CONFEDERATED TRIBES
OF THE COLVILLE RESERVATION
Retirement Plan

Plan Highlights

1) **ELIGIBILITY**

All employees of Confederated Tribes of the Colville Reservation become eligible to participate in the Plan on their hire date.

2) **EMPLOYEE 401(k) CONTRIBUTIONS**

Employees are allowed to contribute from 1% to 100% of their pay, up to the maximum amount allowed by law ($15,000 for 2006). Employees may change their 401(k) contributions amount on any July 1st or January 1st by completing a Savings Rate Change Form. Employees are allowed to make rollover contributions from their prior employers' plans. Employees who have attained 50 during the plan year were entitled to make "catch-up" contributions ($5,000 for 2006).

3) **EMPLOYER DISCRETIONARY CONTRIBUTIONS**

Confederated Tribes of the Colville Reservation may make a discretionary profit sharing contribution to all eligible employees. The current discretionary contribution is 3.75% of pay and is credited to employee accounts each pay period.

4) **EMPLOYER MATCHING CONTRIBUTIONS**

Confederated Tribes of the Colville Reservation will match 25% of 401(k) contributions on the first 4% of participant's compensation. The Tribe will not match 401(k) contributions that are in excess of 4% of each employee's Compensation.

5) **CHANGE IN INVESTMENT ELECTIONS FOR FUTURE CONTRIBUTIONS**

Participants may change their investment elections for future contributions at any time. The change will be effective with the next payroll deposit.

6) **TRANSFER OF ACCOUNT BALANCES**

Participants may redirect the investment of their existing account balance among the investment funds on a daily basis.

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7) IN-SERVICE WITHDRAWALS

Active participants who have attained the age of 59½ may take an in-service withdrawal of their vested balance. Participants may withdraw their pre-1997 after-tax contributions and rollover contributions at any time.

8) HARDSHIP WITHDRAWALS

In the event of financial hardship, active participants that would not otherwise qualify for an in-service withdrawal may withdraw their 401(k) deferrals (without income)..

To qualify for financial hardship, participants must demonstrate an immediate and heavy financial need and have no other financial resources available to meet the need. Hardship withdrawals are available in the following situations:

- To purchase a primary residence.
- To prevent eviction from your primary residence.
- To provide post secondary education for you or a dependent.
- To pay for medical expenses for yourself or a dependent.
- To pay funeral expenses if you are the responsible party.

Participants electing a hardship withdrawal will have their 401(k) contributions suspended for a period of 6 months.

9) TERMINATION BENEFITS

Participants are eligible to receive benefits as soon as administratively feasible following termination of employment.

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10) VESTING OF PLAN BENEFITS

Participants are fully vested in their employee 401(k), rollover, and pre-1997 after-tax accounts. Participants are credited with a Year of Service for each plan year in which they work at least 1,000 hours. Participants become vested in their employer profit sharing and matching accounts based on the following vesting schedule:

Years of Service	Vesting Percentage
Less than 1	0%
1	20%
2	40%
3	60%
4	80%
5 of More	100%

In the event of termination from service by a participant due to death, disability, Early Retirement (age 55 and 5 Years of Service), or Normal Retirement (age 65), the participant will be fully vested regardless of their years of service. Participants retiring on or after their Normal Retirement date may defer distribution to a later date, but not later than age 70 ½. Benefits will automatically be paid in the form of a lump sum distribution.

Forfeitures are used to offset future employer contributions.

11) PLAN YEAR

The plan operates on a calendar year basis.