995. Filed under exhibit number 3.2 in the Company's Annual Report on Form 10-K for the year ended December 31, 1994, and incorporated herein by reference.

4.1 -- Specimen Certificate for Common Stock of the Company. Filed under exhibit number 4.1 in the Company's Registration Statement on Form S-1 (Commission No. 33-31209) and incorporated herein by reference.

10.1 -- Joint Venture Agreement, dated as of October 1, 1991, between the Company and Alcatel AVI S.A. Filed under exhibit number 2.1 in the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 1991, and incorporated herein by reference.

10.2 -- AVI-2 Manufacturing, Distribution and Technology License Agreement, dated as of October 10, 1991, between the Company and Alcatel Amtech S.A. Filed under exhibit number 2.2 in the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 1991, and incorporated herein by reference.

10.3 -- ISO Manufacturing, Distribution and Technology License Agreement, dated as of October 10, 1991, between the Company and Alcatel Amtech S.A. Filed under exhibit number 2.3 in the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 1991, and incorporated herein by reference.

10.4 -- 1988 Stock Option Plan of the Company. Filed under exhibit number 10.44 in the Company's Registration Statement on Form S-1 (Commission No. 33-31209) and incorporated herein by reference.

10.5 -- 1989 Stock Option Plan of the Company. Filed under exhibit number 10.45 in the Company's Registration Statement on Form S-1 (Commission No. 33-31209) and incorporated herein by reference.

10.6* -- 1990 Stock Option Plan of the Company. Filed under Appendix A in the Company's Proxy Statement for the Annual Meeting of Shareholders on May 24, 1990, and incorporated herein by reference. Filed herewith.

10.7 -- 1992 Stock Option Plan of the Company. Filed under Annex A in the Company's Proxy Statement for the Annual Meeting of Shareholders on April 16, 1992, and incorporated herein by reference.

10.8* -- 401(k) Retirement Plan of the Company.

10.9 -- 1995 Long-Term Incentive Plan of the Company. Filed under Annex A in the Company's Proxy Statement for the Annual Meeting of Shareholders held April 21, 1995, and incorporated herein by reference.

10.10 -- Director Retainer Plan. Filed under exhibit number 10.2 in the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 1993, and incorporated herein by reference.

10.11 -- Agreement between the Association of American Railroads and Amtech Corporation, dated July 6, 1990. Filed under exhibit number 10.37 in the Company's Registration Statement on Form S-1 (Commission No. 33-46398) and incorporated herein by reference.

10.12 -- Letter to American National Standards Institute, Secretariat of International Standards Organization, dated July 31, 1989. Filed under exhibit number 10.38 in the Company's Registration Statement on Form S-1 (Commission No. 33-46398) and incorporated herein by reference.

10.13 -- Agreement among Alcatel AVI S.A., Amtech Corporation and Alcatel Amtech S.A. dated August 26, 1994. Filed under exhibit number 10.26 in the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 1994, and incorporated herein by reference.

10.14 -- Amended Employment Agreement, dated January 1, 1991, by and between the Company and G. Russell Mortenson. Filed under exhibit number 10.10 in the Company's Annual Report on Form 10-K for the year ended December 31, 1991, and incorporated herein by reference.

10.15 -- Amendment to Employment Agreement, dated January 10, 1992, by and between the Company and G. Russell Mortenson. Filed under exhibit number 10.11 in the Company's Annual Report on Form 10-K for the year ended December 31, 1991, and incorporated herein by reference.

10.16 -- Second Amendment to Employment Agreement, effective November 10, 1992, by and between the Company and G. Russell Mortenson. Filed under exhibit number 10.13 in the Company's Annual Report on Form 10-K for the year ended December 31, 1992, and incorporated herein by reference.

10.17 -- Third Amendment to Employment Agreement, dated October 19, 1994, by and between Amtech Corporation and G. Russell Mortenson. Filed under exhibit number 10.27 in the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 1994, and incorporated herein by reference.

10.18 -- Fourth Amendment to Employment Agreement, effective January 1, 1995, by and between Amtech Corporation and G. Russell Mortenson. Filed under exhibit number 10.18 in the Company's Annual Report on Form 10-K for the year ended December 31, 1994, and incorporated herein by reference.

10.19* -- Fifth Amendment to Employment Agreement, effective January 1, 1996, by and between Amtech Corporation and G. Russell Mortenson.

10.20 -- Employment Agreement, dated August 1, 1990, by and between Amtech Systems Corporation and Jeremy A. Landt. Filed under exhibit number 10.12 in the Company's Annual Report on Form 10-K for the year ended December 31, 1991, and incorporated herein by reference.

10.21 -- Amendment to Employment Agreement, dated November 10, 1992, by and between Amtech Systems Corporation and Jeremy A. Landt. Filed under exhibit number 10.22 in the Company's Annual Report on Form 10-K for the year ended December 31, 1992, and incorporated herein by reference.

10.22 -- Second Amendment to Employment Agreement, effective October 19, 1994, by and between Amtech Systems Corporation and Jeremy A. Landt. Filed under exhibit number 10.21 in the Company's Annual Report on Form 10-K for the year ended December 31, 1994, and incorporated herein by reference.

10.23 -- Third Amendment to Employment Agreement, effective January 1, 1995, by and between Amtech Systems Corporation and Jeremy A. Landt. Filed under exhibit number 10.22 in the Company's Annual Report on Form 10-K for the year ended December 31, 1994, and incorporated herein by reference.

10.24 -- Employment Agreement, dated August 6, 1991, by and between Amtech Corporation and Steve M. York. Filed under exhibit number 10.13 in the Company's Annual Report on Form 10-K for the year ended December 31, 1991, and incorporated herein by reference.

10.25 -- Amendment No. 1 to Employment Agreement, effective May 7, 1993, by and between Amtech Corporation and Steve M. York. Filed under exhibit number 10.24 in the Company's Annual Report on Form 10-K for the year ended December 31, 1994, and incorporated herein by reference.

10.26 -- Second Amendment to Employment Agreement, dated October 19, 1994, by and between Amtech Corporation and Steve M. York. Filed under exhibit number 10.28 in the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 1994, and incorporated herein by reference.

10.27 -- Third Amendment to Employment Agreement, effective January 1, 1995, by and between Amtech Corporation and Steve M. York. Filed under exhibit number 10.26 in the Company's Annual Report on Form 10-K for the year ended December 31, 1994, and incorporated herein by reference.

10.28 -- Fourth Amendment to Employment Agreement, effective August 1, 1995, by and between Amtech Corporation and Steve M. York. Filed under exhibit number 10.2 in the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 1995, and incorporated herein by reference.

10.29 -- Employment Agreement, effective January 25, 1995, by and between Cotag International Limited and Stuart M. Evans. Filed under exhibit number 10.3 in the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 1995, and incorporated herein by reference.

10.30 -- First Amendment to Employment Agreement, effective August 1, 1995, by and between Cotag International Limited and Stuart M. Evans. Filed under exhibit number 10.4 in the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 1995, and incorporated herein by reference.

10.31* -- Employment Agreement, effective November 16, 1995, by and between Amtech Systems Corporation and Jeffrey S. Wetherell.

10.32* -- Employment Agreement, effective August 1, 1995, by and between Cardkey Systems, Inc. and Michael H. Wolpert.

10.33* -- Employment Agreement, effective December 29, 1994, by and between WaveLink Technologies, Inc. and N.A. (Nino) Zaino.

13.1* -- Portions of the 1995 Annual Report to Shareholders that are incorporated by reference into Parts II and IV of this Form 10-K.

21.1* -- Subsidiaries of the Company.

23.1* -- Consent of Independent Auditors.

24.1 -- Power of attorney (included on page 17 of this Annual Report on Form 10-K).

27.1* -- Financial Data Schedule

* Filed herewith

EXHIBIT 2.2

LIST OF SCHEDULES TO PURCHASE AGREEMENT
AMONG AMTECH CORPORATION, ASSA ABLOY AB, ETAL.

Exhibit A	--	Assets
Exhibit B	--	Excluded Assets and Excluded Liabilities
Exhibit C	--	Assumed Liabilities
Exhibit D	--	Balance Sheets
Schedule 4.1	--	Jurisdictions where Sellers have assets or are qualified to transact business
Schedule 4.3	--	Liens
Schedule 4.4	--	Condition of Assets
Schedule 4.7	--	GAAP Financial Statement Preparation
Schedule 4.9	--	Absence of Material Adverse Changes
Schedule 4.10	--	Taxes, Tax Returns, Notices and Reports, and Other Tax Related Information
Schedule 4.11	--	Litigation
Schedule 4.14	--	Contracts
Schedule 4.16	--	Employees
Schedule 4.17	--	Excluded Employee Benefit Plan Liabilities
Schedule 4.18	--	Employment Contracts
Schedule 4.19	--	Intellectual Property
Schedule 4.20	--	Insurance
Schedule 4.21	--	Sellers' Interest in Competitors
Schedule 4.24	--	Material Assets and Liabilities of Cardkey Systems Pacific Pty. Limited
Schedule 4.26	--	Governmental Authorizations
Schedule 6.11	--	Business Names Acquired
Schedule 7.4	--	Excluded Employees

EXHIBIT 10.6

AMTECH CORPORATION

1990 STOCK OPTION PLAN

1. Purpose. The purpose of the Plan is to benefit the Company and its Subsidiaries by offering certain present and future Employees a favorable opportunity to acquire shares of Stock of the Company over a period of years, thereby giving such Employees a permanent stake in the growth and prosperity of the Company, encouraging such Employees to continue their services with the Company and its Subsidiaries, and motivating such Employees to devote their best efforts to the business and profitability of the Company and its Subsidiaries.

2. Definitions. As used herein, the following definitions shall apply:

(a) "Board" shall mean the Board of Directors of the Company.

(b) "Change of Control" shall mean the occurrence, at any time during the specified term of an Option, of any of the following events:

(1) The Company is merged or consolidated or reorganized into or with another Person and as a result of such merger, consolidation or reorganization less than seventy-five percent (75%) of the outstanding voting securities or other material capital interests of the surviving, resulting or acquiring Person are owned in the aggregate by Persons who were shareholders of the Company immediately prior to such merger, consolidation or reorganization;

(2) The Company sells all or substantially all of its business or assets to any other Person, less than seventy-five percent (75%) of the outstanding voting securities or other material capital interests of which are owned in the aggregate by Persons who were shareholders of the Company, directly or indirectly, immediately prior to such sale; or

(3) Any Person (or group of Persons acting in concert), other than the Company, becomes the beneficial owner, directly or indirectly, of thirty-five percent (35%) or more of the issued and outstanding shares of voting securities of the Company.

(c) "Code" shall mean the Internal Revenue Code of 1986, as amended.

(d) "Company" shall mean Amtech Corporation, a Texas corporation.

(e) "Date of Grant" shall mean, with respect to each Option granted by the Plan Administrator pursuant to the Plan, the date specified in Section 1 of the Option Agreement relating to such Option.

(f) "Director" shall mean any duly elected and qualified member of the Board.

(g) "Disability" shall mean any medically determinable physical or mental impairment that, in the opinion of the Plan Administrator, based upon medical reports and other evidence satisfactory to the Plan Administrator, can reasonably be expected to prevent an Employee from performing substantially all of his customary duties of employment for a continuous period of not less than twelve (12) months.

(h) "Employee" shall mean any salaried employee of the Company or any Subsidiary, except a salaried employee who is serving as a Director.

(i) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

(j) "Fair Market Value" shall mean the closing price of the Stock as quoted on NASDAQ/NMS on the last business day immediately preceding the date on which the Option is granted or the date of exercise, as the case may be.

(k) "NASDAQ/NMS" shall mean the NASDAQ National Market System.

(l) "Option" shall mean any right to purchase Stock which has been granted pursuant to the Plan.

(m) "Option Agreement" shall mean an agreement executed by an officer of the Company and an Optionee evidencing the grant of an Option pursuant to the Plan.

(n) "Optionee" shall mean any Employee who receives an Option or any Person who acquires an Option by reason of the death of an Employee.

(o) "Person" shall mean an individual, a corporation, a partnership, an association, a joint-stock company, a trust, an unincorporated organization or a government or political subdivision thereof.

(p) "Plan" shall mean the Amtech Corporation 1990 Stock Option Plan.

(q) "Plan Administrator" shall mean the Board or, in the alternative, any committee of three or more Directors authorized by the Board to administer the Plan.

(r) "Resignation" shall mean the voluntary termination by an Employee of his employment relationship with the Company under circumstances other than voluntary Retirement.

(s) "Retirement" shall mean the termination of an Employee's employment in accordance with the requirements of a written retirement plan, policy or rule of the Company which has been duly adopted by the Board.

(t) "Rule 16b-3" shall mean Rule 16b-3 of the rules and regulations under the Exchange Act as it may be amended from time to time and any successor provision to Rule 16b-3 under the Exchange Act.

(u) "Securities Act" shall mean the Securities Act of 1933, as amended.

(v) "Stock" shall mean the $.01 par value Common Stock of the Company.

(w) "Subsidiary" shall mean any corporation in an unbroken chain of corporations beginning with the Company in which each of the corporations (other than the last corporation) in the unbroken chain owns shares of capital stock possessing fifty percent (50%) or more of the total combined voting power of all classes of capital stock of one of the other corporations in such chain at the date of grant of an Option.

3. Shares Subject to the Plan. Except as otherwise required by the provisions of Section 9 hereof, the aggregate number of shares of Stock issuable upon the exercise of Options granted pursuant to the Plan shall not exceed 345,045 shares. Such shares may either be authorized but unissued shares or treasury shares.

The exercise price of each Option granted pursuant to the Plan shall be determined by the Plan Administrator and, subject to the provisions of Section 9 hereof, shall be not less than the Fair Market Value, at the time the Option is granted, of the shares of Stock subject to the Option.

Subject to the limitations provided above, if an Option should expire or become unexercisable for any reason without having been exercised in full, the unpurchased shares of Stock that were subject thereto shall, unless the Plan shall have terminated, be available for the grant of other Options under the Plan.

4. Administration of the Plan. The following provisions shall govern the administration of the Plan:

(a) The Plan shall be administered by the Plan Administrator.

(b) The Plan Administrator is authorized (but only to the extent not contrary to the express provisions of the Plan) to interpret the Plan, to

prescribe, amend and rescind rules and regulations relating to the Plan and to the Options granted under the Plan, to determine the form and content of Options to be issued under the Plan (including the exercise price, the exercise period and the exercise increments of each such Option) and to make such other determinations and exercise such other powers and authority as may be necessary or advisable for the administration of the Plan. Each Option granted pursuant to the Plan shall be evidenced by the Option Agreement in such form as may be determined by the Plan Administrator.

(c) A majority of the members of the Plan Administrator eligible to act shall constitute a quorum for purposes of acting with respect to the Plan, and the action of a majority of the members present who are eligible to act at any meeting at which a quorum is present shall be deemed the action of the Plan Administrator.

(d) All decisions, determinations and interpretations of the Plan Administrator with respect to the Plan and Option Agreements executed pursuant thereto shall be final and conclusive on all persons affected thereby.

(e) Neither the Plan Administrator nor any member thereof shall be liable for any act, omission, interpretation, construction or determination made in connection with the Plan in good faith, and the members of the Plan Administrator shall be entitled to indemnification and reimbursement by the Company in respect of any claim, loss, damage or expense (including counsel fees) arising therefrom to the full extent permitted by law. The members of the Plan Administrator shall be named as insureds under any directors and officers liability insurance coverage that may be in effect from time to time.

5. Eligibility. All Employees of the Company and its Subsidiaries are eligible to receive Options under the Plan. The Plan Administrator is authorized to select from the Employees who are eligible to receive Options under the Plan the particular Employees who will receive Options and to determine the number of Options and the number of shares of Stock under each Option. In granting Options, the Plan Administrator shall take into consideration the contribution an Employee has made or may make to the success of the Company or its Subsidiaries and such other factors as the Plan Administrator shall determine. The Plan Administrator shall also have the authority to consult with and receive recommendations from Directors and Employees of the Company and its Subsidiaries with regard to these matters. In no event shall any Employee or his legal representatives, heirs, legatees, distributees or successors have any right to participate in the Plan except to such extent, if any, as the Plan Administrator shall determine.

6. Term of the Plan. The Plan shall continue in effect until terminated pursuant to Section 15; provided, however, that all Options granted pursuant to the Plan must be granted within 10 years from the effective date of the Plan.

7. Termination of Employment - Exercise Thereafter. In the event of termination of an Optionee's employment due to death, Retirement, Resignation, Disability or termination by the Company for any reason other than "cause" (such five events each being a "Qualified Termination"), the Option may be exercised by the Optionee or his estate, personal representative or beneficiary to the full extent that the Optionee was entitled to exercise the same on the day immediately prior to such termination (i) at any time within the one-year period commencing on the day next following such termination if such termination is due to death of the Optionee; (ii) at any time within the thirty-day period commencing on the day next following the effective date

of such termination if such termination is due to the Resignation of the Optionee; or (iii) at any time within the six-month period commencing on the day next following such termination in the case of any other Qualified Termination. In the event that the Optionee's employment is terminated for any reason other than a Qualified Termination, the Option shall automatically expire simultaneously with such termination. For purposes of this Section, "cause"

shall mean (x) the failure, in the sole opinion of the Company or the Subsidiary which employs Optionee, of Optionee to adequately perform the duties assigned to Optionee (other than any such failure resulting from Optionee's Disability); (y) the engagement by Optionee in misconduct which, in the sole opinion of the Company or the Subsidiary which employs Optionee, is or may have the effect of being materially injurious to the Company or its Subsidiaries; or (z) the conviction of Optionee of any felony or crime of moral turpitude.

8. Transferability. An Option granted pursuant to the Plan shall not be transferable by the Optionee otherwise than by will or the laws of descent and distribution, and the Option shall be exercisable, during the Optionee's lifetime, only by Optionee or his legal representative or guardian. More particularly (but without limiting the generality of the foregoing), an Option may not be assigned, transferred (except as aforesaid), pledged or hypothecated in any way (whether by operation of law or otherwise), and shall not be subject to execution, attachment or similar process, without the prior written consent of the Company. Any attempted assignment, contrary to the provisions hereof, and the levy of any attachment or similar process upon the Option, which would otherwise effect a change in the ownership of the Option, shall terminate the Option.

9. Adjustment. The number of shares subject to the Plan and to Options granted pursuant to the Plan shall be adjusted as follows: (a) in the event that the outstanding Stock is changed by reason of a stock dividend, stock split, recapitalization or combination of shares, the number of shares of Stock subject to the Plan and to Options granted pursuant to the Plan shall be proportionately adjusted; or (b) in the event of any merger, consolidation or reorganization of the Company with any other corporation or corporations, there shall be substituted for each share of Stock then subject to the Plan and to Options granted pursuant to the Plan the number and kind of shares of stock or other securities to which the holders of shares of Stock will be entitled pursuant to the transaction. In the event of any such adjustment, the purchase price per share shall be proportionately adjusted.

10. Change of Control. Any Option previously granted under the Plan to an Optionee who is an Employee on the date of a Change of Control shall become exercisable in full on such date and, except in the case of a termination of employment for cause in conjunction with or following the Change of Control, may be exercised by the Optionee at any time during the remainder of the term of the Option, without regard to any exercise increments established pursuant to any applicable Option Agreement. In the case of a termination of employment for cause in conjunction with or following a Change of Control, the Option may be exercised by the Optionee at any time within a period of not less than six months nor more than three (3) years (the length of which period shall be within the discretion of the Plan Administrator and shall be

evidenced conclusively by the giving of appropriate and timely notice to the Optionee in accordance with the terms of the applicable Option Agreement) after the date of such termination.

11. Exercise of Option. An Option may be exercised by giving written notice to the Company, attention of the Treasurer. The notice shall (i) state the election to exercise the Option and the number of shares in respect of which it is being exercised; (ii) be signed by the Optionee; and (iii) be accompanied by the representation and covenant required under Section 12 hereof and any other written representations, covenants, and undertakings that the Company may prescribe to satisfy securities laws and regulations or other requirements. In addition, the notice shall be accompanied by (a) cash in an amount equal to the full purchase price of the shares to be purchased, a certified or bank cashier's check payable to the order of the Company in an amount equal to the full purchase price of the shares to be purchased, shares of Stock or a combination of these methods of payment; or (b) if the shares to be purchased are covered by an effective registration statement under the Securities Act, a written statement signed by the Optionee that the exercise is a "cashless exercise" through a brokerage firm in accordance with Section 220.3(e)(4) of Regulation T issued by the Board of Governors of the Federal Reserve System ("Reg T") pursuant to the Exchange Act, in which latter event the Company will use its best efforts to comply with the requirements of Reg T. In the event that shares

of Stock are used as a method of payment, the per share value of Stock shall be the Fair Market Value on the date of exercise. The certificate or certificates for the shares as to which the Option shall have been so exercised shall be registered in the name of the Optionee or his designee and shall be delivered to or upon the written order of the Optionee. The Company shall be entitled to place the following legend (or a legend which is substantially similar to the following legend) upon, and to issue appropriate stop transfer instructions with respect to, the certificate or certificates representing the shares issued upon exercise of the Option:

> "THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY APPLICABLE STATE SECURITIES LAWS (THE "STATE LAWS"), AND SUCH SHARES MAY NOT BE TRANSFERRED UNLESS (A) A REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND APPLICABLE STATE LAWS COVERING SUCH TRANSFER IS THEN IN EFFECT; OR (B) AN OPINION OF COUNSEL, SATISFACTORY TO THE ISSUER, HAS BEEN FURNISHED STATING THAT SUCH TRANSFER IS EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE LAWS."

All shares of Stock issued as provided herein shall be duly and validly issued, fully paid and non-assessable.

12. Securities Law Restrictions. The Company shall not be obligated to issue any shares purchased upon exercise of an Option until, in the opinion of the Company and its counsel, such issuance will not involve any violation of applicable federal and state securities laws, the rules and regulations promulgated thereunder and the requirements of any stock

exchange upon which the Stock may then be listed. Acceptance of an Option by an Optionee shall constitute the Optionee's agreement that any shares of Stock purchased upon the exercise of the Option shall be acquired for the Optionee's own account and not with a view to distribution and that each notice of the exercise of any portion of the Option shall be accompanied by a written representation and covenant signed by the Optionee, in such form as may be specified by the Company, confirming such agreement and containing such other provisions as may be prescribed by the Company. The Company may, at its election, release an Optionee from the Optionee's agreement to take for the Optionee's own account and not with a view to distribution of the shares of Stock purchased upon exercise of the Option, if in the opinion of the Company such covenant ceases to be necessary for compliance with the applicable federal and state securities laws (including the rules and regulations promulgated thereunder) and the requirements of any stock exchange upon which the Stock may be then listed.

13. Listing or Registration of Stock. Each Option granted pursuant to the Plan is subject to the requirement that, if at any time the Board shall determine, in its discretion, that the listing, registration or qualification of the shares of Stock subject to the Option upon any securities exchange or under any state or federal law, or the consent or approval of any government regulatory body, is necessary or desirable as a condition of, or in connection with, the granting or exercise of the Option or the issue or purchase of shares under the Option, the Option may not be exercised in whole or in part until such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Board. The Company shall be under no obligation to effect or obtain any such listing, registration, qualification, consent or approval if the Board shall determine, in its discretion, that such action would not be in the best interests of the Company. The Company shall not be liable for damages due to a delay in the delivery or issuance of any stock certificates for any reason whatsoever, including, but not limited to, a delay caused by listing, registration or qualification of the shares of Stock subject to an Option upon any securities exchange or under any federal or state law or the effecting or obtaining of any consent or approval of any governmental body with respect to the granting or exercise of the Option or the issue or purchase of shares under the Option.

14. Modification of Options. At any time and from time to time the Plan Administrator may execute an instrument providing for modification, extension, or renewal of any outstanding Option, provided that no such modification, extension or renewal shall (i) impair the Option in any respect without the

consent of the holder of the Option or (ii) conflict with the provisions of Rule 16b-3.

15. Amendment and Termination of the Plan. The Board may alter, suspend or discontinue the Plan, except that no action of the Board may increase the benefits accruing to Employees under the Plan, increase (other than as provided in Section 9) the maximum number of shares permitted to be issued upon the exercise of Options granted pursuant to the Plan or materially modify the requirements as to eligibility for participation in the Plan unless such action of the Board shall be subject to approval by the shareholders of the Company.

16. Shareholder Rights. The holder of an Option shall have none of the rights of a shareholder with respect to the shares of Stock subject to the Option until such shares shall have been issued to him upon the due exercise of the Option.

17. Withholding of Taxes. The Plan Administrator may make such provisions and take such steps as it may deem necessary or appropriate for the withholding of any taxes which the Company or any Subsidiary is required by any law or regulation of any governmental authority, whether federal, state or local, domestic or foreign, to withhold in connection with any Option, including, but not limited to, the withholding of the issuance of all or any portion of the shares of Stock subject to the Option until the Optionee reimburses the Company or the applicable Subsidiary for the amount the Company or the applicable Subsidiary is required to withhold with respect to such taxes, canceling any portion of the issuance in an amount sufficient to reimburse the Company or the applicable Subsidiary for the amount it is required to so withhold, or taking any other action reasonably required to satisfy the withholding obligation of the Company or the applicable Subsidiary.

18. Restrictions on Stock. The Plan Administrator may impose such restrictions on the ownership and transfer of shares of Stock issued upon exercise of Options granted pursuant to the Plan as it deems desirable and any such restrictions shall be set forth in the Option Agreement evidencing the Options; provided, however, that any such restrictions shall not be materially more burdensome than the restrictions imposed upon the other outstanding, unregistered shares of Stock.

19. Reservation of Stock. The Company during the term of the Plan will reserve and keep available such number of shares of Stock as shall be sufficient to satisfy the requirements of the Plan.

20. Continued Employment Not Presumed. Nothing in the Plan or any document describing it nor the grant of an Option shall give an Optionee the right to continue in employment with the Company or any of its Subsidiaries or affect the right of the Company or a Subsidiary to terminate the employment of any Optionee with or without cause.

21. Effective Date. The Plan shall become effective on the date of the later of adoption by the Board and adoption by the shareholders of the Company in accordance with Rule 16b-3.

CERTIFICATE

The foregoing Amtech Corporation 1990 Stock Option Plan was adopted by the Board (as therein defined) on March 28, 1990 and by the shareholders of the Company on May 24, 1990.

Phillip A. Wylie, Secretary

EXHIBIT 10.8

TABLE OF CONTENTS BANK ONE TRUST COMPANY, N.A.
PROTOTYPE RETIREMENT PLAN NO. 1

BANK ONE TRUST COMPANY, N.A.
PROTOTYPE RETIREMENT PLAN NO. 1

BANK ONE TRUST COMPANY, N.A. ("Bank One") is the sponsor of this Prototype Retirement Plan, which an Employer may adopt by executing a Plan Adoption Agreement. The Trustee who is to act as Trustee hereunder shall indicate acceptance of the provisions of this Plan and Trust upon the page and in the manner provided for that purpose, whereupon this instrument shall be a valid and binding Plan and Trust in accordance with its terms and provisions.

ARTICLE I

NAME, PURPOSE AND EFFECTIVE DATE OF PLAN

1.01 This Plan shall be known as Bank One Prototype Retirement Plan No. 1. This Plan is Bank One Basic Plan Document No. 01.

1.02 This Plan and Trust has been established for the exclusive benefit of the eligible Employees of each Employer and their Beneficiaries, and as far as possible shall be interpreted and administered in a manner consistent with this intent and consistent with the requirements of Code Section 401. If the Employer's plan fails to attain or retain qualification under Code Section 401, such plan shall no longer participate under this Prototype Plan and will be considered an individually designed plan.

1.03 Subject to Article VII and to Section 20.05, under no circumstances shall any property of the Trust, or any contributions made by the Employer under its Plan or Trust, be used for, or diverted to, purposes other than for the exclusive benefit of the Employees of such Employer, or their Beneficiaries.

1.04 The Effective Date of this Plan and Trust shall be the date specified as such in Item 6 of the Adoption Agreement.

ARTICLE II

DEFINITIONS

As used in this Agreement, the following words and phrases shall have the meanings set forth herein unless a different meaning is clearly required by the context.

2.01 "Accrued Benefit" means the sum of the balances of the separate accounts maintained on a Participant's behalf pursuant to Section 5.01.

2.02 "Administrator" means the person or persons designated by the Employer in Item 10 of the Adoption Agreement to administer the Plan on behalf of the Employer.

2.03 "Adoption Agreement" means the separate agreement executed by each Employer adopting the Plan, in which the Employer's selection of options under the Plan are indicated.

2.04 "Age" means the age of a person at his last birthday.

2.05 "Beneficiary" means the person, trust, organization or estate designated to receive Plan benefits payable on or after the death of a Participant.

2.06 "Compensation" means a Participant's Section 3401(a) wages, Section 6041/etc. compensation or Section 415 safe-harbor compensation (as defined below), whichever is elected by the Employer in Section 2.06 of the Adoption Agreement. For any Self-Employed Individual covered under the Plan, Compensation will mean Earned Income. Compensation shall include only that compensation which is actually paid to the Participant during the determination period. Except as provided elsewhere in the Plan, the determination period shall be the period elected by the Employer in the Adoption Agreement.

(1) Section 3401(a) wages. Wages as defined in Code Section 3401(a) for the purposes of income tax withholding at the source but determined without regard to any rules that limit the remuneration included in wages based on the nature or location of the employment or the services performed (such as the exception for agricultural labor in Code Section 3401(a)(2)).

(2) Section 6041/etc. compensation (Wages, Tips and Other Compensation Box on Form W-2). Compensation defined as wages within the meaning of Section 3401(a) of the Code and all other payments of compensation to the Employee by the Employer (in the course of the Employer's trade or business) for which the Employer is required to furnish the Employee a written statement under Sections 6041(d), 6051(a)(3) and 6052 of the Code, determined without regard to any rules under Section 3401(a) that limit the remuneration included in wages based on the nature or location of the employment or the services performed.

(3) 415 safe-harbor compensation. Wages, salaries, and fees for professional services and other amounts received (without regard to

whether or not an amount is paid in cash) for personal services actually rendered in the course of employment with the Employer maintaining the Plan to the extent that the amounts are includible in gross income (including, but not limited to, commissions paid salesmen, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips, bonuses, fringe benefits, and reimbursements or other expense allowances under a nonaccountable plan (as described in Section 1.62-2(c) of the Regulations)), and excluding the following:

(a) Employer contributions to a plan of deferred compensation which are not includible in the Employee's gross income for the taxable year in which contributed, or Employer contributions under a simplified employee pension plan to the extent such contributions are deductible by the Employee, or any distributions from a plan of deferred compensation;

(b) Amounts realized from the exercise of a non-qualified stock option, or when restricted stock (or property) held by the Employee either becomes freely transferable or is no longer subject to a substantial risk of forfeiture;

(c) Amounts realized from the sale, exchange or other disposition of stock acquired under a qualified stock option; and

(d) Other amounts which receive special tax benefits, or contributions made by the Employer (whether or not under a salary reduction agreement) towards the purchase of an annuity contract described in Section 403(b) of the Code (whether or not the contributions are actually excludible from the gross income of the Employee).

Notwithstanding the above, if elected by the Employer in the Adoption Agreement, Compensation shall include any amount which is contributed by the Employer on behalf of a Participant pursuant to a salary reduction agreement and which is not includible in the gross income of the Participant under Sections 125, 402(e)(3), 402(h) or 403(b) of the Code.

In the case of an incorporated Employer which adopts a non-standardized plan with a non-integrated allocation formula, if the Plan is not a Top Heavy Plan, the Employer may specify in Section 2.06 of the Adoption Agreement that certain items of Compensation may be disregarded.

Notwithstanding the above, if the Employer is incorporated, for the first year of Plan participation, Compensation paid prior to the date the Employee becomes a Participant shall be excluded if the Employer so specified in Section 2.06 of the Adoption Agreement.

If so elected by the Employer, Compensation shall be limited to the dollar amount specified in Section 2.06 of the Adoption Agreement.

For Plan Years beginning on or after January 1, 1994, the annual Compensation of each Participant taken into account for determining all benefits provided under the Plan for any determination period shall not exceed $150,000. This limitation shall be adjusted for inflation by the Secretary in multiples of $10,000 by applying an inflation adjustment factor and rounding the result down to the next multiple of $10,000 (increases of less than $10,000 are disregarded). If a Plan determines Compensation over a period of time that contains fewer than 12 calendar months, then the annual Compensation limit is an amount equal to the annual Compensation limit for the calendar year in which the Compensation period begins multiplied by the ratio obtained by dividing the number of full months in the period by 12.

In determining the Compensation of a Participant for purposes of this limitation, the rules of Section 414(q)(6) of the Code shall apply, except in applying such rules, the term "family" shall include only the spouse of the Participant and any lineal descendants of the Participant who have not attained age 19 before the close of the year. If, as a result of the application of such rules the adjusted $150,000 limitation is exceeded, then (except for purposes of determining the portion of Compensation up to the integration level if this Plan provides for permitted disparity), the

limitation shall be prorated among the affected individuals in proportion to each such individual's Compensation as determined under this Section prior to the application of this limitation.

If Compensation for any prior determination period is taken into account in determining the Employee's contributions or benefits for the current determination period, the Compensation for such prior determination period is subject to the applicable annual Compensation limit in effect for

that prior period. For this purpose, for years beginning before January 1, 1990, the applicable annual Compensation limit is $200,000. For years beginning on or after January 1, 1990, and before January 1, 1994, the applicable annual compensation limit is as follows: for 1990, $209,200; for 1991, $222,220; for 1992, $228,860; and for 1993, $235,840. In addition, in determining allocations in Plan Years beginning on or after January 1, 1994, the annual periods beginning before that date is $150,000.

For purposes of Articles VIII and IX, Compensation shall also include amounts attributable to services performed in the given Plan Year and paid within 2 1/2 months of the given Plan Year or that would have been paid within such timeframe but for their contribution as a Salary Savings Contribution within 12 months of the given Plan Year.

2.07 "Earned Income" means net earnings from self-employment for services actually rendered to the trade or business for which this Plan is established, in which trade or business personal services of an Owner-Employee or a Self-Employed Individual are a material income-producing factor. Earned Income of such trade or business shall also include gains (other than gains from the sale of a capital asset, as defined in the Code) and net earnings derived from the sale or other disposition of, the transfer of any interest in, or the licensing of the use of, property (other than good will) by an individual whose personal efforts created such property. Net earnings will be determined without regard to items not included in gross income and the deductions allocable to such items. Net earnings shall be reduced by contributions by the Employer to a qualified retirement plan to the extent deductible under Code Section 404.

For taxable years beginning after December 31, 1989, net earnings shall be determined after the federal income tax deduction allowed to the Employer by Section 164(f) of the Code for self-employment taxes.

2.08 "Employee" means any Self-Employed Individual and any common-law employee who is employed by the Employer maintaining the Plan or by any other employer required to be aggregated with such Employer under Sections 414(b), (c), (m) or (o) of the Code. The term "Employee" shall also include any leased employee deemed to be an employee of any employer described in the previous paragraph pursuant to Sections 414(n) or (o) of the Code.

The term "leased employee" means any person (other than an employee of the recipient) who pursuant to an agreement between the recipient and any other person ("leasing organization") has performed services for the recipient (or for the recipient and related persons determined in accordance with Section 414(n)(6) of the Code) on a substantially full time basis for a period of at least one year and such services are of a type historically performed by employees in the business field of the recipient Employer. Contributions or benefits provided a leased employee by the leasing organization which are attributable to services performed for the recipient Employer shall be treated as provided by the recipient Employer.

A leased employee shall not be considered an employee of the recipient if: (i) such employee is covered by a money purchase pension plan providing: (1) a nonintegrated employer contribution rate of at least 10 percent of compensation, as defined in Section 7.14 of the Plan, but including amounts contributed by the employer pursuant to a salary reduction agreement which are excludable from the employee's gross income under Sections 125, 402(e)(3), 402(h) or 403(b) of the Code, (2) immediate participation, and (3) full and immediate vesting; and (ii) leased

employees do not constitute more than 20 percent of the recipient's nonhighly compensated workforce.

2.09 "Employer" means the entity specified in Item 1 of the Adoption Agreement, any Participating Employer who completed and executed the Adoption Agreement, any successor employer which shall maintain this Plan and, in the case of a Non-Standardized Plan, any Predecessor Employer specified in Item 16 of the Adoption Agreement. Participating Employers shall be listed in Item 4 of the Adoption Agreement.

2.10 "Family Member" means, with respect to any Employee or former Employee, such Employee's or former Employee's spouse and lineal ascendants and descendants, and the spouses of lineal ascendants and descendants.

2.11 "Fiduciary" means any person who (a) exercises any discretionary authority or discretionary control respecting management of the Plan or exercises any authority or control respecting management or disposition of its assets, (b) renders investment advice for a fee or other compensation, direct or indirect, with respect to any monies or other property of the Plan or has any authority or responsibility to do so, or (c) has any discretionary authority or discretionary responsibility in the administration of the Plan, including, but not limited to, the Trustee, the Employer and the Plan Administrator.

2.12 "Five Percent Owner" means, in the case of a corporation, any person who owns (or is considered as owning within the meaning of Code Section 318) more than five percent of the outstanding stock of the Employer or stock possessing more than five percent of the total combined voting power of all stock of the Employer. In the case of an Employer that is not a corporation, "Five Percent Owner" means any person who owns or under applicable regulations is considered as owning more than five percent of the capital or profits interest in the Employer. In determining percentage ownership hereunder, employers that would otherwise be aggregated under Code Sections 414(b), (c), and (m) shall be treated as separate employers.

2.13 "Former Participant" means a person who has been an active Participant but who has ceased to actively participate in the plan for any reason.

2.14 "401(a) Employer Contribution" means a profit sharing or money purchase pension contribution made by the Employer to the Trust pursuant to Section 4.01 of the Plan and Adopt ionAgreement (Section 4.01(1) of the Adoption Agreement in the case of a 401(k) Plan). 401(a) Employer contributions are subject to the 401(a) Employer Contribution vesting schedule elected by the Employer in Section 13.01(1) of the Adoption Agreement.

2.15 "401(a) Employer Match Contribution" means, in the case of a 401(k) plan, a match contribution made by the Employer to the Trust pursuant to Section 4.01 of the Plan and Section 4.01(3) of the Adoption Agreement. 401(a) Employer Match Contributions are subject to the Match Contribution vesting schedule elected by the Employer in Section 13.01(1) of the Adoption Agreement.

2.16 "401(k) Employer Contribution" means a 401(k) Plan contribution made by the Employer to the Trust pursuant to Sections 4.01 and 4.03 of the Plan and Section 4.01(2) of the Adoption Agreement. 401(k) Employer Contributions shall be 100% vested and nonforfeitable at all times.

2.17 "401(k) Employer Match Contribution" means a match contribution made to the Trust pursuant to Section 4.01 of the Plan and Section 4.01(3) of the Adoption Agreement. 401(k) Employer Match Contributions shall be 100% vested and nonforfeitable at all times.

2.18 "Highly Compensated Employee" means and includes highly compensated active Employees and highly compensated former Employees.

A highly compensated active Employee includes any Employee who performs service for the Employer during the determination year and who, during the look-back year:

(i) received Compensation from the Employer in excess of $75,000 (as

adjusted pursuant to Section 415(d) of the Code);

(ii) received Compensation from the Employer in excess of $50,000 (as adjusted pursuant to Section 415(d) of the Code) and was a member of the top-paid group for such year; or

(iii) was an officer of the Employer and received Compensation during such year that is greater than 50 percent of the dollar limitation in effect under Section 415(b)(1)(A) of the Code.

The term Highly Compensated Employee also includes:

(i) Employees who are both described in the preceding sentence if the term "determination year" is substituted for the term "look-back year" and the Employee is one of the 100 Employees who received the most Compensation from the Employer during the determination year; and

(ii) Employees who are Five Percent Owners at any time during the look-back year or determination year.

If no officer has satisfied the Compensation requirement in (iii) above during either a determination year or look-back year, the highest paid officer for such year shall be treated as a Highly Compensated Employee.

For this purpose, the determination year shall be the Plan Year. The look-back year shall be the twelve-month period immediately preceding the determination year.

A highly compensated former Employee includes any Employee who separated from service (or was deemed to have separated) prior to the determination year, performs no service for the Employer during the determination year, and was a highly compensated active Employee for either the separation year or any determination year ending on or after the Employee's 55th birthday.

If an Employee is, during a determination year or look-back year, a Family Member of either a Five Percent Owner who is an active or former Employee or a Highly Compensated Employee who is one of the 10 most highly compensated Employees ranked on the basis of Compensation paid by the Employer during such year, then the Family Member of the Five Percent Owner or top-ten highly compensated Employee shall be aggregated. In such case, the Family Member and Five Percent Owner or top-ten highly compensated Employee shall be treated as a single Employee

receiving compensation and Plan contributions or benefits equal to the sum of such Compensation and contributions or benefits of the Family Member and Five Percent Owner or top-ten highly compensated Employee.

The determination of who is a Highly Compensated Employee, including the determinations of the number and identity of Employees in the top-paid group, the top 100 Employees, the number of Employees treated as officers and the Compensation that is considered, will be made in accordance with Section 414(q) of the Code and the Regulations thereunder. The "top-paid group" are the top 20% of Employees ranked on the basis of Compensation for the year in question. In determining the number of Employees in the top twenty percent, those Employees described in Code Section 414(q)(8) and 414(q)(11) shall be excluded.

If elected by the Employer in Section 2.18 of the Adoption Agreement, the preceding Section will be modified by substituting $50,000 for $75,000 in (i) and by disregarding (ii). This simplified definition of Highly Compensated Employee will apply only to Employers that maintain significant business activities (and employ Employees) in at least two significantly separate geographic areas.

2.19 "Hour of Service" means:

(a) Each hour for which an Employee is paid, or entitled to payment, for the performance of duties for the Employer. These hours shall be credited to the Employee for the computation period in which the duties are performed;

(b) Each hour for which an Employee is paid, or entitled to payment, by the Employer on account of a period of time during which no duties are performed (irrespective of whether the employment relationship has terminated) due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty or leave of absence. No more than 501 Hours of Service shall be credited under this paragraph for any single continuous period (whether or not such period occurs in a single computation period). Hours under this paragraph shall be calculated and credited pursuant to Section 2530.200b-2 of the Department of Labor Regulations which are incorporated herein by this reference; and

(c) Each hour for which back pay, irrespective of mitigation of damages, is either awarded or agreed to by the Employer. The same Hours of Service shall not be credited both under paragraph (a) or paragraph (b), as the case may be, and under this paragraph (c). These Hours shall 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.

In addition to the foregoing rules, Hours of Service will be credited for employment with other members of an affiliated service group (under Section 414(m) of the Code), a controlled group of corporations (under Section 414(b) of the Code), or a group of trades or businesses under common control (under Section 414(c) of the Internal Revenue Code), of which the adopting Employer is a member, and any other entity required to be aggregated with the Employer pursuant to Section 414(o) of the Code and the Regulations thereunder.

Hours of Service will also be credited for any individual considered an Employee for purposes of the Plan under Sections 414(n) or (o) of the Internal Revenue Code and the Regulations thereunder.

Solely for purposes of determining whether a One Year Break in Service, as defined in Section 2.28, for participation and vesting purposes has occurred in a computation period, an individual who is absent from work for maternity or paternity reasons shall receive credit for the Hours of Service which would otherwise have been credited to such individual but for such absence, or in any case in which such Hours cannot be determined, 8 Hours of Service per day of such absence. For purposes of this paragraph, an absence from work for maternity or paternity reasons means an absence (1) by reason of the pregnancy of the individual, (2) by reason of a birth of a child of the individual, (3) by reason of the placement of a child with the individual in connection with the adoption of such child by such individual, or (4) for purposes of caring for such child for a period beginning immediately following such birth or placement. The Hours of Service credited under this paragraph shall be credited (1) in the computation period in which the absence begins if the crediting is necessary to prevent a break in service in that period, or (2) in all other cases, in the following computation period.

Hours of Service shall be determined on the basis of the method selected in Section 2.19 of the Adoption Agreement.

2.20 "Insurer" means any legal reserve life insurance or annuity company.

2.21 "Internal Revenue Code" or "Code" means the Internal Revenue Code of 1986, as amended and any future Internal Revenue Code or similar Internal Revenue laws.

2.22 "Investment Manager" means any Fiduciary (other than a Trustee or named fiduciary):

(a) who has the power to manage, acquire, or dispose of any assets of the Plan;

(b) who is (1) registered as an investment adviser under the Investment Advisers Act of 1940; (2) a bank, as defined in that Act; or (3) an insurance company qualified to perform services described in paragraph (a) under the laws of more than one state; and

(c) who has acknowledged in writing that it is a Fiduciary with respect to the Plan.

2.23 "Key Employee" means any Employee or former Employee (and the beneficiaries of any such Employee) who, at any time during the Plan Year or any of the preceding four Plan Years, is:

(a) an officer of the Employer (as that term is defined within the meaning of the regulations under Section 416 of the Code) having an annual Compensation which exceeds 50% of the dollar limitation under Section 415(b)(1)(A) of the Code (or for Plan Years beginning prior to January 1, 1989, which exceeds 150% of the dollar limitation under Section 415(c)(1)(A) of the Code) in effect for the calendar year in which such Plan Year ends. If there are 500 or more Employees, in no event will more than 50 Employees be considered Key Employees by reason of being officers. If there are fewer than 500 Employees, in no event will more than the greater of 3 Employees or 10% of all Employees be considered Key Employees by reason of being officers. For purposes of the preceding sentence, in

determining the number of Employees, Employees described in Code Section 414(q)(8) shall be disregarded.

In the case of one or more employers treated as a single employer under Sections 414(b), (c) or (m) of the Code, whether or not an individual is an officer shall be determined based upon his responsibilities with respect to the employer or employers for which he is directly employed, and not with respect to the controlled group of corporations, employers under common control or affiliated service group.

(b) one of the ten Employees owning (or considered as owning within the meaning of Code Section 318) both more than a 1/2 percent ownership interest in value and the largest percentage ownership interests in value of any employers required to be aggregated under Code Sections 414(b), (c) and (m). Only those Employees whose Compensation for the Plan Year exceeds the dollar limitation under Code Section 415(c)(1)(A) in effect for the calendar year in which such Plan Year ends shall be considered an owner under this Subsection (b). For purposes of this Subsection (b) if more than one Employee owns the same interest in the Employer, the Employee having the highest annual Compensation shall be treated as owning a larger interest.

(c) a "Five Percent Owner" of the Employer.

(d) a "one percent owner" of the Employer having an annual Compensation for the Plan Year from the Employer of more than $150,000. In the case of a corporation, "one percent owner" means any person who owns (or is considered as owning within the meaning of Section 318 of the Code) more than one percent of the outstanding stock of the Employer or stock possessing more than one percent of the total combined voting power of all stock of the Employer. In the case of an Employer that is not a corporation, "one percent owner" means any person who owns (or under applicable regulations is considered as owning) more than one percent of the capital or profits interest in the Employer. In determining percentage ownership hereunder, employers that would otherwise be aggregated under Code Sections 414(b), (c) and (m) shall be treated as separate employers. However, in determining whether an individual has Compensation of more than $150,000, Compensation from each employer required to be aggregated under Sections 414(b), (c) and (m) of the Internal Revenue Code shall be taken into account.

The determination of who is a Key Employee will be made in accordance with Section 416(i)(1) of the Internal Revenue Code and the Regulations thereunder. For purposes of determining whether a Participant is a Key Employee, the Participant's annual Compensation means Compensation as defined in Section 415(c)(3) of the Code, but including amounts contributed by the Employer pursuant to a salary reduction agreement which are excludable from the Employee's gross income under Sections 125, 402(e)(3), 402(h) or 403(b) of the Code.

2.24 "Limitation Year" means a calendar year or any other twelve consecutive month period elected by the Employer. The Limitation Year shall be specified by the Employer in Section 2.24 of the Adoption Agreement. All qualified plans of the Employer must use the same Limitation Year. If the Limitation Year is amended to a different twelve consecutive month period, the new Limitation Year must begin on a date within the Limitation Year in which the amendment is made.

2.25 "Non-Highly Compensated Employee" means any employee who is neither: (a) a Highly Compensated Employee nor (b) a Family Member of either: (1) a Five Percent Owner or (2) a Highly Compensated Employee who is also one of the ten most highly compensated Employees for the current Plan Year.

2.26 "Non-Key Employee" means any Employee who is not a Key Employee.

2.27 "Normal Retirement Age" means the age specified in Adoption Agreement Section 2.27 at which time a Participant shall become eligible to receive his normal retirement benefit. A Participant shall become fully vested in his Accrued Benefit upon attaining his Normal Retirement Age. In the event a mandatory retirement age is enforced by the Employer which is less than the Normal Retirement Age specified in the Adoption Agreement, such mandatory age shall be deemed to be the Normal Retirement Age.

2.28 (a) "One Year Break in Service" means, except for purposes of determining plan entry under Article III (Participation Requirements), any Plan Year or any corresponding twelve consecutive month period for periods prior to the commencement of the first twelve-month Plan Year during which the Employee has not completed more than 500 Hours of Service.

(b) For purposes of determining plan entry under Article III, "One Year Break in Service" means a twelve consecutive month period, computed with reference to the date the Employee's employment commenced, during which the Employee does not complete more than 500 Hours of Service.

Notwithstanding the above, an authorized leave of absence shall not cause a One Year Break in Service. An "authorized leave of absence" means a temporary cessation from active employment with the Employer pursuant to an established nondiscriminatory policy, due to illness, military service, or other reason.

2.29 "Owner-Employee" means with respect to an unincorporated business, a sole proprietor who owns the entire interest in the Employer or a partner who owns more than 10% of either the capital interest or the profits interest in the Employer.

2.30 "Participant" means any eligible Employee who participates in the Plan as provided in Article III and has not for any reason become ineligible to participate further in the Plan.

2.31 "Plan" means the Employer's retirement plan as herein set forth, together with the Employer's Adoption Agreement.

2.32 "Plan Anniversary" means the first day of each Plan Year that begins after the Plan Effective Date. The Plan Anniversary shall be specified in Item 17 or 18 of the Adoption Agreement.

2.33 "Plan Year" means the twelve consecutive month period commencing on each Plan Anniversary, except that the first Plan Year shall be the period commencing on the Plan Effective Date and ending on the day preceding the first Plan Anniversary.

2.34 "Policy" means any form of individual life insurance contract, including any supplementary agreements or riders in connection therewith, issued by the Insurer on the life of a Participant. Any life insurance death benefits referred to in the following paragraphs of this Section 2.34 pertain to amounts purchased with other than Voluntary After-Tax Contributions. A Policy may include a provision for waiver of premium or

waiver of premiums and monthly income during disability.

(a) If ordinary life insurance contracts are purchased for a Participant, the aggregate life insurance premium for a Participant shall be less than 50% of the aggregate Employer contributions made on behalf of such Participant plus allocations of any forfeitures credited to the account of such Participant. For purposes of these incidental insurance provisions, ordinary life insurance contracts are contracts with both non-decreasing death benefits and non-increasing premiums.

(b) If term insurance, universal life policies or any other life insurance policies which are not ordinary life insurance contracts are used, the aggregate life insurance premium for a Participant shall not exceed 25% of the aggregate Employer contributions made on behalf of such Participant plus allocation of any forfeitures credited to the account of such Participant.

(c) If a combination of ordinary life insurance and other life insurance policies is used, the sum of one-half of the ordinary life insurance premiums and all other life insurance premiums shall not exceed 25% of the aggregate Employer contributions made by the Employer on behalf of the Participant.

The limitation on aggregate life insurance premium payments stated in this Section 2.34 shall not apply to any funds, from whatever source, which have accumulated in the Participant's Account for a period of two (2) or more years, and are applied toward the purchase of such life insurance. Provided, however, that in no event may Tax Deductible Voluntary Contributions be invested in Policies of life insurance.

Subject to Section 12.08, Joint and Survivor Annuity Requirements, at the election of the Participant, the Policies on a Participant's life will be converted to cash or an annuity or distributed to the Participant upon commencement of benefits.

2.35 "Profits" means, for any taxable year of the Employer, the net income or profits of the Employer for such year without any deduction for taxes, based upon its income or contributions to the Trust, and the accumulated net earnings or profits of the Employer, as the Employer shall determine upon the basis of its books of account in accordance with its regular accounting practices.

2.36 "Qualified Joint and Survivor Annuity" means an immediate annuity for the life of the Participant, with a survivor annuity for the life of his spouse, if any, in an amount equal to 50% of the amount of the annuity payable during the joint lives of the Participant and his spouse, and which is the amount of benefit which can be purchased with the Participant's Accrued Benefit.

2.37 "Rollover Contribution" means a contribution made to the Trust pursuant to Section 18.01 of the Plan.

2.38 "Salary Savings Contribution" means a contribution made by the Employer to the Trust pursuant to Section 4.03 of the Plan and Adoption Agreement.

2.39 "Self-Employed Individual" means a person who has Earned Income for the taxable year under the trade or business or partnership with respect to which this Plan was adopted; also, an individual who would have had Earned Income but for the fact that the trade or business had no Profits for the taxable year. A partner who owns 10% or less of the capital or profits interest in a partnership and all Owner-Employees are Self-Employed Individuals.

2.40 "Service" means the entire period of an Employee's employment with the Employer. If the Employer has adopted a Non-Standardized Plan, Service with Predecessor Employers listed in Item 16 of the Adoption Agreement shall also be treated as Service with the Employer.

2.41 "Super Top Heavy Plan" means for any Plan Year beginning after December 31, 1983 that any of the following conditions exists:

(a) If the top heavy ratio (as defined in Article VI) for this Plan exceeds 90 percent and this Plan is not part of any required aggregation group or permissive aggregation group of plans.

(b) If this Plan is a part of a required aggregation group of plans but not part of a permissive aggregation group and the top heavy ratio for the group of plans exceeds 90 percent.

(c) If this Plan is a part of a required aggregation group and part of a permissive aggregation group of plans and the top heavy ratio for the permissive aggregation group exceeds 90 percent.

See Article VI for requirements and additional definitions applicable to Super Top Heavy Plans.

2.42 "Suspense Account" means the account established by the Trustee for maintaining contributions and forfeitures which have not yet been allocated to Participants.

2.43 "Taxable Wage Base" means the maximum amount of earnings which may be considered wages for a year under Section 3121(a)(1) of the Code as in effect on the first day of the Plan Year.

2.44 "Tax Deductible Voluntary Contribution" means a deductible employee contribution described in Code Section 72(o)(5). Such contributions will be 100% vested and nonforfeitable at all times. No such contributions will be accepted for tax years beginning after 1986.

2.45 "Top Heavy Plan" means for any Plan Year beginning after December 31, 1983 that any of the following conditions exists:

(a) If the top heavy ratio (as defined in Article VI) for this Plan exceeds 60 percent and this Plan is not part of any required aggregation group or permissive aggregation group of plans.

(b) If this Plan is a part of a required aggregation group of plans but not part of a permissive aggregation group and the top heavy ratio for the group of plans exceeds 60 percent.

(c) If this Plan is a part of a required aggregation group and part of a permissive aggregation group of plans and the top heavy ratio for the permissive aggregation group exceeds 60 percent.

See Article VI for requirements and additional definitions applicable to Top Heavy Plans.

2.46 "Top Heavy Plan Year" means that, for a particular Plan Year commencing after December 31, 1983, the Plan is a Top Heavy Plan.

2.47 "Total and Permanent Disability" means the inability of a Participant to engage in any substantial gainful activity by reason of a physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months. The permanence and degree of such impairment shall be supported by medical evidence.

In determining the nature, extent and duration of any Participant's disability, the Plan Administrator may select a physician to examine the Participant. The final determination of the nature, extent and duration of such disability shall be made solely by the Plan Administrator upon the basis of such evidence as he deems necessary and acting in accordance with uniform principles consistently applied.

2.48 "Trust" means the Plan and Trust set forth herein, as adopted by the Employer. The Trust of the Employer shall be separate and apart from the Trust of any other employer which adopts this Plan.

2.49 "Trustee" means Bank One or such other individual(s), bank or trust company which has agreed to be the Trustee of the Employer's Plan. The Trustee shall be specified in Item 9 of the Adoption Agreement.

2.50 "Trust Fund" means any and all property held by the Trustee pursuant to

the Plan and Trust.

2.51 "Valuation Date" means the last day of the Plan Year or, if more frequently, such other date or dates as may be directed by the Employer.

2.52 "Voluntary After-Tax Contribution" means an after-tax contribution made by a Participant to the Trust. Such contributions are subject to Section 4.04 of the Plan.

2.53 "Year of Service" means, except for any periods otherwise disregarded in the Adoption Agreement, any Plan Year or any corresponding twelve consecutive month period for periods prior to the commencement of the first twelve consecutive month Plan Year during which the Employee completes at least 1,000 Hours of Service; provided, however, that for purposes of determining eligibility for participation under Article III, Year of Service shall mean any twelve consecutive month period during which he completes 1,000 Hours of Service computed from the date an Employee first performs an Hour of Service, or any anniversary thereof (or again performs an Hour of Service upon re-employment following a termination resulting in a One Year Break in Service).

2.54 "Benefiting" means a Participant is treated as benefiting under the Plan for any Plan Year during which the Participant received or is deemed to receive an allocation in accordance with Section 1.410(b)-3(a) of the Internal Revenue Code.

2.55 "Straight life annuity" means an annuity payable in equal installments for the life of the Participant that terminates upon the Participant's death.

ARTICLE III

PARTICIPATION REQUIREMENTS

3.01 ACTION BY EMPLOYER - An Employer may adopt this Plan and Trust by:

(a) executing the Adoption Agreement and such other forms as the Trustee may require,

(b) designating the Trustee to act as Trustee under the Plan and Trust, and

(c) having the designated Trustee execute this Trust and accept the Employer's participation by signing the Adoption Agreement as completed by the Employer.

3.02 (a) EMPLOYEE PARTICIPATION - Profit Sharing Plan, Money Purchase Pension Plan, 401(k) Plan - Those Employees eligible to become Participants shall be specified in Section 3.02(1) of the Adoption Agreement.

If the Employer is maintaining a Profit Sharing or Money Purchase Pension Plan or if the Employer is maintaining a 401(k) Plan and the Employer specifies in Section 4.01 of the Adoption Agreement that the Employer will make 401(a) Employer Contributions or 401(k) Employer Contributions to the Trust, each eligible Employee who complies with the requirements set forth in this Plan and Trust shall become a Participant on the entry date specified in Section 3.02(2) of the Adoption Agreement if he is employed on such date.

(b) EMPLOYEE PARTICIPATION - Salary Savings Plan - If specified by the Employer in Section 4.03 of the Adoption Agreement, on or after an eligible Employee's Salary Savings Plan entry date the Employee may direct the Employer to reduce his Compensation or Earned Income in order that the Employer may make Salary Savings Contributions to the Trust on the Employee's behalf. Any such Employee shall become a Participant in the Salary Savings Plan on the date his compensation reduction agreement becomes effective. Any such direction shall be made by filing an appropriate form with the Plan Administrator. The Compensation or Earned Income of any eligible Employee electing salary savings shall be reduced by the percentage or dollar amount requested by the Employee (which percentage or dollar amount may not be less than any minimum or more than any maximum specified by the Employer in Section 4.03 of the Adoption Agreement); provided,

however, that the Plan Administrator may reduce the Employee's Compensation by a smaller percentage or dollar amount or refuse to enter into or comply with a salary savings agreement with the Employee if the requirements of the Code Section 401(k) would otherwise be violated or if the Participant has previously discontinued a salary savings agreement. No Participant shall be permitted to have Salary

Savings Contributions made under this Plan, or any other qualified plan maintained by the Employer, during any taxable year in excess of the dollar limitation under Code Section 402(g) in effect at the beginning of such taxable year. Any salary savings agreement shall become effective on the first day of the first payroll period which begins at least 15 days after an appropriate form is received by the Plan Administrator or such earlier date as may be agreeable to the Plan Administrator. The reduction in Compensation will remain in effect until terminated in accordance with the rules set forth in the Plan and Trust.

A Participant may elect at any time to discontinue his salary savings agreement with the Employer, and may change his salary savings agreement subject to any limitation specified by the Employer in Section 4.03 of the Adoption Agreement. Any such change or discontinuance shall become effective on the first day of the first payroll period which begins at least 15 days after a written notice thereof is received by the Plan Administrator.

(c) REELIGIBILITY OF FORMER EMPLOYEES - Notwithstanding the rules set forth in Section 3.02(a), in the case of a Profit Sharing Plan, Money Purchase Pension Plan or 401(k) Plan to which the Employer is making 401(a) Employer Contributions or 401(k) Employer Contributions, a former Employee who had previously met the Age and Service requirements specified in Section 3.02 of the Adoption Agreement or a Former Participant, either of whom again becomes eligible to participate in the Plan, will become a Participant on the date of his recommencement of Service, unless his prior Service is disregarded under the rules set forth in Sections 3.02(3)(a) or 3.02(3)(b) of the Adoption Agreement, if designated as applicable by the Employer. Any other former Employee or Participant who again becomes eligible will become a Participant on the entry date determined under the rules set forth in Section 3.02(a).

Notwithstanding the rules set forth in Section 3.02(b) of the Plan, a former Employee who had previously met the Age and Service requirements specified in Section 3.02 of the Adoption Agreement or a Former Participant, either of whom again becomes eligible to participate in the Plan, will again be eligible to enter into a compensation reduction agreement with the Employer on the date of his recommencement of Service, unless his prior Service is disregarded under the rules set forth in Sections 3.02(3)(a) or 3.02(3)(b) of the Adoption Agreement, if designated as applicable by the Employer. Any other former Employee or Participant who again becomes eligible may enter into a compensation reduction agreement with the Employer on or after his entry date, as determined under the rules set forth in Section 3.02(a).

(d) INELIGIBILITY, PARTICIPATION IN OTHER PLANS - In the event that the Employer specifies in the Adoption Agreement that Employees eligible for other qualified pension or profit sharing plans to which the Employer contributes are not eligible to participate in this Plan, a Participant for whom a contribution is subsequently made under such other qualified pension or profit sharing plan shall no longer participate under this Plan; and in the event of such subsequent contribution the further rights of such Participant shall be determined in accordance with Section 3.04.

3.03 CHANGE IN EMPLOYEE STATUS - The Plan Administrator shall notify the Trustee in the event a Participant's status with respect to the Plan shall change, and shall furnish the Trustee with such additional information relative to the Plan as the Trustee may from time to time request.

3.04 CLASSIFICATION CHANGES - In the event of a change in job classification or in the event Section 3.02(d) becomes applicable to a Participant, such that an Employee, although still in the employment of the Employer, no longer is an eligible Employee, all contributions and forfeitures to be allocated on his behalf shall cease and any amount credited to the Employee's Accounts on the date the Employee shall become ineligible shall continue to vest, become payable or be forfeited, as the case may be, in the same manner and to the same extent as if the Employee had remained a Participant.

In the case of a Profit Sharing Plan, Money Purchase Pension Plan or 401(k) Plan under which an Employer is to make 401(a) or 401(k) Employer Contributions or Match Contributions, if a Participant becomes ineligible to share in future Employer contributions and forfeitures because he is no longer a member of an eligible class of Employees, but has not incurred a One Year Break in Service (as defined in Section 2.28(a)), such Employee shall again be eligible to share in Employer contributions and forfeitures immediately upon his return to an eligible class of Employees. If such Participant incurs such a One Year Break in Service, his eligibility to again participate shall be determined pursuant to Section 3.02(c).

In the event an Employee who is not a member of the eligible class of Employees becomes a member of the eligible class, such Employee shall participate immediately if such Employee has satisfied the minimum Age and Service requirements and would have previously become a Participant had he been in the eligible class.

3.05 LEAVE OF ABSENCE - The Accounts of a Participant who is on an authorized leave of absence (as described in Section 2.28) shall share in the allocation of Employer contributions, including (if applicable), 401(k) Employer and Match Contributions and forfeitures to the extent that the Participant receives Compensation from the Employer, if such Participant otherwise satisfies the requirements of Section 4.01 of the Adoption Agreement, and such Accounts shall continue to share in allocation of Trust Fund income or losses under the provisions of Article V.

3.06 ADDITIONAL RULES FOR PLANS COVERING OWNER-EMPLOYEES - If this Plan provides contributions or benefits for one or more Owner-Employees who control both the business for which this Plan is established and one or more other trades or businesses, this Plan and the plan established for other trades or businesses must, when looked at as a single plan, satisfy Code Sections 401(a) and (d) for the employees of this and all other trades or businesses.

If the Plan provides contributions or benefits for one or more Owner-Employees who control one or more other trades or businesses, the employees of the other trades or businesses must be included in a plan which satisfies Code Sections 401(a) and (d) and which provides contributions and benefits not less favorable than provided for Owner-Employees under this Plan.

If an individual is covered as an Owner-Employee under the plans of two or more trades or businesses which are not controlled and the individual controls a trade or business, then the contributions or benefits of the employees under the plan of the trades or businesses which are controlled must be as favorable as those provided for him under the most favorable plan of the trade or business which is not controlled.

For purposes of the preceding paragraphs, an Owner-Employee, or two or more Owner-Employees, will be considered to control a trade or business if the Owner-Employee, or two or more Owner-Employees together:

(1) own the entire interest in an unincorporated trade or business, or

(2) in the case of a partnership, own more than 50 percent of either the capital interest or the profits interest in the partnership.

For purposes of the preceding sentence, an Owner-Employee, or two or more Owner-Employees shall be treated as owning any interest in a partnership which is owned, directly or indirectly, by a partnership which such Owner-Employee, or such two or more Owner-Employees, are considered to control

within the meaning of the preceding sentence.

3.07 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 year has been made and allocated, the Employer shall make a subsequent contribution with respect to the omitted Employee in the amount which the Employer would have contributed with respect to him had he not been omitted. Such contribution shall be made regardless of whether or not it is deductible, in whole or in part, by the Employer in any taxable year under applicable provisions of the Code.

3.08 INCLUSION OF INELIGIBLE EMPLOYEE - 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 for the year has been made and allocated, the Employer shall not be entitled to recover the contribution made with respect to the ineligible person regardless of whether or not 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.

ARTICLE IV

PLAN CONTRIBUTIONS

4.01 EMPLOYER CONTRIBUTIONS - The Employer shall make Profit Sharing, Money Purchase Pension or, in the case of a 401(k) Plan, 401(a) Employer, 401(k) Employer and Employer Match contributions to the Trust for each Plan Year to the extent and in the manner specified in Section 4.01 of the Adoption Agreement.

In addition to Employer Contributions authorized by Section 4.01 of the Adoption Agreement, the Employer shall also be authorized (but shall not be required) to reimburse the Trust Fund for all expenses and fees incurred in the administration of the Plan or Trust and paid out of the assets of the Trust Fund. Such expenses shall include, but shall not be limited to, fees for professional services (including Trustee fees), printing, postage, and brokerage or other commissions.

The Employer may contribute Employer Contributions for each Plan Year to the Trustee on any date or dates which the Employer may select, subject to the consent of the Trustee; provided that, to then be deductible, the total contributions for each Plan Year shall be paid within the time

prescribed by law for the deduction of such contributions for purposes of the Employer's Federal Income Tax for such year.

4.02 MINIMUM EMPLOYER CONTRIBUTIONS FOR TOP HEAVY PLANS

(a) Minimum Allocation for Non-Key Employees - Notwithstanding anything in the Plan to the contrary except (b) through (f) below, for any Top Heavy Plan Year, the sum of the Employer's contributions and forfeitures allocated to the Accounts of each Non-Key Employee Participantshall be equal to at least three percent of such Non-Key Employee's Compensation. However, should the sum of the Employer's contributions and forfeitures allocated to the Accounts of each Key Employee for such Top Heavy Plan Year be less than three percent of each Key Employee's Compensation and the Employer has no defined benefit plan which designates this Plan to satisfy Section 401(a)(4) or 410 of the Code, the sum of the Employer's contributions and forfeitures allocated to the Accounts of each Non-Key Employee shall be equal to the largest percentage allocated to the Accounts of a Key Employee.

The minimum contribution provided for in this Section shall be determined without regard to any Social Security contribution, without regard to Salary Savings Contributions and without regard to 401(k) or 401(a) Employer Match Contributions to the extent such match contributions are necessary to satisfy Sections 8.02 or 9.02. For purposes of computing the minimum contribution provided for in

this Section, Compensation shall mean Section 3401(a) wages, Section 6041/etc. compensation or Section 415 safe-harbor compensation (as such terms are defined in Section 2.06), whichever is elected by the Employer in Section 2.06 of the Adoption Agreement or, in the case of a Self-Employed Individual, Earned Income.

(b) Extra Minimum Allocation Permitted for Top Heavy Plans other than Super Top Heavy Plans - If a Key Employee is a Participant in both a defined contribution plan and a defined benefit plan that are both part of a required or permissive aggregation group of Top Heavy Plans (but neither of such plans is a Super Top Heavy Plan), the defined contribution and the defined benefit fractions described in Article VII shall remain unchanged, provided each Non-Key Employee who is a Participant receives an extra allocation (in addition to the minimum allocation set forth above) equal to not less than one percent of such Non-Key Employees' Compensation.

(c) For purposes of the minimum allocations set forth above, the percentage allocated to the Accounts of any Key Employee shall be equal to the ratio of the sum of the Employer's contribution and forfeitures allocated on behalf of such Key Employee divided by the first $150,000 of Compensation (as defined for purposes of Article VII).

(d) For any Top Heavy Plan Year, the minimum allocations set forth above shall be allocated to the Accounts of all Non-Key Employees who are Participants and who are employed by the Employer on the last day of the Plan Year, including (1) Non-Key Employee Participants who have failed to complete a Year of Service; (2) Non-Key Employees otherwise eligible to participate in the Plan who declined to make any mandatory employee contributions or Salary Savings Contributions to the Plan; and (3) Non-Key Employees whose Compensation is less than a stated amount.

(e) Notwithstanding anything herein to the contrary, in any Plan Year in which a Non-Key Employee is a Participant in both this Plan and a defined benefit pension plan included in a Required or Permissive Aggregation Group of Top Heavy Plans, the Employer shall not be required to provide a Non-Key Employee with both the full separate minimum defined benefit plan benefit and the full separate minimum defined contribution plan allocation described in this Section. Therefore, if the Employer maintains such a defined benefit and defined contribution plan, the top-heavy minimum benefits shall be provided as follows:

(i) If a Non-Key Employee is a participant in such defined benefit plan but is not a participant in this defined contribution plan, the minimum benefits provided for Non-Key Employees in the defined benefit plan shall be provided to the employee if the defined benefit plan is a Top Heavy or Super Top Heavy Plan and the minimum contributions described in this Section 4.02 shall not be provided.

(ii) If a Non-Key Employee is a participant in such defined benefit plan and is also a participant in this defined contribution plan, the provisions of Subsections (a) and (b) above shall be applicable to each such Non-Key Employee meeting the requirements of Subsection (d) above, except that the minimum contribution shall be increased from 3% to 5% and the extra minimum contribution, if applicable, shall be increased from 1% to 2 1/2%. The minimum benefits for Non-Key Employee participants in Top Heavy or Super Top Heavy Plans provided in the defined benefit plan shall not be applicable to any such Non-Key Employee who receives the full maximum contribution described in the preceding sentence.

Notwithstanding anything herein to the contrary, no minimum contribution will be required under this Plan (or the minimum contribution under this Plan will be reduced, as the case may be) for any Plan Year if the Employer maintains another qualified defined contribution plan and the Employer has specified in Section 4.02 of the Adoption Agreement that the minimum allocation

requirement applicable to Top Heavy or Super Top Heavy Plans will be met in the other plan.

(f) The minimum allocation required under this Section 4.02 (to the extent required to be nonforfeitable under Code Section 416(b)) may not be forfeited under Code Sections 411(a)(3)(B) or 411(a)(3)(D)).

4.03 SALARY SAVINGS CONTRIBUTIONS - The Employer shall make Salary Savings Contributions to the Trust for each Plan Year to the extent and in the manner specified in Article III and in Section 4.03 of the Adoption Agreement.

The Employer shall pay its Salary Savings Contributions to the Trustee within 30 days of the date such contributions would have been payable to the Employee in the absence of the Salary Savings Agreement.

4.04 VOLUNTARY AFTER-TAX CONTRIBUTIONS - If the Employer has adopted a 401(k) Plan, if and to the extent permitted by Section 4.04 of the Adoption Agreement, a Participant may make Voluntary After-Tax Contributions to the Trust. For Plan Years beginning after 1986, such contributions must satisfy Article IX.

If the Employer's Plan is not a 401(k) Plan, the Plan will not accept Voluntary After-Tax Contributions for Plan Years beginning after the Plan Year in which this amended and restated Plan is adopted by the Employer. Voluntary After-Tax Contributions for Plan Years beginning after December 31, 1986 will be limited so as to meet the nondiscrimination test of Code Section 401(m).

A Participant shall have the right at any time to request a withdrawal in cash of the portion of his Accrued Benefit attributable to his Voluntary After-Tax Contributions. If necessary to comply with the requirements of Section 12.08, the Plan Administrator shall require the consent of the Participant's spouse before making any withdrawal. Any such consent shall satisfy the requirements of Section 12.08. Any such amount requested to be withdrawn shall be paid within 90 days following the date written request therefor is received by the Plan Administrator. In-service withdrawals shall be subject to any requirements, restrictions or limitations imposed under Section 10.03. Values not so withdrawn, including any increments earned on withdrawn amounts prior to withdrawal, shall be distributed to the Participant or his Beneficiary at such time and in such manner as the Trust otherwise provides for Account distributions.

No forfeitures will occur solely as a result of an Employee's withdrawal of Voluntary After-Tax Contributions.

The portion of a Participant's Accrued Benefit attributable to Voluntary After-Tax Contributions shall be 100% vested and nonforfeitable at all times.

4.05 TAX DEDUCTIBLE VOLUNTARY CONTRIBUTIONS - The Plan Administrator will not accept Tax Deductible Voluntary Contributions which are made for a taxable year beginning after December 31, 1986. Contributions made prior to that date will be maintained in a separate account which will be nonforfeitable at all times. The account will share in the gains and losses of the trust in the same manner as described in Section 5.04 of the Plan. No part of the Tax Deductible Voluntary Contribution Account will be used to purchase life insurance. Subject to Section 12.08, Joint and Survivor Annuity Requirements, the Participant may withdraw any part of his Tax Deductible Voluntary Contribution Account by making a written application to the Plan Administrator.

4.06 PAYMENT OF CONTRIBUTIONS TO TRUSTEE - The Employer shall make payment of all contributions, including Participant contributions which shall be remitted to the Employer by payroll deduction or otherwise, directly to the Trustee in accordance with this Article IV but subject to Section 4.07.

4.07 RECEIPT OF CONTRIBUTIONS BY TRUSTEE - The Trustee shall receive and hold under the Trust any contributions, in cash or other property acceptable to it, received from the Employer, any Participant or any trust qualified

under Section 401 of the Code, pursuant to the terms of the Plan, other than cash it is instructed to remit to the Insurer for deposit with the Insurer. However, the Employer may pay contributions directly to the Insurer and such payment shall be deemed a contribution to the Trust to the same extent as if payment had been made to the Trustee. All such contributions shall be accompanied by written instructions from the Employer accounting for the manner in which they are to be credited and specifying the appropriate Participant Account to which they are to be allocated. All Employer contributions shall be credited by the Trustee to a Suspense Account until allocated to Participants as provided in the Trust.

The Trustee shall be responsible for such sums as are actually received by it as Trustee hereunder. The Trustee shall have no duty or responsibility to ascertain whether any contributions should be made to it pursuant to the Plan, to bring any action to enforce any obligation to make any contribution under the Plan or to determine if the amount contributed is in accordance with the Plan or Code.

ARTICLE V

PARTICIPANT ACCOUNTS, ALLOCATION OF CONTRIBUTIONS AND VALUATION OF ASSETS

5.01 PARTICIPANT ACCOUNTS - Separate accounts shall be maintained for the portion of a Participant's Accrued Benefit attributable to the following: (1) Salary Savings Contributions; (2) Profit Sharing, Money Purchase or, in the case of a 401(k) Plan, 401(a) Employer Contributions; (3) 401(k) Employer Contributions; (4) 401(k) Match Contributions; (5) 401(a) Match Contributions; (6) Voluntary After-Tax Contributions; (7) Tax Deductible Voluntary Contributions; and (8) Rollover Contributions. Each separate account shall be credited with the applicable contributions, earnings and losses, distributions, and other applicable adjustments.

5.02 METHOD FOR ALLOCATION OF PROFIT SHARING CONTRIBUTIONS OR EMPLOYER CONTRIBUTIONS TO 401(k) PLANS - For each Plan Year, 401(k) Employer Contributions shall be allocated among eligible Participants in proportion to Compensation. Profit Sharing Contributions or, in the case of a 401(k) Plan, 401(a) Employer Contributions will be allocated as specified by the Employer in the Adoption

Agreement among all eligible Participants for such Plan Year. Employer Match Contributions shall be allocated among eligible Participants as specified by the Employer in Section 4.01(3)(b) or (c) of the Adoption Agreement.

5.03 APPLICATION OF FORFEITURES - For each Plan Year, amounts forfeited during such year pursuant to Article XIII (Benefits upon Termination of Service) shall be allocated or applied as specified in Section 5.03 of the Adoption Agreement. The Plan Administrator shall choose the type of Employer Contributions which provide the basis for allocating forfeitures or which are to be reduced by forfeitures, on a uniform and consistent basis.

Forfeitures arising hereunder will be allocated only for the benefit of Employees of the Employer who adopted this Plan.

5.04 ANNUAL VALUATION OF TRUST FUND - The Trustee, as of the last Valuation Date of each Plan Year and prior to the allocation of contributions or forfeitures, shall determine the net value of the Trust Fund assets (other than investments specifically allocated to Participant Accounts ("earmarked investments"), such as mutual fund shares, amounts allocated to Participant Accounts under any group annuity contract or any Policies purchased as investments for Participant Accounts) and the amount of net income or net loss allowable thereto and shall report such value to the Employer in writing. In determining such value the Trustee shall value assets at fair market value. The net value of the Trust Fund shall include any life insurance Policies held by the Trustee on the lives of Key Employees pursuant to Section 17.03. Key man life insurance policies shall be valued at their respective cash surrender values as of the Valuation Date. The resulting net income or loss of the Trust Fund shall then be debited or credited to each Participant's

Accounts in the same ratio as each such Account bears to the aggregate of all such Accounts. After such crediting of the valuation to each Participant's Account, contributions and forfeitures shall be allocated to each such Account, as set forth in the Adoption Agreement.

Earmarked investments allocated to Participant Accounts will be valued separately as of each Valuation Date at their fair market value and on each such Date earnings, expenses and gains and losses attributable to such investments will be debited or credited to the appropriate Participant Account.

5.05 STATEMENT OF ACCOUNT - As soon as practicable after the end of each Plan Year, the Plan Administrator shall present to each Participant a statement of his Accounts showing the credit to his Accounts at the beginning of such Year, any changes during the Year, the credit to his Accounts at the end of the Year, and such other information as the Plan Administrator may determine. However, the statements of a Participant's Accounts shall not operate to vest in any Participant any right or interest to any assets of the Trust except as the Trust specifically provides.

ARTICLE VI

PROVISIONS APPLICABLE TO TOP HEAVY PLANS

6.01 TOP HEAVY PLAN REQUIREMENTS

(a) For any Top Heavy Plan Year, the Plan shall provide the following:

(i) the minimum vesting requirements for Top Heavy Plans set forth in Section 13.01 of the Adoption Agreement; and

(ii) the minimum contribution requirements set forth in Section 4.02 of the Plan.

(b) Once a Plan has become a Top Heavy Plan, if the Employer so specifies in Section 6.01(b) of the Adoption Agreement, the minimum contribution requirements for Top Heavy Plans set forth in Section 4.02 of the Plan shall be applicable in all subsequent Plan Years, regardless of whether such years are Top Heavy Plan Years.

(c) Once a Plan has become a Top Heavy Plan, the vesting requirements described in Section 13.01(2) of the Adoption Agreement shall be applicable to all subsequent Plan Years, regardless of whether such years are Top Heavy Plan Years.

If the Plan is or becomes a Top Heavy Plan in any Plan Year beginning after December 31, 1983, the provisions of this Article VI will supersede any conflicting provision in the Plan or Adoption Agreement.

The top heavy minimum vesting schedule applies to all benefits within the meaning of Code Section 411(a)(7) except those attributable to Employee and Salaried Savings contributions, including benefits accrued before the effective date of Section 416 of the Code and benefits accrued before the Plan became top heavy. Further, no decrease in a Participant's nonforfeitable percentage may occur in the event the Plan's status as top heavy changes for any Plan Year. However, this Section does not apply to the Account balances of any Employee who does not have

an Hour of Service after the Plan has initially become top heavy and such Employee's Account balance attributable to Employer contributions and forfeitures will be determined without regard to this Section.

6.02 DETERMINATION OF TOP HEAVY STATUS

(a) This Plan shall be a Top Heavy Plan for any Plan Year commencing after December 31, 1983, if any of the following conditions exists:

(i) If the top heavy ratio for this Plan exceeds 60 percent and this Plan is not part of any required aggregation group or

permissive aggregation group of plans.

(ii) If this Plan is a part of a required aggregation group of plans but not part of a permissive aggregation group and the top heavy ratio for the group of plans exceeds 60 percent.

(iii) If this Plan is a part of a required aggregation group and part of a permissive aggregation group of plans and the top heavy ratio for the permissive aggregation group exceeds 60 percent.

(b) This Plan shall be a Super Top Heavy Plan for any Plan Year commencing after December 31, 1983 if any of the following conditions exists:

(i) If the top heavy ratio for this Plan exceeds 90 percent and this Plan is not part of any required aggregation group or permissive aggregation group of plans.

(ii) If this Plan is a part of a required aggregation group of plans but not part of a permissive aggregation group and the top heavy ratio for the group of plans exceeds 90 percent.

(iii) If this Plan is a part of a required aggregation group and part of a permissive aggregation group of plans and the top heavy ratio for the permissive aggregation group exceeds 90 percent.

(c) The Plan top heavy ratio shall be determined as follows:

(i) Defined Contribution Plans Only: If the Employer maintains one or more defined contribution plans (including any Simplified Employee Pension Plan, as defined in Section 401(k) of the Code) and the Employer has not maintained any defined benefit plan which during the 5-year period ending on the determination date(s) has or has had accrued benefits, the top-heavy ratio for this Plan alone or for the required or permissive aggregation group, as appropriate, is a fraction, the numerator of which is the sum of the account balances of all Key Employees as of the determination date(s) (including any part of any account balance distributed in the 5-year period ending on the determination date(s)), and the denominator of which is the sum of all account balances (including any part of any account balance distributed in the 5-year period ending on the determination date(s)), both computed in accordance with Section 416 of the Code and the Regulations

thereunder. Both the numerator and denominator of the top-heavy ratio are increased to reflect any contribution not actually made as of the determination date, but which is required to be taken into account on that date under Section 416 of the Code and the Regulations thereunder.

(ii) Defined Contribution and Defined Benefit Plans: If the Employer maintains one or more defined contribution plans (including any Simplified Employee Pension Plan) and the Employer maintains or has maintained one or more defined benefit plans which during the 5-year period ending on the determination date(s) has or has had any accrued benefits, the top-heavy ratio for any required or permissive aggregation group, as appropriate, is a fraction, the numerator of which is the sum of account balances under the aggregated defined contribution plan or plans for all Key Employees, determined in accordance with (i) above, and the present value of accrued benefits under the aggregated defined benefit plan or plans for all Key Employees as of the determination date(s), and the denominator of which is the sum of the account balances under the aggregated defined contribution plan or plans for all Employees, determined in accordance with (i) above, and the present value of accrued benefits under the defined benefit plan or plans for all Employees as of the determination

date(s), all determined in accordance with Section 416 of the Code and the Regulations thereunder. The accrued benefits under a defined benefit plan in both the numerator and denominator of the top-heavy ratio are increased for any distribution of an accrued benefit made in the five-year period ending on the determination date.

(iii) Determination of Values of Account Balances and Accrued Benefits: For purposes of (i) and (ii) above the value of Account balances and the present value of Accrued Benefits will be determined as of the most recent valuation date that falls within or ends with the 12-month period ending on the determination date, except as provided in Section 416 of the Code and the Regulations thereunder for the first and second plan years of a defined benefit plan. The account balances and accrued benefits of a Participant (1) who is not a Key Employee but who was a Key Employee in a prior year, or (2) who has not had at least one Hour of Service with any Employer maintaining the Plan at any time during the 5-year period ending on the determination date will be disregarded. The calculation of the top-heavy ratio, and the extent to which distributions, rollovers, and transfers are taken into account will be made in accordance with Section 416 of the Code and the Regulations thereunder. Deductible employee contributions will not be taken into account for purposes of computing the top-heavy ratio. When aggregating plans the value of account balances and accrued benefits will be calculated with reference to the determination dates that fall within the same calendar year.

The Accrued Benefit of a Participant other than a Key Employee shall be determined under (i) the method, if any, that uniformly applies for accrual purposes under all defined benefit plans maintained by the Employer; or (ii) if there is no such method, as if such benefit accrued not more rapidly than the slowest accrual rate permitted under the fractional rule of Section 411(b)(1)(C) of the Code.

(d) Permissive aggregation group: The required aggregation group of plans plus any other plan or plans of the Employer which, when considered as a group with the required aggregation group, would continue to satisfy the requirements of Code Sections 401(a)(4) and 410.

(e) Required aggregation group: (1) Each qualified plan of the Employer in which at least one Key Employee participates, and (2) any other qualified plan of the Employer which enables a plan described in (1) to meet the requirements of Code Sections 401(a)(4) or 410.

(f) Determination date: For any Plan Year subsequent to the first Plan Year, the last day of the preceding Plan Year. For the first Plan Year of the Plan, the last day of that year.

(g) Valuation date: The date elected by the Employer in Section 6.02(g) of the Adoption Agreement as of which Account balances or accrued benefits are valued for purposes of calculating the top heavy ratio.

(h) Present value: Present value shall be based only on the interest and mortality rates specified in Section 6.02(h) of the Adoption Agreement.

ARTICLE VII

415 LIMITATIONS ON ALLOCATIONS

(See Section 7.13 - 7.23 for definitions applicable to this Article VII).

7.01 If the Participant does not participate in, and has never participated in another qualified plan or a welfare benefit fund, as defined in Code Section 419(e), maintained by the Employer, an individual medical account, as defined in Code Section 415(l)(2) maintained by the Employer, or a simplified employee pension, as defined in Section 408(k) of the Code,

maintained by the Employer which provides an Annual Addition, the amount of Annual Additions which may be credited to the Participant's Accounts for any Limitation Year will not exceed the lesser of the Maximum Permissible Amount or any other limitation contained in this Plan. If the Employer contribution that would otherwise be contributed or allocated to the Participant's Accounts would cause the Annual Additions for the Limitation Year to exceed the Maximum Permissible Amount, the amount contributed or allocated will be reduced so that the Annual Additions for the Limitation Year will equal the Maximum Permissible Amount.

7.02 Prior to determining the Participant's actual Compensation for the Limitation Year, the Employer may determine the Maximum Permissible Amount on the basis of a reasonable estimation of the Participant's annual Compensation for the Limitation Year, uniformly determined for all Participants similarly situated.

7.03 As soon as is administratively feasible after the end of the Limitation Year, the Maximum Permissible Amount for the Limitation Year will be determined on the basis of the Participant's actual Compensation for the Limitation Year.

7.04 If, pursuant to Section 7.03, as the result of the allocation of forfeitures, or because a reasonable error is made in determining the amount of elective deferrals (within the meaning of Section 402(g)(3) of the Code) that may be made with respect to any individual under the limits of Section 415 of the Code, there is an Excess Amount, such excess shall not be deemed annual additions in that Limitation Year. In addition, such Excess Amount will not be taken into account for the ACP or ADP tests (described in Articles VIII and IX of the Plan) and will be disposed of as follows:

(a) Any Voluntary After-Tax Contributions, to the extent they would reduce the Excess Amount, will be returned to the Participant;

(b) Any Salary Savings Contributions, to the extent they would reduce the Excess Amount, will be returned to the Participant;

(c) If, after the application of paragraphs (a) and (b) above, an Excess Amount still exists, the Excess Amount will be held unallocated in a Suspense Account. The Suspense Account will be applied to reduce future Employer contributions for all remaining Participants in the next Limitation Year and each succeeding Limitation Year if necessary.

If a Suspense Account is in existence at any time during the Limitation Year pursuant to this Section, it will not participate in the allocation of the Trust's investment gains and losses.

If a Suspense Account is in existence at any time during a particular Limitation Year, all amounts in the Suspense Account must be allocated and reallocated to Participants' accounts before any Employer or any Employee contributions may be made to the Plan for that Limitation Year. Excess amounts may not be distributed to Participants or Former Participants.

(d) 401(a) and 401(k) Employer Match Contributions attributable to excess Annual Additions under the terms of this paragraph will be treated as forfeitures under the Plan.

Sections 7.05 through 7.10 apply if, in addition to this Plan, the Participant is covered under another qualified Master or Prototype defined contribution plan, a welfare benefit fund, maintained by the Employer, an individual medical account maintained by the Employer or a simplified employee pension maintained by the Employer that provides an Annual Addition, as defined in Section 7.13, during any Limitation Year.

7.05 The Annual Additions which may be credited to a Participant's Accounts under this Plan for any such Limitation Year will not exceed the Maximum Permissible Amount reduced by the Annual Additions credited to a Participant's account under the other plans and welfare benefit funds for the same Limitation Year. If the Annual Additions with respect to the Participant under other defined contribution plans maintained by the

Employer are less than the Maximum Permissible Amount and the Employer contribution that would otherwise be contributed or allocated to the Participant's Accounts under this Plan would cause the Annual Additions for the Limitation Year to exceed this limitation, the amount contributed or allocated will be reduced so that the Annual Additions under all such plans for the Limitation Year will equal the Maximum Permissible Amount. If the Annual Additions with respect to the Participant under such other defined contribution plans and welfare benefit funds in the aggregate are equal to or greater than the Maximum Permissible

Amount, no amount will be contributed or allocated to the Participant's Accounts under this Plan for the Limitation Year.

7.06 Prior to determining the Participant's actual Compensation for the Limitation Year, the Employer may determine the Maximum Permissible Amount in the manner described in Section 7.02.

7.07 As soon as is administratively feasible after the end of the Limitation Year, the Maximum Permissible Amount for the Limitation Year will be determined on the basis of the Participant's actual Compensation for the Limitation Year.

7.08 If, pursuant to Section 7.07 or as a result of the allocation of forfeitures, a Participant's Annual Additions under this Plan and such other plans would result in an Excess Amount for a Limitation Year, the Excess Amount will be deemed to consist of the Annual Additions last allocated, except that Annual Additions attributable to a welfare benefit fund or an individual medical account will be deemed to have been allocated first regardless of the actual allocation date.

7.09 If an Excess Amount was allocated to a Participant on an allocation date of this Plan which coincides with an allocation date of another plan, the Excess Amount attributed to this Plan will be the product of,

(a) the total Excess Amount allocated as of such date, times

(b) the ratio of (i) the Annual Additions allocated to the Participant for the Limitation Year as of such date under this Plan to (ii) the total Annual Additions allocated to the Participant for the Limitation Year as of such date under this and all the other qualified Master or Prototype defined contribution plans.

7.10 Any Excess Amount attributed to this Plan will be disposed in the manner described in Section 7.04.

(This Section applies only to Employers who, in addition to this Plan, maintain one or more qualified defined contribution plans other than a Master or Prototype Plan.)

7.11 If the Employer also maintains another qualified defined contribution plan which is not a Master or Prototype Plan, Annual Additions which may be credited to any Participant's Accounts under this Plan for any Limitation Year will be limited in accordance with Sections 7.05 through 7.10 as though the other plan were a Master or Prototype Plan unless the Employer provides other limitations in Article VII of the Adoption Agreement.

(This Section applies to Employers who, in addition to this Plan, maintain or have maintained a defined benefit plan covering any Participant in this Plan.)

7.12 If the Employer maintains, or at any time maintained, a qualified defined benefit plan covering any Participant in this Plan, the sum of the Participant's defined benefit plan fraction and defined contribution plan fraction will not exceed 1.0 in any Limitation Year. The Annual Additions which may be credited to the Participant's Account under this Plan for any Limitation Year will be limited in accordance with Article VII of the Adoption Agreement.

(Section 7.13 - 7.23 are definitions used in this Article VII.)

7.13 Annual Additions - The sum of the following amounts credited to a Participant's Accounts for the Limitation Year:

(a) Employer Contributions (including Salary Savings Contributions);

(b) employee contributions;

(c) forfeitures;

(d) amounts allocated, after March 31, 1984, to an individual medical account, as defined in Section 415(l)(2) of the Internal Revenue Code, which is part of a pension or annuity plan maintained by the Employer, are treated as Annual Additions to a defined contribution plan. Also, amounts derived from contributions paid or accrued after December 31, 1985, in taxable years ending after such date, which are attributable to post-retirement medical benefits allocated to the separate account of a Key Employee, as defined in Code Section 419A(d)(2), under a welfare benefit fund, as defined in Code Section 419(e), maintained by the Employer, are treated as Annual Additions to a defined contribution plan; and

(e) allocations under a simplified employee pension.

For this purpose, any Excess Amount applied under Sections 7.04 or 7.10 in the Limitation Year to reduce Employer contributions will be considered Annual Additions for such Limitation Year.

7.14 Compensation - For purposes of this Article VII, Compensation means a Participant's Section 3401(a) wages, Section 6041/etc. compensation or Section 415 safe-harbor compensation (as such terms are defined in Section 2.06), whichever is elected by the Employer in Section 2.06 of the Adoption Agreement.

For any Self-Employed Individual, Compensation means Earned Income.

For Limitation Years beginning after December 31, 1991, for purposes of applying the limitations of this Article, Compensation for a Limitation Year is the Compensation actually paid or made available during such Limitation Year.

7.15 Defined Benefit Fraction - A fraction, the numerator of which is the sum of the Participant's Projected Annual Benefits under all the defined benefit plans (whether or not terminated) maintained by the Employer, and the denominator of which is the lesser of 125 percent of the dollar limitation determined for the Limitation Year under Section 415(b) and (d) of the Internal Revenue Code or 140 percent of the Highest Average Compensation, including any adjustments under Section 415(b) of the Code.

Notwithstanding the above, if the Participant was a Participant as of the first day of the first Limitation Year beginning after December 31, 1986, in one or more defined benefit plans maintained by the Employer which were in existence on May 6, 1986, the denominator of this fraction will not be less than 125 percent of the sum of the annual benefits under such plans which the Participant had accrued as of the close of the last Limitation Year beginning before January 1, 1987, disregarding any changes in the terms and conditions of the Plan after, May 5, 1986. The

preceding sentence applies only if the defined benefit plans individually and in the aggregate satisfied the requirements of Section 415 for all Limitation Years beginning before January 1, 1987.

Notwithstanding the foregoing, for any Top Heavy Plan Year, 100 percent shall be substituted for 125 percent unless the extra minimum allocation is made pursuant to Section 4.02 of the Plan. However, for any Plan Year in which this Plan is a Super Top Heavy Plan, 100 percent shall be substituted for 125 percent in any event.

7.16 Defined Contribution Dollar Limitation - $30,000 or, if greater, one-fourth of the defined benefit dollar limitation set forth in Section 415(b)(1) of the Code in effect for the Limitation Year.

7.17 Defined Contribution Fraction - A fraction, the numerator of which is the sum of the Annual Additions to the Participant's Accounts under all the defined contribution plans (whether or not terminated) maintained by the Employer for the current and all prior Limitation Years (including the Annual Additions attributable to the Participant's nondeductible employee contributions to all defined benefit plans, whether or not terminated, maintained by the Employer and the Annual Additions attributable to all welfare benefit funds, individual medical accounts, and simplified employee pensions maintained by the Employer), and the denominator of which is the sum of the maximum aggregate amounts for the current and all prior Limitation Years of service with the Employer (regardless of whether a defined contribution plan was maintained by the Employer). The maximum aggregate amount in any Limitation Year is the lesser of 125 percent of the dollar limitation determined under Code Sections 415(b) and (d) in effect under Section 415(c)(1)(A) of the Code or 35 percent of the Participant's Compensation for such year.

If the Employee was a Participant as of the end of the first day of the first Limitation Year beginning after December 31, 1986, in one or more defined contribution plans maintained by the Employer which were in existence on May 6, 1986, the numerator of this fraction will be adjusted if the sum of this fraction and the defined benefit fraction would otherwise exceed 1.0 under the terms of this Plan. Under the adjustment, an amount equal to the product of (1) the excess of the sum of the fractions over 1.0 times (2) the denominator of this fraction, will be permanently subtracted from the numerator of this fraction. The adjustment is calculated using the fractions as they would be computed as of the end of the last Limitation Year beginning before January 1, 1987, and disregarding any changes in the terms and conditions of the Plan made after May 6, 1986, but using the Section 415 limitation applicable to the first Limitation Year beginning on or after January 1, 1987.

The Annual Addition for any Limitation Year beginning before January 1, 1987, shall not be recomputed to treat all employee contributions as Annual Additions.

Notwithstanding the foregoing, for any Top Heavy Plan Year, 100 percent shall be substituted for 125 percent unless the extra minimum allocation is made pursuant to Section 4.02. However, for any Plan Year in which this Plan is a Super Top Heavy Plan, 100 percent shall be substituted for 125 percent in any event.

7.18 Employer - For purposes of this Article, Employer shall mean the Employer that adopts this Plan and all members of a controlled group of corporations (as defined in Code Section 414(b)) as modified by Code Section 415(h), all trades or businesses under common control (as defined in

Code Section 414(c) as modified by Code Section 415(h)), or all members of an affiliated service group (as defined in Code Section 414(m)) of which the adopting Employer is a part, and any other entity required to be aggregated with the Employer pursuant to Regulations under Code Section 414(o).

7.19 Excess Amount - The excess of the Participant's Annual Additions for the Limitation Year over the Maximum Permissible Amount.

7.20 Highest Average Compensation - The average Compensation for the three consecutive Years of Service with the Employer that produce the highest average. A Year of Service with the Employer is the 12-consecutive month period defined in Section 2.53 of the Plan.

7.21 Master or Prototype Plan - A plan the form of which is the subject of a favorable opinion letter from the Internal Revenue Service.

7.22 Maximum Permissible Amount - The lesser of $30,000 (or, beginning January 1, 1988, such larger amount determined by the Commissioner for the Limitation Year). The maximum Annual Addition that may be contributed or allocated to a Participant's Account under the Plan for any Limitation Year shall not exceed the lesser of:

(a) the Defined Contribution Dollar Limitation; or

(b) 25 percent of the Participant's Compensation for the Limitation Year.

The Compensation limitation referred to in (b) shall not apply to any contribution for medical benefits (within the meaning of Section 401(h) or Section 419A(f)(2) of the Code) which is otherwise treated as an Annual Addition under Section 415(c)(1) or 419A(d)(2) of the Code.

If a short Limitation Year is created because of an amendment changing the Limitation Year to a different 12-consecutive month period, the maximum permissible amount will not exceed the Defined Contribution Dollar Limitation multiplied by the following fraction:

$$\frac{\text{Number of months in the short Limitation Year}}{12}$$

7.23 Projected Annual Benefit - The annual retirement benefit (adjusted to an actuarially equivalent straight life annuity if such benefit is expressed in a form other than a straight life annuity or qualified joint and survivor annuity) to which the Participant would be entitled under the terms of the Plan assuming:

(a) the Participant will continue employment until Normal Retirement Age under the Plan (or current Age, if later), and

(b) the Participant's Compensation for the current Limitation Year and all other relevant factors used to determine benefits under the plan will remain constant for all future Limitation Years.

ARTICLE VIII

401(k) SALARY SAVINGS CONTRIBUTION LIMITATIONS AND REFUNDS

8.01 DEFINITIONS - For purposes of this Article, the following definitions shall apply:

(a) "Actual Deferral Percentage" means the ratio (expressed as a percentage) of Salary Savings Contributions, made on behalf of an Eligible Participant, to that Participant's Compensation for the Plan Year (but INCLUDING compensation disregarded through an election of Section 2.06(d) of the Adoption Agreement (in the case of a Non-Standardized Plan) and EXCLUDING Compensation prior to the date of Plan participation if so specified in Section 2.06 of the Adoption Agreement). Two Actual Deferral Percentages shall be calculated and used, one including and the second excluding any Salary Savings Contributions that are included in the Contribution Percentage of the Participant as defined in Section 9.01(b). The Plan Administrator may include 401(k) Employer Contributions and 401(k) Employer Match Contributions made for the Participant in the above described numerator, if such inclusion is made on a uniform nondiscriminatory basis for all Participants; however, 401(k) Employer Match Contributions that are included in the Actual Deferral Percentage of the Participant may not be included in the numerator of the Contribution Percentage of the Participant as defined in Section 9.01(b). To be considered as contributed for a given Plan Year for purposes of inclusion in a given Actual Deferral Percentage, Contributions must be made by the end of the 12 month period immediately following that given Plan Year.

For purposes of determining the Actual Deferral Percentage of a Highly Compensated Employee who is either: (1) a Five Percent Owner; or (2) one of the ten most Highly Compensated Employees for the current Plan Year, the Salary Savings Contribution of any Family Member of the Participant shall be included in the numerator, the compensation of any such Family Member shall be included in the denominator, and the resulting fraction shall be considered as being for one Highly Compensated Employee. Additionally, the 401(k) Employer Contributions and 401(k) Employer Match Contributions made on behalf of each Family Member shall be included in the numerator,

if such contributions are being included in the numerators for all Eligible Participants on a uniform nondiscriminatory basis.

Additionally, if one or more other plans allowing contributions under Code Section 401(k) are considered with this Plan as one for purposes of Code Section 401(a)(4) or 410(b), the Actual Deferral Percentages for all Eligible Participants under all such plans shall be determined as if this Plan and all such other plans were one; for Plan Years beginning after 1989, such plans must have the same Plan Year. If any Highly Compensated Employee is also an Eligible Participant in one or more other plans allowing contributions under Code Section 401(k), the Actual Deferral Percentage for that Employee shall be determined as if this Plan and all such other plans were one; if such plans have different Plan Years, the Plan Years ending with or within the same calendar year shall be used.

(b) "Aggregate Limit" means the sum of:

(i) (A) 125 percent of the greater of the Average Actual Deferral Percentage (ADP) of the Non-Highly Compensated Employees for the Plan Year, or the Average Contribution Percentage (ACP) (as described in Article IX) of the Non-Highly Compensated Employees under the Plan subject to Code Section 401(m) for the Plan Year; and

(B) two plus the lesser of such ADP or ACP. In no event, however, shall this amount exceed 200 percent of the lesser of the relevant ADP or the relevant ACP.

(ii) (A) 125 percent of the lesser of the ADP of the Non-Highly Compensated Employees for the Plan Year, or the ACP (as described in Article IX) of the Non-Highly Compensated Employees under the Plan subject to Code Section 401(m) for the Plan Year; and

(B) two plus the greater of such ADP or ACP. In no event, however, shall this amount exceed 200 percent of the greater of the relevant ADP or the relevant ACP.

(c) "Average Actual Deferral Percentage" means the average (expressed as a percentage) of the Actual Deferral Percentages of a group.

(d) "Eligible Participant" means a Participant eligible to have Salary Reduction Contributions made on his behalf.

(e) "Excess 401(k) Contributions" means the excess of: (i) the numerator of the Actual Deferral Percentage of a Highly Compensated Employee over (ii) the maximum numerator permitted under Section 8.02, determined by reducing the numerators of Highly Compensated Employees in order of their Actual Deferral Percentages beginning with the highest of such percentages.

(f) "Excess Deferrals" means: (1) the excess of Salary Reduction Contributions for any Participant over $7,000 or such other amount as is designated by the Secretary of the Treasury as the limit under Code Section 402(g); and (2) any amount identified in Section 8.06.

8.02 AVERAGE ACTUAL DEFERRAL PERCENTAGE TESTS - The Average Actual Deferral Percentage for Highly Compensated Employees for each Plan Year and the Average Actual Deferral Percentage for Non-Highly Compensated Employees for the same Plan Year must satisfy one of the following tests:

(a) The Average Actual Deferral Percentage for Eligible Participants who are Highly Compensated Employees for the Plan Year shall not exceed the Average Actual Deferral Percentage for Eligible Participants who are Non-Highly Compensated Employees for the Plan Year multiplied by 1.25; or

(b) The Average Actual Deferral Percentage for Eligible Participants who are Highly Compensated Employees for the Plan Year shall not exceed the Average Actual Deferral

Percentage for Eligible Participants who are Non-Highly Compensated Employees for the Plan Year multiplied by 2, provided that the Average Actual Deferral Percentage for Eligible Participants who are Highly Compensated Employees does not exceed the Average Actual Deferral Percentage for Eligible Participants who are Non-Highly Compensated Employees by more than two (2) percentage points.

If one or more Highly Compensated Employees has an Actual Deferral Percentage and a Contribution Percentage under this or any other plan maintained by the Employer, both the Average Actual Deferral and Average Contribution Percentages for Highly Compensated Employees are greater than 125% of the Average Actual Deferral or Average Contribution Percentage for Non Highly Compensated Employees, respectively, and the sum of the Average Actual Deferral and Actual Contribution Percentages for Highly Compensated Employees exceeds the Aggregate Limit, then the Average Actual Deferral Percentage of the Highly Compensated Employees shall be reduced until the limit is not so exceeded, by reducing the numerators of Highly Compensated Employees in the order of their Actual Deferral Percentage beginning with the highest of such percentages. The amount by which any numerator is so reduced shall be treated as an Excess 401(k) Contribution.

8.03 REFUND OF EXCESS 401(k) CONTRIBUTIONS - Notwithstanding any other provision of this Plan except Section 8.05, Excess 401(k) Contributions, plus any income and minus any loss allocable thereto that are attributable to Salary Savings Contributions and 401(k) Employer Contributions shall be distributed to the affected Participant. The income or loss allocable to Excess 401(k) Contributions shall be the income or loss allocable to the 401(k) Contributions for the Plan Year multiplied by a fraction, the numerator of which is the Participant's Excess 401(k) Contributions for the Plan Year and the denominator of which is the sum of all Accounts of the contribution types to which Excess 401(k) Contributions have been attributed as of the beginning of the Plan Year and the sum of such contribution types made during the Plan Year, determined without regard to any income or loss occurring during such Plan Year. The Plan Administrator shall make every effort to make all required distributions and forfeitures within 2 1/2 months of the end of the affected Plan Year; however, in no event shall such distributions be made later than the end of the following Plan Year. Distributions and forfeitures made later than 2 1/2 months after the end of the affected Plan Year will be subject to tax under Code Section 4979.

Excess 401(k) Contributions of Participants who are subject to the family member aggregation rules of Code Section 414(q)(6) shall be allocated among the family members in proportion to the Elective Deferrals (and amounts treated as Elective Deferrals) of each family member that are combined to determine the combined Actual Deferral Percentage.

All forfeitures arising under this Section shall be applied or allocated as specified in Section 5.03 of the Adoption Agreement and treated as arising in the Plan Year after that in which the Excess 401(k) Contributions were made; however, no forfeitures arising under this Section shall be allocated to the Account of any affected Highly Compensated Employee.

For a period of four, 12-month periods beginning from the given Plan Year, or such other period as the Secretary of the Treasury may designate, the Employer shall maintain records showing what contributions and compensation were used to satisfy this Section and Section 8.02.

8.04 ACCOUNTING FOR EXCESS 401(k) CONTRIBUTIONS - Amounts distributed under this Article shall be treated as being made from Salary Savings Contributions, 401(k) Employer Contributions and 401(k) Employer Match Contributions as determined on a uniform nondiscriminatory basis by the Plan Administrator.

8.05 SPECIAL 401(k) EMPLOYER CONTRIBUTIONS - Notwithstanding any other provisions of this Plan except Section 8.09, in lieu of distributing Excess 401(k) Contributions as provided in Section 8.03, the Employer may make 401(k) Employer Contributions and/or 401(k) Employer Match

Contributions on behalf of Non-Highly Compensated Employees that are sufficient to satisfy either of the Average Actual Deferral Percentage Tests; any such 401(k) Employer Contributions must be allocated among the Non-Highly Compensated Employees in the ratio in which each such Participant's Compensation for the Plan Year bears to the total Compensation for such Participants for the Plan Year (subject to any limitations in accordance with Section 8.01).

8.06 MAXIMUM SALARY SAVINGS CONTRIBUTIONS - No Employee shall be permitted to have Salary Savings Contributions made under this Plan, or any other qualified plan of the Employer, during any calendar year in excess of $7,000 (or such other amount as is designated by the Secretary of the Treasury as the limit under Code Section 402(g)).

8.07 PARTICIPANT CLAIMS - Participants under other plans described in Code Sections 401(k), 408(k) or 403(b) may submit a claim to the Plan Administrator specifying the amount of their Excess Deferral. Such claim shall: (1) be in writing; (2) be submitted no later than March 1 of the year after the Excess Deferral was made; and (3) state that such amount, when added to amounts deferred under other plans described in Code Sections 401(k), 408(k) or 403(b), exceeds $7,000 (or such other amount as the Secretary of the Treasury may designate).

8.08 DISTRIBUTION OF EXCESS DEFERRALS - Notwithstanding any other provision of this Plan, Excess Deferrals and income allocable thereto shall be distributed to the affected Participant no later than the April 15 following the calendar year in which such Excess Deferrals were made. Income or loss allocable to Excess Deferrals shall be the income or loss allocable to Salary Savings Contributions for the Plan Year multiplied by a fraction, the numerator of which is the Participant's Excess Deferrals for the Plan Year and the denominator of which is the Participant's Salary Savings Contribution Account as of the beginning of the Plan Year and the sum of such contribution types made during the Plan Year, determined without regard to any income or loss occurring during such Plan Year. If a Participant does not notify the Plan of his or her Excess Deferrals, the Participant shall be "deemed" to have made Excess Deferrals based on deferrals allocated under the Plan and to other plans of the same Employer and the Employer shall notify the Plan of such Excess Deferrals.

8.09 OPERATION IN ACCORDANCE WITH REGULATIONS - The determination and treatment of Actual Deferral Percentages and Excess 401(k) Contributions, and the operation of the Average Actual Deferral Percentage Test shall be in accordance with such additional requirements as may be prescribed by the Secretary of the Treasury.

ARTICLE IX

EMPLOYEE CONTRIBUTIONS AND EMPLOYER MATCH CONTRIBUTIONS - LIMITATIONS, REFUNDS AND FORFEITURES

9.01 DEFINITIONS - For purposes of this Article, the following Definitions shall be used:

(a) "Average Contribution Percentage" means the average (expressed as a percentage) of the Contribution Percentages of a group.

(b) "Contribution Percentage" means the ratio (expressed as a percentage) of: the Salary Savings, Voluntary After-Tax, 401(k) Employer Match and Regular 401(a) Employer Match Contributions made on behalf of the Participant to the Participant's Compensation for the Plan Year (but INCLUDING Compensation disregarded through an election of Section 2.06(e) of the Adoption Agreement (in the case of a Non-Standardized Plan) and EXCLUDING Compensation prior to the date of Plan participation if so specified in Section 2.06 of the Adoption Agreement). The Plan Administrator may include 401(k) Employer Contributions for the Participant in the above described numerator, if such inclusion is made on a uniform nondiscriminatory basis for all Participants. To be considered as contributed for a given Plan Year for purposes of inclusion in a given Contribution Percentage, Contributions must be made by the end of the twelve-month period immediately following that given Plan Year. The Plan Administrator may not include 401(k) Employer Match Contributions in

the numerator to the extent such Contributions are included in the numerator of the Actual Deferral Percentage of the Participant, as defined in Section 8.01(a), and may not include Salary Savings Contributions unless Section 8.02 can be satisfied by both including and excluding such Salary Savings Contributions.

For purposes of determining the Contribution Percentage of a Highly Compensated Employee who is either: (i) a Five Percent Owner; or (2) one of the ten most Highly Compensated Employees for the current Plan Year, the Salary Savings Contributions of any Family Member of the Participant and the 401(k) and Regular Employer Match Contributions made on behalf of such Family Member shall be included in the numerator, and the Compensation of any such Family Member shall be included in the denominator. Additionally, the 401(k) Employer Contributions and Salary Savings Contributions made for such Family Member shall be included in the numerator, if such contributions are being included in the numerators of all Eligible Participants on a uniform basis.

Additionally, if one or more other plans allowing contributions under Code Section 401(k), after tax employee contributions or employer matching contributions are considered with this Plan as one for purposes of Code Section 401(a)(4) or 410(b), the Contribution Percentages for all Eligible Participants under all such plans shall be determined as if this Plan and all such other plans were one; for Plan Years beginning after 1989, such Plans must have the same Plan Year.

If any Highly Compensated Employee is also an Eligible Participant in one or more other plans allowing contributions under Code Section 401(k), after-tax employee contributions or employer matching contributions, the Contribution Percentage for that Employee shall

be determined as if this Plan and all such other plans were one; if such plans have different Plan Years, the Plan Years ending with or within the same calendar year shall be used.

Any 401(k) or 401(a) Employer Match Contribution matching an Excess 401(k) Contribution shall be treated as a forfeiture.

(c) "Eligible Participant" means a Participant eligible to have Salary Savings, Voluntary After-Tax or 401(k) or Regular 401(a) Employer Matching Contributions made on his or her behalf.

(d) "Excess 401(m) Contributions" means the excess of: (1) the numerator of the Contribution Percentage of a Highly Compensated Employee; over (2) the maximum numerator permitted under Section 9.02 determined by reducing the numerators of Highly Compensated Employees in order of their Contribution Percentages beginning with the highest of such Percentages.

9.02 AVERAGE CONTRIBUTION TESTS - The Average Contribution Percentage for Highly Compensated Employees for each Plan Year and the Average Contribution Percentage for Non-Highly Compensated Employees for the same Plan Year must satisfy one of the following tests:

(a) The Average Contribution Percentage for Eligible Participants who are Highly Compensated Employees for the Plan Year shall not exceed the Average Contribution Percentage for Eligible Participants who are Non-Highly Compensated Employees for the Plan Year multiplied by 1.25; or

(b) The Average Contribution Percentage for Eligible Participants who are Highly Compensated Employees for the Plan Year shall not exceed the Average Contribution Percentage for Eligible Participants who are Non-Highly Compensated Employees for the Plan Year multiplied by 2, provided that the Average Contribution Percentage for Eligible Participants who are Highly Compensated Employees does not exceed the Average Contribution Percentage for Eligible Participants who are Non-Highly Compensated Employees by more than two (2) percentage points.

9.03 REFUND AND FORFEITURE OF EXCESS 401(m) CONTRIBUTIONS - Notwithstanding any other provision of this Plan except Sections 9.05 and 9.06, Excess 401(m) Contributions and income allocable thereto treated as Salary Savings, Voluntary After-Tax, 401(k) Employer Match or 401(k) Employer Contributions shall be distributed to the affected Highly Compensated Employee. Excess 401(m) Contributions and income allocable thereto treated as 401(a) Employer Match Contributions shall be forfeited or distributed in accordance with Section 13.01(b). Income or loss allocable to Excess 401(m) Contributions shall be income or loss allocable to the aforementioned accounts for the Plan Year multiplied by a fraction, the numerator of which is the Participant's Excess 401(m) Contributions for the Plan Year and the denominator of which is the sum of all Accounts of the contribution types to which Excess 401(m) Contributions have been attributed as of the beginning of the Plan Year and the sum of such contribution types made during the Plan Year, determined without regard to any income or loss occurring during such Plan Year. The Plan Administrator shall make every effort to refund and forfeit all Excess 401(m) Contributions within 2 1/2 months of the end of the affected Plan Year; however, in no event shall

Excess 401(m) Contributions be refunded or forfeited later than the end of the following Plan Year. Excess 401(m) Contributions of Participants who are subject to the family member aggregation rules of Section 414(q)(6) of the Code shall be allocated among the family members in proportion to the Employee and Employer Match Contributions (or amounts treated as Employer Match Contributions) of each family member that is combined to determine the combined Actual Contribution Percentage. If such Excess 401(m) Contributions are distributed more than 2 1/2 months after the last day of the Plan Year in which such excess amounts arose, a ten (10) percent excise tax will be imposed on the Employer maintaining the Plan with respect to those amounts. Excess 401(m) Contributions shall be treated as Annual Additions under the Plan. All forfeitures arising under this Section shall be applied or allocated as specified in Section 5.03 of the Adoption Agreement and treated as arising in the Plan Year after that in which the Excess 401(m) Contributions were made; however, no forfeitures arising under this Section shall be allocated to the Account of any affected Highly Compensated Employee.

For a period of four, 12-month periods beginning from the given Plan Year, or such other period as the Secretary of the Treasury may designate, the Employer shall maintain records showing what contributions and compensation were used to satisfy this Section and Section 8.02.

9.04 ACCOUNTING FOR EXCESS 401(m) CONTRIBUTIONS - Amounts distributed and forfeited under this Article shall be treated as being made from 401(k) and 401(a) Employer Match Contributions and 401(k) Employer Contributions as determined on a uniform nondiscriminatory basis by the Plan Administrator.

9.05 SPECIAL 401(k) EMPLOYER CONTRIBUTIONS - Notwithstanding any other provisions of this Plan except Section 9.08, in lieu of refunding or forfeiting Excess 401(m) Contributions as provided in Section 9.03, the Employer may make 401(k) Employer Contributions, allocated among Non-Highly Compensated Employees in the ratio in which each such Participant's Compensation for the Plan Year bears to the total Compensation for such Participants for the Plan Year (subject to any limitations in accordance with Section 9.01).

9.06 SPECIAL EMPLOYER MATCH CONTRIBUTIONS - Notwithstanding any other provision of this Plan except Section 9.08, in lieu of refunding or forfeiting Excess 401(m) Contributions as provided in Section 9.03, the Employer may make 401(k) or 401(a) Employer Match Contributions on behalf of Non-Highly Compensated Employees that are sufficient to satisfy either of the Average Contribution Tests.

9.07 ORDER OF DETERMINATIONS - The determination of Excess 401(m) Contributions shall be made after first determining Excess Deferrals, and then determining Excess 401(k) Contributions.

9.08 OPERATION IN ACCORDANCE WITH REGULATIONS - The determination and treatment of Contribution Percentages and Excess 401(m) Contributions, and the operation of the Average Contribution Percentage Test shall be in

accordance with such additional requirements as may be prescribed by the Secretary of the Treasury.

ARTICLE X

IN-SERVICE WITHDRAWALS

10.01 WITHDRAWALS OF TAX DEDUCTIBLE VOLUNTARY CONTRIBUTIONS, AFTER-TAX CONTRIBUTIONS AND ROLLOVER CONTRIBUTIONS - A Participant shall have the right at any time to request the Plan Administrator for a withdrawal in cash of amounts in his Tax Deductible Voluntary Contribution Account or Voluntary After-Tax Contribution Account. Withdrawals of Voluntary After-Tax Contributions will be subject to Section 4.04.

In the case of a Profit Sharing or 401(k) Plan, if elected by the Employer in Section 10.01 of the Adoption Agreement, a Participant shall also have the right at any time (or at any time after he attains Age 59 1/2, if so specified by the Employer in the Adoption Agreement) to request the Plan Administrator for a withdrawal in cash of amounts in his Rollover Account, subject to Section 18.01.

10.02 WITHDRAWALS AFTER AGE 59 1/2; WITHDRAWALS FROM 401(k) ACCOUNTS - In the case of a Profit Sharing or 401(k) Plan, if and to the extent permitted by the Employer in Section 10.02 of the Adoption Agreement, a Participant may request a withdrawal of all or a portion of his vested Accrued Benefit for any reason at any time after he attains Age 59 1/2. In the case of a 401(k) Account, a Participant shall have the right at any time to request the Plan Administrator for a withdrawal in cash of Salary Savings Contributions (and earnings thereon accrued as of December 31, 1988) for "financial hardship". The Retirement Plan Committee shall determine whether an event constitutes a financial hardship. Such determination shall be based upon non-discriminatory rules and procedures adopted by the Committee, which shall be conclusive and binding upon all persons. Such procedures shall specify the requirements for requesting and receiving distributions on account of hardship, including what forms must be submitted and to whom. Hardship distributions are subject to the spousal consent requirements contained in Sections 401(a)(11) and 417 of the Code.

The processing of applications and any distributions of amounts under this Section shall be made as soon as administratively feasible. The amount of a distribution based upon "financial hardship," cannot exceed the amount required to meet the immediate financial need created by the hardship (and not reasonably available from other resources of the Participant), plus any amounts estimated to be necessary to pay any federal, state or local income taxes or penalties reasonably anticipated to result from such distribution.

In order to qualify as a hardship distribution, a distribution must be made on account of an immediate and heavy financial need and must be necessary to satisfy that need. A distribution will be deemed to be on account of an immediate and heavy financial need if made to satisfy the following expenditures:

(a) Medical expenses (as described in Code Section 213(d)) previously incurred by the Employee or his or her spouse and dependents (as defined in Code Section 152) or necessary for such persons to obtain medical care (as described in Code Section 213(d));

(b) Purchase of a principal residence for the Employee (excluding mortgage payments);

(c) Payment of tuition and related educational fees for the next 12 months of post-secondary education for the Employee, his or her spouse, children or dependents;

(d) Expenditures to avoid eviction from or foreclosure on the Employee's principal residence.

A distribution will be considered as necessary to satisfy an immediate and

heavy financial need of the Employee only if:

(i) The Employee has obtained all distributions, other than hardship distributions, and all nontaxable loans under all plans maintained by the Employer;

(ii) All Plans maintained by the Employer provide that the Employee's elective deferrals (and Employee Contributions) will be suspended for twelve months after the receipt of the hardship distribution; and

(iii) All Plans maintained by the Employer provide that the Employee may not make elective deferrals for the Employee's taxable year immediately following the taxable year of the hardship distribution in excess of the applicable limit under section 402(g) of the Code for such taxable year less the amount of such Employee's elective deferrals for the taxable year of the hardship distribution.

10.03 RULES FOR IN-SERVICE WITHDRAWALS - The Plan Administrator may impose a dollar minimum for partial withdrawals. If the amount in the Participant's appropriate Account is less than the minimum, the Plan Administrator shall pay the Participant the entire vested amount then in the Participant's Account from which the withdrawal is to be made if a withdrawal of the entire amount is otherwise permissible under the rules set forth in this Article. If the entire amount cannot be paid under such rules, whatever amount is permissible shall be paid.

Any amount to be withdrawn shall be paid within 90 days following the date written request therefor is received by the Plan Administrator. All requests must be consented to by the Participant's spouse in a Qualified Election as described in Section 12.08(c)(iii), unless the withdrawal is from the Participant's Tax Deductible Voluntary Contribution Account or an account to which Section 12.08(e) applies. Notwithstanding the foregoing, any request for a withdrawal of amounts allocated to a group annuity contract shall be subject to any time limits, restrictions or penalties that may be provided in the contract.

If a distribution is made at a time when a Participant has a nonforfeitable right to less than 100 percent of the Account balance derived from Employer contributions and the Participant may increase the nonforfeitable percentage in the Account:

(a) A separate account will be established for the Participant's interest in the Plan as of the time of the distribution, and

(b) At any relevant time the Participant's nonforfeitable portion of the separate account will be equal to an amount ("X") determined by the formula:

$$X = P(AB + (R \times D)) - (R \times D)$$

For purposes of applying the formula: P is the nonforfeitable percentage at the relevant time, AB is the Account balance at the relevant time, D is the amount of the distribution, and R is the ratio of the Account balance at the relevant time to the Account balance after distribution.

ARTICLE XI

PARTICIPANT LOANS

11.01 GENERAL RULES - If and to the extent permitted by the Employer in Section 11.01 of the Adoption Agreement, loans may be made to Participants and Beneficiaries from time to time by the Trustee when directed by the Plan Administrator upon the written request of an eligible borrower. Loans will be made available to Former Participants to the extent required by Regulations issued by the Department of Labor under Section 408(b) of ERISA and to other Former Participants to the extent required to satisfy Code Section 401(a)(4) and Regulations promulgated thereunder.

Applications for loans will be made to the Plan Administrator using forms provided by the Plan Administrator. Loan applications meeting the

requirements of this Article will be granted. All borrowers must execute a promissory note meeting the requirements of this Article.

The minimum loan amount shall be as specified in the Adoption Agreement and, in any event, shall not be greater than $1,000.

Plan loans shall be granted on a uniform nondiscriminatory basis. Loans shall not be made available to Highly Compensated Employees in an amount greater than the amount available to other Employees; for this purpose a loan amount shall not be considered greater if the maximum percentage of vested Accrued Benefit is not greater for any Highly Compensated Employee than it is for any Non-Highly Compensated Employee. Such loans shall be adequately secured, shall be at a reasonable rate of interest and shall provide for periodic payment over a reasonable amount of time. No loan shall exceed the value of the borrower's vested Accrued Benefit. For loans made after October 18, 1989, no more than 50% of a borrower's vested Accrued Benefit (less any portion attributable to Tax Deductible Voluntary Contributions) may be used as security for a Plan loan. Other permissible forms of security include assets that can be foreclosed upon, such that the value of the asset, less any likely costs of perfecting a security interest in the collateral and of foreclosure, can reasonably be expected to always equal or exceed the value of the loan. The Plan Administrator shall exercise discretion in accordance with Section 14.05 in determining if such other collateral is reasonable.

Notwithstanding the above, loans may not be made to an Owner-Employee or a shareholder-employee if the loan is not permissible under the applicable provisions of the Internal Revenue Code or the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

A "shareholder employee" is an employee or officer of an electing small business (Subchapter S) corporation who owns (or is considered as owning within the meaning of Code Section 318(a)(1), on any day during the taxable year of such corporation, more than five percent of the outstanding stock of such corporation.

Tax Deductible Voluntary Contributions, plus earnings thereon, may not be used as security for Plan loans.

11.02 LOAN AMOUNTS AND REPAYMENTS -

(a) No loan shall be made to the extent such loan exceeds an amount equal to the lesser of (i) or (ii) below:

(i) $50,000 reduced by the excess (if any) of the highest outstanding balance of loans to the Participant from the Plan during the one-year period ending on the day before the date on which such loan was made over the outstanding balance of loans from the Plan on the date on which such loan was made; or

(ii) one-half (1/2) of the present value of the nonforfeitable Accrued Benefit of the Participant under the Plan.

(b) Loans shall require that repayment (principal and interest) be amortized in level payments, not less frequently than quarterly, over a period not to exceed five (5) years; provided, however, that loans used to acquire any dwelling unit which, within a reasonable time, is to be used (determined at the time the loan is made) as a principal residence of the Participant may provide for level repayment of principal and interest, with payment to be no less frequent than quarterly, over a reasonable period of time that exceeds five (5) years.

For purposes of the above limitation, all loans from all plans of the Employer and other members of a group of employers described in Code Sections 414(b), (c) and (m) are aggregated.

The Plan Administrator shall determine a reasonable rate of interest for each loan by identifying the rate(s) charged for similar and equivalent commercial loans by institutions in the business of making loans.

Default shall occur upon the earlier of any uncured failure to make payments in accordance with the promissory note or the death of the borrower. In the event of default, attachment of all assets securing the loan shall be made as soon as is administratively feasible, except that no attachment of any part of the borrower's Accrued Benefit shall occur until a distributable event for that part of the borrower's Accrued Benefit has occurred for such borrower.

Notwithstanding the foregoing, no loans may be made to a married Participant in the absence of a valid spousal consent to such loan in accordance with Section 12.08(c)(iii), if the loan is secured by an Account other than one to which Section 12.08(e) applies. Such consent must: be given within 90 days of the making of the loan; be in writing; acknowledge the effect of the loan and be witnessed by a Plan representative or a notary public. Such consent shall be binding with respect to the consenting spouse and any subsequent spouse with respect to that loan. A new consent will be required if the Account balance is used for renegotiation, extension, renewal, or other revision of the loan. If a valid spousal consent has been obtained in accordance with the above paragraph or is not needed because the loan is secured by an Account to which Section 12.08(e) applies, then notwithstanding any other provision of this Plan, the portion of the Participant's vested Account balance used as a security interest held by the Plan by reason of a loan outstanding to the

Participant shall be taken into account for purposes of determining the amount of the Account balance payable at the time of death or distribution, but only if the reduction is used as repayment of the loan. If less than 100% of the Participant's vested Account balance (determined without regard to the preceding sentence) is payable to the surviving spouse, then the Account balance shall be adjusted by first reducing the vested Account balance by the amount of the security used as repayment of the loan, and then determining the benefit payable to the surviving spouse.

ARTICLE XII

RETIREMENT AND DEATH BENEFITS

12.01 NORMAL RETIREMENT BENEFIT - Each Participant's Accrued Benefit shall become 100% vested and nonforfeitable when the Participant attains his Normal Retirement Age.

Every Participant may terminate his employment with the Employer and retire upon the attainment of his Normal Retirement Age. Upon such date all amounts credited to such Participant's Accounts shall become distributable to him in accordance with this Article.

The Plan Administrator shall notify the Trustee when the Normal Retirement Age of each Participant shall occur and shall also advise the Trustee as to the manner in which retirement benefits are to be distributed to a Participant, subject to the provisions of this Article. Upon receipt of such notification and subject to the other provisions of this Article, the Trustee shall take such action as may be necessary in order to distribute the Participant's Accrued Benefit.

12.02 EARLY RETIREMENT BENEFIT - If there shall be a termination of a Participant's employment on or after he attains his Early Retirement Age, if any, (as defined in Section 12.02 of the Adoption Agreement), he shall be deemed to have retired early and such Participant shall be 100% vested in the amount credited to his Accounts as of the date of his early retirement.

12.03 LATE RETIREMENT BENEFIT - If a Participant shall continue in active employment following his Normal Retirement Age, he shall continue to participate under the Plan and Trust. Upon actual retirement, such Participant shall be entitled to the amount then credited to his Accounts.

12.04 DISABILITY BENEFIT - A Participant whose employment shall be terminated prior to his Normal Retirement Age as a result of Total and Permanent Disability shall be 100% vested in the amount credited to his Accounts as

of the date of such termination.

12.05 DEATH BENEFIT - If a Participant or Former Participant shall die prior to the commencement of any benefit otherwise provided under this Article XII, his Beneficiary shall be entitled to a death benefit. The amount of the death benefit shall be equal to the amount credited to his Participant's Accounts as of the date of death, including the death proceeds of any Policies allocated to such Accounts.

If a Participant shall die subsequent to the commencement of any benefit otherwise provided under this Article XII, the death benefit, if any, shall be determined in accordance with the benefit option in effect for the Participant.

The Plan Administrator may require such proper proof of death and such evidence of the right of any person to receive payment of the value of the Account of a deceased Participant or a deceased Former Participant as the Plan Administrator deems necessary. The Plan Administrator's determination of death and of the right of any person to receive payment shall be conclusive and binding on all persons.

12.06 DESIGNATION OF BENEFICIARY - Each Participant shall designate his Beneficiary on a form or forms provided by the Plan Administrator, and such designation may include primary and contingent beneficiaries; provided, however, that if a Participant or Former Participant is married on the date of his death, the Participant's then spouse shall be the Participant's Beneficiary unless such spouse consented to the designation of another Beneficiary in accordance with Section 8.08. The proceeds of any life insurance Policy shall be paid to the Trustee as beneficiary and the Trustee shall pay over the proceeds to the appropriate Plan Beneficiary. If a Participant does not designate a Beneficiary and is not married on the date of his death, the estate of the Participant shall be deemed to be the designated Beneficiary.

12.07 DISTRIBUTION OF BENEFITS - The Plan Administrator shall direct the Trustee to make, or cause the Insurer to make, payment of any benefits provided under this Article XII. The Plan Administrator shall be solely responsible for determining eligibility for and the amount of any such benefits, and the Trustee shall have no obligation or duty to review any such determination.

Subject to Section 12.08, Joint and Survivor Annuity Requirements, the requirements of this Section shall apply to any distribution of a Participant's interest and will take precedence over any inconsistent provisions of this Plan. Unless otherwise specified, the provisions of this Section apply to calendar years beginning after December 31, 1984.

All distributions required under the Plan shall be determined and made in accordance with the proposed regulations under Code Section 401(a)(9), including the minimum distribution incidental benefit requirement of Section 1.401(a)(9)-2 of the proposed regulations.

Unless the Participant elects otherwise, distribution of benefits will begin no later than the 60th day after the latest of the close of the Plan Year in which:

(a) the Participant attains Age 65 (or Normal Retirement Age, if earlier);

(b) occurs the 10th anniversary of the year in which the Participant commenced participation in the Plan; or,

(c) the Participant terminates service with the Employer.

Notwithstanding the foregoing, the failure of a Participant and spouse to consent to a distribution when a benefit is immediately distributable, within the meaning of Section 12.09 of the Plan, shall be deemed to be an election to defer commencement of payment of any benefit sufficient to satisfy this Section.

Except as provided below and in Section 12.09, in no event will benefits begin to be distributed prior to the later of age 62 or Normal Retirement

Age without the consent of the Participant. The consent of the Participant's spouse will also be required for any such distribution unless (i) the

Plan is a profit sharing plan described in Subsection 12.08(e) or (ii) the benefit is paid in the form of a Qualified Joint and Survivor Annuity.

The consent of neither the Participant nor his or her spouse is required if the present value of the Participant's vested Accrued Benefit does not exceed $3,500 (in the case of a Plan subject to the Qualified Joint and Survivor Annuity Requirements of Section 12.08, if the present value of the vested Accrued Benefit exceeded $3,500 at the time of any distribution, the present value of the vested Accrued Benefit at any subsequent time till be deemed to exceed $3,500). In such event the Plan Administrator shall pay such benefit to the Participant or his Beneficiary in a lump sum and no other settlement option shall be available. However, unless the Plan is a plan described in Subsection 12.08(e), no distribution shall be made pursuant to the preceding sentence after the annuity starting date (as described in Subsection 12.08(c)) unless the Participant and his or her spouse (or the Participant's surviving spouse) consent in writing to such distribution. Except as provided in Sections 12.05 and 12.08, or, to the extent an election of Section 12.07(b) of the Adoption Agreement is effective, a Participant, with spousal consent where applicable, shall have the sole right to receive this benefit in accordance with one or more of the following ways, and which may be paid in cash or in kind, or a combination of them:

(a) an annuity for the life of the Participant.

(b) an annuity for the life of the Participant and upon his death 100%, 66 2/3% or 50% (whichever is specified when this option is elected) of the annuity amount will be continued to his contingent annuitant. No further annuity benefits are payable after the death of both the Participant and his contingent annuitant.

(c) an annuity for the joint lives of the Participant and his joint annuitant with 100%, 66 2/3% or 50% (whichever is specified when this option is elected) of such amount payable as an annuity for life to the survivor. No further benefits are payable after the death of both the Participant and his joint annuitant.

(d) an annuity for the life of the Participant with installment payments for a period certain not longer than the life expectancy of the Participant.

(e) installment payments for a period certain not longer than the life expectancy of the Participant and his designated Beneficiary.

To the extent an election of Section 12.07(b) of the Adoption Agreement is effective, a Participant, with spousal consent where applicable, shall have the sole right to receive his or her benefit in one sum, paid in cash or in kind or a combination thereof.

All optional forms of benefit shall be actuarially equivalent.

If the Employer adopts a Non-standardized Profit Sharing Plan or a Non-standardized 401(k) Plan, then such Employer may elect, at Section 12.07(b) of the Adoption Agreement, to make distributions in Employer stock as an optional form of payment pursuant to the terms of the Addendum to Section 12.07(b) of the Adoption Agreement, describing the procedures applicable to such distributions as prepared by the Plan's legal counsel.

If an annuity contract is purchased for and distributed to a Participant or a Participant's spouse, the annuity contract must be nontransferable. Any such annuity contract distributed shall comply with the requirements of this Plan.

Notwithstanding the above:

(a) Required Beginning Date. The entire interest of a Participant must be distributed or begin to be distributed no later than the Participant's required beginning date.

(b) Limits on Distribution Periods. As of the first distribution calendar year, distributions, if not made in a single-sum, may only be made over one of the following periods (or a combination thereof):

(i) the life of the Participant,

(ii) the life of the Participant and a designated Beneficiary,

(iii) a period certain not extending beyond the life expectancy of the Participant, or

(iv) a period certain not extending beyond the joint and last survivor expectancy of the Participant and a designated Beneficiary.

(c) Determination of amount to be distributed each year. If the Participant's interest is to be distributed in other than a single sum, the following minimum distribution rules shall apply on or after the required beginning date:

(i) Individual account.

(A) If a Participant's benefit is to be distributed over (1) a period not extending beyond the life expectancy of the Participant or the joint life and last survivor expectancy of the Participant and the Participant's designated Beneficiary, or (2) a period not extending beyond the life expectancy of the designated Beneficiary, the amount required to be distributed for each calendar year, beginning with distributions for the first distribution calendar year, must at least equal the quotient obtained by dividing the Participant's benefit by the applicable life expectancy.

(B) For calendar years beginning before January 1, 1989, if the Participant's spouse is not the designated Beneficiary, the method of distribution selected must assure that at least 50% of the present value of the amount available for distribution is paid within the life expectancy of the Participant.

(C) For calendar years beginning after December 31, 1988, the amount to be distributed each year, beginning with distributions for the first distribution calendar year shall not be less than the quotient obtained by dividing the Participant's benefit by the lesser of (1) the applicable life expectancy or (2) if the Participant's spouse is not the designated Beneficiary, the applicable divisor determined from the table set forth in Q&A-4 of Section

1.401(a)(9)-2 of the proposed regulations. Distributions after the death of the Participant shall be distributed using the applicable life expectancy in Paragraph (A) above as the relevant divisor without regard to proposed regulations Section 1.401(a)(9)-2.

(D) The minimum distribution required for the Participant's first distribution calendar year must be made on or before the Participant's required beginning date. The minimum distribution for other calendar years, including the minimum distribution for the distribution calendar year in which the Employee's required beginning date occurs, must be made on or before December 31 of that distribution calendar year.

(d) Other forms.

(i) If the Participant's benefit is distributed in the form of an annuity purchased from an insurance company, distributions thereunder shall be made in accordance with the requirements of Section 401(a)(9) of the Code and the proposed regulations thereunder.

(e) Death Distribution Provisions.

(i) Distribution beginning before death. If the Participant dies after distribution of his or her interest has begun, the remaining portion of such interest will continue to be distributed at least as rapidly as under the method of distribution being used prior to the Participant's death.

(ii) Distribution beginning after death. If the Participant dies before distribution of his or her interest begins, distribution of the Participant's entire interest shall be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death except to the extent that an election is made to receive distributions in accordance with (A) or (B) below:

(A) if any portion of the Participant's interest is payable to a designated Beneficiary, distributions may be made over the life or over a period certain not greater than the life expectancy of the designated Beneficiary commencing on or before December 31 of the calendar year immediately following the calendar year in which the Participant died;

(B) if the designated Beneficiary is the Participant's surviving spouse, the date distributions are required to begin in accordance with (A) above shall not be earlier than the later of (1) December 31 of the calendar year immediately following the calendar year in which the Participant died, and (2) December 31 of the calendar year in which the Participant would have attained age 70 1/2.

If the Participant has not made an election pursuant to this Paragraph (ii) by the time of his or her death, the Participant's designated Beneficiary must elect the method of distribution no later than the earlier of (1) December 31

of the calendar year in which distributions would be required to begin under this Section, or (2) December 31 of the calendar year which contains the fifth anniversary of the date of death of the Participant. If the Participant has no designated Beneficiary, or if the designated Beneficiary does not elect a method of distribution, distribution of the Participant's entire interest must be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(iii) For purposes of Paragraph (ii) above, if the surviving spouse dies after the Participant, but before payments to such spouse begin, the provisions of Paragraph (ii), with the exception of Subparagraph (B) therein, shall be applied as if the surviving spouse were the Participant.

(iv) For purposes of this Subsection (e), any amount paid to a child of the Participant will be treated as if it had been paid to the surviving spouse if the amount becomes payable to the surviving spouse when the child reaches the age of majority.

(v) For the purposes of this Subsection (e), distribution of a Participant's interest is considered to begin on the Participant's required beginning date (or, if Paragraph (iii)

above is applicable, the date distribution is required to begin to the surviving spouse pursuant to Paragraph (ii) above). If the distribution in the form of an annuity described in paragraph (d)(i) above irrevocably commences to the Participant before the required beginning date, the date distribution is considered to begin is the date distribution actually commences.

(f) Definitions

(i) Applicable life expectancy. The life expectancy (or joint and last survivor expectancy) calculated using the attained age of the Participant (or designated Beneficiary) as of the Participant's (or designated Beneficiary's) birthday in the applicable calendar year reduced by one for each calendar year which has elapsed since the date life expectancy was first calculated. If life expectancy is being recalculated, the applicable life expectancy shall be the life expectancy as so recalculated. The applicable calendar year shall be the first distribution calendar year, and if life expectancy is being recalculated, such succeeding calendar year.

(ii) Designated Beneficiary. The individual who is designated as the Beneficiary under the Plan in accordance with Code Section 401(a)(9) and the proposed Regulations thereunder.

(iii) 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 pursuant to Subsection (e) above.

(iv) Life expectancy. Life expectancy and joint and last survivor expectancy are computed by use of the expected return multiples in Tables V and VI of Section 1.72-9 of the Income Tax Regulations.

Unless otherwise elected by the Participant (or spouse, in the case of distributions described in Subparagraph (e)(ii)(B) above) by the time distributions are required to begin, life expectancies shall be recalculated annually. Such election shall be irrevocable as to the Participant (or spouse) and shall apply to all subsequent years. The life expectancy of a nonspouse Beneficiary may not be recalculated.

(v) Participant's benefit.

(A) The Account(s) balance(s) 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 or forfeitures allocated to the Account(s) balance(s) 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.

(B) Exception for second distribution calendar year. For purposes of Subparagraph (A) above, if any portion of the minimum distribution for the first distribution calendar year is made in the second distribution calendar year on or before the required beginning date, the amount of the minimum distribution made in the second distribution calendar year shall be treated as if it had been made in the immediately preceding distribution calendar year.

(vi) Required beginning date.

(A) General rule. The required beginning date of a

Participant is the first day of April of the calendar year following the calendar year in which the Participant attains age 70 1/2.

(B) Transitional rules. The required beginning date of a Participant who attains age 70 1/2 before January 1, 1988, shall be determined in accordance with (1) or (2) below:

(1) Non-5-percent owners. The required beginning date of a Participant who is not a 5-percent owner is the first day of April of the calendar year following the calendar year in which the later of retirement or attainment of age 70 1/2 occurs.

(2) 5-percent owners. The required beginning date of a Participant who is a 5-percent owner during any year beginning after December 31, 1979, is the first day of April following the later of:

(I) the calendar year in which the Participant attains age 70 1/2, or

(II) the earlier of the calendar year with or within which ends the Plan Year in which the Participant becomes a 5-percent owner, or the calendar year in which the Participant retires.

The required beginning date of a Participant who is not a 5-percent owner who attains age 70 1/2 during 1988 and who has not retired as of January 1, 1989, is April 1, 1990.

(C) 5-percent owner. A Participant is treated as a 5-percent owner for purposes of this Section if such Participant is a 5-percent owner as defined in Section 416(i) of the Code (determined in accordance with Code Section 416 but without regard to whether the plan is top-heavy) at any time during the Plan Year ending with or within the calendar year in which such owner attains age 66 1/2 or any subsequent Plan Year.

(D) Once distributions have begun to a 5-percent owner under this Section, they must continue to be distributed, even if the Participant ceases to be a 5-percent owner in a subsequent year.

(g) Transitional Rule

(i) Notwithstanding the other requirements of this Section 12.07 and subject to the requirements of Section 12.08, Joint and Survivor Annuity Requirements, distribution on behalf of any Employee, including a 5-percent owner, may be made in accordance with all of the following requirements (regardless of when such distribution commences):

(A) The distribution by the Trust is one which would not have disqualified such Trust under Section 401(a)(9) of the Internal Revenue Code as in effect prior to amendment by the Deficit Reduction Act of 1984.

(B) The distribution is in accordance with a method of distribution designated by the Employee whose interest in the Trust is being distributed or, if the Employee is deceased, by a Beneficiary of such Employee.

(C) Such designation was in writing, was signed by the Employee or the Beneficiary, and was made before January 1, 1984.

(D) The Employee had accrued a benefit under the Plan as of December 31, 1983.

(E) The method of distribution designated by the Employee or the Beneficiary specifies the time at which distribution will commence, the period over which distributions will be made, and in the case of any distribution upon the Employee's death, the Beneficiaries of the Employee listed in order of priority. The method of distribution selected must assure that at least 50 percent of the present value of the amount available for distribution is paid within the life expectancy of the Participant.

(ii) A distribution upon death will not be covered by this transitional rule unless the information in the designation contains the required information described above with respect to the distributions to be made upon the death of the Employee.

(iii) For any distribution which commences before January 1, 1984, but continues after December 31, 1983, the Employee, or the Beneficiary to whom such distribution is being made, will be presumed to have designated the method of distribution under which the distribution is being made if the method of distribution was specified in writing and the distribution satisfies the requirements in Subparagraphs (i)(A) and (E) above.

(iv) If a designation is revoked, any subsequent distribution must satisfy the requirements of Section 401(a)(9) of the Code and the proposed regulations thereunder. If a designation is revoked subsequent to the date distributions are required to begin, the Trust must distribute by the end of the calendar year following the calendar year in which the revocation occurs the total amount not yet distributed which would have been required to have been distributed to satisfy Section 401(a)(9) of the Code and the proposed regulations thereunder, but for the Section 242(b)(2) election. For calendar years beginning after December 31, 1988, such distributions must meet the minimum distribution incidental benefit requirements in Section 1.401(a)(9)-2 of the proposed regulations. Any changes in the designation will be considered to be a revocation of the designation. However, the mere substitution or addition of another Beneficiary (one not named in the designation) under the designation will not be considered to be a revocation of the designation, so long as such substitution or addition does not alter the period over which distributions are to be made under the designation, directly or indirectly (for example, by altering the relevant measuring life). In the case in which an amount is transferred or rolled over from one plan to another plan, the rules in Q&A J-2 and Q&A J-3 of Section 1.401(a)(9)-1 of the proposed regulations shall apply.

12.08 JOINT AND SURVIVOR ANNUITY REQUIREMENTS - The provisions of this Section 12.08 shall apply to any Participant who is credited with at least one Hour of Service with the Employer on or after August 23, 1984, and such other Participants as provided in Subsection (e).

(a) Qualified Joint and Survivor Annuity.

Unless an optional form of benefit is selected pursuant to a qualified election within the 90-day period ending on the annuity starting date, a married Participant's vested Account balance will be paid in the form of a Qualified Joint and Survivor Annuity, as described in Section 2.36, and an unmarried Participant's vested Account balance will be paid in the form of a life annuity. The Participant may elect to have such annuity distributed upon attainment of the earliest retirement age under the Plan.

(b) Qualified Preretirement Survivor Annuity.

Unless an optional form of benefit has been selected within the election period pursuant to a qualified election, if a Participant

dies before the annuity starting date, then the

Participant's vested Account balance shall be applied toward the purchase of an annuity for the life of the surviving spouse. The surviving spouse may elect to have such annuity distributed within a reasonable period after the Participant's death.

(c) Definitions.

(i) Election period: The period which begins on the first day of the Plan Year in which the Participant attains age 35 and ends on the date of the Participant's death. If a Participant separates from service prior to the first day of the Plan Year in which age 35 is attained, with respect to the Account balance as of the date of separation, the election period shall begin on the date of separation.

Pre-Age 35 waiver: A Participant who will not yet attain age 35 as of the end of any current Plan Year may make a special qualified election to waive the qualified preretirement survivor annuity for the period beginning on the date of such election and ending on the first day of the Plan Year in which the Participant will attain age 35. Such election shall not be valid unless the Participant receives a written explanation of the qualified preretirement survivor annuity in such terms as are comparable to the explanation required under paragraph (d)(i). Qualified preretirement survivor annuity coverage will be automatically reinstated as of the first day of the Plan Year in which the Participant attains age 35. Any new waiver on or after such date shall be subject to the full requirements of this Section 12.08.

(ii) Earliest retirement age: The earliest date on which, under the Plan, the Participant could elect to receive retirement benefits.

(iii) Qualified election: A waiver of a Qualified Joint and Survivor Annuity or a qualified preretirement survivor annuity. Any waiver of a Qualified Joint and Survivor Annuity or a qualified preretirement survivor annuity shall not be effective unless: (A) the Participant's spouse consents in writing to the election; (B) the election designates a specific Beneficiary, including any class of Beneficiaries or any contingent Beneficiaries, which may not be changed without spousal consent (or the spouse expressly permits designations by the Participant without any further spousal consent); (C) the spouse's consent acknowledges the effect of the election; and (D) the spouse's consent is witnessed by a Plan representative or notary public. Additionally, a Participant's waiver of the Qualified Joint and Survivor Annuity shall not be effective unless the election designates a form of benefit payment which may not be changed without spousal consent (or the spouse expressly permits designations by the Participant without any further spousal consent). If it is established to the satisfaction of a Plan representative that there is no spouse or that the spouse cannot be located, a waiver will be deemed a qualified election.

Any consent by a spouse obtained under this provision (or establishment that the consent of a spouse may not be obtained) shall be effective only with respect to such spouse. A consent that permits designations by the Participant without any requirement of further consent by such spouse must acknowledge that the spouse

has the right to limit consent to a specific Beneficiary, and a specific form of benefit where applicable, and that the spouse voluntarily elects to relinquish either or both of such rights. A revocation of a prior waiver may be made by a

Participant without the consent of the spouse at any time before the commencement of benefits. The number of revocations shall not be limited. No consent obtained under this provision shall be valid unless the Participant has received notice as provided in Subsection (d) below.

(iv) Spouse (surviving spouse): The spouse or surviving spouse of the Participant, provided that a former spouse will be treated as the spouse or surviving spouse to the extent provided under a qualified domestic relations order as described in Section 414(p) of the Internal Revenue Code.

(v) Annuity starting date: The first day of the first period for which an amount is paid as an annuity or any other form.

(vi) Vested Account balance: The aggregate value of the Participant's vested Accrued Benefit derived from Employer and employee contributions (including rollovers), whether vested before or upon death, including the proceeds of insurance contracts, if any, on the Participant's life. The provisions of this Section 12.08 shall apply to a Participant who is vested in amounts attributable to Employer contributions, employee contributions (or both) at the time of death or distribution.

(d) Notice Requirements.

(i) In the case of a Qualified Joint and Survivor Annuity as described in Subsection (a), the Plan Administrator shall, no less than 30 days and no more than 90 days prior to the annuity starting date, provide each Participant a written explanation of: (A) the terms and conditions of a Qualified Joint and Survivor Annuity; (B) the Participant's right to make and the effect of an election to waive the Qualified Joint and Survivor Annuity form of benefit; (C) the rights of a Participant's spouse; and (D) the right to make, and the effect of, a revocation of a previous election to waive the Qualified Joint and Survivor Annuity.

(ii) In the case of a qualified preretirement survivor annuity as described in Subsection (b), the Plan Administrator shall provide each Participant within the applicable period for such Participant a written explanation of the qualified preretirement survivor annuity in such terms and in such manner as would be comparable to the explanation provided for meeting the requirements of paragraph (d)(i) applicable to a Qualified Joint and Survivor Annuity.

The applicable period for a Participant is whichever of the following periods ends last: (A) the period beginning with the first day of the Plan Year in which the Participant attains age 32 and ending with the close of the Plan Year preceding the Plan Year in which the Participant attains age 35; (B) a reasonable period ending after the individual becomes a Participant; (C) a reasonable period ending

after Paragraph (iii) below ceases to apply to the Participant; (D) a reasonable period ending after this Section first applies to the Participant. Notwithstanding the foregoing, notice must be provided within a reasonable period ending after separation from service in the case of a Participant who separates from service before attaining age 35.

For purposes of applying the preceding paragraph, a reasonable period ending after the enumerated events described in (B), (C) and (D) is the end of the two-year period beginning one year prior to the date the applicable event occurs, and ending one year after that date. In the case of a Participant who separates from service before the Plan Year in which age 35 is attained, notice shall be provided within the two-year period

beginning one year prior to separation and ending one year after separation. If such a Participant thereafter returns to employment with the Employer, the applicable period for such Participant shall be redetermined.

(iii) Notwithstanding the other requirements of this Subsection (d), the respective notices prescribed by this Section need not be given to a Participant if (1) the Plan "fully subsidizes" the costs of a Qualified Joint and Survivor Annuity or qualified preretirement survivor annuity, and (2) the Plan does not allow the Participant to waive the Qualified Joint and Survivor Annuity or qualified preretirement survivor annuity and does not allow a married Participant to designate a nonspouse Beneficiary.

For purposes of this paragraph (iii), a Plan fully subsidizes the costs of a benefit if no increase in cost, or decrease in benefits to the Participant may result from the Participant's failure to elect another benefit.

(e) Safe Harbor Rules.

(i) This Subsection shall apply to a Participant in a profit-sharing plan, and to any distribution, made on or after the first day of the first Plan Year beginning after December 31, 1988, from or under a separate account attributable solely to accumulated deductible employee contributions, as defined in section 72(o)(5)(B) of the Code, and maintained on behalf of a participant in a money purchase pension plan, (including a target benefit plan) if the following conditions are satisfied: (1) the Participant does not or cannot elect payments in the form of a life annuity; and (2) on the death of a Participant, the Participant's vested Account balance will be paid to the Participant's surviving spouse, but if there is no surviving spouse, or if the surviving spouse has consented in a manner conforming to a qualified election, then to the Participant's designated beneficiary. The surviving spouse may elect to have distribution of the vested Account balance commence within the 90 day period following the date of the Participant's death. The Account balance shall be adjusted for gains or losses occurring after the Participant's death in accordance with the provisions of the Plan governing the adjustment of Account balances for other types of distributions. This Subsection (e) shall not be operative with respect to a Participant in a profit-sharing plan if the plan is a direct or indirect transferee of a defined benefit plan, money purchase plan, a target benefit plan, stock bonus, or profit-sharing plan which is

subject to the survivor annuity requirements of Sections 401(a)(11) and section 417 of the Code. If this Subsection (e) is operative, then the provisions of this Section 12.08, other than Subsection (f), shall be inoperative.

(ii) The Participant may waive the spousal death benefit described in this Subsection (e) at any time provided that no such waiver shall be effective unless it satisfies the conditions of Paragraph (c)(iii) (other than the notification requirement referred to therein) that would apply to the Participant's waiver of the qualified preretirement survivor annuity.

(iii) For purposes of this Subsection (e), vested Account balance shall mean the Participant's separate account balance attributable solely to accumulated deductible employee contributions within the meaning of Section 72(o)(5)(B) of the Code.

(f) Transitional Rules.

(i) Any living Participant not receiving benefits on August 23, 1984, who would otherwise not receive the benefits prescribed by the previous Subsections of this Section 12.08 must be

given the opportunity to elect to have the prior Subsections of this Section 12.08 apply if such Participant is credited with at least one Hour of Service under this Plan or a predecessor plan in a Plan Year beginning on or after January 1, 1976, and such Participant had at least 10 years of vesting service when he or she separated from service.

(ii) Any living Participant not receiving benefits on August 23, 1984, who was credited with at least one Hour of Service under this Plan or a predecessor plan on or after September 2, 1974, and who is not otherwise credited with any service in a Plan Year beginning on or after January 1, 1976, must be given the opportunity to have his or her benefits paid in accordance with Paragraph (f)(iv) below.

(iii) The respective opportunities to elect (as described in Paragraphs (f)(i) and (ii) above) must be afforded to the appropriate Participants during the period commencing on August 23, 1984, and ending on the date benefits would otherwise commence to said Participants.

(iv) Any Participant who has elected pursuant to Paragraph (f)(ii) and any Participant who does not elect under Paragraph (f)(i) or who meets the requirements of Paragraph (f)(i) except that such Participant does not have at least 10 years of vesting service when he or she separates from service, shall have his or her benefits distributed in accordance with all of the following requirements if benefits would have been payable in the form of a life annuity:

(A) Automatic joint and survivor annuity. If benefits in the form of a life annuity become payable to a married Participant who:

(1) begins to receive payments under the Plan on or after Normal Retirement Age; or

(2) dies on or after Normal Retirement Age while still working for the Employer; or

(3) begins to receive payments on or after the Qualified Early Retirement Age; or

(4) separates from service on or after attaining Normal Retirement Age (or the Qualified Early Retirement Age) and after satisfying the eligibility requirements for the payment of benefits under the Plan and thereafter dies before beginning to receive such benefits;

then such benefits will be received under this Plan in the form of Qualified Joint and Survivor Annuity, unless the Participant has elected otherwise during the election period. The election period must begin at least 6 months before the Participant attains the Qualified Early Retirement Age and end not more than 90 days before the commencement of benefits. Any election hereunder will be in writing and may be changed by the Participant at any time.

(B) Election of early survivor annuity. A Participant who is employed after attaining the Qualified Early Retirement Age will be given the opportunity to elect, during the election period, to have a survivor annuity payable on death. If the Participant elects the survivor annuity, payments under such annuity must not be less than the payments which would have been made to the spouse under the Qualified Joint and Survivor Annuity if the Participant had retired on the day before his or her death. Any election under this provision will be in writing and may be changed by the Participant at any time. The election period begins on the later of (1) the

90th day before the Participant attains the Qualified Early Retirement Age, or (2) the date on which participation begins, and ends on the date the Participant terminates employment.

(C) For purposes of this paragraph (f)(iv)

(1) Qualified Early Retirement Age is the latest of:

(i) the earliest date, under the Plan, on which the Participant may elect to receive retirement benefits,

(ii) the first day of the 120th month beginning before the Participant reaches Normal Retirement Age, or

(iii) the date the Participant begins participation.

(2) Qualified Joint and Survivor Annuity is an annuity for the life of the Participant with a survivor annuity for the life of the spouse as described in Section 2.36.

12.09 RESTRICTIONS ON IMMEDIATE DISTRIBUTIONS

(a) If the value of a Participant's vested Accrued Benefit derived from Employer and Employee Contributions exceeds (or at the time of any prior distribution exceeded) $3,500, and the Accrued Benefit is immediately distributable, the Participant and the Participant's spouse (or where either the Participant or the spouse has died, the survivor) must consent to any distribution of such Accrued Benefit. The consent of the Participant and the Participant's spouse shall be obtained in writing within the 90-day period ending on the annuity starting date.

The annuity starting date is the first day of the first period for which an amount is paid as an annuity or any other form. The Plan Administrator shall notify the Participant and the Participant's spouse of the right to defer any distribution until the Participant's Accrued Benefit is no longer immediately distributable. Such notification shall include a general description of the material features, and an explanation of the relative values of, the optional forms of benefit available under the Plan in a manner that would satisfy the notice requirements of Section 417(a)(3) of the Code, and shall be provided no less than 30 days and no more than 90 days prior to the annuity starting date.

Notwithstanding the foregoing, only the Participant need consent to the commencement of a distribution in the form of a Qualified Joint and Survivor Annuity while the Accrued Benefit is immediately distributable. (Furthermore, if payment in the form of a Qualified Joint and Survivor Annuity is not required with respect to the Participant pursuant to Subsection 12.08(e) of the Plan, only the Participant need consent to the distribution of an Accrued Benefit that is immediately distributable.) The consent of neither the Participant nor the Participant's spouse shall be required to the extent that a distribution is required to satisfy Section 401(a)(9) or Section 415 of the Code. In addition, upon termination of this Plan if the Plan does not offer an annuity option (purchased from a commercial provider) and if the Employer or any entity within the same controlled group as the Employer does not maintain another defined contribution plan (other than an employee stock ownership plan as defined in Section 4975(e)(7) of the Code), the Participant's Accrued Benefit may, without the Participant's consent, be distributed to the Participant. However, if any entity within the same controlled group as the Employer maintains another defined contribution plan (other than an employee stock ownership plan as defined in Section 4975(e)(7) of the Code) then the Participant's Accrued Benefit will be transferred, without the Participant's consent, to the other plan if the Participant does not consent to an immediate distribution.

An Accrued Benefit is immediately distributable if any part of the Accrued Benefit could be distributed to the Participant (or surviving spouse) before the Participant attains (or would have attained if not deceased) the later of Normal Retirement Age or age 62.

12.10 DISTRIBUTION TO A MINOR PARTICIPANT OR BENEFICIARY - In the event a distribution is to be made to a minor, then the Plan Administrator may, in the Administrator's sole discretion, direct that such distribution be paid to the legal guardian of the minor, or if none, to a parent of such minor or a responsible adult with whom the minor maintains his residence, or to the custodian for such minor under the Uniform Gift to Minors Act, if such is permitted by the laws of the state in which said minor resides. Such a payment to the legal guardian or parent of a minor

or to such a custodian shall fully discharge the Trustee, Employer, and Plan from further liability on account thereof.

12.11 LOCATION OF PARTICIPANT OR BENEFICIARY UNKNOWN - In the event that all, or any portion, of the distribution payable to a Participant or his Beneficiary hereunder shall, at the expiration of five years after it shall become payable, remain unpaid solely by reason of the inability of the Plan Administrator, after sending a registered letter, return receipt requested, to the payee's last known address, and after further diligent effort, to ascertain the whereabouts of such Participant or his Beneficiary, the amount so distributable shall be forfeited and allocated in accordance with the terms of this Plan. In the event a Participant or Beneficiary is located subsequent to his benefit being forfeited, such benefit shall be restored.

ARTICLE XIII

BENEFITS UPON TERMINATION OF SERVICE

13.01 GENERAL - Upon a Participant's termination of Service, for any reason other than death, disability, Normal, Early or Late Retirement, the interests and rights of any Participant shall be limited to those contained in this Article XIII.

(a) FULLY VESTED AND NONFORFEITABLE PORTION OF A PARTICIPANT'S ACCRUED BENEFIT. Each Participant's 401(k) Employer and Match Accounts, Salary Savings Account, Rollover Account, Tax Deductible Voluntary Contribution Account, Voluntary After-Tax Contribution Account and any additional portion of a Participant's Accrued Benefit attributable to Employee contributions shall be fully vested and nonforfeitable at all times.

(b) VESTED EMPLOYER CONTRIBUTIONS. Each Participant's 401(a) Employer and Match Accounts shall be vested to the extent specified in Section 13.01 of the Adoption Agreement, and the remainder, if any, shall be forfeited in accordance with Plan Sections 13.03 and 13.04 and applied as specified in the Adoption Agreement pursuant to Section 5.03.

For purposes of computing a Participant's nonforfeitable right to that portion of his Accrued Benefit derived from Employer contributions, Years of Service and One Year Breaks in Service will be measured by the Plan Year.

13.02 FORFEITURES; DISTRIBUTION OF VESTED AMOUNTS - If a Participant terminates Service, the present value of the Participant's vested Accrued Benefit is not greater than $3,500, and the Employer has elected the lump sum option provided in Section 13.02(1)(a) of the Adoption Agreement, the Participant will receive a lump sum distribution of the present value of the entire vested portion of such Accrued Benefit and the nonvested portion will be forfeited and applied in accordance with Section 13.03. In the case of a Plan subject to the Qualified Joint and Survivor Annuity requirements of Section 12.08, if the present value of the vested Accrued Benefit exceeded $3,500 at the time of any distribution, the present value of the vested Accrued Benefit at any subsequent time will be deemed to exceed $3,500.

However, unless the Plan is a profit sharing plan described in Subsection 12.08(e), no such cash-out distribution shall be made after the

annuity starting date (as described in Subsection 12.08(c)) unless the Participant and his or her spouse (or the Participant's surviving spouse) consent in writing to such distribution. For purposes of this paragraph, if the value of the Participant's vested Accrued Benefit is zero, the Participant shall be deemed to have received a distribution of such vested Accrued Benefit, whether Section 13.02(1)(a) or (b) is elected.

If a Participant terminates Service, and the present value of the Participant's vested Accrued Benefit exceeds $3,500, or if the value of such vested Accrued Benefit does not exceed $3,500 but the Employer has elected Section 13.02(1)(b) of the Adoption Agreement, the payment of such vested benefit shall be deferred to the earliest of the Participant's death, Total and Permanent Disability or attainment of Normal Retirement Age, at which time such vested benefit shall be payable in accordance with Article XII. Notwithstanding the foregoing, at any time on or after the date specified in Section 13.02(2) of the Adoption Agreement, a terminated Participant may request in writing that his entire vested Accrued Benefit be distributed. Partial distributions of vested benefits will not be permitted. Unless the Plan is a profit sharing plan described in Subsection 12.08(e), the Participant and the Participant's spouse (or surviving spouse) must consent to any distribution of vested benefits. The Participant may request any form of distribution permissible under Article XII, including the distribution of a nontransferable annuity contract. The benefit payable as a result of any election pursuant to this paragraph will be the benefit which can be provided by the then current value of the Participant's vested Accrued Benefit. If the provisions of this paragraph become operative, the nonvested portion of the Participant's Accrued Benefit shall be forfeited when the Participant incurs five consecutive One Year Breaks in Service or, if earlier, when the Participant or his spouse (or surviving spouse) receives a distribution of his vested Accrued Benefit. Any such forfeitures shall be applied in accordance with Section 13.03.

13.03 APPLICATION OF FORFEITURES - The nonvested portion of the Accrued Benefit of any terminated Participant will be applied to reduce Employer Contributions or to pay Plan administrative expenses for the Plan Year following the Plan Year in which the forfeiture occurs (or, if the Employer so specifies in Section 5.03 of the Adoption Agreement, such nonvested amounts shall be allocated in the same manner as Employer Contributions at the end of the Plan Year in which the forfeiture occurs).

13.04 RESUMPTION OF SERVICE: RESTORATION OF BENEFITS UPON REEMPLOYMENT -

(a) A Participant who terminates Service and who subsequently resumes employment with the Employer will again become a Participant on the entry date determined in accordance with Section 3.02 of the Plan.

(b) If a Former Participant is subsequently reemployed, the following rules shall also be applicable:

(i) If any Former Participant shall be reemployed by the Employer before incurring five consecutive One Year Breaks in Service, and such Former Participant had received (or had been deemed to receive) a distribution of his vested Accrued Benefit prior to his reemployment, his forfeited Account balance shall be reinstated if he repays the full amount attributable to Employer Contributions which was distributed to him, not including, at the Participant's option, amounts attributable to any Salary Savings Contributions. Such repayment must be made

by the Former Participant before the earlier of five years after the first date on which the Participant is first reemployed by the Employer, or the date on which the individual incurs five consecutive One Year Breaks in Service following the date of distribution. A Participant who was

deemed to receive a distribution of his vested Accrued Benefit shall be deemed to have repaid such amount as of the date he again becomes a Participant. In the event the Former Participant does repay the full amount distributed to him, the forfeited portion of the Participant's Account must be restored in full, unadjusted by any gains or losses occurring subsequent to the date of distribution.

(ii) Restorations of forfeitures will be made as of the date that the Plan Administrator is notified that the required repayment has been received (or deemed received) by the Trustee. Any forfeiture amount that must be restored to a Participant's Account will be taken from any forfeitures that have not yet been applied and, if the amount of forfeitures available for this purpose is insufficient, the Employer will make a timely supplemental contribution of an amount sufficient to enable the Trustee to restore the forfeiture amount to the Participant's Account.

(iii) If a Former Participant resumes Service after incurring five consecutive One Year Breaks in Service, forfeited amounts will not be restored under any circumstances, but unless the Rule of Parity has been elected in Section 13.01(3)(d) of the Adoption Agreement and such Rule applies, both pre-break and post-break service will count for the purposes of vesting the Employer-derived Account balance that accrued after such Breaks.

If a Former Participant resumes Service before incurring five consecutive One Year Breaks in Service, both the pre-break and post-break service will count in vesting both any restored pre-break and post-break-Employer-derived Account balance.

13.05 SERVICE WITH AFFILIATES - As indicated in Section 2.19 of the Plan, in determining a Participant's vesting percentage and in determining for purposes of this Article whether an Employee has terminated Service or has a One Year Break in Service, Hours of Service completed with a controlled business shall be deemed to be Hours of Service completed with the Employer.

13.06 EARLY RETIREMENT ELECTION - Notwithstanding anything in the Plan to the contrary, a Participant who becomes entitled to a benefit deferred to his Normal Retirement Age under this Article upon a termination of participation may elect to receive an immediate early retirement benefit at any time on and after the date he attains the age required for early retirement as elected in Section 12.02 of the Adoption Agreement and prior to his Normal Retirement Age. A Participant eligible to make an election under this Section may request any optional benefit permitted under Section 12.07.

The benefit payable as a result of any election pursuant to this Section will be the benefit which can be provided by the current value of the Participant's Accounts.

13.07 AMENDMENT TO VESTING SCHEDULE - No amendment to the Vesting Schedule shall deprive a Participant of his nonforfeitable rights to benefits accrued to the date of the amendment.

Further, if the Vesting Schedule of the Plan is amended, or the Plan is amended in any way that directly or indirectly affects the computation of a Participant's nonforfeitable percentage or if the Plan is deemed amended by an automatic change to or from a top-heavy vesting schedule, each Participant with at least 3 Years of Service with the Employer may elect, within a reasonable period after the adoption of the amendment or change, to have their nonforfeitable percentage computed under the Plan without regard to such amendment. For Participants who do not have at least 1 Hour of Service in any Plan Year beginning after December 31, 1988, the preceding sentence shall be applied by substituting "5 Years of Service" for "3 Years of Service" where such language appears. The period during which the election may be made shall commence with the date the amendment is adopted and shall end on the latest of:

(1) 60 days after the amendment is adopted;

(2) 60 days after the amendment becomes effective; or

(3) 60 days after the Participant is issued written notice of the amendment by the Employer or Plan Administrator.

ARTICLE XIV

PLAN FIDUCIARY RESPONSIBILITIES

14.01 PLAN FIDUCIARIES - The Plan Fiduciaries shall be:

(a) the Employer;

(b) the Trustee of the Plan;

(c) the Plan Administrator;

(d) the Retirement Plan Committee;

and such other person or persons as may be designated as a Fiduciary by the Employer in accordance with the further provisions of this Article.

14.02 GENERAL FIDUCIARY DUTIES - Each Plan Fiduciary shall discharge its duties solely in the interest of the Participants and their Beneficiaries and act:

(a) for the exclusive purpose of providing benefits to Participants and their Beneficiaries and 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) by diversifying the investments of the Plan so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so, if the Fiduciary has the responsibility to invest plan assets; and

(d) in accordance with the documents and instruments governing the Plan insofar as such documents and instruments are consistent with the provisions of current laws and regulations.

Each Plan Fiduciary shall perform the duties specifically assigned to it. No Plan Fiduciary shall have any responsibility for the performance or non-performance of any duties not specifically allocated to it.

14.03 POWERS, DUTIES AND RESPONSIBILITIES OF THE EMPLOYER -

(a) The Employer shall be empowered to appoint and remove the Trustee, the Plan Administrator and the Retirement Plan Committee from time to time as it deems necessary for the proper administration of the Plan, to assure that the Plan is being operated for the exclusive benefit of the Participants and their Beneficiaries in accordance with the terms of this Agreement, the Internal Revenue Code, and the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

(b) The Employer shall establish a "funding policy and method," i.e., it shall determine whether the Plan has a short term need for liquidity (e.g., to pay benefits) or whether liquidity is a long term goal and investment growth (and stability of same) is a more current need, or shall appoint a qualified person to do so. The Employer or its delegate shall communicate such needs and goals to the Trustee, who shall coordinate such Plan needs with its investment policy. The communication of such a "funding policy and method" shall not, however, constitute a directive to the Trustee as to the investment of the Trust Fund. Such "funding policy and method" shall be consistent with the objectives of this Plan and with the

requirements of Title I of ERISA.

(c) The Employer may in its discretion appoint an Investment Manager to manage all or a designated portion of the assets of the Plan. In such event, the Trustee shall follow the directives of the Investment Manager in investing the assets of the Plan managed by the Investment Manager. While there is an Investment Manager, the Employer shall have no obligation under this Plan with regard to the performance or non-performance of the duties delegated to the Investment Manager.

(d) The Employer shall periodically, but not less frequently than annually, review the performance of any Fiduciary or other person to whom duties have been delegated or allocated by it under the provisions of this Plan or pursuant to procedures established hereunder. This requirement may be satisfied by formal periodic review by the Employer or by a qualified person specifically designated by the Employer, through day-to-day conduct and evaluation, or through other appropriate ways.

14.04 POWERS, DUTIES AND RESPONSIBILITIES OF THE TRUSTEE - The specific powers, duties and responsibilities of the Trustee are set forth in Article XV. In general the Trustee shall:

(a) invest Plan assets, subject to direction from the Employer, from any duly appointed Investment Manager or from Participants to the extent the Plan permits Participants to direct the investment of their Accounts;

(b) maintain adequate records of receipts, disbursements and other transactions involving the Plan; and

(c) prepare such reports, statements, tax returns and other forms as may be required under the Trust or applicable laws and regulations.

14.05 POWERS, DUTIES AND RESPONSIBILITIES OF THE PLAN ADMINISTRATOR - The Employer may appoint one or more Plan Administrators. Any person, including, but not limited to, the Employer's directors, shareholders, officers and Employees shall be eligible to serve as the Administrator. Any person so appointed shall signify his acceptance by filing written acceptance with the Employer. An Administrator may resign by delivering his written resignation to the Employer or be removed by the Employer by delivery of written notice of removal.

The Employer, upon the resignation or removal of an Administrator, may designate in writing a successor to this position. If the Employer does not appoint an Administrator, the Employer will function as the Plan Administrator.

The specific powers and responsibilities of the Plan Administrator are to:

(a) administer the Plan on a day-to-day basis in accordance with the provisions of this Plan and all other pertinent documents;

(b) retain and maintain Plan records including Participant census data, participation dates, compensation records, and such other records as may be necessary or desirable for proper Plan administration;

(c) prepare and arrange for delivery to Participants such summaries, descriptions, announcements and reports as are required to be given to Participants under applicable laws and regulations;

(d) file with the U.S. Department of Labor, the Internal Revenue Service and other regulatory agencies on a timely basis all required reports, forms and other documents; and

(e) prepare and furnish to the Trustee sufficient records and data to enable the Trustee to properly perform its obligations under the Trust.

Notwithstanding anything in the Plan and Trust to the contrary, the Plan Administrator shall have total discretion to fulfill the above fiduciary

responsibilities as he sees fit on a uniform and consistent basis and as he believes a prudent person acting in a like capacity and familiar with such matters would do.

14.06 POWERS, DUTiES AND RESPONSIBILITIES OF THE RETIREMENT PLAN COMMITTEE -The Employer may appoint a Retirement Plan Committee consisting of three or more members,

one of whom shall be designated by the Employer as Chairman. Each member of the Committee and its chairman shall serve at the pleasure of the Employer.

If a Committee is not appointed, the duties and responsibilities set forth in this Section and in Article XIX shall be those of the Plan Administrator.

If the Employer appoints a Retirement Plan Committee, the Committee shall:

(a) interpret and construe the Plan;

(b) determine questions of eligibility and of rights of Participants and their Beneficiaries;

(c) provide guidelines for the Plan Administrator, as required for the orderly and uniform administration of the Plan; and

(d) exercise overall control of the operation and administration of the plan in matters not allocated to some other Fiduciary either by the terms of this Plan or by delegation from the Employer.

Notwithstanding anything in the Plan and Trust to the contrary, the Retirement Plan Committee shall have total discretion to fulfill the above fiduciary responsibilities as they see fit on a uniform and consistent basis and as they believe a prudent person acting in a like capacity and familiar with such matters would do.

14.07 APPOINTMENT OF ADVISORS - The Employer may appoint Plan counsel, accountants, actuaries, specialists, advisors and such other persons as it deems necessary or desirable in connection with the administration of this Plan.

14.08 INFORMATION FROM EMPLOYER - To enable the Plan Administrator to perform his functions, the Employer shall supply full and timely information to the Plan Administrator on all matters relating to the Compensation of all Participants, their Hours of Service, their Years of Service, their retirement, death, disability, or termination of employment, and such other pertinent facts as the Administrator may require; and the Administrator shall advise the Trustee and the Retirement Plan Committee of such of the foregoing facts as may be pertinent to their duties under the Plan. All Fiduciaries may rely upon such information as is supplied by the Employer and shall have no duty or responsibility to verify such information.

14.09 PAYMENT OF EXPENSES - All expenses of administration may be paid out of the Trust Fund unless paid by the Employer. Such expenses shall include any expenses incident to the functioning of the Plan Administrator, the Trustee and the Retirement Plan Committee, including, but not limited to, fees of counsel, accountants, and other specialists, and other costs of administering the Plan. Until paid, the expenses shall constitute a liability of the Trust Fund. However, the Employer may reimburse the Trust for any administration expense incurred pursuant to the above. Any administration expense paid to the Trust as a reimbursement shall not be considered as an Employer contribution.

14.10 ALLOCATION AND DELEGATION OF PLAN ADMINISTRATOR AND TRUSTEE RESPONSIBILITIES - If more than one person is appointed as Plan Administrator or Trustee, the

responsibilities of each Administrator and Trustee may be specified by the

Employer and accepted in writing by each Fiduciary. In the event that no such delegation is made by the Employer, the Plan Administrators and Trustees may allocate their responsibilities among themselves, in which event they shall notify the Employer in writing of such action and indicate their specific responsibilities. The Employer and other Fiduciaries thereafter shall accept and rely upon any documents executed by the appropriate Fiduciary until such time as the Employer revokes any such allocation or designation.

14.11 MAJORITY ACTIONS - Except where there has been an allocation and delegation of Fiduciary responsibilities pursuant to Section 14.10, if there shall be more than one Plan Administrator or Trustee, they shall act by majority vote, but may authorize one or more of them to sign all papers on their behalf. The Retirement Plan Committee shall act by majority vote of all members.

All actions, determinations, interpretations and decisions of Plan Fiduciaries with respect to any matter within their jurisdiction will be conclusive and binding on all persons. Any person may rely conclusively upon any action if certified by the appropriate Fiduciary.

14.12 LIABILITY FOR BREACH BY CO-FIDUCIARY - The Employer, Plan Administrator, Retirement Plan Committee and Trustee shall not be liable or responsible for the acts of commission or omission of another Fiduciary unless (i) such Fiduciary knowingly participated in or knowingly attempted to conceal the act or omission of another Fiduciary and knew the act or omission was a breach of fiduciary responsibility by the other Fiduciary; or (ii) such Fiduciary has knowledge of a breach by the other Fiduciary and does not take reasonable efforts to remedy the breach; or (iii) such Fiduciary's breach of its own fiduciary responsibility permitted the other Fiduciary to commit a breach.

14.13 RECORDS AND REPORTS - Each Fiduciary shall keep a record of all actions taken and shall keep all other books of account, records, and other data that may be necessary for proper administration of the Plan. The Plan Administrator shall be responsible for supplying all information and reports to the Internal Revenue Service, the Department of Labor, Participants, Beneficiaries and others as required by law.

ARTICLE XV

TRUSTEE AND TRUST FUND INVESTMENTS

15.01 IN GENERAL - Subject to the direction of the Employer or any duly appointed Investment Manager (pursuant to the terms of Sections 15.01 and 15.04 of the Adoption Agreement) or subject to the direction of Participants (to the extent the Plan provides for Participant investment direction pursuant to Section 15.05 of the Adoption Agreement), the Trustee shall receive all contributions to the Trust and shall hold, invest, manage, and control the whole or any part of the assets in accordance with the provisions of the Trust. The Trustee, in signing the Trust, accepts and agrees to carry out all of the provisions of the Trust.

The Trustee shall have no responsibility or authority in connection with the determination of the amounts to be transferred to it from time to time on behalf of Participants or as Employer contributions.

No duties or obligations shall be imposed upon the Trustee with respect to the Trust Fund by any instrument to which the Trustee is not a party, unless they have been specifically undertaken by the Trustee by the express terms of this Plan.

15.02 APPOINTMENT, RESIGNATION AND REMOVAL OF TRUSTEE - The Employer shall select an individual or individuals or institution to serve as Trustee.

The Trustee may resign at any time by giving written notice to the Employer, such resignation to take effect not less than thirty (30) days after the delivery thereof to the Employer (unless notice of a shorter duration shall be accepted as adequate). The Employer may remove any Trustee at any time by giving notice to the Trustee, such removal to take effect not less than thirty (30) days after the delivery thereof to the

Trustee (unless notice of a shorter duration shall be accepted as adequate). No such removal of the Trustee shall become effective, however, until all sums due hereunder to the Trustee for its compensation and expenses shall have been paid to it, nor until the appointment by the Employer and qualification of a successor Trustee to which the Trustee may make transfer and delivery of the Trust Fund.

Any successor Trustee hereunder may be either a corporation authorized and empowered to exercise trust powers or may be one or more individuals. In either event, the appointment of a successor Trustee shall not be effective until such successor Trustee delivers its written acceptance of trust to the Trustee resigning or being replaced. All of the provisions set forth herein with respect to the Trustee shall relate to each successor Trustee so appointed with the same force and effect as if such successor Trustee had been originally named herein as the Trustee hereunder.

In the case of the resignation or removal of the Trustee, the Employer or the Trustee shall have the right to a settlement of the Trustee's accounts, as provided in Section 15.10. Upon the completion of such accounting and upon the appointment of a successor Trustee, the resigning or removed Trustee shall transfer and deliver the Trust Fund to such successor Trustee, after reserving such reasonable amount as it shall deem necessary to provide for its expenses in the settlement of its account, the amount of any compensation due to it and any sums chargeable against the Trust Fund for which it may be liable, but if the sums so reserved are not sufficient for such purposes, the resigning or removed Trustee shall be entitled to reimbursement for any deficiency from the successor Trustee and the Employer, and each of them, and shall thereupon be discharged from further accountability for the Trust Fund by reason of any matter embraced in such accounting, and shall be under no further duty, obligation or responsibility for the disposition by such successor Trustee of the Trust Fund or any part thereof, but the Trustee shall, in any event, properly account for any such sums reserved by it.

15.03 POWERS OF TRUSTEE - The Trustee shall have all of the power necessary for carrying out the purposes of this Trust, and without limiting the powers and authority of the Trustee, except as provided in Subsection (s) below, the Trustee shall have the right at any time and from time to time with respect to any or all of the property which shall at any time or times form part of the principal or income of the Trust Fund:

(a) To invest and reinvest or otherwise deposit the Trust assets in savings accounts, time deposit accounts, certificates of deposit, money market funds, or other evidences of deposit issued by the Trustee and/or other national bank, savings and loan institution, state member bank, state non-member bank, or other depository institution which now or in the future is an affiliate or subsidiary of the Trustee or of Banc One Corporation; and to invest and reinvest in any property, real, personal or mixed, wherever situated and whether or not productive of income or consisting of wasting assets, including without limitation, common and preferred stocks, bonds, notes, (including notes evidencing the indebtedness of Participants, former Participants and Beneficiaries, for amounts borrowed from the Trust Fund) debentures (including convertible stocks and securities), Qualifying Employer Securities (as defined in Section 407(d)(5) of ERISA), financial futures contracts, options to purchase or sell securities, mortgages, equipment trust certificates, investment trust certificates, shares of investment companies, certificates of indebtedness, acceptances, bills of exchange, treasury bills, commercial paper, (including participation in pooled commercial paper accounts), real property, leaseholds, tangible and intangible personal property, life insurance Policies, individual and group annuity contracts and guaranteed investment contracts issued by a duly licensed insurance company, including any such policies and contracts issued by any such insurance company which may be an affiliate of the Trustee, bank investment contracts, repurchase agreements, variable rate or amount notes, interests in trusts, interests in or shares of regulated investment companies or other investment companies, including investment companies for which the Trustee, or an affiliate of the Trustee, may act as investment advisor (whether or not incorporated and whether or not registered

under the Investment Company Act of 1940), evidences of dollar denominated indebtedness in domestic or foreign corporations or other enterprises, and indebtedness of foreign governments, foreign agencies and international organizations, without regard to the proportion any such property may bear to the entire amount of the Trust Fund; provided, however, that the Trust Fund shall be diversified so as to minimize the risk of large losses unless under the circumstances it is clearly not prudent to do so, in the sole discretion of the Trustee;

(b) To sell for cash or on credit, to grant options, convert, redeem, exchange for other securities or other property, or otherwise to dispose of any securities or other property at any time held by it;

(c) To retain any property at any time received by it as Trustee;

(d) To settle, compromise or submit to arbitration, any claims, debts or damages, due or owing to or from the Trust, to commence or defend suits or legal proceedings and to represent the Trust in all suits or legal proceedings; provided, however, that the Trustee shall not be required to take any such action unless it shall have been indemnified by the Employer to its satisfaction against liability or expenses it might incur therefrom;

(e) To participate in any plan of reorganization, consolidation, merger, combination, liquidation or other similar plan relating to property held by it and to consent to or oppose any such plan or any action thereunder or any contract, lease, mortgage, purchase, sale or other action by any person;

(f) To exercise any conversion privilege and/or subscription right available in connection with any securities or other property at any time held by it, to oppose or to consent to the reorganization, consolidation, merger, or readjustment of the finances of any corporation, company or association or to the sale, mortgage, pledge or lease of the property of any corporation, company or association any of the securities of which may at any time be held by it and to do any act with reference thereto, including the exercise of options, the making of agreements or subscriptions and the payment of expenses, assessments or subscriptions, which may be deemed necessary or advisable in connection therewith, and to hold and retain any securities or other property which it may so acquire;

(g) To extend the time of payment of any obligation held by it;

(h) To hold uninvested any moneys received by it, without liability for interest thereon, until such moneys shall be invested, reinvested or disbursed;

(i) To exercise, personally or by general or by limited power of attorney, any right, including the right to vote, appurtenant to any securities or other property held by it at any time;

(j) For the purposes of the Trust, to borrow money in such amounts and upon such terms and conditions as shall be deemed advisable or proper to carry out the purposes of the Trust and to pledge any securities or other property for the repayment of any such loan;

(k) To manage, administer, operate, insure, lease for any number of years, develop, improve, repair, alter, demolish, mortgage, pledge, grant options with respect to, or otherwise deal with any real property or interest therein at any time held by it, and to cause to be formed a corporation or trust to hold title to any such real property with the aforesaid powers, all upon such terms and conditions as may be deemed advisable;

(l) To renew or extend or participate in the renewal or extension of any mortgage, upon such terms as may be deemed advisable, and to agree to a reduction in the rate of interest on any mortgage or to any other modification or change in the terms of any mortgage or of any guarantee pertaining thereto, in any manner and to any extent that may be deemed advisable for the protection of the Trust Fund or the

preservation of the value of the investment; to waive any default whether in the performance of any covenant or condition of any mortgage or in the performance of any guarantee, or to enforce any such default in such manner and to such extent as may be deemed advisable; to exercise and enforce any and all rights of foreclosure, to bid in property on foreclosure, to take a deed in lieu of foreclosure with or without paying a consideration therefor and in connection therewith to release the obligation on the bond secured by such mortgage, and to exercise and enforce in any action, suit or proceedings at law or in equity any rights or remedies in respect to any such mortgage or guarantee;

(m) To employ suitable agents, including custodians, record keepers, auditors, depositories and counsel, who may be counsel for the Employer, and to act in accordance with their advice and to pay their reasonable expenses and compensation. The opinion of such counsel on any question submitted to such counsel shall be full and complete protection in respect to any action taken or suffered by the Trustee hereunder in good faith and in accordance with the opinion of such counsel;

(n) To cause any property or securities at any time held in the Trust Fund to be registered in the name of one or more nominees of the Trustees, without disclosure of the trust, or in the name of a nominee of any custodian, or to hold any securities at any time held in trust in bearer form so that they will pass by delivery; to combine certificates representing securities with certificates of the same issue held by the Trustee in other fiduciary capacities or to deposit or to arrange for the deposit of such securities with a depository or clearing corporation, even though where deposited such securities may be held in the name of the nominee of such depository with other securities deposited therewith by other persons, provided, however, that the books and records of the Trustee shall at all times show that all such securities are part of the Trust Fund;

(o) To make, execute and deliver, as Trustee, any and all deeds, leases, mortgages, conveyances, contracts, waivers, releases or other instruments in writing necessary or proper for the accomplishment of any of the foregoing powers;

(p) To invest and reinvest (or withdraw from investment) all or any portion of the funds hereunder in units of participation in one or more Collective Investment Trusts, including a Collective Investment Trust established and maintained by the Trustee or any other party in interest. The Trustee's authority to invest in such units of participation shall not be limited by any statute, other rule of law, or custom prohibiting or restricting the commingling of trust assets. As long as any of the funds hereunder are so invested, the terms of any such Collective Investment Trust, together with any amendments heretofore or hereafter made thereto, are hereby incorporated into this Trust and made a part hereof, as long as any of the funds hereunder are invested therein, as fully as if the same had been set out herein at length, and shall apply to all assets transferred to said Collective Investment Trust. The Trustee shall not be obligated to invest the funds so contributed in a Collective Investment Trust until the Plan (if a Non-Standardized Plan) has been approved by the Internal Revenue Service;

(q) To lend any securities to brokers or dealers and to secure the same in any manner and, during the term of any such loan, to permit the securities so lent to be transferred in the name of, and voted by, the borrower or others;

(r) To invest in Qualifying Employer Securities, as that term is defined in ERISA Section 407(d)(5), subject to all applicable provisions of ERISA and the Code, as amended from time to time, and the regulations promulgated thereunder. If the Plan is a Non-standardized Profit Sharing Plan or a Non-standardized 401(k) Plan, then the Employer may elect to permit the aggregate investments in Qualifying Employer Securities to exceed 10% of the value of the Plan's assets.

(s) Generally, to do all acts, whether or not expressly authorized, that the Trustee may deem necessary or desirable for the protection of the Trust Fund;

(t) If the Employer has appointed an Investment Manager with respect to the Plan with the power to direct the investment and reinvestment of all or part of the Trust Fund, the Investment Manager shall, unless its appointment provides otherwise, have the power to direct the Trustee in the exercise of the powers described in paragraphs (a) through (r) above with respect to all or part of the Trust Fund, as the case may be, and the Trustee

shall, upon receipt of a copy of the Investment Manager's appointment and written acknowledgement of such appointment, satisfactory in form to the Trustee, exercise such powers as directed in writing by the Investment Manager, unless it knows that such direction is a breach of the Investment Manager's duty to act with 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. The Trustee shall not be liable for any diminution in the value of the Trust Fund as a result of following any such direction or as a result of not exercising any such powers in the absence of any such direction; and

(u) If a Participant, in accordance with Section 15.05 of the Adoption Agreement, may individually direct the investment of any part or all of the Trust Fund credited to his/her Accounts, the Participant shall have the power to direct the Trustee in the exercise of the powers described in paragraphs (a) through (s) above and paragraph (u) below with respect to such portion of the Trust Fund, and the Trustee shall, upon receipt of a written direction from the Participant, exercise such powers in accordance with such direction. The Trustee shall not be liable for investments made in compliance with such written directions or for any diminution in the value of such portion of the Trust Fund as a result of following such directions, and, further, shall be under no duty or obligation to review, evaluate or reevaluate the investments made pursuant to such directions.

15.04 EMPLOYER OR INVESTMENT MANAGER MAY DIRECT INVESTMENT PROGRAM - The Employer, at its discretion, shall have full authority to direct the Trustee in the investments of all or a portion of the Trust Fund or the Employer may appoint an Investment Manager to so direct the Trustee as indicated in Sections 15.01 and 15.04 of the Adoption Agreement. Any such direction shall be in writing bearing an authorized signature, and may be of a continuing nature or otherwise.

15.05 PARTICIPANT DIRECTED INVESTMENTS - If and to the extent so specified by the Employer in Section 15.05 of the Adoption Agreement, each Participant may direct the Trustee to separate and keep separate all or a portion of his Accounts; and further each Participant is authorized and empowered, in his sole and absolute discretion, to give directions to the Trustee in such form as the Trustee may require concerning the investment of such portion of his Accounts, which directions must be followed by the Trustee subject, however, to Subsection 15.03(u) and to the restrictions on payment of life insurance premiums described in Section 2.34. Neither the Trustee nor any other person, including the Plan Administrator, shall be under any duty to question any investment direction of the Participant authorized by this Section or make any suggestions to the Participant in connection therewith, and the Trustee shall comply as promptly as practicable with directions given by the Participant hereunder. Any such direction may be of continuing nature or otherwise and may be revoked by the Participant at any time in such form as the Trustee may require. The Trustee shall not be responsible or liable for any loss or expense which may arise from or result from compliance with any directions from the Participant nor shall the Trustee be responsible for, or liable for, any loss or expense which may result from the Trustee's refusal or failure to comply with any directions from the Participant. The Trustee may refuse to comply with any direction from the Participant in the event the Trustee, in its sole and absolute discretion, deems such directions

improper by virtue of applicable law. Any costs and expenses related to compliance with the Participant's directions shall be borne by the Participant's Account.

15.06 RELIANCE ON INSTRUCTIONS - The Trustee may rely on any order, request, or other paper believed by the Trustee to be genuine and to be signed or presented by the proper party or parties and may rely upon the Plan Administrator for the mailing addresses of Participants and Employees.

15.07 VOTING AND OTHER ACTION - Subject to the provisions of Sections 15.13 and 15.14, the Employer specifically reserves the right to direct the Trustee with respect to the voting of all stocks, securities and other investments held by the Trustee as part of the Trust Fund.

15.08 DISCLOSURE - The Trustee is not authorized to disclose and shall not disclose the name, address, or security positions of the beneficial owners of the Trust in response to requests concerning shareholder communications under Section 14 of the Securities Exchange Act of 1934, the rules and regulations thereunder, or any similar statute, regulation, or rule in effect from time to time.

15.09 RETURNS AND REPORTS - The Plan Administrator shall furnish to the Trustee, and the Trustee shall furnish to the Plan Administrator, such information relevant to the Trust as may be required under the Internal Revenue Code and Regulations and by the Federal Department of Labor. The Trustee shall keep such records and file with the Internal Revenue Service such returns and other information concerning the Trust as may be required of it under the Internal Revenue Code and Regulations issued or forms adopted thereunder.

15.10 RECORDS AND ACCOUNTS - The Trustee shall keep accurate and detailed records and accounts of all of its receipts and disbursements. The Trustee's books and records with respect to the Trust Fund shall be open to inspection by the Employer at all reasonable times during business hours of the Trustee. The Trustee shall render from time to time, and not less frequently than once per year, accounts of its transactions to the Employer and certify to the accuracy thereof. The Employer may approve such accounts by an instrument in writing delivered to the Trustee. In the absence of the filing in writing with the Trustee by the Employer of exceptions or objections to any such account within sixty (60) days, the Employer shall be deemed to have approved such account; and in such case, or upon the written approval of the Employer of any such account, the Trustee shall be released, relieved and discharged with respect to all matters and things set forth in such account as though such account had been settled by the decree of a court of competent jurisdiction. No person other than the Employer may require an accounting or bring any action against the Trustee with respect to the Trust or its action as Trustee. The Trustee or the Employer shall have the right to apply at any time to a court of competent jurisdiction for judicial settlement of any account of the Trustee not previously settled as herein provided or for the determination of any question of construction or for instructions. In any such action or proceeding it shall be necessary to join as parties only the Trustee and the Employer (although the Trustee may also join such other parties as it may deem appropriate), and any judgment or decree entered therein shall be conclusive.

In the case of the revocation or termination of this Trust, or in case of the resignation or removal of the Trustee, the Employer and the Trustee shall have the right to a settlement of the Trustee's accounts, which accounting may be made either (i) by agreement of settlement between the Trustee and the Employer, or (ii) by judicial settlement in an action, suit or proceeding instituted by the Employer or the Trustee in a court of competent jurisdiction.

15.11 INDEMNIFICATION OF TRUSTEE - The Employer shall indemnify and save harmless the Trustee from and against any and all claims, loss, damages, expenses (including reasonable counsel fees) and liability to which the Trustee may be subjected by reason of any act done or omitted to be done except where the same is finally adjudicated to be due to the negligence

or wilful misconduct of the Trustee.

If the Trustee is at any time acting as a successor Trustee, the Employer shall indemnify and save harmless the Trustee from and against any and all claims, losses, damages, expenses (including reasonable counsel fees), taxes and liability incurred by or assessed against it as a successor Trustee, as a direct or indirect result of any act or omission of a predecessor Trustee or any act or omission of any other person occurring prior to the date of appointment of the Trustee as successor Trustee. In addition, the Trustee shall not be liable for any losses to the Trust Fund resulting from the disposition of any investment which shall have been made by a predecessor Trustee or for the retention thereof if the Trustee is unable to dispose of such investment because of any Federal or state securities laws, restrictions or the unmarketable or illiquid nature of such investments, or if an orderly liquidation is difficult under prevailing conditions.

15.12 FEES AND TAXES, EXPENSES AND COMPENSATION OF TRUSTEE - The Trustee shall pay out of the Trust Fund all real and personal taxes and other taxes of any and all kinds levied or assessed under existing or future laws against the Trust Fund. The Trustee shall be paid its reasonable expenses for the management and administration of the Trust Fund, including without limitation reasonable expenses of counsel, custodians, and other agents employed by the Trustee, and reasonable compensation for its services as Trustee hereunder, the amount of which shall be agreed upon from time to time by the Employer and the Trustee in writing; provided, however, that if the Trustee forwards an amended fee schedule to the Employer requesting its agreement thereto and the Employer fails to object thereto within thirty (30) days of its receipt, the amended fee schedule shall be deemed to be agreed upon by the Employer and the Trustee. Such expenses and compensation may be paid by the Employer, but if they are not paid by the Employer, they shall be paid by the Trustee from the Trust Fund.

15.13 VOTING EMPLOYER STOCK - Each Participant and Beneficiary shall have the power to direct the Trustee in the voting of all Qualifying Employer Securities, as that term is defined in ERISA Section 407(d)(5), allocated to that person's Accounts. All voting of Qualifying Employer Securities shall be in compliance with all applicable rules and regulations of the Securities and Exchange Commission and all applicable rules of or any agreement with any stock exchange on which the Employer stock being voted is traded. The Trustee shall vote all Qualifying Employer Securities as directed by the Participant.

15.14 TENDER OFFERS - Each Participant and Beneficiary shall have the sole right to direct the Trustee as to the manner in which to respond to a tender or exchange offer for Qualifying Employer Securities, as that term is defined in ERISA Section 407(d)(5), allocated to such person's Accounts. The Employer shall use its best efforts to notify or cause to be notified each Participant and Beneficiary of any tender or exchange offer and to distribute or cause to be distributed to each Participant and Beneficiary such information as is distributed in connection with any tender or exchange offer to holders generally of Employer stock, together with the appropriate forms for directing the Trustee as to the manner in which to respond to such tender or exchange offer. Upon timely receipt of such directions from the Participant or Beneficiary, the Trustee shall respond to the tender or exchange offer in accordance with, and only in accordance with, such directions. If

the Trustee does not receive timely directions from a Participant or Beneficiary, the Trustee shall respond to the tender or exchange offer for Employer stock on behalf of the Participant or Beneficiary in such manner as the Trustee deems appropriate.

ARTICLE XVI

THE INSURER

16.01 INSURER NOT A PARTY TO THE TRUST - The Insurer shall be protected in treating the Trustee as absolute owner of any individual or group annuity contract, guaranteed investment contract or other contract or life insurance Policy issued to the Trustee and may rely on directions received

from the Trustee. The Insurer shall not be required to take or permit any action contrary to the provisions of any such contract or life insurance Policy issued hereunder, or be bound to allow any benefit or privilege to any Plan Participant covered by the contract or Policy which is not provided for in such contract or Policy.

The Insurer shall deal with and accept the signature of the Trustee in connection with any changes or actions under its group annuity contract or Policy and shall have no liability to inquire as to the Trustee's authority nor to determine that the Trustee has obtained any necessary direction, signature, or consents. Any sums paid out by the Insurer under any of the terms of any group annuity contract or life insurance Policy to the Trustee or in accordance with his direction or to any other person or persons to whom payment should be made shall be a complete and full discharge of liability of such payment, and the Insurer shall have no obligations as to the disposition of any funds to be paid.

The Insurer shall be fully protected in accepting premiums on any group annuity contract or life insurance Policy it may issue under this Trust and shall have no responsibility to make any inquiry as to the Trustee's authority to make such payment.

The Insurer shall be fully protected at all times in dealing with the person or corporation who is Trustee according to the latest notification received by the Insurer at its Home Office.

No amendment to this Trust shall, regardless of its provisions, deprive the Insurer of any of its exemptions and immunities hereunder.

ARTICLE XVII

LIFE INSURANCE POLICIES

17.01 GENERAL RULES - If and to the extent permitted by the Employer, at the request and direction of a Participant the Trustee shall invest in life insurance Policies, subject to the following:

(a) each Policy shall be issued by the Insurer to the Trustee only and shall provide for premiums payable in accordance with the terms of the Policy. Purchase of Policies in accordance with this Section 17.01 shall constitute an investment of amounts allocated to the appropriate Account of the Participant, and each such Account shall be reduced by the amount paid for such Policies,

(b) as provided in Section 12.06, the Trustee shall be designated as Beneficiary of any Policy issued hereunder, and upon the death of the Participant the Trustee shall pay or apply the Policy proceeds for the benefit of the appropriate Plan Beneficiary,

(c) each Policy shall be a Policy between the Insurer and Trustee and shall reserve to the Trustee all rights, options and benefits,

(d) each life insurance Policy shall provide a full or increasing death benefit,

(e) each Policy shall provide settlement options (including lump sum cash payment in the event of the surrender or maturity of such Policy) subject, however, to Section 12.07,

(f) any dividend payable while a Policy is on a premium paying basis shall be applied or accumulated as indicated on the Policy application for the benefit of the Participant on whose life the Policy was issued,

(g) all classes of life insurance Policies purchased hereunder shall be alike or substantially alike as to settlement option provisions, cash values, and as to other Policy provisions, subject, however, to the provisions of Sections 17.01(h), 17.01(i) and 17.01(j),

(h) if an eligible Employee is determined to be insurable by the Insurer at its standard rates, a Policy shall be obtained upon his life, if available from the Insurer, which provides a life insurance death

benefit prior to retirement to which the eligible Employee is entitled,

(i) if an eligible Employee is not insurable at the standard rates of such Insurer, if permitted under the Policy being issued, the Policy shall provide for a reduced but increasing death benefit as determined by the Insurer (usually called increasing or graded death benefit),

(j) if an eligible Employee is not insurable at the standard rates of the Insurer, each Employee may elect to pay any excess premium that may be required in order to obtain a Policy providing for full death benefits described in Section 17.01(h), if the Insurer shall agree to issue such a Policy,

(k) the Insurer shall only issue Policies which conform to the terms of the Plan.

17.02 PROCEDURE FOLLOWED TO OBTAIN POLICIES - The Trustee shall apply to the Insurer for Policies on the lives of Participants with completed applications as may be required by the Insurer, such Policies to have benefits which are purchasable by a premium equal to the portion of the contribution allocated for that purpose.

17.03 KEY MAN INSURANCE - The Trustee shall have the power, which shall be exercised upon direction of the Employer or any duly appointed Investment Manager, to invest in life insurance Policies on the lives of key Employees of the Employer, payable on death to the Trust as beneficiary. Such Policies shall be vested exclusively in the Trustee for the benefit of the Trust, and death proceeds received under any such Policy shall be considered to be an additional Employer Contribution.

ARTICLE XVIII

TRANSFER OF ASSETS, ROLLOVER CONTRIBUTIONS

18.01 TRANSFER FROM OTHER QUALIFIED PLANS - With the consent of the Plan Administrator, the Trustee may accept funds and property transferred from other pension, profit sharing or stock bonus plans qualified under Code Section 401(a) or 403(a) or Rollover Amounts, provided that the plan from which such funds and property are transferred permits the transfer to be made.

In the event of a transfer to this Plan, the Trustee shall maintain a 100% vested and nonforfeitable account for the amount transferred and its share of the Trust Fund's accretions or losses, to be known as the Participant's Rollover Account. At the Trustee's direction, the Plan Administrator shall separately account for transferred funds and Rollover Amounts within a Participant's Rollover Account.

"Rollover Amount" means any rollover contribution or eligible rollover distribution described in Code Section 402(a)(5) (for years prior to 1993), 402(c)(4) (for years after 1992), 403(a)(4) or 408(d)(3)(A)(ii).

An Employee who makes a contribution to the Plan described in this Section shall become a Plan Participant on the date the Trustee accepts the contribution. However, no 401(a) or 401(k) Employer Contributions or Employer Match Contributions will be made on behalf of such Employee nor will the Employee be eligible to enter into a salary reduction agreement, to share in Plan forfeitures or to make Voluntary After-Tax Contributions until the Employee satisfies the Plan eligibility requirements set forth in Section 3.02 of the Adoption Agreement.

In the case of a Profit Sharing or 401(k) Plan, if elected by the Employer in Section 10.01 of the Adoption Agreement, a Participant shall have the right at any time (or at any time after he attains Age 59 1/2, if so specified by the Employer in the Adoption Agreement) to request a withdrawal in cash of the portion of his Accrued Benefit attributable to his Rollover Contributions. If necessary to comply with the requirements of Section 12.08, the Plan Administrator shall require the consent of the Participant's spouse before making any withdrawal. Any such consent shall satisfy the requirements of Section 12.08. Subject to any limitations or

restrictions imposed pursuant to Section 10.03, any such amount requested to be withdrawn shall be paid within 90 days following the date written request therefor is received by the Plan Administrator. Values not so withdrawn, including any increments earned on withdrawn amounts prior to withdrawal, shall be distributed to the Participant or his Beneficiary at such time and in such manner as the Trust otherwise provides for Account distributions.

No forfeitures will occur solely as a result of an Employee's withdrawal of Rollover Contributions.

The portion of a Participant's Accrued Benefit attributable to Rollover Contributions shall be 100% vested and nonforfeitable at all times.

18.02 PARTICIPANT TRANSFERS TO OTHER QUALIFIED PLANS -

(a) For distributions made prior to January 1, 1993, upon the request of a Participant upon his termination of employment, the Trustee, at the direction of the Plan Administrator, shall transfer the vested portion of his Accrued Benefit, if any, to another pension, profit sharing or stock bonus plan maintained by such Participant's employer and meeting the requirements of Code Section 401(a) or 403(a), provided that the plan to which such transfer is to be made permits the transfer.

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

(ii) Definitions.

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

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

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

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

(c) Unless the Plan is a profit sharing plan described in Subsection 12.08(e), if the Participant's vested Accrued Benefit attributable to Employer and Employee contributions and Plan transfers exceeds (or at the time of any prior distribution exceeded) $3,500, the Plan Administrator shall require the consent of the Participant's spouse before authorizing the transfer. Any such spousal consent shall satisfy the requirements of Section 12.08.

ARTICLE XIX

CLAIMS PROCEDURE

19.01 CLAIMS FIDUCIARY - The Retirement Plan Committee will act as Claims Fiduciary except to the extent that the Employer has allocated the function to someone else.

Notwithstanding anything in the Plan and Trust to the contrary, the Claims Fiduciary shall have total discretion to fulfill their fiduciary responsibilities as they see fit on a uniform and consistent basis and as they believe a prudent person acting in a like capacity and familiar with such matters would do.

19.02 CLAIMS FOR BENEFITS - Claims for benefits under the Plan must be made in writing to the Plan Administrator. For the purpose of this procedure, "claim" means a request for a Plan benefit by a Participant or a Beneficiary of a Participant. If the basis of the claim includes documentation not a part of the records of the Plan or of the Employer, all such documentation must be included with the claim.

19.03 NOTICE OF DENIAL OF CLAIM - If a claim is wholly or partially denied, the Plan Administrator shall notify the claimant of the denial of the claim within a reasonable period of time. Such notice of denial (i) shall be in writing, (ii) shall be written in a manner calculated to be understood by the claimant, and (iii) shall contain (a) the specific reason or reasons for denial of the claim, (b) a specific reference to the pertinent Plan provisions upon which the denial is based, (c) a description of any additional material or information necessary for the claimant to perfect the claim, along with the explanation why such material or information is necessary, and (d) an explanation of the Plan's claim review procedure. Unless special circumstances require an extension of time for processing the claim, the Plan Administrator shall notify the claimant of the claim denial no later than 90 days after the Administrator's receipt of the claim. If such an extension is required, written notice of the extension shall be furnished to the claimant prior to the termination of the initial 90-day period. In no event shall such extension exceed a period of 90 days from the end of such initial period. The extension notice shall indicate the special circumstances requiring the extension of time and the date by which the Plan Administrator expects to render the final decision.

19.04 REQUEST FOR REVIEW OF DENIAL OF CLAIM - Within 120 days of the receipt by the claimant of the written notice of denial of the claim or if the claim has not been granted within a reasonable period of time, the claimant or his duly authorized representative may file a written request with the Claims Fiduciary to conduct a full and fair review of the denial of the claimant's claim for benefit. In connection with the claimant's appeal of the denial of his benefit, the claimant or his duly authorized representative may review pertinent documents and may submit issues and comments in writing.

19.05 DECISION ON REVIEW OF DENIAL OF CLAIM - The Claims Fiduciary shall deliver to the claimant a written decision on the claim promptly, but not later than 60 days after the receipt of the claimant's request for review, except that if there are special circumstances which require an extension

of time for processing, the aforesaid 60-day period may be extended to 120 days by written notice delivered to the claimant prior to the expiration of the initial 60-day period. Such decision shall (i) be written in a manner calculated to be understood by the claimant, (ii) include specific reasons for the decision, and (iii) contain specific references to the pertinent Plan provisions upon which the decision is based. Notwithstanding any provisions elsewhere to the contrary, the Claims Fiduciary shall have total discretion to make decisions as they see fit on a uniform and consistent basis, as they believe a prudent person acting in a like capacity and familiar with such matters would do.

ARTICLE XX

AMENDMENT AND TERMINATION

20.01 AMENDMENT OF PLAN - The right is reserved to the Employer to amend its Plan at any time and from time to time and all parties or any person claiming any interest hereunder shall be bound thereby; except no person having an already vested interest in such Plan shall be deprived of any interest already existing nor have such interest adversely affected. No such amendment shall have the effect of vesting in the Employer any right, title or interest to any assets held under the Trust.

The decision of the Employer shall be binding upon the Participants and all other persons and parties interested, as to whether or not any amendment does deprive a Participant or any other person or adversely affects such interest. The consent of the Trustee shall not be necessary to any Plan amendment unless in its opinion its duties or liabilities have been increased. No amendment to the Adoption Agreement shall be made or shall be valid if it would result in causing the Employer's Plan to become disqualified under the controlling provisions of the Internal Revenue Code or any of its applicable Regulations or applicable and controlling rulings of the Secretary of the Treasury or his delegate, or under final decisions of any Federal Court. Participants shall be notified of any Plan amendments. No such amendment shall affect any other Employer who had adopted this Plan.

No amendment to the Plan shall be effective to the extent that it has the effect of decreasing a Participant's Accrued Benefit. Notwithstanding the preceding sentence, a Participant's Account balance may be reduced to the extent permitted under Section 412(c)(8) of the Internal Revenue Code. For purposes of this paragraph, a Plan amendment which has the effect of decreasing a Participant's Account balance or eliminating an optional form of benefit, with respect to benefits attributable to service before the amendment shall be treated as reducing an Accrued Benefit. Furthermore, no amendment to the Plan shall have the effect of decreasing a Participant's vested interest determined without regard to such amendment as of the later of the date such amendment is adopted or the date it becomes effective.

The Employer may (1) change the choice of options in the Adoption Agreement, (2) add overriding language in the Adoption Agreement when such language is necessary to satisfy Section 415 or Section 416 of the Code because of the required aggregation of multiple plans, and (3) add certain model amendments published by the Internal Revenue Service which specifically provide

that their adoption will not cause the Plan to be treated as individually designed. An Employer that amends the Plan for any other reason will no longer participate in this master or prototype plan and will be considered to have an individually designed plan.

In the case of any merger, consolidation with or transfer of assets or liabilities by the Employer to another Plan, each Participant in the Plan on the date of the transaction shall have a benefit in the surviving Plan (determined as if such Plan were terminated immediately after the transaction) at least equal to the benefit to which he would have been entitled to receive immediately prior to the transaction if the Plan had then terminated. However, this provision shall not be construed to be a termination or discontinuance of Plan or to be a guarantee of a specific level of benefits from this Plan.

20.02 AMENDMENT OF PROTOTYPE PLAN AND ADOPTION AGREEMENT - Subject to Section 20.01, Bank One may amend this Prototype Plan and Trust and Adoption Agreement, and, if amended, shall mail or deliver to each adopting Employer who has registered with Bank One a copy of such amendment as it has been approved by the Internal Revenue Service. Each Employer and Trustee shall be deemed to have consented to any such amendment by its original execution of the Adoption Agreement for this Plan and Trust unless Bank One is otherwise advised in writing by the Employer.

20.03 EMPLOYER MAY DISCONTINUE PLAN - The Employer reserves the right at any time to reduce its annual payments, to partially terminate the Plan or to terminate the Plan in its entirety. Any such termination or partial termination of such Plan shall become effective immediately upon receipt by the Trustee of a written notice from the Employer of such action.

In the event of the liquidation of the Employer or the bona fide sale of the controlling interest thereof, such Employer or its successors or assigns shall not be obligated to continue this Plan.

In the event of termination of the Plan there shall be a 100% vesting and nonforfeitability of all rights and benefits under this Trust and Plan of all affected Participants irrespective of their length of participation under the Plan. However, the Trust shall remain in existence, and all of the provisions of the Trust shall remain in force which are necessary in the sole opinion of the Trustees, other than the provisions relating to Employer contributions. All of the assets on hand on the date of termination or discontinuance of contributions shall be held, administered and distributed by the Trustees in the manner provided in the Plan, except that a Participant shall have a 100% vested and nonforfeitable interest in his Accrued Benefit, subject to Section 20.05.

Subject to Section 20.05, in the event of Plan termination any other remaining assets of the Trust Fund shall also be vested in Participants on a pro rata basis based on their respective Account balances (other than their Tax Deductible Voluntary Contribution and Rollover Accounts) in relation to the aggregate of all such Account balances.

In the event of a partial termination of Plan, this section will only apply to those Participants who are affected by such partial termination of Plan.

In the event that the Employer shall decide to terminate completely the Plan and Trust, they shall be terminated as of a date to be specified in a notice to be delivered to the Trustees. Upon termination of the Plan and Trust, after payment of all expenses and proportional adjustment of Participants' Accounts to reflect such expenses, fund profits or losses and reallocations to the date of termination, each Participant shall be entitled to receive any amounts then credited to his Accounts. The Trustee may make payment of such amounts in cash, in assets of the fund, or in the form of an immediate or deferred annuity, whichever the Plan Administrator may direct.

20.04 DISCONTINUANCE OF CONTRIBUTIONS - In the case of a Profit Sharing Plan, in the event that the Employer shall completely discontinue its contributions, the Accounts of each affected Participant shall be fully vested and nonforfeitable. After a discontinuance of contributions, Plan benefits shall be payable to Participants or their Beneficiary upon death, disability, retirement, termination of employment or termination of Plan in accordance with the provisions of the Plan applicable upon the occurrence of any such event.

20.05 RETURN OF EMPLOYER CONTRIBUTIONS UNDER SPECIAL CIRCUMSTANCES - Notwithstanding any provisions of this Plan and Trust to the contrary:

(a) Any contributions made by the Employer because of a mistake of fact must be returned to the Employer within one year of the contribution.

(b) In the event the deduction of the contribution made by the Employer is disallowed under Section 404 of the Code, such contribution(to the extent disallowed) must be returned to the Employer within one

year of the disallowance of the deduction.

(c) In the event that the Commissioner of Internal Revenue determines that the Plan is not initially qualified under the Internal Revenue Code, any contribution made incident to that initial qualification by the Employer must be returned to the Employer within one year after date the initial qualification is denied, but only if the application for the qualification is made by the time prescribed by law for filing the Employer's return for the taxable year in which the Plan is adopted, or such later date as the Secretary of the Treasury may prescribe.

The return of a Plan contribution to the Employer under Subsection (a) or (b) above satisfies the requirements of this Section only if the amount so returned does not include earnings or other gain attributable to such contributions. Further, a return will satisfy the requirements of this Section only if the amount of the contribution so returned is reduced by any loss attributable to the contribution.

Except as provided in this Section 20.05 and in Article VII, under no circumstances or conditions whatsoever shall any funds or the income therefrom which at any time have been contributed to this Plan ever inure to the benefit of the Employer.

ARTICLE XXI

MISCELLANEOUS

21.01 PROTECTION OF EMPLOYEE INTEREST - No benefit or interest available hereunder will be subject to assignment or alienation, either voluntarily or involuntarily, except where an assignment is made to provide security for a loan made in accordance with Article XI or an assignment is otherwise not prohibited by Code Section 401(a)(13) and the Regulations thereunder. The preceding sentence shall also apply to the creation, assignment, or recognition of a right to any benefit payable with respect to a Participant pursuant to a domestic relations order, unless such order is determined to be: a qualified domestic relations order, as defined in Code Section 414(p), a domestic relations order entered before January 1, 1985 and under which payments commenced prior to that date, or a domestic relations order entered before January 1985 and under which payments did not commence by January 1, 1985 and which the Plan Administrator chooses to treat as a qualified domestic relations order.

21.02 MEANING OF WORDS USED IN PLAN AND TRUST - Wherever any words are used herein in the masculine gender, they shall be construed as though they were also used in the feminine or neutral gender in all cases where they would so apply. Wherever any words are used herein in the singular form, they shall be construed as though they were also used in the plural form in all cases where they would so apply.

Titles used herein are for general information only and this Plan and Trust is not to be construed by reference thereto.

21.03 PLAN DOES NOT CREATE NOR MODIFY EMPLOYMENT RIGHTS - The Plan and Trust shall not be construed as creating or modifying any contract of employment between the Employer and any Participant. All Employees of the Employer shall be subject to discharge to the same extent that they would have been if this Plan had never been adopted.

21.04 COUNTERPARTS OF PLAN, TRUST AND ADOPTION AGREEMENT - This Plan and Trust and Adoption Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and said counterparts shall constitute but one and the same instrument and may be sufficiently evidenced by any one counterpart.

21.05 STATE LAW WHICH GOVERNS - This Plan and Trust shall be governed by the laws of the State of domicile of the Trustee to the extent that they are not pre-empted by the laws of the United States of America.

21.06 OBLIGATION OF TRUST - This Plan and Trust shall be binding upon the parties hereto, upon each Participant and upon the Beneficiaries, heirs, executors, administrators, distributees and assigns of the individual

Participants; the heirs, executors, administrators, and successors of the Trustee; and the successors and assigns of the Employer, subject, however, to the provisions of Article XX hereof.

21.07 PARTICIPANT'S BENEFITS LIMITED TO ASSETS - Each Participant by his participation in the Trust shall be conclusively deemed to have agreed to look solely to the assets held under the Trust for the payment of any benefit to which he may be entitled by reason of his participation.

21.08 RECEIPT AND RELEASE FOR PAYMENTS - Any payment to any Participant, his legal representative, Beneficiary, or to any guardian, custodian or committee appointed for such Participant or Beneficiary in accordance with the provisions of this Plan and Trust, shall, to the extent thereof, be in full satisfaction of all claims hereunder against the Trustee, the Employer and the Insurer, any of whom may require such Participant, legal representative, Beneficiary, guardian, custodian or committee, as a condition precedent to such payment, to execute a receipt and release thereof in such form as shall be determined by the Trustee, Employer or Insurer.

PLAN 001
ADOPTION AGREEMENT
FOR
BANK ONE TRUST COMPANY, N.A. ("BANK ONE")
PROTOTYPE RETIREMENT PLAN NO. 1

For the benefit of its employees, the undersigned adopts this 401(k) Plan and in connection therewith makes the following statements and designations, which designations are subject to change as required to obtain approval by the Internal Revenue Service. This Adoption Agreement has been designated as Plan No. 001 by the IRS and should only be used with Bank One Basic Plan Document No. 01.

NON-STANDARDIZED 401(k) PLAN - NON-INTEGRATED AND INTEGRATED ALLOCATION FORMULAS

1.Name of Employer:

Amtech Corporation

2.Address of Employer: Dominion Place
17304 Preston Road, E100
Dallas, Texas 75252

3. Employer's Telephone Number: (214) 733-6600

4.Name, Address and EIN/Tax I.D. Numbers of Other Participating Employers Adopting Plan:

Please see Foot Note #1 on Page 19.

5.Name of Employer's 401(k) Plan:

Amtech Corporation Retirement Plan

6.(a) Original Effective Date of Plan and Trust:
January 1, 1989

7. Date of Adoption Agreement:
February 1, 1996

(b) Effective Date of this Restated Plan and Trust:
October 1, 1995

8. Plan Number Assigned by the Employer:
[x]001 [_]002
[_]003 [_]004 [_]____

9.Name and Address of Trustee(s):

[_] Bank OneTrust Company, N.A.
100 East Broad Street
Columbus, Ohio 43271-0193
(614) 248-6420

[x] Bank One, Texas, N.A.
8111 Preston Road, 2nd Floor
Dallas, Texas 75225

10.Name, Address and EIN/Tax I.D. Number of Plan Administrator (if other than Employer):

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11. Designation of Retirement Plan Committee (if applicable): N/A

12.(a) Is the Employer a member of:

(i)an Affiliated Service Group?
[_]Yes
[x]No

(ii) a Control Group?
[x]Yes
[_]No

13. Type of Entity:

[x] Corporation [_] Partnership
[_] "Sub S" Corporation [_] Other (Specify):
[_] Sole Proprietor ---

(b) If the Employer is part of an Affiliated Service or Control Group, have all affiliated or controlled employers adopted the Plan?
[x]Yes [_]No

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14. Nature of Employer's Business and Standard Industrial Classification No. of Employer: HiTech 3698

15. Employer Identification Number (Tax I.D. Number): 75-2216818

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16. Predecessor Employers (Service with Employers named below shall be treated as Service with the Employer - see Section 2.40 of the Plan):

Cardkey Systems, Inc., an Oregon corporation

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17. Employer's Fiscal Year for Federal Income Tax Purposes:

[x] Calendar Year [_] Year beginning first day of _____ (month)

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18. Plan Anniversary: January 1

(The first day of each Plan Year that begins after the Plan Effective Date)

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DESIGNATED PLAN PROVISIONS

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Section 2.06 DEFINITION OF COMPENSATION

For any Self-Employed Individual covered under the Plan, Compensation means Earned Income. For any other Participant, Compensation means (Check and complete whichever of the following is applicable):

[_] (a) his Section 3401 wages (as defined in Section 2.06 of the Plan -generally wages for federal income tax withholding purposes) actually paid to the Participant during the applicable period.

[_] (b) his compensation reported as "Wages, Tips and Other Compensation" on his Form W-2 actually paid to the Participant during the applicable period.

[x] (c) his Section 415 safe-harbor compensation (as defined in Section 2.06 of the Plan) actually paid to the Participant during the applicable period. Please see Foot Note #2 on Page 19.

[x] (d) Compensation or Earned Income [x] shall include [_] shall not include Employer contributions made pursuant to a salary reduction agreement which are not includible in the gross income of the Participant under Sections 125, 402(e)(3), 402(h) or 403(b) of the Code.

* [_] (e) For purposes of making 401(a) Employer Contributions that are not integrated with Social Security, the following items shall be excluded in determining a Participant's Compensation:

[_] (i) overtime pay

[_] (ii) commissions

[_] (iii) bonuses

** [_] (f) For the first year of Plan participation, Compensation shall exclude Compensation paid prior to the date the Employee becomes a Plan Participant.

[_] (g) Maximum Compensation for Plan purposes:
$_____

[x] (h) Compensation shall be determined over the following applicable period (Check one):

[x] (i) the Plan Year

[_] (ii) the calendar year ending within the Plan Year. For employees whose dates of hire is less than 12 months before the end of the 12-month period designated, compensation will be determined over the Plan Year.

*NOTE: Choice (e) may not be elected if the Plan is a Top Heavy Plan, if the Plan is intended to benefit a Self-Employed Individual or if the Employer chooses an Integrated Allocation Formula (i.e., elects Section 5.02(b) below).

**NOTE: Choice (f) may not be elected if the Plan is intended to benefit a Self-Employed Individual.

NOTE: For Plan Years beginning in 1989 and thereafter, the maximum compensation for plan purposes cannot exceed $150,000 (as adjusted from time to time by the Secretary of the Treasury) -See Section 2.06 of the Plan.

Section 2.18 SIMPLIFIED DEFINITION

For Employers that maintain significant business activities (and employ Employees) in at least two significantly separate geographic areas, the simplified definition of Highly

OF HIGHLY COMPENSATED EMPLOYEE	Compensated Employee set forth in Section 2.18 of the Plan [_] shall [x] shall not apply.
Section 2.19 HOURS OF SERVICE	Hours of Service shall be determined on the basis of the method selected below. The method selected shall be applied to all Employees covered under the Plan. (Check one of the following): [_] (a) On the basis of actual hours for which an Employee is paid or entitled to payment. [_] (b) On the basis of days worked. An Employee shall be credited with 10 Hours of Service if under Section 2.19 of the Plan such Employee would be credited with at least one Hour of Service during the day. [_] (c) On the basis of weeks worked. An Employee shall be credited with 45 Hours of Service if under Section 2.19 of the Plan such Employee would be credited with at least one Hour of Service during the week. [x] (d) On the basis of months worked. Please see Foot Note #3 on Page 19. -3- An Employee shall be credited with 190 Hours of Service if under Section 2.19 of the Plan such Employee would be credited with at least one Hour of Service during the month.
Section 2.24 LIMITATION YEAR	The Limitation Year of the Plan shall be (Check or complete one of the following): [x] (a) calendar year. [_] (b) Plan Year. [_] (c) other 12 consecutive month period (specify): _____ _____ NOTE: All qualified plans of the Employer must use the same Limitation Year.
Section 2.27 NORMAL RETIREMENT AGE	The Normal Retirement Age of a Participant shall be (Check and complete one of the following): [_] (a) the date the Participant attains Age _____ (up to Age 65). [x] (b) the 5th (up to 5th) anniversary of the date the Participant commenced participation in the Plan or the date he attains Age 65, whichever is later. [_] (c) the _____ (up to 5th) anniversary of the date the Participant commenced participation in the Plan or the date he attains Age 65, whichever is later, but in no event later than Age 70. For purposes of (b) and (c) the participation commencement date is the first day of the Plan Year in which the Participant commenced participation in the Plan.
Section 3.02(1) PARTICIPATION REQUIREMENTS (Classification)	The following Employees are eligible to become Participants (Check or complete one of the following:)

[_] (a) All Employees of the Employer maintaining the Plan.

[_] (b) All Employees of the Employer maintaining the Plan or of any other employer required to be aggregated under Section 414(b), (c), (m) or (o) of the Internal Revenue Code. Any individual deemed under Section 414(n) of the Code to be an employee of any employer described in the previous sentence shall also be considered an Employee.

[_] (c) All Employees of the Employer maintaining the Plan compensated on an hourly basis.

[_] (d) All Employees of the Employer maintaining the Plan compensated on a salaried basis.

[_] (e) All Employees of the Employer maintaining the Plan not eligible to participate in another qualified pension or profit sharing plan to which the Employer is making contributions.

[_] (f) All Employees of the Employer maintaining the Plan except Employees included in a unit of Employees covered by a collective bargaining agreement between the Employer and Employee representatives, if retirement benefits were the subject of good faith bargaining and if less than two percent of the Employees of the Employer who are covered pursuant to that agreement are professionals as defined in Section 1.410(b)-9(g) of the proposed Regulations. For this purpose, the term "employee representative" does not include any organization more than half of whose members are Employees who are owners, officers or executives of the Employer.

[_] (g) All Employees of the Employer maintaining the Plan covered by a collective bargaining agreement between the Employer and Employee representatives (as described above).

[_] (h) All Employees of the Employer maintaining the Plan except Employees who are nonresident aliens (within the meaning of Code Section 7701(b)(1)(B)) and who receive no earned income (within the

meaning of Code Section 911(d)(2)) from the Employer which constitutes income from sources within the United States (within the meaning of Code Section 861(a)(3)).

[x] (i) Other Employee classification (specify): Please see Foot Note #4 on Page 19.

Section 3.02(2) PARTICIPATION REQUIREMENTS (Age and Service)

(a) Age and Service Requirements. To become a Participant in the Plan, an eligible Employee must satisfy the following Age and Service Requirements:

(i) Age Requirement.

[_] (A) No Age Requirement.

[x] (B) The Employee has attained Age 21 (not more than 21 unless (b)(i) below has been elected and then not more than 20 1/2).

(ii) Service Requirement.

[x] (A) No Service Requirement. Please see Foot Note #5

on Page 19.

[_] (B) The Employee has completed 1/4 of Service (not more than 1 unless (b)(i) below has been elected and then not more than 1/2).

(iii) Special Age and Service Requirements for Participating in 401(a) Employer and/or 401(k) Employer Contribution Allocations, Match Contributions and Forfeitures.

[_] (A) The requirements of this Subsection (iii) are not applicable, as the Plan only permits Salary Savings Contributions.

[x] (B) The requirements of this Subsection (iii) apply to participation in (Check all the applicable boxes below):

[x] (1) The allocation of 401(a) Employer Contributions and forfeitures.

[x] (2) The allocation of 401(a) Employer Match Contributions (including forfeitures allocated as matching contributions).

[_] (3) The allocation of 401(k) Employer Match Contributions (including forfeitures allocated as matching contributions).

[_] (4) The allocation of 401(k) Employer Contributions.

(C) For participation in the allocations described in (B), the Age and Service Requirements are (Check (1) or check and complete (2) and (3)):

[x] (1) The same Age and Service Requirements elected in (i) and (ii) above (i.e., the same Age and Service Requirements applicable to the Salary Savings Plan).

[_] (2) Age Requirement. The Employee has attained Age ___ (not more than 21 unless (b)(i) below has been elected and then not more than 20 1/2).

[_] (3) Service Requirement. The Employee has completed ___ Year(s) of Service (if (b)(i) below is not elected: not more than 1 unless Section 13.01(1)(a)(i) (100% full and immediate vesting) has been elected and then not more than 2; if (b)(i) below is elected: not more than 1/2 unless Section 13.01(1)(a)(i) has been elected and then not more than 1 1/2).

(iv) Application of Age and Service Requirements.

(A) The Age Requirements of Subsections (a)(i) and (a)(iii)(C)(2) shall not apply to Employees employed by the Employer:

[_] (1) on the Plan Effective Date specified in Subsection 6(a) of the Adoption Agreement

[_] (2) on the Plan Restatement Date specified in Subsection 6(b) of the Adoption Agreement

[x] (3) on May 31, 1989 (insert applicable date)

(B) The Service Requirements of Subsections (a)(ii) and (a)(iii)(C)(3) shall not apply to Employees employed by the Employer:

[_] (1) on the Plan Effective Date specified in Subsection 6(a) of the Adoption Agreement

[_] (2) on the Plan Restatement Date specified in Subsection 6(b) of the Adoption Agreement

[x] (3) on May 31, 1989 (insert applicable date)

NOTE: If the Year(s) of Service elected in (a)(ii) or (iii)(C)(3) above is or includes a fractional year, an Employee shall not be required to complete any specified number of Hours of Service to receive credit for such fractional Year.

(Date of Participation) (b) Plan Entry Date. An eligible Employee who satisfies the Plan Age and Service Requirements will become a Plan Participant (and, if applicable, will participate in the allocations described in Subsection (a)(iii)) on the Entry Date elected below, if he is then employed:

[_] (i) Single Entry Date. The Plan Anniversary coincident with or next following the date the Plan Age and Service Requirements have been met.

[_] (ii) Single Entry Date - Retroactive Participation. The Plan Anniversary coincident with or immediately preceding the date the Plan Age and Service Requirements have been met.

[_] (iii) Semi-annual Entry Dates. Whichever of the following dates first occurs coincident with or next following the date the Plan Age and Service Requirements have been met:

(A) the following Plan Anniversary; or

(B) the date 6 months following the Effective Date or thereafter the date six months following each Plan Anniversary.

[x] (iv) Daily, Monthly or Quarterly Entry Dates.

[_] (A) the day on which

[_] (B) the first day of the month coincident with or next following the date

[x] (C) the first day of the Please see Foot Note #8 on Page 20.

[x]Plan Quarter [_] Calendar Quarter

[_] _____ (other quarterly Entry Date)

coincident with or next following the date

the Plan Age and Service Requirements have been met.

Notwithstanding (a) and (b) above, an eligible Employee who satisfies the Plan Age and Service requirements on the Effective Date and who complies with the requirements set forth in the Plan and Trust will become a Participant on such date, if he is then employed.

Section 3.02(3) PARTICIPATION REQUIREMENTS (Service Exclusions)

In determining when an Employee is eligible to participate, the following periods of Service shall be disregarded (Check (a), (b) or (c)):

[x] (a) None - All prior Service counts. Please see Foot Note #6 on Page 19.

[_] (b) In the case of a Participant who does not have any nonforfeitable right to an Accrued Benefit derived from Employer contributions, Years of Service before a period of consecutive One Year Breaks in Service will not be taken into account in computing eligibility service if the number of consecutive One Year Breaks in Service in such period equals or exceeds the greater of five or the aggregate number of Years of Service. Such aggregate number of Years of Service will not include any Years of Service disregarded under the preceding sentence by reason of prior Breaks in Service.

If a Participant's Years of Service are disregarded pursuant to the preceding paragraph, such Participant will be treated as a new Employee for eligibility purposes. If a Participant's Years of Service may not be disregarded pursuant to the preceding paragraph, such Participant shall continue to participate in the Plan, or, if terminated, shall participate immediately upon reemployment.

[_] (c) If an Employee had a One Year Break in Service before he had become a Participant, Service before the Break shall not be counted (applicable only if the Plan provides full and immediate vesting, i.e., when Section 13.01(1)(a)(i) of the Adoption Agreement is checked).

Section 4.01 401(a) EMPLOYER CONTRIBUTIONS, 401(k) EMPLOYER CONTRIBUTIONS, 401(a) and 401(k) EMPLOYER MATCH CONTRIBUTIONS

Complete (1), (2) and (3) below:

(1) 401(a) Employer Contributions (Check or complete (a), (b) or (c) and, if applicable, (d) and (e) below):

[_] (a) The Employer does not intend to make 401(a) Employer Contributions.

[x] (b) For each Plan Year the Board of Directors or other governing authority of the Employer shall determine the amount of 401(a) Employer Contributions.

[_] (c) For each Plan Year the Board of Directors or other governing authority of the Employer shall determine the amount of 401(a) Employer Contributions. However, if no resolve is made, the amount contributed shall be _____% of each Participant's Plan Compensation for such Plan Year.

* (d) (i) In order to share in 401(a) Employer Contributions for a Plan Year, a Participant must complete 1 (0-1,000) Hours of Service during such Plan Year.

(ii) A Participant whose employment is terminated before the end of a Plan Year but after he has completed the Hours of Service specified in (d) (i) above (Check (A) or (B) below):

[_] (A) shall share in 401(a) Employer Contributions for such Plan Year.

[x] (B) shall not share in 401(a) Employer Contributions for such Plan Year unless termination is due to (Check whichever of the following is applicable):

[_] no exceptions [x] death

[x] disability [_] Early, Normal or Late Retirement

[x] (e) Profits [_]are [x]are not required for 401(a) Employer Contributions.

(2) 401(k) Employer Contributions (Check or complete (a), (b) or (c) and, if applicable, (d) and (e) below:

[x] (a) The Employer does not intend to make 401(k) Employer Contributions.

[_] (b) For each Plan Year the Board of Directors or other governing authority of the Employer shall determine the amount of 401(k) Employer Contributions.

[_] (c) For each Plan Year the Board of Directors or other governing authority of the Employer shall determine the amount of 401(k) Employer Contributions. However, if no resolve is made, the amount contributed shall be _____% of each Participant's Plan Compensation for such Plan Year.

* (d) (i) In order to share in 401(k) Employer Contributions for a Plan Year, a Participant must complete _____ (0-1,000) Hours of Service during such Plan Year.

(ii) A Participant whose employment is terminated before the end of a Plan Year but after he has completed the Hours of Service specified in (d)(i) above (Check (A) or (B) below):

[_] (A) shall share in 401(k) Employer Contributions for such Plan Year.

[_] (B) shall not share in 401(k) Employer Contributions for such Plan Year unless termination is due to (Check whichever of the following is applicable):

[_] no exceptions [_] death

[_] disability [_] Early, Normal or Late Retirement

(e) Profits [_] are [_] are not required for 401(k) Employer Contributions.

(3) Employer Match Contributions (Check or complete (a), (b) or (c), and, if applicable, (d), (e) and (f) below):

[_] (a) The Employer does not intend to make Employer Match Contributions.

[x] (b) For each Plan Year the Board of Directors or other governing authority of the Employer shall determine a percentage(s) to contribute of each eligible Participant's Salary Savings Contributions.

[_] However, in no event shall Employer Match Contributions exceed _____% of each eligible Participant's Salary Savings Contributions.

[_](c) For each Plan Year the Board of Directors or other governing authority of the Employer shall determine a percentage(s) to contribute of each eligible Participant's Salary Savings Contributions; however, if no resolve is made, the amount contributed shall be _____% of each eligible Participant's Salary Savings Contributions but not in excess of (Check and complete (i), (ii) or (iii) or (i) or (ii) and (iii) below, if applicable):

[_] (i) _____% of Compensation

[_] (ii) _____% of Salary Savings Contributions

[_] (iii) $_____

* (d) (i) In order to share in Employer Match Contributions for a Plan Year, a Participant must complete 1 (0-1,000) Hours of Service during such Plan Year.

(ii) A Participant whose employment is terminated before the end of a Plan Year but after he has completed the Hours of Service specified in (d)(i) above (Check (A) or (B) below):

[_] (A) shall share in Employer Match Contributions for such Plan Year.

[x] (B) shall not share in Employer Match Contributions for such Plan Year unless termination is due to (Check whichever of the following is applicable):

[x] no exceptions [_] death

[_] disability [_] Early, Normal or Late Retirement

(e) Profits [_] are [x] are not required for Employer Match Contributions.

(f) Employer Match Contributions shall be allocated by the Trustee to a Participant's (Check (i) or (ii) below, whichever is applicable):

[_] (i) 401(k) Employer Match Contributions Account, and thus shall be 100% vested and nonforfeitable when made.

[x] (ii) 401(a) Employer Match Contributions Account, and thus shall be subject to the Match Contribution vesting schedule elected by the Employer in Section 13.01(1).

*NOTE: When Contributions are allocated monthly, for

administrative convenience it is recommended that all Options (d)(i) be completed with "0" and Options (d)(ii)(A) be selected.

Note to Section 4.01: Employer Match and 401(k) Employer Contributions may be reduced to comply with the Average Deferral and Average Contribution Percentage Tests of Code Sections 401(k) and 401(m). (See Articles VII and IX of the Plan).

Section 4.02 TOP HEAVY PLAN MINIMUM BENEFITS FOR EMPLOYERS WITH MULTIPLE PLANS

If the Employer maintains one or more qualified retirement plans in addition to this Plan and if this Plan is or becomes a Top Heavy or Super Top Heavy Plan, the minimum allocation or benefit applicable to Non-Key Employees participating in this Plan will be met (Check (a) or (b) below):

N/A

[_] (a) pursuant to the provisions of Subsection 4.02(e) of the Plan.

[_] (b) under the Employer's other plan or plans.

Section 4.03 SALARY SAVINGS CONTRIBUTION

For each Plan Year, Participants may direct the Employer to reduce their Compensation in order that the Employer may make Salary Savings Contributions, subject to the following (Complete (a), (b) and (c) below):

[x] (a) Minimum Salary Savings Contribution permitted:

[_] (i) no minimum

[x] (ii) other (specify amount or percentage and period): 2% of Compensation

[x] (b) Maximum Salary Savings Contribution permitted (if any): 15_____% of Compensation (not more than $7,000, or such other amount as is designated by the Secretary of the Treasury as the limit for the Participant's taxable year under Code Section 402(g)).

[x] (c) Changes in Savings Amount:

[_] (i) no limit on frequency

[x] (ii) limited to (specify): two times each calendar year (at least once every calendar year)

NOTE: The Plan Administrator may limit Salary Savings Contributions if required to comply with Code Section 401(k).

Section 4.04 VOLUNTARY AFTER-TAX CONTRIBUTIONS

Voluntary After-Tax Contributions (Check (a) or (b) and, if applicable, (c) and (d)):

[x] (a) are not permitted.

[_] (b) are permitted.

[_] (c) minimum permitted (Check and complete, if applicable):

[_] (i) no minimum

[_] (ii) _____% of annual total Compensation

[_] (iii) $_____ per _____ (week, month, year)

[_] (d) will be maintained and accounted for in

[_] (i) one After-Tax Contribution Account.

[_] (ii) two After-Tax Contribution Accounts, one for Contributions made before 1987 and one for Contributions made after 1986.

NOTE: The maximum a Participant may contribute to the Plan on a voluntary basis is specified in Section 4.04 of the Plan, and may be limited to comply with Code Section 401(m).

Section 5.02 METHOD OF ALLOCATING 401(a) EMPLOYER CONTRIBUTIONS

Allocation formula (Choose (a) or (b) below):

[x] (a) Non-Integrated Allocation Formula:

After any minimum contributions have been allocated to the Accounts of Non-Key Employees pursuant to Section 4.02 of the Plan, any additional 401(a) Employer Contributions for each Plan Year shall be allocated among the Accounts of eligible Participants in amounts determined in accordance with the ratio which each eligible Participant's Plan Compensation bears to the total Plan Compensation of all Participants eligible to share in 401(a) Employer Contributions for such Plan Year.

[_] (b) Integrated Allocation Formulas:

For Plan Years beginning in 1989 and thereafter, 401(a) Employer Contributions contributed to the Trust for each Plan Year shall be allocated among the Accounts of eligible Participants according to the formula elected below:

[_] (i) Three-Tiered Integrated Allocation Formula

STEP ONE: First, for any Plan Year the Plan is a Top Heavy Plan, 401(a) Employer Contributions will be allocated among the Accounts of all eligible Participants in the ratio that each Participant's total Compensation bears to the sum of all eligible Participants' total Compensation, but not in excess of the top heavy minimum contribution to be made to the Accounts of Non-Key Employees pursuant to Section 4.02 of the Plan.

STEP TWO: Any such Contributions remaining after any allocation in Step One will be allocated to the Account of each eligible Participant in the ratio that the sum of each eligible Participant's total Compensation and Compensation in excess of the Plan Integration Level bears to the sum of all eligible Participant's total Compensation and Compensation in excess of the Plan Integration Level, but not in excess of the Maximum Disparity Rate. For purposes of this Step Two, in the case of any Participant who has exceeded the cumulative permitted disparity limit described below, two times such Participant's total Compensation for the Plan Year will be taken into account.

STEP THREE: Any such remaining 401(a) Employer Contributions will be allocated to the Account

of each eligible Participant in the ratio that each eligible Participant's total Compensation bears to the sum of all eligible Participants' total Compensation for that Plan Year.

[_] (ii) Four-Tiered Integrated Allocation Formula

STEP ONE: First, for any Plan Year in which the Plan is a Top Heavy Plan to which a minimum Employer contribution is to be made pursuant to Section 4.02 of the Plan, that portion of the 401(a) Employer Contributions which does not exceed 3% of the total Compensation of all eligible Participants (including, solely for purposes of this STEP ONE allocation, Non-Key Employees entitled to a minimum contribution pursuant to Subsection 4.02(d) of the Plan) shall be allocated among the accounts of such Participants and Non-Key Employees in the ratio that each such Participant's and Non-Key Employee's total Compensation bears to the total Compensation of all such Participants and Non-Key Employees.

STEP TWO: For any Plan Year in which this Plan is a Top Heavy Plan to which a minimum Employer Contribution is to be made pursuant to Section 4.02 of the Plan, that portion of the 401(a) Employer Contributions which remains after allocations have been made pursuant to STEP ONE, if any, which does not exceed 3% of the total Compensation of all eligible Participants in excess of the Plan Integration Level shall be allocated among the Accounts of such Participants in the ratio that each Participant's Compensation in excess of the Plan Integration Level bears to the sum of all eligible Participants' Compensation in excess of the Plan Integration Level. For purposes of this Step Two, in the case of any Participant who has exceeded the cumulative permitted disparity limit described below, such Participant's total Compensation for the Plan Year will be taken into account.

STEP THREE: That portion of the 401(a) Employer Contributions which remains after allocations have been made pursuant to STEP TWO, if any, will be allocated to each eligible Participant's Account in the ratio that the sum of each Participant's total Compensation and Compensation in excess of the Plan Integration Level bears to the sum of all eligible Participants' total Compensation and Compensation in excess of the Plan Integration Level, but not in excess of:

(a) in any Plan Year in which the Plan is a Top Heavy Plan to which a minimum Employer Contribution is to be made pursuant to Section 4.02 of the Plan: The percentage determined by subtracting from the Maximum Disparity Rate the percentage contributed pursuant to STEP ONE; or

(b) in any other Plan Year: the Maximum Disparity Rate.

For purposes of this Step Three, in case of any Participant who has exceeded the cumulative permitted disparity limit described below, two times such Participant's total Compensation for the Plan Year will be taken into account.

STEP FOUR: Any remaining 401(a) Employer Contributions will be allocated to the Account of each eligible Participant in the ratio that each eligible Participant's total Compensation bears to the sum of all eligible Participants' total Compensation for that Plan.

Year.

Annual overall permitted disparity limit: Notwithstanding the preceding paragraphs, for any Plan Year this Plan benefits any Participant who benefits under another qualified plan or simplified employee pension, as defined in section 408(k) of he Code, maintained by the Employer that provides for permitted disparity (or imputes disparity), employer contributions and forfeitures will be allocated to the account of each Participant who either completes more than 500 hours of service during the Plan Year or who is employed on the last day of the Plan Year in the ratio that such Participant's total Compensation bears to the total Compensation of all Participants.

Cumulative permitted disparity limit: Effective for Plan Years beginning on or after January 1, 1995, the cumulative permitted disparity limit for a Participant is 35 total cumulative permitted disparity years. Total cumulative permitted years means the number of years credited to the Participant for allocation or accrual purposes under this Plan, any other qualified plan or simplified employee pension plan (whether or not terminated) ever maintained by the Employer. For purposes of determining the Participant's cumulative permitted disparity limit, all years ending in the same calendar year are treated as the same year. If the Participant has not benefited under a defined benefit or target benefit plan for any year beginning on or after January 1, 1994, the Participant has no cumulative disparity limit.

(iii) The Plan Integration Level is (Check and complete one):

[_] (1) the Taxable Wage Base

[_] (2) $_____ (a dollar amount less than the Taxable Wage Base)

[_] (3) _____% (not to exceed 100%) of the Taxable Wage Base

The Plan Maximum Disparity Rate shall be determined from the following Table.

The Plan Integration Level	Plan Maximum Disparity Rate
(1) The Taxable Wage Base (TWO)	5.7%
(2) More than 80% but less than 100% of the TWO	5.4%
(3) Not more than 80% of the TWO but greater than both 20% of the TWO and $10,000	4.3%
(4) Not more than the greater of 20% of the TWO and $10,000	5.7%

NOTE: All references to the Taxable Wage Base are to the Base in effect at the beginning of the Plan Year.

NOTE: In no event will the amount allocated to a Participant's Account exceed the maximum permitted under Article VII of the Plan.

Section 5.03 METHOD OF ALLOCATING PLAN FORFEITURES

Amounts forfeited for each Plan Year shall be applied as follows (Check one):

For 401(a) Employer Contributions

[x] (a) Forfeitures shall be allocated per the same method as Employer contributions are allocated for the Plan Year in which the forfeiture occurs.

For Employer Matching Contributions

[x](b) Forfeitures shall be applied to reduce Employer contributions or to pay Plan administrative expenses for the Plan Year following the Plan Year in which the forfeiture occurs .

Section 6.01(b) TOP HEAVY PLAN ELECTION

Once a Plan becomes a Top Heavy Plan, the Top Heavy Plan minimum contribution requirements set forth in Section 4.02 of the Plan [_] shall [x] shall not be applicable in all subsequent Plan Years, regardless of whether such years are Top Heavy Plan Years.

Section 6.02(g) TOP HEAVY VALUATION DATE

For purposes of computing the top heavy ratio described in Section 6.02 of the Plan, the valuation shall be (Check or complete one of the following):

[x] (a) the last day of the Plan Year.

[_] (b) other (specify):_____

Section 6.02(h) TOP HEAVY PLAN PRESENT VALUES

For purposes of establishing the present value to compute the top heavy ratio described in Section 6.02 of the Plan, any benefit shall be discounted only for mortality and interest based on the following (Check or complete one):

[_] (a) 1971 Group Annuity Mortality Table, unprojected for post-retirement mortality, no pre-retirement withdrawal and 5% annual interest rate.

[x] (b) other (specify):6% interest rate, mortality table UP84

Article VII LIMITATIONS ON ALLOCATIONS

If the Employer maintains or ever maintained another qualified plan other than a Master or Prototype Plan in which any participant in this Plan is (or was) a Participant or could possibly become a Participant, the Employer must complete paragraphs 2 and 3 below, as appropriate.The Employer must also complete paragraph 2 below if it maintains a welfare benefit fund, as defined in Section 419(e) of the Code, or an individual medical account, as defined in Section 415(1)(2) of the Code, under which amounts are treated as Annual Additions with respect to any Participant in this Plan.

[x] 1. The Employer neither maintains nor ever maintained another qualified plan other than a Master or Prototype Plan in which any Participant in this Plan is (or was) a Participant or could possibly become a Participant.

(Other Defined Contribution Plans)

[_] 2. If the Participant is covered under another qualified defined contribution plan maintained by the Employer, other than a Master or Prototype Plan:

[_](i) The determination of the maximum permissible contribution under the other defined contribution plan shall be made only after crediting a Participant with his Annual Addition for a Limitation Year under this defined contribution plan.

[_](ii) The determination of the maximum permissible contribution under this defined contribution plan shall be made only after crediting a Participant with his Annual Addition under the other defined contribution plan.

[_] (iii) Other (specify):_____

_____

_____

(Other Defined Benefit Plans)

[_] 3. If the Participant is or has ever been a Participant in a defined benefit plan maintained by the Employer, the adopting Employer must provide language which will satisfy the 1.0 limitation of Section 415(e) of the Internal Revenue Code. Such language must preclude employer discretion. (See Section 1.415-1 of the Income Tax Regulations for guidance).

[_] (i) The determination of the maximum permissible contribution under any defined contribution plan shall be made only after crediting a Participant with his earned benefit for a Limitation Year under any defined benefit plan in which he is also participating.

[_] (ii) Other (specify):_____
_____
_____

Section 10.01 IN-SERVICE WITHDRAWAL OF ROLLOVER CONTRIBUTIONS

In-service withdrawals by a Participant of amounts in his Rollover Account (Check (a), (b) or (c)):

[_] (a) are not permitted.

[x] (b) are permitted at any time.

[_] (c) are permitted at any time after the Participant attains Age 59 1/2.

NOTE: Rollover Account in-service withdrawals are subject to Sections 10.03 and 18.01 of the Plan.

Section 10.02 IN-SERVICE AND HARDSHIP WITHDRAWALS

In-service withdrawals by the Participant of vested amounts in his Accounts elected below are permitted for any reason after the Participant attains age 59 1/2 (Check all applicable boxes):

[_] (a) In-service withdrawals of Contributions described in (b) through (f) below are not permitted.

[_] (b) 401(a) Employer Contribution Account

[_] (c) 401(a) Employer Match Contribution Account

[x] (d) Salary Savings Contribution Account

[_] (e) 401(k) Employer Contribution Account

[_] (f) 401(k) Employer Match Contribution Account

"Hardship withdrawals" (as described in Section 10.02 of the

Plan) of Salary Savings Contributions (and earnings thereon accrued as of December 31, 1988) (Check one):

[x] (a) are not permitted.

[_] (b) are permitted.

NOTE: In-service withdrawals are subject to Section 10.03 of the Plan.

Section 11.01 PLAN LOANS

Participant Loans (Check whichever of the following is applicable):

[_] (a) are not permitted.

[x] (b) are permitted in accordance with Article XI, subject to the following limitations:

[_] (i) no minimum

[_] (ii) each loan being in a minimum amount of $_____ (cannot exceed $1,000)

[x] (iii) each loan being in a minimum amount of $1,000

[x] (iv) only one loan may be outstanding at any time

[x] (v) only one loan may be made each Plan Year

Section 12.02 EARLY RETIREMENT AGE (if any)

Check and complete one of the below, and any applicable subparts:

[_] (a) There is no Early Retirement Age.

[x] (b) The Early Retirement Age of a Participant shall be the first day of any month selected by the Participant coincident with or next following the date he satisfies the following requirements (Check and complete the applicable requirements set forth below):

[x] attainment of Age 55 (------)

[x] completion of 7 (----) Years of Service

[_] completion of _____ Years of Plan participation

[_] termination of employment within _____ years of Normal Retirement Age

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Section 12.07 BENEFIT OPTIONS

(a) For benefits not subject to Section 12.08 of the Plan (Joint and Survivor Annuity requirements), Participants shall have the right to receive their vested Accrued Benefit in accordance with Section 12.07 of the Plan (Check (i) or (ii)):

[_] (i) in one sum or installment or annuity payments; or

*[x] (ii) in one sum only.

(b) If the Plan invests in Qualifying Employer

Securities, as that term is defined in ERISA Section 407(d)(5), then the Plan may provide for distributions in Employer stock pursuant to the terms of the Addendum to this Section 12.07(b), describing the procedures applicable to such distributions, prepared by the Plan's legal counsel, attached to this Adoption Agreement and incorporated herein by reference (Check one):

[_] (i) Distributions may not be made in Employer stock; or

[_] (ii) Distributions may be made in Employer stock pursuant to the terms of the Addendum to this Section 12.07(b) prepared by the Plan's legal counsel, attached hereto, and incorporated herein by reference.

*NOTE: An election of (a)(ii) above will be given effect only to the extent the requirements of Code Sections 411(d)(6) and 401(a)(4) are met.

Section 13.01(1) VESTING SCHEDULES

(a) A Participant's 401(a) Employer Contributions, if any, shall be vested to the extent designated below (Check or complete one of (i) through (v)):

[_] (i) 100% at all times.

[_] (ii) 100% after _____ (1 to 5) Years of Service.

[_] (iii) A percentage determined in accordance with the following schedule (3-7 Vesting):

Years of Service	Nonforfeitable Percentage
less than 3	0%
3	20%
4	40%
5	60%
6	80%
7 or more	100%

[_] (iv) A percentage determined in accordance with the following schedule (Top Heavy Graded Vesting):

Years of Service	Nonforfeitable Percentage
less than 2	0%
2	20%
3	40%
4	60%
5	80%
6 or more	100%

[x] (v) Other less than 1 year of service 0%, 1 year of service 20%, 2 years of service 40%, 3 years 60%, 4 years 80%[_]with full vesting after completion of 5 Years

of Service (not to exceed 5).

(b) A Participant's 401(a) Employer Match Contributions, if any, shall be vested to the extent designated below (Check or complete one of (i) through (v)):

[_] (i) 100% at all times

[_] (ii) 100% after _____ (1 to 5) Years of Service

[_] (iii) A percentage determined in accordance with the following schedule (3-7 Vesting):

Years of Service	Nonforfeitable Percentage
less than 3	0%
3	20%
4	40%
5	60%
6	80%
7 or more	100%

[_] (iv) A percentage determined in accordance with the following schedule (Top Heavy Graded Vesting):

Years of Service	Nonforfeitable Percentage
less than 2	0%
2	20%
3	40%
4	60%
5	80%
6 or more	100%

[x] (v) Other less than 1 year of service 0%, 1 year of service 20%, 2 years of service 40%, 3 years 60%, 4 years 80% with full vesting after completion of 5_____ Years of Service (not to exceed 5).

NOTE: Notwithstanding the above, in any event a Participant's vesting percentage shall be 100% on the date he attains his Normal Retirement Age, or, if earlier, on the date he attains his Early Retirement Age.

Section 13.01(2) TOP HEAVY PLAN VESTING

Notwithstanding anything in Section 13.01(1) of the Adoption Agreement to the contrary, if the Plan is a Top Heavy Plan for any Plan Year beginning after December 31, 1983, then the Plan shall meet the following vesting requirements for such Plan Year and for all subsequent Plan Years, even if the Plan is not a Top Heavy Plan for such subsequent Plan Years. Provided, however, if the vesting

schedule elected in Section 13.01(1) of the Adoption Agreement is more favorable to a Participant, such schedule shall be applicable to such Participant for such Plan Years.

N/A

A Participant's 401(a) Employer and 401(a) Employer Match Contributions shall be vested to the extent designated below (Check or complete (a) or (b)):

[_] (a) 100% after _____ (1 to 3) Years of Service.

[_] (b) A percentage determined in accordance with the following schedule:

Years of Service	Nonforfeitable Percentage
less than 2	0%
2	20%
3	40%
4	60%
5	80%
6 or more	100%

- ---

Section 13.01(3) VESTING (Service Exclusions) In determining a Participant's Vesting Percentage, the following periods of Service shall be disregarded (Check the first box if all Years of Service are to be counted. Otherwise, check one or more of the other boxes):

[_] (a) All Years of Service are to be counted.

[_] (b) Years of Service before Age 18.

[_] (c) Period during which the Plan or a predecessor plan was not maintained by the Employer.

[x] (d) If a Participant has a One Year Break in Service, Service before the Break shall not be taken into account until he has completed a Year of Service after such Break in Service.

Please see Foot Note #7 on Page 20.

[_] (e) In the case of a Participant who has 5 or more consecutive One Year Breaks in Service, the Participant's pre-break service will count in vesting of the Employer-derived Accrued Benefit only if either:

(i) such Participant has any nonforfeitable interest in the Accrued Benefit attributable to Employer contributions at the time of separation from service, or

(ii) upon returning to service the number of consecutive One Year Breaks in Service is less than the number of Years of Service.

[_] (f) Years of Service before January 1, 1971, unless the Employee has had at least 3 Years of Service after December 31, 1970.

[_] (g) Years of Service before the Plan Year in which Internal Revenue Code Section 411 became applicable to the Plan, if such Service would have been disregarded under the rules of the Plan with regard to Breaks in Service as in effect on the applicable date. For this purpose, Break in Service rules are rules which result in the loss of prior vesting or benefit accruals, or which deny an employee eligibility to participate, by reason of separation or failure to complete a required period of service within a specified period of time.

NOTE: In all events Years of Service during which the Employee did not complete at least 1,000 Hours of Service shall be disregarded.

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Section 13.02(1) PAYMENT Employees terminating Service and having a vested Accrued Benefit of $3,500 or less shall (Check one):

OF ACCRUED BENEFITS OF $3,500 OR LESS	[x] (a)	receive a lump sum distribution of such vested portion.
	[_] (b)	have their vested benefit deferred in accordance with Section 13.02(2) below.

Section 13.02(2) DISTRIBUTION OF DEFERRED NORMAL RETIREMENT BENEFIT	A terminated Participant (or his Beneficiary) may request that the Participant's deferred Normal Retirement Benefit be distributed (Check one of the following):	
	[x] (a)	at any time after the date the Participant terminates employment with the Employer.
	[_] (b)	no earlier than the earliest of the terminated Participant's death, Total and Permanent Disability or attainment of Early Retirement or Normal Retirement Age.
	[_] (c)	if earlier than (b) above, at any time after the end of the Plan Year in which the Participant terminated employment with the Employer.
	[_] (d)	if earlier than (b) above, at any time after the end of the _____ Plan Year following the Plan Year in which the Participant terminated employment with the Employer.
	[_] (e)	if earlier than (b) above, _____ _____ _____ (specify the time when or other objective criteria under which a Participant may request a distribution of his deferred Normal Retirement Benefit).
	NOTE:	Employers may not eliminate or restrict the availability of distribution options except in accordance with Code Sections 401(a)(4) and 411(d)(6) and Rules and Regulations promulgated thereunder.

Sections 15.01 and 15.04 INVESTMENTS DIRECTED BY EMPLOYER OR INVESTMENT MANAGER	Investment Direction (Check one):	
	Except as provided below in Section 15.05,	
	[x] (a)	the Employer; or
	[_] (b)	an Investment Manager appointed by the Employer shall direct the Trustee to make the investments under the Plan.

Section 15.03 INVESTMENTS IN QUALIFYING EMPLOYER SECURITIES	Pursuant to Section 15.03(u) of the Plan, the Plan may invest in Qualifying Employer Securities, as that term is defined in ERISA Section 407(d)(5), pursuant to the applicable requirements of ERISA and the Code, as amended from time to time, including the regulations promulgated thereunder. The aggregate investments in Qualifying Employer Securities may not exceed the following limits (Check one):	
	[_] (a)	may not exceed 10% of the Plan's assets; or
	[_] (b)	may not exceed _____ % of the Plan's assets (percentage may equal 100% of the Plan's assets).

Section 15.05 PARTICIPANT DIRECTED	Participant Investment Direction (Check one):	
	[_] (a)	Participant investment direction is not permitted.

INVESTMENTS

[x] (b) Participants shall have the power, at their discretion, to direct the Trustee to invest all or a portion of their Accounts in any of the investment options offered under the Plan and, in addition, if life insurance is offered as a permissible investment, under any investment fund option offered under any Policy purchased for their Accounts.

[_] Exception: Participants shall not have the power to direct the investment of the portion of their Accrued Benefit attributable to 401(a) Employer Contributions and 401(a) Employer Match Contributions.

FOOT NOTES TO THE ADOPTION AGREEMENT FOR THE AMTECH CORPORATION RETIREMENT PLAN

1. Name, Address and EIN/Tax I.D. Numbers of Other Participating Employers Adopting Plan -- Page 1:

Amtech Systems Corporation
75-2199361
17304 Preston Road, Building E100
Dallas, Texas 75252

Amtech World Corporation
75-2199362
17304 Preston Road, Building E100
Dallas, Texas 75252

CardKey Systems, Inc.
77-0405047
1757 Tapo Canyon Road
Simi Valley, CA 93063

WaveLink Technologies, Inc.
75-2628579
17304 Preston Road, Building E100
Dallas, Texas 75252

AMGT Corporation
75-2205460
17304 Preston Road, Building E100
Dallas, Texas 75252

2. Section 2.06(c), Definition of Compensation -- Page 2:

Compensation excludes relocation expenses and amounts realized from a disqualifying disposition of stock acquired under a stock purchase plan described in section 423 of the Internal Revenue Code.

3. Section 2.19(c). Hours of Service -- Page 3:

Prior to 10/1/95 Hours of Service were determined under the elapsed time method of crediting service. Pursuant to Treas. Reg. (S) 1.410(a)-7(f)(1)(ii), for eligibility and vesting purposes, an employee will be credited with a Year of Service for each full one Year of Service completed by the Employee since his Employment Commencement Date under the elapsed time method of crediting service on or before October 1, 1995. An Employee shall also receive credit for 190 Hours of Service for each month of any portion of such Employee's period of service, as determined on September 30, 1995, which is less than a full year. For example, if an Employee's Years of Service equal 4 years and 2 weeks on September 30, 1995, such employee shall be credited with 4 Years of Service and such Employee will have 190 Hours of Service credited towards the Plan Year that includes October 1, 1995.

4. Section 3.02(1), Participation Requirements (Classification) -- Page 4:

(i) Other Employee classification (specify): All Employees of the Employer maintaining the Plan other than those described in item (f) above and leased employees, as defined in section 414(n) of the Internal Revenue Code.

5. Section 3.02(2), Participation Requirements (Age and Service) -- Pages 4 and 5:

Prior to February 1, 1996, the Service Requirement is the completion of 570 Hours of Service.

6. Section 3.02(3), Participation Requirements (Service Exclusion) -- Page 6:

Prior to October 1, 1995, the Plan used the elapsed time method of crediting service, including the rule of parity under the break in service rules described in Treas. Reg. (S) 1.410(a)-7(c)(6).

FOOT NOTES (continued)

7. Section 13.01(3), Vesting (Service Exclusions) -- Page 16:

Before October 1, 1995, the Plan used the elapsed time method of crediting service, including the rule of parity under the break in service rules described in Treas. Reg. (S) 1.410(a)-7(c)(6).

8. Section 3.02(2)(b), Date of Participation (Plan Entry Dates) -- Page 6:

Prior to February 1, 1996, Section 3.02(2)(b)(iii) applied.

EXECUTION AND ACCEPTANCE
BY
EMPLOYER AND TRUSTEE(S)
BANK ONE PROTOTYPE RETIREMENT PLAN NO. 1

The Employer, which hereby agrees that the Trustee shall not be responsible for the tax and legal aspects of the Plan and Trust, and which assumes full responsibility therefor, hereby accepts the provisions of Bank One Prototype Retirement Plan No. 1, agrees to be bound by the provisions thereof, and adopts such Plan and the Plan Adoption Agreement by causing its name to be signed hereto by its duly authorized officer, all as of this 12th day of March , 1996.

The failure of the adopting Employer to properly fill out the Adoption Agreement may result in disqualification of the Employer's Plan.

The adopting Employer may not rely on an opinion letter issued by the National Office of the Internal Revenue Service as evidence that the Plan is qualified under Section 401 of the Internal Revenue Code. In order to obtain reliance with respect to Plan qualification, the Employer must apply to the appropriate Key District office for a determination letter.

Bank One, the sponsor of this Prototype Plan, will inform each adopting Employer which has registered with Bank One of any amendments it makes to the Plan or of the discontinuance or abandonment of the Plan. Bank One's address and telephone number are listed below:

Address: Bank One Trust Company, N.A.
100 East Broad Street
Columbus, Ohio 43271-0193
(614) 248-6420

The Adoption Agreement may be used only in conjunction with Basic Plan Document No. 01.

This Adoption Agreement, Basic Plan Document No. 1 and any related documents have important legal and tax implications. All legal questions, opinions and

tax consequences concerning these documents are the sole responsibility of the adopting Employer and its legal counsel. Therefore, each adopting Employer is strongly encouraged to consult with its legal counsel for advice.

Employer Amtech Corporation

By /s/ Ronald A. Woessner

Title: V.P.

Employer Amtech Systems Corporation

By /s/ Ronald A. Woessner

Title: V.P.

The undersigned Trustee, or each undersigned Trustee, hereby accepts the provisions of Bank One Prototype Retirement Plan No. 1 and the trusts provided for therein, and hereby declares, and agrees with the aforesaid Employer to receive, hold, invest, expend and distribute all funds deposited with, contributed to, earned or otherwise received by, the Trustee or Trustees, all in accordance with the terms and provisions of said Plan and Trust.

Bank One, Texas, N.A. Date_____

Name_____
Title (if any)_____

_____ Date_____

Name_____
Title (if any)_____

_____ Date_____

Name_____
Title (if any)_____

EXECUTION AND ACCEPTANCE
BY
EMPLOYER AND TRUSTEE(S)
BANK ONE PROTOTYPE RETIREMENT PLAN NO. 1

The Employer, which hereby agrees that the Trustee shall not be responsible for the tax and legal aspects of the Plan and Trust, and which assumes full responsibility therefor, hereby accepts the provisions of Bank One Prototype Retirement Plan No. 1, agrees to be bound by the provisions thereof, and adopts such Plan and the Plan Adoption Agreement by causing its name to be signed hereto by its duly authorized officer, all as of this 12th day of March, 1996.

The failure of the adopting Employer to properly fill out the Adoption Agreement may result in disqualification of the Employer's Plan.

The adopting Employer may not rely on an opinion letter issued by the National Office of the Internal Revenue Service as evidence that the Plan is qualified under Section 401 of the Internal Revenue Code. In order to obtain reliance with respect to Plan qualification, the Employer must apply to the appropriate Key District office for a determination letter.

Bank One, the sponsor of this Prototype Plan, will inform each adopting Employer which has registered with Bank One of any amendments it makes to the Plan or of the discontinuance or abandonment of the Plan. Bank One's address and telephone number are listed below:

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Employer Amtech World Corporation

By /s/ Ronald A. Woessner

Title: V.P.

Employer CardKey Systems, Inc.

By /s/ Ronald A. Woessner

Title: V.P.

The undersigned Trustee, or each undersigned Trustee, hereby accepts the provisions of Bank One Prototype Retirement Plan No. 1 and the trusts provided for therein, and hereby declares, and agrees with the aforesaid Employer to receive, hold, invest, expend and distribute all funds deposited with, contributed to, earned or otherwise received by, the Trustee or Trustees, all in accordance with the terms and provisions of said Plan and Trust.

Bank One, Texas, N.A. Date_____

Name_____
Title (if any)_____

_____ Date_____

Name_____
Title (if any)_____

_____ Date_____

Name_____
Title (if any)_____

EXECUTION AND ACCEPTANCE
BY
EMPLOYER AND TRUSTEE(S)
BANK ONE PROTOTYPE RETIREMENT PLAN NO. 1

The Employer, which hereby agrees that the Trustee shall not be responsible for the tax and legal aspects of the Plan and Trust, and which assumes full responsibility therefor, hereby accepts the provisions of Bank One Prototype Retirement Plan No. 1, agrees to be bound by the provisions thereof, and adopts such Plan and the Plan Adoption Agreement by causing its name to be signed hereto by its duly authorized officer, all as of this 12th day of March , 1996.

The failure of the adopting Employer to properly fill out the Adoption Agreement may result in disqualification of the Employer's Plan.

The adopting Employer may not rely on an opinion letter issued by the National Office of the Internal Revenue Service as evidence that the Plan is qualified under Section 401 of the Internal Revenue Code. In order to obtain reliance with respect to Plan qualification, the Employer must apply to the appropriate Key District office for a determination letter.

Bank One, the sponsor of this Prototype Plan, will inform each adopting Employer which has registered with Bank One of any amendments it makes to the Plan or of the discontinuance or abandonment of the Plan. Bank One's address and telephone number are listed below:

Address: Bank One Trust Company, N.A.
100 East Broad Street
Columbus, Ohio 43271-0193
(614) 248-6420

The Adoption Agreement may be used only in conjunction with Basic Plan Document No. 01.

This Adoption Agreement, Basic Plan Document No. 1 and any related documents have important legal and tax implications. All legal questions, opinions and tax consequences concerning these documents are the sole responsibility of the adopting Employer and its legal counsel. Therefore, each adopting Employer is strongly encouraged to consult with its legal counsel for advice.

Employer WaveLink Technologies, Inc.

By /s/ Ronald A. Woessner

Title: V.P.

Employer AMGT Corporation

By /s/ Ronald A. Woessner

Title: V.P.

The undersigned Trustee, or each undersigned Trustee, hereby accepts the provisions of Bank One Prototype Retirement Plan No. 1 and the trusts provided for therein, and hereby declares, and agrees with the aforesaid Employer to receive, hold, invest, expend and distribute all funds deposited with, contributed to, earned or otherwise received by, the Trustee or Trustees, all in accordance with the terms and provisions of said Plan and Trust.

Bank One, Texas, N.A.

Date_____

Name_____
Title (if any)_____

_____ Date_____

Name_____
Title (if any)_____

_____ Date_____

Name_____
Title (if any)_____

EXHIBIT 10.19

FIFTH AMENDMENT TO EMPLOYMENT AGREEMENT

Reference is made to that certain Employment Agreement, dated January 1, 1990, as amended (the "Employment Agreement"), entered into between Amtech Corporation, a Texas corporation (the "Company"), and G. Russell Mortenson ("Employee").

Employee and Company desire to amend the Employment Agreement, as follows:

1. Paragraph 4 of the Employment Agreement is amended by substituting "$300,000" for "$288,000" wherever it appears in such Paragraph.

2. Other than as set forth herein the Employment Agreement remains in full force and effect as written.

The parties have executed this Fifth Amendment to be effective as of January 1, 1996.

AMTECH CORPORATION

By: /s/ STEVE M. YORK

Steve M. York
Senior Vice President &
Chief Financial Officer

Date: 2-5-96

EMPLOYEE:

/s/ RUSSELL MORTENSON

G. Russell Mortenson

Date: 1/31/96

EXHIBIT 10.31

EXECUTION COPY

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (this "Agreement") is made and entered into on November 16, 1995, by and between Amtech Systems, Corporation, a Delaware corporation with its principal executive offices in Dallas, Texas (the "Company"), and Jeffrey S. Wetherell, an individual currently residing in Minneapolis, Minnesota ("Employee").

Recitals

A. The Company desires to provide for the employment of Employee in such a manner as will reinforce and encourage the highest attention and dedication to the Company of Employee as a member of the Company's management, in the best interest of the Company and its shareholder.

B. Employee is willing to serve the Company on the terms and conditions herein provided.

Terms and Conditions

In consideration of the covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Employment. The Company shall employ Employee, and Employee shall serve the Company, on the terms and conditions set forth herein.

2. Term. Subject to the terms and conditions herein, the employment of Employee by the Company as provided in Section 1 will be for a term commencing on the date hereof and expiring on May 31, 1997.

3. Position and Duties. The Company shall engage Employee, and Employee shall serve, as President and Chief Operating Officer of the Company or in a comparable position with the Company with such duties as may be assigned to Employee from time to time by the Board of Directors (the "Board") of the Company or an Affiliate. Employee shall devote substantially all Employee's working time and efforts to the business and affairs of the Company. The location of employment shall be as determined by the Company from time to time. Should a relocation be necessary, the Company would provide reimbursement for move related expenses in accordance with Company policy.

4. Compensation. During the term of Employee's employment hereunder, the Company shall pay Employee for Employee's services an annual base salary of not less than $175,000 per annum, payable in equal bi-weekly installments on normal payroll dates. The Company shall review the base salary of Employee at least once a year and if the Company, in its sole and absolute discretion, deems an adjustment in the base salary is appropriate for any reason whatsoever (including, but not limited to, a change of Employee's duties), the adjustment will be effective on the date designated by the Company and be evidenced by appropriate entries on the payroll records of the Company. All applicable taxes on total compensation shall be withheld in accordance with applicable taxation guidelines.

The Company shall evaluate Employee's contribution to the overall performance of the Company and shall pay such bonus to Employee as the Company, in its sole and absolute discretion, shall deem appropriate in light of such evaluation. For the calendar year 1996, Employee is eligible to receive a

discretionary bonus of up to $52,500 based upon the achievement of various pre-determined performance goals.

5. Expenses and Services. During the term of Employee's employment hereunder, Employee shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by Employee by reason of Employee's employment, provided that such expenses are incurred and accounted for in accordance with the policies and procedures established by the Company and in effect when the expenses are incurred. The Company shall furnish Employee with office space, secretarial assistance, office supplies, office equipment and such other facilities and services as are suitable to Employee's position and adequate for the performance of his duties. Employee shall be entitled to up to four (4) weeks of vacation per calendar year during the term hereof.

6. Confidential Information. Employee recognizes and acknowledges that Employee will have access to confidential information of the Company, and its Affiliates, including, without limitation, customer information, lists of suppliers and costs, information concerning the business and operations of the Company and its Affiliates, and proprietary data, information, concepts and ideas (whether or not patentable or copyrightable) relating to the business of the Company and its Affiliates, as applicable. Employee agrees not to disclose such confidential information, except as may be necessary in the performance of Employee's duties, to any person, nor use such confidential information in any way, either during the term of Employee's employment or thereafter unless Employee has received the written consent of the Company, or its Affiliates, as applicable, or unless such confidential information becomes public knowledge through no wrongful act of Employee. Upon termination of Employee's employment for any reason, Employee shall promptly deliver to the Company all drawings, manuals, letters, notebooks, customer lists, documents, records, equipment, files, computer disks or tapes, reports or any other materials relating to the business of the Company or its Affiliates (and all copies) that are in Employee's possession or under Employee's control. Additionally, the parties hereby acknowledge that Employee has

executed a Confidentiality and Invention Agreement dated on or about November 16, 1995 (the "Assignment of Inventions Agreement").

7. Rights under Certain Plans. During the term of Employee's employment hereunder, Employee will be entitled to participate in the insurance and employee benefit plans and programs maintained by the Company or its Affiliates applicable to similarly situated officer employees on the same basis as such other officer employees of the Company, subject only to the possible substitution by or on behalf of the Company or its Affiliates of other plans or programs providing substantially similar or increased benefits for Employee. Employee will also be entitled to reasonable vacation time, with no reduction in compensation, in keeping with Employee's duties and responsibilities to the Company.

8. Early Termination. Employee's employment hereunder may be terminated without any breach of this Agreement only under the following circumstances:

(A) Employee's employment hereunder will terminate upon Employee's death;

(B) The Company may terminate Employee's employment hereunder for Cause. For purposes of this Agreement, the Company shall have "Cause" to terminate Employee's employment hereunder upon (1) the willful and continued failure by Employee to substantially perform his duties hereunder (other than any such failure resulting from Employee's incapacity due to physical or mental illness), after written demand for substantial performance is delivered by the Company that specifically identifies the manner in which the Company believes Employee has not substantially performed his duties; or (2) the willful engaging by Employee in misconduct that is materially injurious to the Company or its Affiliates; or (3) the conviction of Employee of any felony or crime of moral turpitude. For purposes of this subsection (B), no act, or failure to act, on Employee's part shall be considered "willful" unless done, or omitted to be done, by him not in good faith and without reasonable belief that his action or

omission was in the best interest of the Company. Notwithstanding the foregoing, Employee shall not be deemed to have been terminated for Cause without (a) reasonable written notice to Employee, setting forth the reasons for the Company's intention to terminate for Cause; (b) an opportunity for Employee, together with his counsel, to be heard before the Board (or an authorized representative thereof); and (c) delivery to Employee of a written Notice of Termination as defined in subsection (D) hereof from the Board finding that, in the good faith opinion of the Board, Employee was guilty of conduct set forth above in clause (1), (2) or (3) of this subsection (B), and specifying the particulars thereof in detail.

(C) Employee may terminate Employee's employment hereunder (1) for Good Reason or (2) if Employee's health should become impaired to an extent that makes Employee's continued performance of Employee's duties hereunder hazardous to

Employee's physical or mental health or Employee's life, provided that Employee shall have furnished the Company with a written statement from a qualified doctor to such effect and provided, further, that, at the Company's request, Employee shall submit to an examination by a doctor selected by the Company and such doctor shall have concurred with the conclusion of Employee's doctor.

For purposes of this Agreement, "Good Reason" shall mean (a) a failure by the Company to comply with any material provision of this Agreement that has not been cured within twenty days after notice of such noncompliance has been given by Employee to the Company; or (b) any purported termination of Employee's employment that is not effected pursuant to a Notice of Termination satisfying the requirements of subsection (D) hereof (and for purposes of this Agreement no such purported termination shall be effective).

(D) Any termination of Employee's employment by the Company or by Employee (other than termination pursuant to subsection (A) above) shall be communicated by written Notice of Termination to the other party hereto. For purposes of this Agreement, a "Notice of Termination" shall mean a notice that shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Employee's employment under the provision so indicated.

(E) "Date of Termination" shall mean (1) if Employee's employment is terminated by Employee's death, the date of Employee's death; and (2) if Employee's employment is terminated for any other reason, the date specified in the Notice of Termination.

9. Compensation upon Termination. Upon termination of Employee's employment hereunder, Employee shall be paid as follows:

(A) If Employee's employment is terminated by Employee's death, the Company shall continue to pay Employee's semi-monthly base salary to Employee's designated beneficiaries, or if Employee leaves no designated beneficiaries, to Employee's estate for a period of one year from the date of termination.

(B) If Employee's employment shall be terminated for Cause, the Company shall pay Employee Employee's bi-weekly base salary earned through the Date of Termination at the rate in effect at the time Notice of Termination is given and the Company shall have no further obligations to Employee under this Agreement.

(C) If (1) in breach of this Agreement, the Company shall terminate Employee's employment other than pursuant to Section 8(B) hereof (it being understood that a purported termination pursuant to Section 8(B) hereof that is

disputed and finally determined not to have been proper shall be a termination by the Company in breach of this Agreement); or (2) Employee

shall terminate Employee's employment for Good Reason, then the Company shall continue to pay Employee Employee's bi-weekly salary through May 31, 1997.

(D) If Employee shall terminate Employee's employment under clause (2) of Section 8(C) or by resignation in breach of this Agreement, the Company shall pay Employee Employee's full base salary through the Date of Termination at the rate in effect on the date that Notice of Termination is received by the Company.

Employee shall not be required to mitigate the amount of any payment provided for in Section 9(C) by seeking other employment or otherwise. If however, Employee commences new employment while Employee is being paid by the Company, the obligation to make the payments described in Section 9(C) shall be subject to offset, in whole or in part, of an amount equal to the compensation paid to or earned by Employee from any new employment undertaken by Employee following Employee's termination of employment with the Company through May 31, 1997.

Should Employee violate any provision of Section 10 hereof or violate any provision of, or any agreement referred to in, Section 6 of this Agreement, then the Company's obligation to make payments to Employee pursuant to Section 9 and provide the benefits described in the following paragraph shall terminate effective as of the date of commencement of such violation.

At any such time when Employee shall no longer be in the employ of the Company, any successor in interest to the Company or any of their respective Affiliates, Employee shall be entitled to receive as of the date of such termination, subject to the terms and conditions of any applicable insurance or employee benefit plan, payments in satisfaction of any and all other wages, benefits, or other remunerations which shall then be payable to, or vested on behalf of, Employee.

During the term of this Agreement, Employee shall give the Company immediate notice of any change of address.

10. Noncompetition. Employee agrees and covenants:

(A) That during Employee's employment with the Company Employee will not directly or indirectly (I) engage in any employment, business, or activity that is in any way competitive with the business or proposed business of the Company or any Affiliate, or (ii) assist any other person or organization in competing with the Company or any Affiliate or in preparing to engage in competition with the business or proposed business of the Company or any Affiliate. Direct competition shall include, but not be

limited to, the design, development, production, promotion or sale of products, software or services competitive with those of the Company. The provisions of this paragraph shall apply both during normal working hours and at all other times including, but not limited to, nights, weekends and vacation time, while Employee is employed by the Company.

(B) That, during the term provided for in Section 2 and for a period of 18 months after Employee ceases to be employed by the Company, Employee will not directly or indirectly solicit to conduct any competitive business with, or conduct any competitive business with, any (I) then-current customer of the Company or (ii) any person that has been a customer of the Company within the 12 months prior to the time of Employee's separation from employment. The phrase "competitive business" means the line(s) of business(es) conducted by the Company or any Affiliate.

(C) That, during the term provided for in Section 2 and for a period of 18 months after Employee ceases to be employed by the Company, Employee shall not directly or indirectly solicit to hire any employee of the Company or any Affiliate as an employee or agent of, or consultant to, any business enterprise that Employee is associated with.

(D) Each non-competition covenant of Employee contained in the preceding provisions of this Section 10 (the "non-competition covenant") shall be construed as an agreement independent of any other provision of

this Agreement and the existence of any claim or cause of action of Employee against the Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of such non-competition covenant.

(E) Although the Company and Employee have in good faith used their best efforts to make each non-competition covenant reasonable in both scope and in duration, and it is not anticipated, nor is it intended, by either party to this Agreement that any court or other tribunal having jurisdiction will find it necessary to reform any non-competition covenant to make it reasonable in both scope and in duration, or otherwise, the Company and Employee understand and agree that if a court or other tribunal having jurisdiction determines it necessary to reform any non-competition covenant in order to make it reasonable in either scope or duration, or otherwise, damages, if any, for a breach of the non-competition covenant, as so reformed, will be deemed to accrue to the Company or an Affiliate, as applicable, as and from the date of such a breach only and so far as the damages for such breach related to an action which accrued within the scope and duration as so reformed.

11. Affiliate Defined. The term "Affiliate" as used in this Agreement means any individual, corporation, unincorporated organization, trust or other form of entity controlling, controlled by or under common control with the Company. For purposes of this definition, "control" (including "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such individual, corporation, unincorporated organization, trust or other form of entity, whether through the ownership of voting securities or otherwise.

12. Waiver. No waiver of any provision of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a waiver of any continuing or succeeding breach of such provision, a waiver of the provision itself, or a waiver of any right under this Agreement. No waiver shall be binding unless executed in writing by the party making the waiver.

13. Limitation of Rights. Nothing in this Agreement, except as specifically stated herein, is intended to confer any rights or remedies under or by reason of this Agreement on any persons other than the parties to it and their respective permitted successors and assigns and other legal representatives, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third persons to any party to this Agreement, nor shall any provision give any third persons any right of subrogation or action over against any party to this Agreement.

14. Remedies. Employee hereby agrees that a violation of any provision of Section 6 or 10 or any agreement referred to in Section 6 would cause irreparable injury to the Company or its Affiliates for which it would have no adequate remedy at law. Accordingly, in the event of any such violation, the Company shall be entitled to preliminary and other injunctive relief. Any such injunctive relief shall be in addition to any other remedies to which the Company or its Affiliates may be entitled at law or in equity, or otherwise.

15. Notice. Any consent, notice, demand or other communication required or permitted hereby must be in writing to be effective and shall be deemed to have been received on the date delivered, if personally delivered, or five days following the date the same is deposited in the United States mail, postage prepaid, certified return receipt requested, addressed to the applicable party at the address for such party set forth below or at such other address as such party may designate by like notice:

Amtech Systems Corporation
Dominion Plaza
17304 Preston Road, E-100
Dallas, Texas 75252
Attn: General Counsel

Employee:

Jeffrey S. Wetherell
17304 Preston Road, E-100
Dallas, Texas 75252

16. Inconsistent Obligations. Employee represents and warrants that Employee has not previously assumed any obligations inconsistent with those of this Agreement.

17. Entirety and Amendments. This instrument and the instruments referred to herein embody the entire agreement between the parties relating to the subject matter hereof, supersede all prior agreements and understandings relating to the subject matter hereof, and may be amended only by an instrument in writing executed by all parties, and supplemented only by documents delivered or to be delivered in accordance with the express terms hereof. This Agreement expires at the end of its term per Section 2 and provides for no automatic extension or renewal unless separately agreed to in writing by the parties. In the event of a conflict or inconsistency between any provision of this Agreement and any provision of the Assignment of Inventions Agreement, whichever provision is most favorable to the Company shall govern.

18. Successors and Assigns. This Agreement will be binding upon and inure to the benefit of the parties hereto and any successors in interest to the Company, but neither this Agreement nor any rights hereunder may be assigned by Employee except in the case of the death of Employee. However, this Agreement may be assigned by the Company, in whole or part, to an Affiliate of the Company.

19. Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Texas (excluding its conflict of laws rules).

20. Cumulative Remedies. Except as provided in Exhibit A attached hereto, no remedy herein conferred upon any party is intended to be exclusive of any other benefits or remedy, and each and every such remedy shall be cumulative and shall be in addition to every other benefit or remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise. No single or partial exercise by any party of any right, power or remedy hereunder shall preclude any other exercise or further exercise thereof.

21. Alternate Dispute Resolution. Employee and the Company agree to the alternative dispute resolution provisions contained in Exhibit A attached hereto. The provisions of this Section 21 shall survive the termination or expiration of this Agreement.

22. Multiple Counterparts. This Agreement may be executed in a number of identical counterparts, each of which constitute collectively, one agreement; but, in making proof of this Agreement, it shall not be necessary to produce or account for more than one counterpart.

23. Descriptive Headings. The headings, captions and arrangements used in this Agreement are for convenience only and shall not be deemed to limit, amplify, or modify the terms of this Agreement, nor affect the meaning hereof.

Signatures

To evidence the binding effect of the covenants and agreements described

above, the parties hereto have executed this Agreement effective as of the date first above written.

THE COMPANY:

By: /s/ G. RUSSELL MORTENSON

G. Russell Mortenson
Chairman of the Board

Employee:

/s/ JEFFREY S. WETHERELL

Jeffrey S. Wetherell

EXHIBIT A

DISPUTE RESOLUTION AGREEMENT

The undersigned Prospective Employee understands and acknowledges that neither Amtech Corporation nor its subsidiaries, as applicable ("Amtech"), would employ the Prospective Employee without the Prospective Employee's execution of this Agreement.

A. Except as otherwise provided in this Agreement, Amtech and the Prospective Employee consent and agree to the resolution, in the manner provided for in this Agreement, of all claims or controversies brought by the Prospective Employee ("Claims") for which a court otherwise would be authorized by law to grant relief, in any way arising out of, relating to, or associated with (1) the Prospective Employee's employment or termination from employment with Amtech or any adverse employment action by Amtech, or (2) any other claims the Prospective Employee may have against Amtech, any benefit plans of Amtech or any fiduciaries, administrators, and affiliates of any benefit plan, or any of Amtech's officers, directors, employees, or agents in their capacity as such, or (3) any issue concerning the formation, applicability, interpretation, or enforceability of this Agreement.

The Prospective Employee acknowledges that the Claims intended to be covered by this Agreement include (but are not limited to) claims or controversies under or relating to any federal, state, or local constitution, law, or regulation prohibiting discrimination, harassment, or discharge; an alleged or actual contract; any Company policy or benefit; entitlement to wages or other compensation; and, any claim for personal, emotional, physical, economic, or other injury.

B. The only Claims otherwise within the definition of Claims that are not covered by this Agreement are: (1) any administrative actions that the Prospective Employee is permitted to pursue under applicable law that are not precluded by virtue of the Prospective Employee having entered into this Agreement; (2) any Claim by the Prospective Employee for workers' compensation benefits or unemployment compensation benefits; or (3) any Claim by the Prospective Employee for benefits under a Company pension or benefit plan that provides its own non-judicial dispute resolution procedure.

C. The Prospective Employee waives any right to assert a Claim, unless he or she gives written notice of any Claim to Amtech by the earlier of (1) the date that is one year after the day the Prospective Employee first has knowledge of the event giving rise to the Claim or (2) the date upon which the applicable statute of limitations expires.

D. Within 20 days of receipt of the notice of a Claim, AMTECH, IN ITS SOLE DISCRETION, MAY ELECT TO SUBMIT ANY CLAIMS TO BINDING ARBITRATION IN ACCORDANCE WITH THE PROVISIONS OF THIS AGREEMENT. If Amtech elects not to submit a Claim to binding arbitration, then the Prospective Employee may initiate or otherwise pursue the Claim by legal proceedings other than binding arbitration (e.g., a lawsuit), except that IF THE PROSPECTIVE EMPLOYEE INITIATES A LAWSUIT, HE OR SHE HEREBY WAIVES THE RIGHT TO REQUEST OR OBTAIN A JURY TRIAL WITH RESPECT TO ANY SUCH CLAIMS. The Prospective Employee agrees that if he or

she initiates litigation in violation of this Agreement, he or she will incur liability to the person(s) sued, including the obligation to pay their legal fees and expenses.

E. The arbitration will be conducted in accordance with the provisions of this Agreement and the Employment Dispute Resolution Rules of the American Arbitration Association ("AAA") in effect at the time the written notice of the Claim is received. An arbitrator shall be selected in the manner provided for in the Employment Dispute Resolution Rules of the AAA, except that the parties agree that the arbitrator shall (1) be an attorney licensed in the state where the arbitration is being conducted and (2) have expertise in the area of employment law. The arbitration will be held in Dallas County, Texas [Bernalillo County, New Mexico].

F. Each party shall have the right to take one deposition of the other party and any expert witness or other witness designated by the other party. Additional deposition discovery may be taken only if the arbitrator so orders, upon a showing of substantial need. The Prospective Employee understands that by agreeing to submit Claims to arbitration he or she gives up the right to seek a trial by court or jury and the right to an appeal from any errors of the court and forgoes any and all related rights he or she may otherwise have under federal and state laws.

G. In the event any provision of this Agreement is found by an arbitrator or court to be unenforceable, in whole or in part, the remaining provisions of this Agreement shall nevertheless remain enforceable and the unenforceable provisions shall, to the extent permitted under applicable law, be modified so as to be enforceable to the maximum extent possible under applicable law.

H. This Agreement is not, and shall not be construed to create, any offer or contract of employment, express or implied. This Agreement does not in any way alter the "at-will" nature of the employer-employee relationship that will be created between Amtech and the Prospective Employee, if hired.

I. PROSPECTIVE EMPLOYEE ACKNOWLEDGES THAT HE OR SHE HAS CAREFULLY READ THIS AGREEMENT; THAT HE OR SHE UNDERSTANDS ITS TERMS; THAT ALL UNDERSTANDINGS BETWEEN THE PROSPECTIVE EMPLOYEE AND AMTECH RELATING TO THE SUBJECTS COVERED IN THIS AGREEMENT ARE CONTAINED IN THIS AGREEMENT; AND, THAT HE OR SHE HAS ENTERED INTO THIS AGREEMENT VOLUNTARILY AND NOT IN RELIANCE ON ANY PROMISES OR REPRESENTATIONS BY AMTECH OTHER THAN THOSE CONTAINED IN THIS AGREEMENT ITSELF.

AMTECH SYSTEMS CORPORATION

/s/ JEFFREY S. WETHERELL
Prospective Employee's Signature

Date: November 10, 1995

By: /s/ G.R. MORTENSON

Title: President

Date: November 13, 1995

EXHIBIT 10.32

CONFIDENTIAL

EXECUTION COPY

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (this "Agreement") is made and entered into on August 1, 1995, by and between Cardkey Systems, Inc., a Delaware corporation with its principal executive offices in Simi Valley, California (the "Company"), and Michael H. Wolpert, an individual currently residing in Los Angeles, California ("Employee").

Recitals

A. Employee was previously employed as Vice President-Systems Product Group of a company, most of whose business was acquired by the Company. Employee has accumulated experience and knowledge of value to the Company.

B. The Company desires to provide for the employment of Employee in such a manner as will reinforce and encourage the highest attention and dedication to the Company of Employee as a member of the Company's management, in the best interest of the Company and its shareholder.

C. Employee is willing to serve the Company on the terms and conditions herein provided.

Terms and Conditions

In consideration of the covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Employment. The Company shall employ Employee, and Employee shall serve the Company, on the terms and conditions set forth herein.

2. Term. Subject to the terms and conditions herein, the employment of Employee by the Company as provided in Section 1 will be for a term commencing on the date hereof and expiring on July 31, 1997.

3. Position and Duties. The Company shall engage Employee, and Employee shall serve, as President and Chief Operating Officer of the Company or in a comparable position with the Company with such duties as may be assigned to Employee from time to time by the Board of Directors (the "Board") of the Company. Employee shall devote substantially all Employee's

working time and efforts to the business and affairs of the Company. The location of employment shall be as determined by the Company from time to time. Should a relocation be necessary, the Company would provide reimbursement for move related expenses in accordance with Company policy.

4. Compensation. During the term of Employee's employment hereunder, the Company shall pay Employee for Employee's services an annual base salary of not less than $155,000 per annum, payable in equal bi-weekly installments on normal payroll dates. Additionally, Employee shall be provided with a $1,000 per month car allowance. The Company shall review the base salary of Employee at least once a year and if the Company, in its sole and absolute discretion, deems an adjustment in the base salary is appropriate for any reason whatsoever (including, but not limited to, a change of Employee's duties), the adjustment will be effective on the date designated by the Company and be evidenced by

appropriate entries on the payroll records of the Company. All applicable taxes on total compensation shall be withheld in accordance with applicable taxation guidelines.

The Company shall evaluate Employee's contribution to the overall performance of the Company and shall pay such bonus to Employee as the Company, in its sole and absolute discretion, shall deem appropriate in light of such evaluation. For the period August 1, 1995, to December 31, 1995, Employee is eligible to receive a discretionary bonus of up to $23,250 based upon the achievement of various pre-determined performance goals.

5. Expenses and Services. During the term of Employee's employment hereunder, Employee shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by Employee by reason of Employee's employment, provided that such expenses are incurred and accounted for in accordance with the policies and procedures established by the Company and in effect when the expenses are incurred. The Company shall furnish Employee with office space, secretarial assistance, office supplies, office equipment and such other facilities and services as are suitable to Employee's position and adequate for the performance of his duties.

6. Confidential Information. Employee recognizes and acknowledges that Employee will have access to confidential information of the Company, and its Affiliates, including, without limitation, customer information, lists of suppliers and costs, information concerning the business and operations of the Company and its Affiliates, and proprietary data, information, concepts and ideas (whether or not patentable or copyrightable) relating to the business of the Company and its Affiliates, as applicable. Employee agrees not to disclose such confidential information, except as may be necessary in the performance of

Employee's duties, to any person, nor use such confidential information in any way, either during the term of Employee's employment or thereafter unless Employee has received the written consent of the Company, or its Affiliates, as applicable, or unless such confidential information becomes public knowledge through no wrongful act of Employee. Upon termination of Employee's employment for any reason, Employee shall promptly deliver to the Company all drawings, manuals, letters, notebooks, customer lists, documents, records, equipment, files, computer disks or tapes, reports or any other materials relating to the business of the Company or its Affiliates (and all copies) that are in Employee's possession or under Employee's control. Additionally, the parties hereby acknowledge that Employee has executed a Confidentiality and Invention Agreement dated on or about August 1, 1995 (the "Assignment of Inventions Agreement").

7. Rights under Certain Plans. During the term of Employee's employment hereunder, Employee will be entitled to participate in the insurance and employee benefit plans and programs maintained by the Company or its Affiliates applicable to similarly situated officer employees on the same basis as such other officer employees of the Company, subject only to the possible substitution by or on behalf of the Company or its Affiliates of other plans or programs providing substantially similar or increased benefits for Employee. Employee will also be entitled to reasonable vacation time, with no reduction in compensation, in keeping with Employee's duties and responsibilities to the Company.

8. Early Termination. Employee's employment hereunder may be terminated without any breach of this Agreement only under the following circumstances:

(A) Employee's employment hereunder will terminate upon Employee's death;

(B) The Company may terminate Employee's employment hereunder for Cause. For purposes of this Agreement, the Company shall have "Cause" to terminate Employee's employment hereunder upon (1) the willful and continued failure by Employee to substantially perform his duties hereunder (other than any such failure resulting from Employee's incapacity due to physical or mental illness), after written demand for substantial performance is delivered by the Company that specifically identifies the

manner in which the Company believes Employee has not substantially performed his duties; or (2) the willful engaging by Employee in misconduct that is materially injurious to the Company or its Affiliates; or (3) the conviction of Employee of any felony or crime of moral turpitude. For purposes of this subsection (B), no act, or

failure to act, on Employee's part shall be considered "willful" unless done, or omitted to be done, by him not in good faith and without reasonable belief that his action or omission was in the best interest of the Company. Notwithstanding the foregoing, Employee shall not be deemed to have been terminated for Cause without (a) reasonable written notice to Employee, setting forth the reasons for the Company's intention to terminate for Cause; (b) an opportunity for Employee, together with his counsel, to be heard before the Board (or an authorized representative thereof); and (c) delivery to Employee of a written Notice of Termination as defined in subsection (D) hereof from the Board finding that, in the good faith opinion of the Board, Employee was guilty of conduct set forth above in clause (1), (2) or (3) of this subsection (B), and specifying the particulars thereof in detail.

(C) Employee may terminate Employee's employment hereunder (1) for Good Reason or (2) if Employee's health should become impaired to an extent that makes Employee's continued performance of Employee's duties hereunder hazardous to Employee's physical or mental health or Employee's life, provided that Employee shall have furnished the Company with a written statement from a qualified doctor to such effect and provided, further, that, at the Company's request, Employee shall submit to an examination by a doctor selected by the Company and such doctor shall have concurred with the conclusion of Employee's doctor.

For purposes of this Agreement, "Good Reason" shall mean (a) a failure by the Company to comply with any material provision of this Agreement that has not been cured within twenty days after notice of such noncompliance has been given by Employee to the Company; or (b) any purported termination of Employee's employment that is not effected pursuant to a Notice of Termination satisfying the requirements of subsection (D) hereof (and for purposes of this Agreement no such purported termination shall be effective).

(D) Any termination of Employee's employment by the Company or by Employee (other than termination pursuant to subsection (A) above) shall be communicated by written Notice of Termination to the other party hereto. For purposes of this Agreement, a "Notice of Termination" shall mean a notice that shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Employee's employment under the provision so indicated.

(E) "Date of Termination" shall mean (1) if Employee's employment is terminated by Employee's death, the date of Employee's death; and (2) if Employee's employment is terminated for any other reason, the date specified in the Notice of Termination.

9. Compensation upon Termination. Upon termination of Employee's employment hereunder, Employee shall be paid as follows:

(A) If Employee's employment is terminated by Employee's death, the Company shall continue to pay Employee's semi-monthly base salary to Employee's designated beneficiaries, or if Employee leaves no designated beneficiaries, to Employee's estate for a period of one year from the date of termination.

(B) If Employee's employment shall be terminated for Cause, the Company shall pay Employee Employee's bi-weekly base salary earned through the Date of Termination at the rate in effect at the time Notice of Termination is given and the Company shall have no further obligations to Employee under this Agreement.

(C) If (1) in breach of this Agreement, the Company shall terminate Employee's employment other than pursuant to Section 8(B) hereof (it being understood that a purported termination pursuant to Section 8(B) hereof that is disputed and finally determined not to have been proper shall be a termination by the Company in breach of this Agreement); or (2) Employee shall terminate Employee's employment for Good Reason, then the Company shall continue to pay Employee Employee's bi-weekly salary through July 31, 1997.

(D) If Employee shall terminate Employee's employment under clause (2) of Section 8(C) or by resignation in breach of this Agreement, the Company shall pay Employee Employee's full base salary through the Date of Termination at the rate in effect on the date that Notice of Termination is received by the Company.

Employee shall not be required to mitigate the amount of any payment provided for in Section 9(C) by seeking other employment or otherwise. If however, Employee commences new employment while Employee is being paid by the Company, the obligation to make the payments described in Section 9(C) shall be subject to offset, in whole or in part, of an amount equal to the compensation paid to or earned by Employee from any new employment undertaken by Employee following Employee's termination of employment with the Company through July 31, 1997.

Should Employee violate any provision of Section 10 hereof or violate any provision of, or any agreement referred to in, Section 6 of this Agreement, then the Company's obligation to make payments to Employee pursuant to Section 9 and provide the benefits described in the following paragraph shall terminate effective as of the date of commencement of such violation. At any such time when Employee shall no longer be in the employ of the Company, any successor in interest to the Company or any of their respective Affiliates, Employee shall be entitled to receive as of the date of such termination, subject to the terms and conditions of any applicable insurance or employee benefit plan, payments in satisfaction of any and all other wages, benefits, or other remunerations which shall then be payable to, or vested on behalf of, Employee.

During the term of this Agreement, Employee shall give the Company immediate notice of any change of address.

10. Noncompetition. Employee agrees and covenants:

(A) That during Employee's employment with the Company Employee will not directly or indirectly (i) engage in any employment, business, or activity that is in any way competitive with the business or proposed business of the Company or any Affiliate, or (ii) assist any other person or organization in competing with the Company or any Affiliate or in preparing to engage in competition with the business or proposed business of the Company or any Affiliate. Direct competition shall include, but not be limited to, the design, development, production, promotion or sale of products, software or services competitive with those of the Company. The provisions of this paragraph shall apply both during normal working hours and at all other times including, but not limited to, nights, weekends and vacation time, while Employee is employed by the Company.

(B) That, during the term provided for in Section 2 and for a period of 18 months after Employee ceases to be employed by the Company, Employee will not directly or indirectly solicit to conduct any competitive business with, or conduct any competitive business with, any (i) then-current customer of the Company or (ii) any person that has been a customer of the Company within the 12 months prior to the time of Employee's separation from employment. The phrase "competitive business" means the line(s) of business(es) conducted by the Company or any Affiliate.

(C) That, during the term provided for in Section 2 and for a period of 18 months after Employee ceases to be employed by the Company, Employee shall not directly or indirectly solicit to hire any employee of the Company or any Affiliate as an employee or agent of, or consultant to, any business enterprise that Employee is associated with.

(D) Each non-competition covenant of Employee contained in the preceding provisions of this Section 10 (the "non-competition covenant") shall be construed as an agreement independent of any other provision of this Agreement and the existence of any claim or cause of action of Employee against the Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of such non-competition covenant.

(E) Although the Company and Employee have in good faith used their best efforts to make each non-competition covenant reasonable in both scope and in duration, and it is not anticipated, nor is it intended, by either party to this Agreement that any court or other tribunal having jurisdiction will find it necessary to reform any non-competition covenant to make it reasonable in both scope and in duration, or otherwise, the Company and Employee understand and agree that if a court or other tribunal having jurisdiction determines it necessary to reform any non-competition covenant in order to make it reasonable in either scope or duration, or otherwise, damages, if any, for a breach of the non-competition covenant, as so reformed, will be deemed to accrue to the Company or an Affiliate, as applicable, as and from the date of such a breach only and so far as the damages for such breach related to an action which accrued within the scope and duration as so reformed.

11. Affiliate Defined. The term "Affiliate" as used in this Agreement means any individual, corporation, unincorporated organization, trust or other form of entity controlling, controlled by or under common control with the Company. For purposes of this definition, "control" (including "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such individual, corporation, unincorporated organization, trust or other form of entity, whether through the ownership of voting securities or otherwise.

12. Waiver. No waiver of any provision of this Agreement shall be deemed, or shall constitute, a waiver of any other

provision, whether or not similar, nor shall any waiver constitute a waiver of any continuing or succeeding breach of such provision, a waiver of the provision itself, or a waiver of any right under this Agreement. No waiver shall be binding unless executed in writing by the party making the waiver.

13. Limitation of Rights. Nothing in this Agreement, except as specifically stated herein, is intended to confer any rights or remedies under or by reason of this Agreement on any persons other than the parties to it and their respective permitted successors and assigns and other legal representatives, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third persons to any party to this Agreement, nor shall any provision give any third persons any right of subrogation or action over against any party to this Agreement.

14. Remedies. Employee hereby agrees that a violation of any provision of Section 6 or 10 or any agreement referred to in Section 6 would cause irreparable injury to the Company or its Affiliates for which it would have no adequate remedy at law. Accordingly, in the event of any such violation, the Company shall be entitled to preliminary and other injunctive relief. Any such injunctive relief shall be in addition to any other remedies to which the Company or its Affiliates may be entitled at law or in equity, or otherwise.

15. Notice. Any consent, notice, demand or other communication required or permitted hereby must be in writing to be effective and shall be deemed to have been received on the date delivered, if personally delivered, or five days following the date the same is deposited in the United States mail, postage prepaid, certified return receipt requested, addressed to the applicable party at the address for such party set forth below or at such other address as such party may designate by like notice:

Cardkey Systems, Inc.
c/o Amtech Corporation
Dominion Plaza
17304 Preston Road, E-100
Dallas, Texas 75252
Attn: General Counsel

Employee:

Michael H. Wolpert
1830 Kelton Avenue
Los Angeles, CA 90025

16. Inconsistent Obligations. Employee represents and warrants that Employee has not previously assumed any obligations inconsistent with those of this Agreement.

17. Entirety and Amendments. This instrument and the instruments referred to herein embody the entire agreement between the parties relating to the subject matter hereof, supersede all prior agreements and understandings relating to the subject matter hereof, and may be amended only by an instrument in writing executed by all parties, and supplemented only by documents delivered or to be delivered in accordance with the express terms hereof. This Agreement expires at the end of its term per Section 2 and provides for no automatic extension or renewal unless separately agreed to in writing by the parties. In the event of a conflict or inconsistency between any provision of this Agreement and any provision of the Assignment of Inventions Agreement, whichever provision is most favorable to the Company shall govern.

18. Successors and Assigns. This Agreement will be binding upon and inure to the benefit of the parties hereto and any successors in interest to the Company, but neither this Agreement nor any rights hereunder may be assigned by Employee except in the case of the death of Employee. However, this Agreement may be assigned by the Company, in whole or part, to an Affiliate of the Company.

19. Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Texas (excluding its conflict of laws rules).

20. Cumulative Remedies. Except as provided in Exhibit A attached hereto, no remedy herein conferred upon any party is intended to be exclusive of any other benefits or remedy, and each and every such remedy shall be cumulative and shall be in addition to every other benefit or remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise. No single or partial exercise by any party of any right, power or remedy hereunder shall preclude any other exercise or further exercise thereof.

21. Alternate Dispute Resolution. Employee and the Company agree to the alternative dispute resolution provisions contained in Exhibit A attached hereto. The provisions of this Section 21 shall survive the termination or expiration of this Agreement.

22. Multiple Counterparts. This Agreement may be executed in a number of identical counterparts, each of which constitute collectively, one agreement; but, in making proof of this Agreement, it shall not be necessary to produce or account for more than one counterpart.

23. Descriptive Headings. The headings, captions and arrangements used in this Agreement are for convenience only and shall not be deemed to limit,

amplify, or modify the terms of this Agreement, nor affect the meaning hereof.

Signatures

To evidence the binding effect of the covenants and agreements described above, the parties hereto have executed this Agreement effective as of the date first above written.

THE COMPANY:

By: /s/ STUART M. EVANS
Stuart M. Evans
Chief Executive Officer

EMPLOYEE:

/s/ MICHAEL H. WOLPERT

EXHIBIT A

ALTERNATIVE DISPUTE RESOLUTION

A. Except as otherwise provided in this Exhibit A, Cardkey Systems, Inc., a Delaware corporation ("Cardkey" or the "Company"), and the Employee consent and agree to the resolution, in the manner provided for in this Exhibit A, of all claims or controversies brought by the Employee ("Claims") for which a court otherwise would be authorized by law to grant relief, in any way arising out of, relating to, or associated with (1) the Employee's employment or termination from employment with Cardkey or any adverse employment action by Cardkey, or (2) any other claims the Employee may have against Cardkey, any benefit plans of Cardkey or any Affiliate or any fiduciaries, administrators, and affiliates of any such benefit plan, or any of Cardkey's officers, directors, employees, or agents in their capacity as such, or (3) any issue concerning the formation, applicability, interpretation, or enforceability of this Exhibit A.

The Employee acknowledges that the Claims intended to be covered by this Exhibit A include (but are not limited to) claims or controversies under or relating to the Employee's employment agreement (of which this Exhibit A is a part); any federal, state, or local constitution, law, or regulation prohibiting discrimination, harassment, or discharge; an alleged or actual contract; any Company policy or benefit; entitlement to wages or other compensation; and, any claim for personal, emotional, physical, economic, or other injury.

B. The only Claims otherwise within the definition of Claims that are not covered by this Exhibit A are: (1) any administrative actions that the Employee is permitted to pursue under applicable law that are not precluded by virtue of the Employee having entered into this Exhibit A; (2) any Claim by the Employee for workers' compensation benefits or unemployment compensation benefits; or (3) any Claim by the Employee for benefits under a Company pension or benefit plan that provides its own non-judicial dispute resolution procedure.

C. The Employee waives any right to assert a Claim, unless he or she gives written notice of any Claim to Cardkey by the earlier of (1) the date that is one year after the day the Employee first has knowledge of the event giving rise to the Claim or (2) the date upon which the applicable statute of

limitations expires.

D. Within 20 days of receipt of the notice of a Claim, CARDKEY, IN ITS SOLE DISCRETION, MAY ELECT TO SUBMIT ANY CLAIMS TO BINDING ARBITRATION IN ACCORDANCE WITH THE PROVISIONS OF THIS

EXHIBIT A. If Cardkey elects not to submit a Claim to binding arbitration, then the Employee may initiate or otherwise pursue the Claim by legal proceedings other than binding arbitration (e.g., a lawsuit). The Employee agrees that if he or she initiates litigation in violation of this Exhibit A, he or she will incur liability to the person(s) sued. The sole and exclusive venue of any lawsuit initiated by the Employee relating to any Claims shall be Los Angeles County, California.

E. The arbitration will be conducted in accordance with the provisions of this Exhibit A and the Employment Dispute Resolution Rules of the American Arbitration Association ("AAA") in effect at the time the written notice of the Claim is received. An arbitrator shall be selected in the manner provided for in the Employment Dispute Resolution Rules of the AAA, except that the parties agree that the arbitrator shall (1) be an attorney licensed in California and (2) have expertise in the area of employment law. The arbitration will be held in Los Angeles County, California.

F. Deposition discovery may be taken to the extent permitted by applicable law. The Employee understands that by agreeing to submit Claims to arbitration he or she gives up the right to seek a trial by court or jury and the right to an appeal from any errors of the court and forgoes any and all related rights he or she may otherwise have under federal and state laws.

G. In the event any provision of this Exhibit A is found by an arbitrator or court to be unenforceable, in whole or in part, the remaining provisions of this Exhibit A shall nevertheless remain enforceable and the unenforceable provisions shall, to the extent permitted under applicable law, be modified so as to be enforceable to the maximum extent possible under applicable law.

H. EMPLOYEE ACKNOWLEDGES THAT HE OR SHE HAS CAREFULLY READ THIS EXHIBIT A; THAT HE OR SHE UNDERSTANDS ITS TERMS; THAT ALL UNDERSTANDINGS BETWEEN THE EMPLOYEE AND CARDKEY RELATING TO THE SUBJECTS COVERED IN THIS EXHIBIT A ARE CONTAINED IN THIS EXHIBIT A; AND, THAT HE OR SHE HAS ENTERED INTO THIS EXHIBIT A VOLUNTARILY AND NOT IN RELIANCE ON ANY PROMISES OR REPRESENTATIONS BY CARDKEY OTHER THAN THOSE CONTAINED IN THIS EXHIBIT A ITSELF OR THE EMPLOYMENT AGREEMENT (TO WHICH THIS EXHIBIT A IS A PART).

EXHIBIT 10.33

Execution Version

FOUNDER'S EMPLOYMENT AGREEMENT

THIS AGREEMENT made as of the 29th day of December, 1994, between Wavelink Technologies Inc., a body corporate duly incorporated under the laws of the Province of Ontario and having an office at 5825 Kennedy Road in the City of Mississauga, in the Province of Ontario (hereinafter referred to as "the Company") and NINO ZAINO currently residing in the City of Mississauga or a surrounding community, in the Province of Ontario (hereinafter referred to as "the Founder").

WHEREAS the undersigned Founder is one of the founders of the Company and the Founder and the Company are desirous of entering into this Founder's Employment Agreement ("Agreement") setting out the terms and conditions of the Founder's employment with the Company; and

NOW THEREFORE in consideration of the mutual covenants and agreements contained hereinafter, it is agreed as follows.

1. POSITION OF EMPLOYMENT. The Company and the Founder agree that, unless otherwise agreed in writing by the parties, during the term of this Agreement the Founder will be employed by the Company as President and Chief Executive Officer or a comparable position, with such duties as may be assigned from time-to-time by the Board of Directors of the Company or the Company's chief executive officer; provided however, the Founder shall not be assigned any duty or position that will necessitate a change in the location of his home (presently in the Mississauga, Ontario area), unless the Founder consents in writing to such assignment.

2. SALARY AND BENEFITS.

2.01 During the term of the Founder's employment hereunder, the Company shall pay or cause to be paid to the Founder for his services an annual base salary of not less than $125,000 payable in equal semi-monthly instalments on normal payroll dates. The Company and the Founder agree that the amount of the Founder's salary shall be reviewed at least annually by the Board of Directors, who may in its sole and complete discretion make appropriate increases thereto after giving due consideration to the Founder's achievements during the past year, having regard to the financial well-being of the Company and the market rates of remuneration paid in Ontario for persons performing duties and responsibilities similar to those being performed by the Founder. When any such adjustment is made, the parties will execute a supplement to this Agreement.

2.02 In addition to the Founder's base salary as noted above, the Founder will be entitled to participate in a bonus program upon terms and conditions approved by the Company's Board of Directors, which will provide the Founder a calendar year-end bonus opportunity of between 15% to 35% of base salary based on the financial performance of the Company and individual performance.

2.03 During the term of the Founder's employment hereunder, the Founder will be entitled to participate in the insurance and employee benefit plans and programs maintained by the Company applicable to similarly situated employees on the same basis as such other employees, subject only to the possible substitution by or on behalf of the Company of other plans or programs providing substantially similar or increased benefits for the Founder. Any substitution by the Company of such employment benefits will in no way affect any of the other terms and conditions of this Agreement and they will continue in full force and effect.

2.04 The Founder will be entitled to reimbursement of any reasonable expenses incurred by the Founder pursuant to or in the course of the Founder's discharge of his employment duties hereunder in accordance with the policies respecting business expenses established or to be established by the Company from time-to-time.

2.05 During each calendar year of this Agreement, the Founder will be entitled to 4 weeks vacation with pay or such greater reasonable vacation with pay as may be specified in Company policies governing the matter that are adopted from time-to-time.

3. GENERAL OBLIGATIONS OF THE FOUNDER TO THE COMPANY.

The Founder shall serve the Company faithfully and to the best of the Founder's ability. Throughout the term of the Founder's employment with the Company, the Founder shall devote his full working time and attention to the business and affairs of the Company.

4. TERM OF EMPLOYMENT AGREEMENT.

4.01 Subject to the termination of the Founder's employment with the Company as provided for under paragraphs 4.02, 4.05 and 4.06 hereof, the initial term of the Founder's employment with the Company will be from the date hereof to and including December 31, 1996. During the initial term, the Company shall only be permitted to terminate the employment of the Founder in accordance with sections 4.02, 4.05 or 4.06 or upon payment to the Founder of a lump sum severance amount equal to the greater of:

(i) an amount equal to the Founder's base salary for six months; and

(ii) an amount equal to the Founder's base salary for the balance of the initial term.

Unless either party provides the other party written notice that it is such party's intent not to renew this Agreement more than 60 days prior to the expiration of the then current term, the term of this Agreement shall automatically renew for one additional year and so on from time-to-time. The giving by either party of a notice of an intent not to renew in accordance with this paragraph shall not, in and of itself, constitute a termination of the Founder's employment with the Company.

4.02 The Founder may, by providing written notice of three months, terminate the Founder's employment with the Company. Upon receipt of such notice, the Company, in its sole

discretion, may, by notice in writing, specify an earlier termination date. In the event of such notice by the Company, the Company will pay the Founder all amounts due and owing through the date of termination specified in the Company's notice plus a lump sum allowance in an amount that when added to the amounts to be received by the Founder through the date of termination specified in the Company's notice is equivalent to three months' base salary.

4.03 If the Company terminates the Founder's employment with the Company other than as permitted under paragraphs 4.02, 4.05, and 4.06 at any time after the expiry of the initial term, then the Company shall pay to the Founder, in a lump sum, as severance, an amount equal to the Founder's base salary for six months.

4.04 The Founder acknowledges and agrees that payment by the Company as provided in paragraphs 4.01, 4.02 and 4.03 shall be in full and final settlement of any and all claims, demands, actions and suits whatsoever which the Founder has or may have against the Company, Amtech Corporation, their affiliates and any of their directors, officers, employees and their successors and assigns. In the event that the government of Ontario, by legislation, requires the payment of severance in an amount greater than set forth in paragraphs 4.02 or 4.03, as applicable, the Founder shall be entitled to such statutory severance in lieu of, but not in addition to, the severance set out in paragraphs 4.02 or 4.03, as applicable.

4.05 Notwithstanding anything contained in this Agreement, the employment of the Founder with the Company may be terminated for just cause without notice of termination or payment in lieu of notice, and without liability to the Company beyond any amounts due and owing to the date of termination by the Company. For the purposes of the foregoing "just cause" means:

(i) any theft, fraud or dishonesty by the Employee involving the property or affairs of the Company; or

(ii) any act or omission by the Employee that is deemed to be just cause for dismissal under the common law in the Province of Ontario.

4.06 The employment of the Founder with the Company shall terminate, without liability to the Company beyond amounts due and owing through the date of termination, upon the happening of any of the following:

(i) the death of the Founder;

(ii) the Founder reaching the retirement age as established by the retirement policy of general application established or to be established by the Company from time-to-time; or

(iii) the Founder is unable to perform the Founder's job responsibilities because of incapacity due to physical or mental illness for a consecutive period of six (6) months or a cumulative period of six (6) months in any consecutive twelve (12) month period. The parties understand that any wage replacement payments received by the

Founder under any applicable disability insurance policies during the period of disability shall be in lieu of (and not in addition to) a corresponding amount of salary or other compensation.

5. CONFIDENTIALITY AND NON-COMPETITION.

5.01 The Founder acknowledges that the Founder holds a position of trust with the Company and that he has been and will be entrusted with detailed trade secrets and other confidential or proprietary information of the Company. The Founder acknowledges that the Founder has previously executed a Confidential Information, Invention Assignment and Non-Competition Agreement, dated September 30, 1994, relating to the treatment of confidential information, inventions, non-competition and other matters, which agreement is incorporated herein by reference and is deemed to be a part of this Agreement as if the provisions thereof were fully set forth herein. Such agreement will, subject to the provisions of paragraph 5.02, continue to apply in accordance with its terms during the Founder's employment with the Company and thereafter, regardless of the reason for the termination or expiration of the Founder's employment.

5.02 Notwithstanding the provisions of paragraph 4 of the above-referenced Confidential Information, Invention Assignment and Non-Competition Agreement, the Founder and the Company have agreed, with respect to the application of the provisions of such paragraph 4 during the period following the termination or expiration of the Founder's employment with the Company, as follows:

(i) the Founder shall be bound by the provisions of such paragraph 4 for a minimum period of six (6) months following the date of the termination or expiration of the Founder's employment with the Company.

(ii) The Company may, at its election, require the Founder to be bound by the provisions of such paragraph 4 for each of the seventh through twelfth months following the date of the termination or expiration of the Founder's employment with the Company by paying to the Founder for one or more of these seventh through twelfth months the monthly base salary being paid to the Founder at the time of the termination or expiration of the Founder's employment with the Company. If the Company so elects by making the required payment, then the Founder shall abide by the provisions of such paragraph for each of such seventh through twelfth months that the Company actually makes the payment in question.

6. MISCELLANEOUS.

6.01 Except as otherwise expressly provided herein, all notices shall be in writing and either delivered personally, or sent by registered or certified mail, telex, telegram, cable or telecopier (receipt confirmation requested) and addressed as follows:

The Founder: 1647 Wembury Road
Mississauga, Ontario
L5J 4G4

The Company: Wavelink Technologies, Inc.
5825 Kennedy Road
Mississauga, Ontario
Canada
L4Z 2G3
Attention: Ivan Berka

copy to: Amtech Corporation
17304 Preston Road, E-100
Dallas, Texas 75252
Attn: General Counsel

Any address may be changed by notice given in accordance with the provisions of this paragraph. Any notice which is delivered personally shall be effective when delivered and any notice which is sent by telex, telecopier, cable or telegram shall be effective on the business day following the day of sending. Any notice given by telex, telecopier, cable or telegram shall immediately be confirmed by registered or certified mail.

6.02 This Agreement and the Confidential Information, Invention Assignment and Non-Competition Agreement referenced in paragraph 5 contains the entire agreement between the Company and the Founder and supersedes all previous negotiations, understandings and agreements whether verbal or written, with respect to the terms and conditions of employment between the Company and the Founder. The parties agree that this Agreement may only be modified in writing and signed by both parties.

6.03 This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Ontario. The Company and the Founder agree that if there is any dispute between them with respect to the rights of either party under this Agreement, such dispute will be submitted to the Courts of the Province of Ontario, and the Company and the Founder attorn to the jurisdiction of the Courts of the Province of Ontario.

6.04 This Agreement shall not be assignable by either party unless the written consent of the other party has been obtained, provided, however, that the Company may assign this Agreement to any person or entity acquiring all or substantially all of the undertaking, property or assets of the Company whether by way of merger, amalgamation, transfer, sale, lease or other transaction and may assign it to any affiliate of the Company; provided, that, an assignment to an affiliate shall not relieve the Company of its obligations hereunder. As used herein, "affiliate" means with respect to any corporation or other entity, a corporation or other entity directly or indirectly controlling, controlled by, or under direct or indirect common control with, the corporation or other entity in question.

6.05 This Agreement shall enure to the benefit and be binding upon the parties hereto, their respective heirs, executors, administrators, successors and permitted assigns.

6.06 The Company and Founder agree that they shall, from time-to-time and at all times, do all such further acts and execute and deliver all such further documents and assurances as shall be reasonably required in order to fully perform and carry out the terms of this Agreement.

6.07 No failure by either the Company or the Founder to exercise any of their respective rights, powers or privileges pursuant to this Agreement shall operate as a waiver of such rights, powers or privileges, nor shall any single or partial exercise of any right, power or privilege under this Agreement by either of them, preclude either of them from further exercising any right, power or privilege pursuant to this Agreement.

6.08 In the event that any provision or any part of any provision hereof is deemed to be invalid by reason of the operation of any law or by reason of the interpretation placed thereon by a court, this Agreement shall be

construed as not containing such provision or part of such provision and the invalidity of such provision or such part shall not affect the validity of any other provision or the remainder of such provision hereof. All other provisions hereof which are otherwise lawful and valid shall remain in full force and effect.

6.09 The Founder understands that by executing this Agreement, the Founder accepts and agrees to be bound by its terms and conditions. The Founder acknowledges that the Founder is signing this Agreement freely and voluntarily having had an opportunity to review, understand and seek advice as to the meaning of the above provisions.

IN WITNESS WHEREOF the parties have caused this Agreement to be executed as of the effective date first above written.

WAVELINK TECHNOLOGIES, INC.

By: Dan Berlin

Its: SECRETARY

/s/ S. SLIEDBOLT
- ---
(Witness)

/s/ NINO ZAINO

NINO ZAINO

EXHIBIT 13.1

CONSOLIDATED FINANCIAL REVIEW . FINANCIAL SUMMARY

FIVE-YEAR FINANCIAL SUMMARY

	YEAR ENDED DECEMBER 31,				
	1995(1)	1994	1993	1992	1991
	(IN THOUSANDS, EXCEPT PER SHARE DATA)				
STATEMENT OF OPERATIONS DATA:					
Sales	$80,071	$61,457	$59,424	$39,856	$18,748
Operating costs and expenses:					
Cost of sales	53,656	31,288	28,678	20,190	11,563
Research and development	9,334	6,222	4,407	2,562	1,963
Marketing, general and administrative	23,123	13,991	13,978	10,960	10,640
	86,113	51,501	47,063	33,712	24,166
Operating income (loss)	(6,042)	9,956	12,361	6,144	(5,418)
Investment income	2,308	2,104	1,735	1,261	433
Interest expense	(181)	--	--	--	--
Income (loss) before income taxes and cumulative effect of change in accounting for income taxes	(3,915)	12,060	14,096	7,405	(4,985)
Provision for income taxes	172	4,398	3,729	132	--
Income (loss) before cumulative effect of change in accounting for income taxes	(4,087)	7,662	10,367	7,273	(4,985)
Cumulative effect of change in accounting for income taxes	--	--	6,000	--	--
Net income (loss)	$(4,087)	$ 7,662	$16,367	$ 7,273	$(4,985)
Earnings (loss) per share(2)	$ (0.28)	$ 0.52	$ 1.10	$ 0.51	$ (0.40)
Shares used in computing earnings (loss) per share	14,655	14,800	14,855	14,199	12,409
Cash dividends declared per common share	$ 0.02	$ 0.08	$ 0.06	$ --	$ --
BALANCE SHEET DATA:					
Working capital	$49,349	$63,558			
$47,625 $38,030 $13,554					
Total assets	93,379	80,622	76,720	57,445	22,991
Total stockholders' equity (3)	72,561	75,336	66,805	48,821	15,965
Stockholders' equity per share	4.97	5.16	4.59	3.40	1.26

(1) In 1995, the Company acquired Cotag International Limited, Cardkey Systems, Inc., Cardkey Systems Limited and WaveLink Technologies, Inc. See Note 2 to Consolidated Financial Statements included herein.
(2) Amount for 1993 includes the cumulative effect of a change in accounting for income taxes which increased earnings per share by $0.40.
(3) The Company completed a follow-on public offering in May 1992 of 1,562,500 common shares for net proceeds of $24,884,000.

This five-year financial summary should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and related notes included herein.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

Amtech Systems Corporation and Amtech World Corporation develop and provide high-frequency radio frequency identification (RFID) solutions to the transportation markets which include vehicle-roadside communications, electronic toll and traffic management (ETTM), rail, intermodal and motor freight. Products and services for electronic access control applications are the focus of Cotag International Limited ("Cotag") and Cardkey Systems, Inc. and Cardkey Systems Limited (collectively "Cardkey"). Cotag and Cardkey were acquired by the Company in January and August 1995, respectively. WaveLink Technologies, Inc. ("WaveLink") is developing a line of products targeting the interactive data marketplace consisting of mobile radio frequency data communications terminals using wireless local area networks for use in portable computing in logistics, warehousing, transportation and medical applications.

RESULTS OF OPERATIONS

Comparison of the Year Ended December 31, 1995 to the Year Ended December 31, 1994

Sales - Sales increased by 30% from $61,457,000 in 1994 to $80,071,000 in 1995. Sales volumes for the ETTM sector of the transportation markets increased $10,211,000, primarily as a result of revenues of approximately $16,942,000 from a single systems integration services contract. Shipments in the transportation markets for the rail industry decreased from $30,506,000 to $9,281,000 primarily as a result of the substantial completion in mid-1994 of tag deliveries for the implementation of the Association of American Railroads' mandatory standard for automatic equipment identification. Sales in the electronic access control markets amounted to approximately $31,687,000 in 1995 as sales of Cotag were included in the Company's consolidated financial statements beginning February 1, 1995, and sales of Cardkey were included beginning August 1, 1995.

Cost of Sales and Gross Profit - Gross profit as a percentage of sales decreased from 49% in 1994 to 33% in 1995. This decrease was primarily due to a reduction in the percentage of sales attributable to the Company's manufactured products for the transportation markets, and a larger percentage of sales being attributable to lower margin systems integration project work in the ETTM market. The gross profit margin on sales to the electronic access control markets was 32%.

Research and Development - Research and development expenses increased by 50% from $6,222,000 in 1994 to $9,334,000 in 1995, due in part to one-time charges of $1,382,000 for purchased in-process research and development as a result of the Cardkey and WaveLink acquisitions, expenditures of approximately $900,000 by WaveLink for product development and the inclusion of expenses for Cotag and Cardkey of $2,427,000 in 1995. These increases were partially offset by reduced joint venture expense levels relating to product development for certain transportation applications.

Marketing, General and Administrative - Marketing, general and administrative expenses increased 65% from $13,991,000 in 1994 to $23,123,000 in 1995. The increases are primarily attributable to the inclusion of expenses of Cotag and Cardkey of $10,642,000 in 1995. These increases were partially offset by decreases in outside consultant, advertising and travel costs incurred to pursue and support new business opportunities for the transportation markets.

Investment Income - Investment income increased from $2,104,000 in 1994 to $2,308,000 in 1995. The increase is primarily attributable to gains realized from the sale of corporate equity securities of approximately $1,040,000 partially offset by the effect of a reduction in invested cash and marketable securities resulting from the Company's 1995 business acquisitions.

Income Taxes - The provision for income taxes in 1995 of $172,000 is different from the U.S. statutory rate of 34% primarily due to the effect of unbenefitted foreign losses. The effective tax rate for 1994 was 36.5%.

Net Income (Loss) - As a result of the foregoing, the Company experienced a net loss of $4,087,000 in 1995 as compared to net income of $7,662,000 in 1994.

Comparison of the Year Ended December 31, 1994 to the Year Ended December 31, 1993

Sales - Sales increased by 3% from $59,424,000 in 1993 to $61,457,000 in 1994, primarily due to increased sales volumes of the Company's products and services for the ETTM sector of its markets. Installation of new systems in New York and

Kansas coupled with the continued implementation or expansion of systems in Oklahoma, Houston, Hong Kong and Atlanta contributed to the increase in sales to ETTM customers in 1994. Shipments to the rail industry decreased from $33,438,000 to $30,506,000 primarily as a result of the substantial completion in mid-1994 of tag deliveries for the implementation of the

Association of American Railroads' mandated standard for automatic equipment identification.

Cost of Sales and Gross Profit - Gross profit as a percentage of sales decreased from 52% in 1993 to 49% in 1994. This decrease was primarily due to a reduction in the percentage of sales attributable to the Company's manufactured products. The business mix for the last half of 1994 trended toward lower margin systems integration project work in the ETTM market.

Research and Development - Research and development expenses increased by 41% from $4,407,000 in 1993 to $6,222,000 in 1994, primarily due to funding the Company's pro rata share of the net expense incurred by the technology joint venture, Intellitag Products, which was formed by the Company and Motorola, Inc. to develop a new generation of products for ETTM applications. The Company's total research and development expenditures increased by 47% from $6,204,000 in 1993 to $9,150,000 in 1994. Research and development expenditures of $1,797,000 in 1993 and $2,928,000 in 1994 were included in cost of sales relating to new product research and development arrangements with customers and software development costs associated with installation of customer projects.

Marketing, General and Administrative - Marketing, general and administrative expenses were relatively unchanged from $13,978,000 in 1993 to $13,991,000 in 1994. Compensation costs increased for additional marketing and administrative personnel to pursue and support new business opportunities. This increase was offset by a decrease in legal expenses from $1,418,000 in 1993 to $642,000 in 1994 due to reduced litigation and regulatory matters.

Investment Income - Investment income increased from $1,735,000 in 1993 to $2,104,000 in 1994, primarily attributable to the overall increase in interest rates between periods.

Income Taxes - The provision for income taxes as a percentage of income before taxes was 36.5% for 1994. The primary difference between the statutory and effective tax rates is the provision for state taxes. The Company changed its method of accounting for income taxes effective January 1, 1993, pursuant to FASB Statement No. 109, "Accounting for Income Taxes." As permitted, the Company elected to not restate the financial statements of any prior periods and recorded the cumulative effect of the accounting change as of January 1, 1993. This change resulted in a one-time increase in earnings of $6,000,000 for the year ended December 31, 1993. The provision for income taxes as a percentage of income before taxes and cumulative effect of change in accounting for income taxes was 26% for 1993. The primary difference between the statutory and effective tax rates is the utilization of net operating loss carryforwards of $1,364,000.

Net Income - As a result of the foregoing, the Company achieved net income of $7,662,000 in 1994 as compared to net income of $16,367,000 in 1993.

OUTLOOK FOR 1996

The 1995 acquisitions of Cotag, Cardkey and WaveLink have significantly expanded the Company's worldwide product and service offerings of systems and solutions utilizing wireless data technologies. As a result of these acquisitions, the Company's revenue and employee base each have more than doubled and worldwide locations now total approximately 40. The Company has taken strategic steps to diversify into businesses complementary to its original business and now must focus on expanding revenues with the development of existing markets as well as new leading-edge technology, returning to profitability and realizing the potential synergies between its market-oriented groups. Cardkey was experiencing significant operating losses prior to its acquisition by the Company. The level of Cardkey losses since the acquisition by the Company has been substantially reduced primarily as a result of changes in certain key management personnel, a reorganization of the operating structure of Cardkey, overall expense reductions, product improvements, and the early

benefits of vertically integrated manufacturing efforts. Cardkey's improving financial performance is expected to continue in 1996. Significant research and development expenditures are expected to be incurred by WaveLink as work efforts continue on the product line being developed by this technology start-up company. Significant additional expenditures will be incurred by WaveLink to build a U.S. sales, marketing and support organization designed to bring about meaningful product sales in the latter half of 1996. Within the transportation markets, sales of Company manufactured hardware products that yield higher gross profit margins are expected to increase as a percentage of sales, while sales of lower gross profit margin products and services, such as systems integration project work in the ETTM sector, are expected to decrease. The Company expects to continue to provide its share of cash required by Alcatel Amtech S.A., the Company's European joint venture. If current trends hold in the Company's established market-oriented groups and if the new WaveLink product line lives up to expectations, the Company expects its pre-tax

operating results for 1996 to approximately break even on targeted sales of $115 million to $130 million. These forward-looking statements are subject to the "SAFE HARBOR" STATEMENT on the inside back cover of this Annual Report.

[See "SAFE HARBOR" STATEMENT, which appears immediately following page 31].

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 1995 the Company's principal source of liquidity is its net working capital position of $49,349,000, including cash and cash equivalents of $17,669,000, marketable securities of $10,168,000 and accounts receivable of $24,559,000. The Company's near-term liquidity will be impacted by a long-term note payment of $2,594,000 in March 1997 associated with the acquisition of Cardkey. Additionally, the Company expects to invest up to $4,000,000 in 1996 for property and equipment, primarily associated with businesses acquired by the Company in 1995.

In August 1994, the Company's Board of Directors approved a program to repurchase up to $5,000,000 of the Company's common stock from time-to-time in the open market or in privately negotiated transactions. No limit has been placed on the duration of the repurchase program. The Company repurchased 80,000 of its shares for $393,000 in 1995.

The Company believes that cash flows from operations and its existing net working capital position will be sufficient to meet the capital requirements for the current businesses for at least the next two years. Additional acquisitions, if any, would be financed by the most attractive alternative available which could be the utilization of cash reserves or the issuance of debt or equity securities.

OTHER MATTERS

In October of 1995, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards (SFAS) No. 123, "Accounting for Stock-Based Compensation," effective in 1996. Under SFAS No. 123, companies may elect to record compensation expense for certain stock-based employee compensation arrangements or disclose the omitted information in the notes to its financial statements. The Company has elected to disclose such information and to continue accounting for stock-based compensation plans utilizing the provisions of Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees."

COMMON STOCK INFORMATION

The Company's common stock trades on The NASDAQ Stock Market under the symbol AMTC. The following table shows the high and low sales prices and cash dividends declared, by quarter, for 1995 and 1994. These prices do not include adjustments for retail mark-ups, mark-downs or commissions.

	1995		1994	

	HIGH	LOW	CASH DIVIDENDS DECLARED	HIGH	LOW	CASH DIVIDENDS DECLARED
QUARTER ENDED						
March 31	$10.63	$7.25	$0.02	$33.75	$16.50	$0.02
June 30	$ 8.50	$5.25	$ --	$20.75	$11.00	$0.02
September 30	$ 7.63	$5.88	$ --	$14.00	$ 8.25	$0.02
December 31	$ 6.88	$4.63	$ --	$12.75	$ 7.63	$0.02

At February 15, 1996 there were 14,605,036 shares of common stock outstanding held by 862 stockholders of record. On that date, the last reported sales price of the common stock was $5.25.

The Company suspended its quarterly payment of dividends after the first quarter of 1995. Future dividends, if any, are dependent on the Company's future earnings, capital requirements and overall financial condition.

REPORT OF INDEPENDENT AUDITORS

The Board of Directors and Stockholders
Amtech Corporation

We have audited the accompanying consolidated balance sheets of Amtech Corporation as of December 31, 1995 and 1994, and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 1995. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Amtech Corporation at December 31, 1995 and 1994, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 1995, in conformity with generally accepted accounting principles.

As discussed in Note 7 to the accompanying financial statements, in 1993 the Company changed its method of accounting for income taxes.

[SIGNATURE OF ERNST & YOUNG LLP APPEARS HERE]

Dallas, Texas
February 15, 1996

CONSOLIDATED STATEMENTS OF OPERATIONS

	YEAR ENDED DECEMBER 31,		
	1995	1994	1993
Sales.....	$80,071,000	$61,457,000	$59,424,000

Operating costs and expenses:			
Cost of sales	53,656,000	31,288,000	28,678,000
Research and development	9,334,000	6,222,000	4,407,000
Marketing, general and administrative	23,123,000	13,991,000	13,978,000
	86,113,000	51,501,000	47,063,000
Operating income (loss)	(6,042,000)	9,956,000	12,361,000
Investment income	2,308,000	2,104,000	1,735,000
Interest expense	(181,000)	--	--
Income (loss) before provision for income taxes and cumulative effect of change in accounting for income taxes	(3,915,000)	12,060,000	14,096,000
Provision for income taxes	172,000	4,398,000	3,729,000
Income (loss) before cumulative effect of change in accounting for income taxes	(4,087,000)	7,662,000	10,367,000
Cumulative effect of change in accounting for income taxes	--	--	6,000,000
Net income (loss)	$(4,087,000)	$ 7,662,000	$16,367,000
Earnings (loss) per share:			
Income (loss) before cumulative effect of change in accounting for income taxes	$ (0.28)	$ 0.52	$ 0.70
Cumulative effect of change in accounting for income taxes	--	--	0.40
Net income (loss)	$ (0.28)	$ 0.52	$ 1.10
Shares used in computing earnings (loss) per share	14,654,681	14,799,782	14,855,323

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEETS

	DECEMBER 31,	
ASSETS	1995	1994
Current assets:		
Cash and cash equivalents	$17,669,000	$14,217,000
Short-term marketable securities	10,168,000	35,695,000
Accounts receivable, net of allowance for doubtful accounts of $831,000 in 1995 and $210,000 in 1994	24,559,000	7,438,000
Inventories	13,415,000	8,199,000
Deferred income taxes	1,037,000	1,060,000
Prepaid expenses	725,000	425,000
Total current assets	67,573,000	67,034,000
Property and equipment, at cost	23,221,000	16,166,000
Accumulated depreciation	(9,138,000)	(7,281,000)
	14,083,000	8,885,000
Intangible assets, net of amortization of $529,000 in 1995	8,827,000	--
Deferred income taxes	1,544,000	1,810,000

Other assets	1,352,000	2,893,000
	$93,379,000	$80,622,000
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 6,628,000	$ 1,607,000
Note payable	1,887,000	--
Accrued expenses	7,201,000	1,789,000
Deferred income and license revenues	2,508,000	80,000
Total current liabilities	18,224,000	3,476,000
Deferred license revenues	--	1,810,000
Note payable	2,594,000	--
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $1 par value, 10,000,000 shares authorized; none outstanding	--	--
Common stock, $0.01 par value, 30,000,000 shares authorized; 14,685,036 issued, 14,605,036 outstanding in 1995 and 14,607,408 issued and outstanding in 1994	147,000	146,000
Additional paid-in capital	75,349,000	75,086,000
Unrealized gain (loss) on marketable securities, net of tax effect	1,323,000	(411,000)
Treasury stock, at cost	(393,000)	--
Retained earnings (accumulated deficit)	(3,865,000)	515,000
Total stockholders' equity	72,561,000	75,336,000
	$93,379,000	$80,622,000

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	YEAR ENDED DECEMBER 31,		
	1995	1994	1993
Cash flows from operating activities:			
Net income (loss)	$ (4,087,000)	$ 7,662,000	$ 16,367,000
Adjustments to reconcile net income (loss) to net cash from operating activities:			
Depreciation and amortization	3,614,000	2,980,000	2,138,000
Deferred income taxes	(603,000)	3,164,000	2,032,000
Tax benefit from exercise of stock options	101,000	329,000	1,319,000
Purchased in-process research and development	1,382,000	--	--
Cumulative effect of change in accounting for income taxes	--	--	(6,000,000)
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	(2,030,000)	1,113,000	(3,699,000)
(Increase) decrease in inventories	756,000	(1,326,000)	(210,000)
(Increase) decrease in prepaid expenses	280,000	(307,000)	(16,000)
(Increase) decrease in other assets	603,000	1,910,000	(563,000)
Increase (decrease) in accounts payable and accrued expenses	1,629,000	(3,660,000)	2,395,000
Decrease in deferred income and license revenues	(1,233,000)	(969,000)	(1,104,000)
Total adjustments	4,499,000	3,234,000	(3,708,000)
Net cash provided by operating activities	412,000	10,896,000	12,659,000
Cash flows from investing activities:			
Purchases of property and equipment	(3,315,000)	(2,333,000)	(7,296,000)
Purchase of Cotag International Limited	(5,784,000)	--	--
Purchase of Cardkey Systems, net of cash acquired	(15,096,000)	--	--
Purchase of WaveLink Technologies Inc., net of cash acquired	(428,000)	--	--
Recapitalization of Alcatel Amtech S.A.	--	(2,231,000)	--
Purchases of marketable securities	(3,000,000)	(35,350,000)	(14,603,000)
Sales and maturities of marketable securities	31,153,000	22,756,000	17,996,000
Increase in other assets	(79,000)	(983,000)	(476,000)
Net cash provided (used) by investing activities	3,451,000	(18,141,000)	(4,379,000)
Cash flows from financing activities:			
Payment of cash dividends	(293,000)	(1,168,000)	(812,000)
Proceeds from exercise of stock options	301,000	264,000	1,110,000
Purchase of treasury stock	(393,000)	--	--

Net cash provided (used) by financing activities	(385,000)	(904,000)	298,000
Effect of exchange rate changes on cash and cash equivalents	(26,000)	--	--
Increase (decrease) in cash and cash equivalents	3,452,000	(8,149,000)	8,578,000
Cash and cash equivalents, beginning of year	14,217,000	22,366,000	13,788,000
Cash and cash equivalents, end of year	$ 17,669,000	$ 14,217,000	$ 22,366,000

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	COMMON STOCK		ADDITIONAL PAID-IN	UNREALIZED GAIN (LOSS) ON MARKETABLE	TREASURY	RETAINED EARNINGS (ACCUMULATED	TOTAL STOCKHOLDERS'
	SHARES	AMOUNT	CAPITAL	SECURITIES	STOCK	DEFICIT)	EQUITY
BALANCE, DECEMBER 31, 1992	14,375,394	$144,000	$70,211,000	$ --	$ --	$(21,534,000)	$48,821,000
Exercise of stock options for cash	182,995	2,000	1,108,000	--	--	--	1,110,000
Payment of cash dividends ($0.06 per share)	--	--	--	--	--	(812,000)	(812,000)
Tax benefit from exercise of stock options	--	--	1,319,000	--	--	--	1,319,000
Net income	--	--	--	--	--	16,367,000	16,367,000
BALANCE, DECEMBER 31, 1993	14,558,389	146,000	72,638,000	--	--	(5,979,000)	66,805,000
Exercise of stock options for cash	49,019	--	264,000	--	--	--	264,000
Payment of cash dividends ($0.08 per share)	--	--	--	--	--	(1,168,000)	(1,168,000)
Tax benefit from exercise of stock options	--	--	2,184,000	--	--	--	2,184,000
Unrealized loss on marketable securities (net of tax effect of $211,000)	--	--	--	(411,000)	--	--	(411,000)
Net income	--	--	--	--	--	7,662,000	7,662,000
BALANCE, DECEMBER 31, 1994	14,607,408	146,000	75,086,000	(411,000)	--	515,000	75,336,000
Exercise of stock options for cash	77,628	1,000	300,000	--	--	--	301,000
Payment of cash dividends ($0.02 per share)	--	--	--	--	--	(293,000)	(293,000)
Tax benefit from exercise of stock options	--	--	101,000	--	--	--	101,000
Unrealized gain on marketable securities (net of tax effect of $892,000)	--	--	--	1,734,000	--	--	1,734,000
Purchase of treasury stock (80,000 shares)	--	--	--	--	(393,000)	--	(393,000)
Other	--	--	(138,000)	--	--	--	(138,000)
Net loss	--	--	--	--	--	(4,087,000)	(4,087,000)
BALANCE, DECEMBER 31, 1995	14,685,036	$147,000	$75,349,000	$1,323,000	$(393,000)	$ (3,865,000)	$72,561,000

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Consolidation - The accompanying consolidated financial statements include the accounts of the Company and its majority owned subsidiaries. Intercompany balances and transactions have been eliminated. Investees in which the Company owns 50% or less of the outstanding securities are accounted for using the equity method of accounting.

Cash investments and marketable securities - Cash investments with maturities of three months or less when purchased are considered cash equivalents. Marketable securities, which are available-for-sale and have stated maturities within two years, are as follows:

	DECEMBER 31,	
	1995	1994
U.S. Treasury securities	$ 7,124,000	$ 6,078,000
Obligations of states and political subdivisions	--	22,728,000
U.S. corporate debt securities	--	5,431,000
U.S. corporate equity securities	3,044,000	1,458,000
	$10,168,000	$35,695,000

Marketable securities are carried at cost, which approximates fair market value except for U.S. corporate equity securities which at December 31, 1995 have an unrealized gain of $2,004,000 and at December 31, 1994 have an unrealized loss of $622,000. For these securities, such gains and losses are excluded from earnings and included in stockholders' equity, net of potential tax effect, until realized.

Inventories - Inventories are stated at the lower of cost (first-in, first-out) or market.

Depreciation and amortization - Depreciation of property and equipment is provided using the straight-line method over estimated useful lives ranging from three to twenty-five years. Amortization of intangible assets is provided using the straight-line method over periods ranging from seven to fifteen years.

Revenue recognition - Generally, sales are recorded when products are shipped or services are rendered. Sales under research and development and construction type contracts are recorded as costs are incurred and include estimated profits calculated on the basis of the relationship between costs incurred and total estimated costs (cost-to-cost type of percentage-of-completion method of accounting). In the period in which it is determined it is probable that a loss will result from the performance of a contract, the entire amount of the estimated loss is charged against income. Deferred license revenues associated with the sale of manufacturing and marketing rights are being amortized over five years on a straight-line basis.

Earnings per share - The computation of earnings per share is based on the weighted average number of shares of common stock and dilutive common equivalent shares outstanding. Common equivalent shares assume the exercise of all dilutive outstanding stock options using the treasury stock method. Fully diluted earnings per share is not materially different from primary earnings per share as presented.

Concentration of credit risk - The Company purchases cash investments and marketable securities that are of high credit quality and limits the amount invested in any one institution. The Company sells products and services to various governmental and commercial customers covering a wide range of industries throughout the world. The Company continuously evaluates the creditworthiness of its customers' financial condition and generally does not require collateral. The Company's allowance for doubtful accounts is based on current market conditions and losses on uncollectible accounts have consistently been within management's expectations.

Use of estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. BUSINESS ACQUISITIONS

Cotag

In late January 1995, the Company purchased all of the stock of Cotag International Limited ("Cotag") for approximately $5,800,000, including acquisition expenses. Cotag is located in Cambridge, England and manufactures radio frequency identification security systems for hands-free electronic access control and other related applications. The results of operations for Cotag are included in the consolidated financial statements of the Company beginning

February 1, 1995. The acquisition of Cotag resulted in goodwill of approximately $4,100,000, which is being amortized over ten years.

Cardkey

On August 1, 1995, the Company purchased substantially all of the assets and assumed certain liabilities of Cardkey Systems, Inc. and Cardkey Systems Limited (collectively, "Cardkey") and subsequently sold certain operations unrelated to Cardkey's core business. The net purchase price for Cardkey including acquisition expenses was $18,642,000, consisting of cash of $15,096,000, a non-interest bearing promissory note which has been recorded at a present value of $4,481,000 using an 8.75% imputed interest rate, and reduced by a receivable of $935,000 from the seller for post-acquisition adjustments which was paid in February 1996. The note is payable in two installments, March 1996 and 1997, and is secured by $3,000,000 of the Company's short-term marketable securities. The primary operating companies of Cardkey are headquartered in Simi Valley, California and Reading, England. Cardkey sells, installs and services electronic access control systems through an international network of direct sales offices and resellers.

The results of operations for Cardkey are included in the consolidated financial statements of the Company beginning August 1, 1995. Allocation of the purchase price resulted in a one-time charge in the third quarter of 1995 in the amount of $882,000 for purchased in-process research and development. The acquisition of Cardkey resulted in goodwill and other intangible assets of approximately $4,900,000 which are being amortized over periods ranging from seven to fifteen years.

The following unaudited pro forma summary combines the consolidated results of operations of the Company and Cardkey as if the acquisition had occurred on January 1, 1994, after giving effect to certain adjustments, including amortization of goodwill and intangible assets, decreased interest income on the cash consideration paid for the purchase, decreased interest expense on intercompany debt not assumed by the Company and related income tax effects. The pro forma summary does not include the effect of the one-time charge for purchased in-process research and development. This pro forma summary is not necessarily indicative of the results of operations as they would have been if the Company and Cardkey had constituted a single entity during such periods, nor is it necessarily indicative of the future results of operations.

	YEAR ENDED DECEMBER 31,	
	1995	1994
	(In thousands, except per share data) (Unaudited)	
Sales	$118,852	$130,313
Net income (loss)	(5,953)	1,233
Earnings (loss) per share	(0.41)	0.08

WaveLink

Since December 1994, the Company has provided approximately $1,850,000 of debt and equity financing to WaveLink Technologies, Inc. ("WaveLink") as certain product development milestones were achieved. Located adjacent to Toronto, Canada, WaveLink is developing a product line for the radio frequency data collection market. During 1995, the Company accounted for its investment in WaveLink using the equity method of accounting and recognized approximately $900,000 as research and development expense. During the fourth quarter of 1995, the financing provided by the Company resulted in the Company owning a majority of the outstanding equity securities of WaveLink. Accordingly, WaveLink's accounts are consolidated with those of the Company at December 31, 1995. Upon consolidation, allocation of the Company's net investment to the acquired net assets of WaveLink resulted in goodwill of approximately $364,000 and a one-time charge of approximately $500,000 in the fourth quarter of 1995 for purchased in-process research and development.

3. INVENTORIES

Inventories consist of the following:

	DECEMBER 31,	
	1995	1994
Raw materials	$ 4,900,000	$4,486,000
Work in process	3,976,000	2,168,000
Finished goods	4,539,000	1,545,000
	$13,415,000	$8,199,000

4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	DECEMBER 31,	
	1995	1994
Land	$ 690,000	$ 690,000
Building	4,462,000	3,391,000
Manufacturing, test and other equipment	8,801,000	7,896,000
Computer equipment and software	6,337,000	2,811,000
Office equipment, furniture, and fixtures	2,106,000	1,070,000
Leasehold improvements and other	825,000	308,000
	$23,221,000	$16,166,000

5. ACCRUED EXPENSES

Accrued expenses consist of the following:

	YEAR ENDED DECEMBER 31,	
	1995	1994
Payroll and related benefits	$2,186,000	$ 593,000
Warranty reserves	1,741,000	255,000
Other	3,274,000	941,000
	$7,201,000	$1,789,000

6. STOCK OPTIONS

The Company has non-qualified stock options outstanding to employees and directors under various shareholder approved Stock Option Plans and 115,000 shares outstanding to non-employee directors, subject to shareholder approval, pursuant to a 1996 Directors' Stock Option Plan. Options granted under these plans are not less than the fair market value at the date of grant, and subject to termination of employment, generally expire ten years from date of grant. Employee options are generally exercisable in annual installments over five years or are exercisable at rates of 45% in three years and 55% in five and one-

half years, unless accelerated due to the Company's common stock trading at appreciated price targets. Annual grants to certain directors are exercisable within six months from the date of the grant. At December 31, 1995, 191,903 shares were available for future grants under the Company's approved Stock Option Plans excluding 58,200 shares reserved for possible issuance as restricted stock in tandem with the exercise of certain stock options outstanding.

The following is a summary of transactions in these plans for the years ended December 31, 1995, 1994 and 1993:

		OPTION PRICE	
	SHARES	PER SHARE	TOTAL
Outstanding at December 31, 1992	893,286	$ 0.05 - $22.40	$ 10,431,000
Granted	140,750	$22.75 - $29.25	3,471,000
Cancelled	(39,058)	$ 5.34 - $22.00	(411,000)
Exercised	(182,995)	$ 0.05 - $22.00	(1,110,000)
Outstanding at December 31, 1993	811,983	$ 0.05 - $29.25	12,381,000
Granted	642,475	$10.00 - $29.25	7,260,000
Cancelled	(538,251)	$ 5.34 - $29.25	(11,397,000)
Exercised	(49,019)	$ 0.05 - $20.50	(264,000)
Outstanding at December 31, 1994	867,188	$ 0.05 - $25.40	7,980,000
Granted	765,500	$ 5.00 - $ 9.63	4,692,000
Cancelled	(277,712)	$ 5.00 - $10.75	(2,543,000)
Exercised	(77,628)	$ 0.05 - $10.00	(301,000)
Outstanding at December 31, 1995	1,277,348	$ 0.05 - $25.40	$ 9,828,000
Exercisable at December 31, 1995	250,545	$ 0.05 - $25.40	$ 2,390,000

During the year ending December 31, 1994, certain stock options were cancelled and regranted pursuant to a program whereby employees could voluntarily elect to exchange any outstanding stock options for replacement options at the current market price of the Company's common stock, provided that replacement options would only be for one-half as many shares. As a result, 520,438 options were cancelled and 260,225 options regranted for which the exercise price per share was reduced from a range of $13.34 - $29.25 to $10.00 - $10.75.

7. INCOME TAXES

As required, effective January 1, 1993 the Company adopted FASB Statement No. 109, "Accounting for Income Taxes.'' As permitted, the Company elected to not restate the financial statements of any prior periods. The cumulative effect of the accounting change increased net income for the year ended December 31, 1993 by $6,000,000 or $0.40 per share.

Components of the provision for income taxes are as follows:

	YEAR ENDED DECEMBER 31,		
	1995	1994	1993
Current	$ 775,000	$1,234,000	$1,697,000
Deferred	(603,000)	3,164,000	2,032,000
	$ 172,000	$4,398,000	$3,729,000

Approximately $101,000, $2,184,000 and $1,319,000 in 1995, 1994 and 1993, respectively, represent the tax benefit from the Company's stock option exercises which directly increased paid-in capital and did not reduce the provision for income taxes.

A reconciliation of the expected U.S. tax provision (benefit) to the actual consolidated tax provision is as follows:

	YEAR ENDED DECEMBER 31,		
	1995	1994	1993
Expected tax provision (benefit) at U.S. statutory rate	$(1,331,000)	$4,121,000	$ 4,838,000
State taxes	15,000	277,000	100,000
Foreign taxes	75,000	--	--
Interest on tax-exempt securities	(15,000)	(218,000)	--
Utilization of net operating loss carryforwards	--	--	(1,364,000)
Unbenefitted foreign losses	1,171,000	--	--
Non-deductible goodwill	130,000	--	--
Other, net	127,000	218,000	155,000
	$ 172,000	$4,398,000	$ 3,729,000

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Components of the Company's deferred tax assets and liabilities as of December 31, 1995 and 1994 are as follows:

	DECEMBER 31,	
	1995	1994
Deferred tax assets:		
Amortization of deferred license revenues	$ 294,000	$ 646,000
Non-deductible reserves	1,301,000	699,000
Losses of foreign subsidiaries and joint ventures	3,398,000	559,000
Tax credit carryforwards	478,000	798,000
Unrealized loss on marketable securities	--	211,000
Amortization of intangibles	247,000	--
Other, net	410,000	39,000
Total deferred tax assets	6,128,000	2,952,000
Valuation allowance for deferred tax assets	(2,866,000)	--
	3,262,000	2,952,000
Deferred tax liabilities:		
Unrealized gain on marketable securities	681,000	--
Depreciation	--	82,000
Total deferred tax liabilities	681,000	82,000
Net deferred tax assets	$ 2,581,000	$2,870,000

The valuation allowance of $2,866,000 primarily represents losses of foreign subsidiaries for which realization is uncertain. These foreign subsidiaries have net operating loss carryforwards which begin to expire in the year 2002. Tax credit carryforwards in the U.S. include research tax credits which are available through 2009 and alternative minimum tax credits that do not expire.

Although realization is not assured, management believes it is more likely than not that the net deferred tax assets will be realized. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income are reduced.

8. COMMITMENTS AND CONTINGENCIES

Leases - The Company leases various automobiles and certain of its office facilities. Rental expense for 1995, 1994 and 1993 was $1,521,000, $703,000 and $869,000 respectively. Certain facility leases have renewal options from three to five years. Future minimum lease payments under noncancelable operating leases are as follows:

1996	$2,524,000	1999	1,129,000
1997	2,128,000	2000	1,039,000
1998	1,296,000	Thereafter	4,930,000

Contingencies - WaveLink and certain of its employees are the subject of a $7,800,000 suit brought by Teklogix, Inc., their former employer. The suit alleges improper use of confidential information, theft of technology, misappropriation of business opportunities and similar improprieties. In addition to the damages requested, the suit seeks to enjoin the defendants from soliciting customers of Teklogix and from disclosing alleged confidential information of Teklogix. WaveLink has denied any wrongdoing by it or its employees and intends to vigorously defend the litigation. While the final outcome of this matter cannot be predicted with certainty, the Company believes that the final resolution of this matter will not have a material adverse effect on the consolidated financial position of the Company.

9. RELATED PARTY TRANSACTIONS

Sales to affiliates accounted for 5%, 11% and 15% of sales for 1995, 1994 and 1993, respectively.

In December 1995, Mr. David P. Cook was appointed a director of the Company. In April 1994 the Company invested $5,000,000 of cash and cash equivalents in a Limited Partnership investment fund managed by Mr. Cook. The fund invests in U.S. Treasury securities, financial futures contracts and index options. The Company's investment is valued at $5,299,000 and $5,559,000 at December 31, 1995 and 1994, respectively. Mr. Cook personally guarantees the Company's $5,000,000 investment. The Company plans to liquidate its investment in the fund on March 31, 1996 to avoid any potential conflict of interest or the appearance of a conflict of interest.

10. GEOGRAPHIC OPERATIONS AND SIGNIFICANT CUSTOMERS

The Company operates in one industry segment, the provision of systems and solutions for the intelligent transportation, electronic security and logistics markets through the design, manufacturing and marketing of hardware and software products and services utilizing the Company's wireless data technologies.

The following presents information about the Company's operations in different geographic areas as a result of the 1995 business acquisitions:

	YEAR ENDED DECEMBER 31, 1995 (IN THOUSANDS)				
	U.S.	EUROPE	CANADA AND OTHER	ELIMINATIONS	TOTAL
Sales:					
Unaffiliated customers	$64,916	$14,763	$ 392	$ --	$80,071
Inter-area transfers	586	230	208	(1,024)	--

	$65,502	$14,993	$ 600	$(1,024)	$80,071
Operating loss	$(2,488)	$(2,182)	$(1,372)	$ --	$(6,042)
Identifiable assets	$78,863	$12,803	$ 1,713	$ --	$93,379

Sales and transfers between geographic areas were generally priced to recover cost plus an appropriate mark-up for profit. These inter-areas transfers were eliminated from consolidated sales.

U.S. export sales, summarized by geographic area, are as follows:

	YEAR ENDED DECEMBER 31,		
	1995	1994	1993
The Americas (excluding the U.S.)	$ 6,593,000	$ 8,805,000	$ 9,362,000
Far East	3,938,000	1,577,000	2,011,000
Europe	2,867,000	1,557,000	2,593,000
	$13,398,000	$11,939,000	$13,966,000

In 1995, the Company had one customer, a state government transportation agency, which accounted for 21% of sales and 22% of year-end accounts receivable. In 1994, the Company had two customers which accounted for 21% and 13% of sales. In 1993, the Company had two customers which accounted for 25% and 14% of sales.

11. JOINT VENTURE

In September 1994, the Company and Alcatel AVI S.A. effected a recapitalization of their European joint venture, Alcatel Amtech S.A. ("AASA"), which is owned 51% by Alcatel AVI S.A. and 49% by the Company. As part of the agreement, Alcatel AVI S.A. converted its loan to AASA of approximately $5,700,000 into equity and the Company agreed to waive its right to receive the next $2,000,000 of $4,700,000 that it was otherwise entitled to receive based on AASA's future use of integrated circuit chips incorporating the Company's proprietary technology. In addition the companies provided new equity capital to AASA of approximately $3,700,000, including $2,231,000 by the Company. The recapitalization eliminated AASA's losses accumulated since its inception.

12. EMPLOYEE BENEFIT PLAN

The Company has a retirement savings plan structured under Section 401(k) of the Internal Revenue Code. The plan covers substantially all U.S. employees meeting minimum service requirements. Under the Plan, contributions are voluntarily made by employees and the Company may provide matching contributions based on the employees' contributions. The Company incurred $79,000, $96,000 and $83,000 in 1995, 1994 and 1993, respectively, for matching contributions to this plan.

13. QUARTERLY RESULTS OF OPERATIONS (UNAUDITED)

The following is a summary of the quarterly results of operations for the years ended December 31, 1995 and 1994:

	QUARTER ENDED			
1995	MARCH 31	JUNE 30	SEPTEMBER 30	DECEMBER 31
Sales	$13,935,000	$13,001,000	$24,526,000	$28,609,000
Cost of sales	9,373,000	8,434,000	15,775,000	20,074,000
Net loss	(280,000)	(1,257,000)	(422,000)	(2,128,000)
Net loss per share	(0.02)	(0.09)	(0.03)	(0.15)

1994				
Sales	$18,959,000	$18,513,000	$12,213,000	$11,772,000
Cost of sales	8,328,000	8,357,000	7,046,000	7,557,000
Net income	3,680,000	3,403,000	503,000	76,000
Net income per share	0.25	0.23	0.03	0.01

"Safe Harbor" Statement

Certain information in this Annual Report, including but not limited to, the section entitled "Outlook for 1996" on page 20 are forward-looking statements. These statements involve management assumptions and risks and uncertainties, including but not limited to, the Interactive Data Group's ability to develop successfully, timely release to manufacturing, and establish market channels for the WaveLink product line, and customers' acceptance of such products; the Transportation Systems Group's and Electronic Security Group's increasing the sales of their manufactured products; the availability of components from suppliers; the regulatory and trade environment; general domestic and international economic conditions; the impact of competitive products and pricing; the Company's ability to attract and retain key employees; and other risks detailed from time to time in the Company's SEC public filings. Consequently, if such management assumptions prove to be incorrect or such risks or uncertainties materialize, the Company's actual results could differ materially from the results forecast in the forward-looking statements.

EXHIBIT 21.1

SUBSIDIARIES OF THE COMPANY

AMGT Corporation
(Delaware corporation)

Amtech B.V.
(Netherlands corporation)

Amtech Europe Limited
(United Kingdom corporation)

Amtech IVHS, Inc.
(Delaware corporation)

Amtech SARL
(French corporation)

Amtech Systems Corporation
(Delaware corporation)

Amtech Systems (Hong Kong) Limited
(Hong Kong corporation)

Amtech World Corporation
(Delaware corporation)

Cardkey Systems Pacific Pty. Limited
(Australian corporation)

Cardkey Sicherheitssysteme GmbH
(German corporation)

Cardkey Systems, Inc.
(Delaware corporation)

Cardkey Systems Limited
(United Kingdom corporation)

Cotag International Inc.
(Delaware corporation)

Cotag International Limited
(United Kingdom corporation)

WaveLink Technologies, Inc.
(Canadian corporation)

WaveLink Technologies, Inc.
(Delaware corporation)

EXHIBIT 23.1

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in the Registration Statement (Form S-8 No. 33-34451) pertaining to the 1988 Stock Option Plan, 1989 Stock Option Plan, 1990 Stock Option Plan, and the Original Stock Plan of Amtech Corporation, and in the Registration Statement (Form S-8 No. 33-53010) pertaining to the Amtech Corporation 1992 Stock Option Plan, and in the Registration Statement (Form S-8 No. 33-65061) pertaining to the Amtech Corporation 1995 Long-Term Incentive Plan, of our report dated February 15, 1996, with respect to the consolidated financial statements of Amtech Corporation incorporated by reference in this Annual Report (Form 10-K) for the year ended December 31, 1995.

/s/ Ernst & Young LLP

Dallas, Texas
March 18, 1996

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<CURRENT-LIABILITIES>		18,224
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<SALES>		18,513
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<CGS>		10,383
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<INTEREST-EXPENSE>		115
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<NET-INCOME>		(2,128)
<EPS-PRIMARY>		(0.15)
<EPS-DILUTED>		(0.15)