

**AMENDMENT NUMBER ONE TO  
BAY AREA PAINTERS AND TAPERS ANNUITY PLAN  
RULES AND REGULATIONS  
(2016 Revision)**

In accordance with Section 5.14 of the Plan, the Board of Trustees hereby amends the above-named Plan as set forth on the following pages:

Provision Added or Amended

1. Preamble
2. Section 6.05

Effective Date

January 1, 2019  
January 1, 2019

Chit J. Chit S.  
Chairman

Date: 2-15-18

Maria Bouloulis  
Secretary

Date: 2-15-18

**1 AMENDMENT NUMBER ONE TO  
BAY AREA PAINTERS AND TAPERS ANNUITY PLAN  
RULES AND REGULATIONS  
(2016 Revision)**

1. Effective January 1, 2019, the preamble on page 1, located before Article 1, is amended in its entirety to read as follows:

“This document sets forth the Rules and Regulations of the Annuity Plan as amended effective June 1, 2016, and constitutes an amendment, restatement and continuation of the Plan. This revised Annuity Plan is intended to comply with the Employee Retirement Income Security Act of 1974 and with the requirements for tax qualification under the Internal Revenue Code and all regulations there under, and is to be interpreted and applied consistent with that intent. Before January 1, 2019, the Plan was designated as a money purchase plan. Effective January 1, 2019, the Plan is designated as a profit sharing plan in accordance with Internal Revenue Code Section 401(a)(27)(B).”

2. **Effective January 1, 2019, new Section 6.05 is added to the Plan to read as follows:**

“Section 6.05. Hardship Distributions.

(a) Hardship. In the event a Participant suffers a serious financial hardship of sufficient severity that the Participant is confronted by present or impending want or privation, such Participant may withdraw some or all of the balance in his “profit sharing plan” sub-account as provided below. The balance of the “money purchase” sub-account is not eligible for a hardship distribution. The determination of whether a serious financial hardship exists shall be based on all relevant facts and circumstances and will require completion of an application in such form as the Board of Trustees may require. A need shall not be disqualified solely because it was reasonably foreseeable or voluntarily incurred. Serious hardship of sufficient severity shall be demonstrated only if the distribution is on account of one or more of the following:

- (i) Medical expenses that would be deductible under Code Sec. 213(d) (determined without regard to whether expenses exceed 7.5% of adjusted gross income);
- (ii) The purchase (excluding mortgage payments) of a principal residence for the Participant;
- (iii) Tuition and related educational fees for the next 12 months of post-secondary education for the Participant, his spouse, children, or dependents;
- (iv) The need to prevent the eviction of the Participant from his principal residence or foreclosure on the mortgage of the Participant’s principal residence;
- (v) Burial or funeral expenses for the Participant’s deceased parent, spouse, children or dependents; or
- (vi) Expenses for the repair of damage to the Participant’s principal residence that would qualify for the casualty deduction under Section 165 of the Code (determined without regard to whether the loss exceeds 10% of adjusted gross income.).

(b) Conditions for Hardship Distribution. No hardship distribution shall be made unless the Board, based upon the Participant’s representation and such other facts as are known to the Board, determines that the following conditions are satisfied:

- (i) The distribution is not in excess of the amount of the immediate and heavy financial need of the Participant plus any amounts necessary to pay income taxes or penalties reasonably anticipated to result from the distribution; and
- (ii) The Participant has obtained all distributions, other than hardship distributions, and all nontaxable loans currently available under all qualified retirement plans maintained by the Participant's Employer.

(c) No Available Other Resources. No hardship distribution shall be made unless the Board determines, based on all relevant facts and circumstances, that the amount to be distributed is not in excess of the amount required to relieve the financial need, plus any amounts necessary to pay any income taxes or penalties reasonably anticipated to result from the distribution, and that such need cannot be satisfied from other resources reasonably available to the Participant. For this purpose, the Participant's resources shall be deemed to include those assets of his spouse that are reasonably available to the Participant. A distribution may be treated as necessary to satisfy financial need if the Board relies upon the Participant's representation that the need cannot be relieved:

- (i) Through reimbursement or compensation by insurance or otherwise;
- (ii) By reasonable liquidation of the Participant's assets, to the extent such liquidation would itself not cause an immediate and heavy financial need; and
- (iii) By other distributions or loans from any other qualified retirement plan, or by borrowing from commercial sources on reasonable commercial terms.

(d) Other Requirements. A hardship distribution will only be made in a lump sum payment. If the Participant is married the hardship distribution must be made with the consent of the Participant's Spouse. A hardship distribution is not eligible for rollover to an IRA or other qualified plan.”

3. **Effective January 1, 2019, current Section 6.05 is renumbered as Section 6.06.**