

CENTURYTEL INC

FORM 10-Q (Quarterly Report)

Filed 5/9/1995 For Period Ending 3/31/1995

Address	P O BOX 4065 100 CENTURYTEL DR MONROE, Louisiana 71203
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CIK	0000018926
Industry	Communications Services
Sector	Services
Fiscal Year	12/31

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

☒ Quarterly Report Pursuant to Section 13 or 15(d) of the Securities
Exchange Act of 1934

For the quarterly period ended March 31, 1995

or

☐ Transition Report Pursuant to Section 13 or 15(d) of the Securities
Exchange Act of 1934

Commission File Number: 1-7784

CENTURY TELEPHONE ENTERPRISES, INC.

(Exact name of registrant as specified in its charter)

Louisiana
(State or other jurisdiction of
incorporation or organization)

72-0651161
(I.R.S. Employer
Identification No.)

100 Century Park Drive, Monroe, Louisiana 71203
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (318) 388-9500

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 ☐ No

As of April 30, 1995, there were 58,321,488 shares of common stock outstanding.

CENTURY TELEPHONE ENTERPRISES, INC.

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PART I. FINANCIAL INFORMATION

CENTURY TELEPHONE ENTERPRISES, INC. CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

Three months
ended March 31

1995 1994

(Dollars, except per share amounts, and shares expressed in thousands)

OPERATING REVENUES

Telephone	\$100,276	91,770
Mobile Communications	42,149	29,210
	-----	-----
Total operating revenues	142,425	120,980
	-----	-----
OPERATING EXPENSES		
Cost of sales and operating expenses	69,016	63,661
Depreciation and amortization	25,853	21,433
	-----	-----
Total operating expenses	94,869	85,094
	-----	-----
OPERATING INCOME	47,556	35,886
	-----	-----
OTHER INCOME (EXPENSE)		
Interest expense	(11,396)	(8,502)
Income from unconsolidated cellular entities	4,724	2,564
Gain on sales of assets	5,909	-
Minority interest	(1,946)	(698)
Other income and expense	848	889
	-----	-----
Total other income (expense)	(1,861)	(5,747)
	-----	-----
INCOME BEFORE INCOME TAX EXPENSE	45,695	30,139
Income tax expense	18,695	10,938
	-----	-----
NET INCOME	\$ 27,000	19,201
	=====	=====
PRIMARY EARNINGS PER SHARE	\$.48	.36
	=====	=====
FULLY DILUTED EARNINGS PER SHARE	\$.47	.35
	=====	=====
DIVIDENDS PER COMMON SHARE	\$.0825	.0800
	=====	=====
AVERAGE PRIMARY SHARES OUTSTANDING	56,184	52,817
	=====	=====
AVERAGE FULLY DILUTED SHARES OUTSTANDING	58,660	57,478
	=====	=====

See accompanying notes to consolidated financial statements.

CENTURY TELEPHONE ENTERPRISES, INC.
CONSOLIDATED BALANCE SHEETS
(UnAUDITED)

	March 31, 1995	December 31, 1994
	-----	-----
	(Dollars in thousands)	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 10,599	7,154
Accounts receivable		
Customers, less allowance for doubtful accounts of \$2,216 and \$2,360	39,167	40,824
Other	19,450	23,180
Materials and supplies, at average cost	6,363	7,090
Other	2,911	2,980
	-----	-----
	78,490	81,228
	-----	-----
NET PROPERTY, PLANT AND EQUIPMENT	984,897	947,131
	-----	-----
INVESTMENTS AND OTHER ASSETS		
Excess cost of net assets acquired, less accumulated amortization of \$43,008 and \$40,756	447,293	441,436
Other	181,471	173,458
	-----	-----
	628,764	614,894
	-----	-----
	\$1,692,151	1,643,253
	=====	=====
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Current maturities of long-term debt	\$ 14,059	12,718
Notes payable to banks	140,000	158,000
Accounts payable	59,393	52,331
Accrued expenses and other liabilities		
Salaries and benefits	16,091	17,884
Taxes	30,123	16,530
Interest	8,524	8,243
Other	4,001	9,237
Advance billings and customer deposits	12,014	11,725
	-----	-----
	284,205	286,668
	-----	-----
LONG-TERM DEBT	427,022	518,603
	-----	-----
DEFERRED CREDITS AND OTHER LIABILITIES	191,876	187,746
	-----	-----
STOCKHOLDERS' EQUITY		
Common stock, \$1.00 par value, authorized 100,000,000 shares, issued and outstanding 58,317,834 and 53,574,361 shares	58,318	53,574
Paid-in capital	430,414	319,235
Retained earnings	314,198	291,999
Unearned ESOP shares	(16,150)	(16,840)
Preferred stock - non-redeemable	2,268	2,268
	-----	-----
	789,048	650,236
	-----	-----
	\$1,692,151	1,643,253
	=====	=====

See accompanying notes to consolidated financial statements.

CENTURY TELEPHONE ENTERPRISES, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(UNAUDITED)

	Three months ended March 31	
	1995	1994
	(Dollars in thousands)	
COMMON STOCK		
Balance at beginning of period	\$ 53,574	51,295
Issuance of common stock for acquisitions	-	2,000
Issuance of common stock through conversion of debentures	4,540	-
Issuance of common stock through dividend reinvestment, incentive and benefit plans	204	58
Balance at end of period	58,318	53,353
PAID-IN CAPITAL		
Balance at beginning of period	319,235	262,294
Issuance of common stock for acquisitions	-	50,311
Issuance of common stock through conversion of debentures	108,596	-
Issuance of common stock through dividend reinvestment, incentive and benefit plans	2,379	819
Amortization of unearned compensation and other	204	193
Balance at end of period	430,414	313,617
RETAINED EARNINGS		
Balance at beginning of period	291,999	208,945
Net income	27,000	19,201
Cash dividends declared		
Common stock-\$.0825 and \$.0800 per share, respectively	(4,770)	(4,259)
Preferred stock	(31)	(8)
Balance at end of period	314,198	223,879
UNEARNED ESOP SHARES		
Balance at beginning of period	(16,840)	(9,220)
Commitment to ESOP	-	(5,000)
Release of ESOP shares	690	440
Balance at end of period	(16,150)	(13,780)
PREFERRED STOCK - NON-REDEEMABLE		
Balance at beginning of period	2,268	454
Issuance of preferred stock for acquisition	-	1,875
Balance at end of period	2,268	2,329
TOTAL STOCKHOLDERS' EQUITY	\$789,048	579,398
	=====	=====

See accompanying notes to consolidated financial statements.

CENTURY TELEPHONE ENTERPRISES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UnAUDITED)

	Three months ended March 31	
	1995	1994
	(Dollars in thousands)	
OPERATING ACTIVITIES		
Net income	\$ 27,000	19,201
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	27,965	24,135
Deferred income taxes	747	1,529
Income from unconsolidated cellular entities	(4,724)	(2,564)
Gain on sales of assets	(5,909)	-
Changes in current assets and current liabilities:		
Decrease in accounts receivable	4,244	1,969
Increase (decrease) in accounts payable	6,930	(17,234)
Increase in other accrued taxes	13,500	8,944
Changes in other current assets and other current liabilities, net	(5,426)	(3,269)
Increase in other noncurrent liabilities	3,361	635
Other, net	38	(524)
	-----	-----
NET CASH PROVIDED BY OPERATING ACTIVITIES	67,726	32,822
	-----	-----
INVESTING ACTIVITIES		
Payments for property, plant and equipment	(53,499)	(49,553)
Acquisitions, net of cash acquired	(6,009)	(53,390)
Proceeds from sales of assets	17,922	-
Investments in unconsolidated cellular entities	(1,678)	(974)
Distributions from unconsolidated cellular entities	436	925
Purchase of life insurance investment	(4,756)	(6,853)
Other, net	(615)	746
	-----	-----
NET CASH USED IN INVESTING ACTIVITIES	(48,199)	(109,099)
	-----	-----
FINANCING ACTIVITIES		
Proceeds from issuance of long-term debt	6,498	-
Payments of long-term debt	(2,266)	(44,603)
Notes payable, net	(18,000)	123,000
Proceeds from issuance of common stock	2,432	877
Cash dividends paid	(4,801)	(4,267)
Other, net	55	(110)
	-----	-----
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(16,082)	74,897
	-----	-----
Net increase (decrease) in cash and cash equivalents	3,445	(1,380)
Cash and cash equivalents at beginning of period	7,154	9,777
	-----	-----
Cash and cash equivalents at end of period	\$ 10,599	8,397
	=====	=====
Supplemental cash flow information:		
Income taxes paid	\$ 6,391	878
	=====	=====
Interest paid	\$ 11,115	10,372
	=====	=====

See accompanying notes to consolidated financial statements.

CENTURY TELEPHONE ENTERPRISES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 1995

(UNAUDITED)

(1) Basis of Financial Reporting

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to rules and regulations of the Securities and Exchange Commission; however, the Company believes the disclosures which are made are adequate to make the information presented not misleading. The financial statements and footnotes included in this Form 10-Q should be read in conjunction with the financial statements and notes thereto included in the Company's annual report on Form 10-K for the year ended December 31, 1994. Certain 1994 amounts have been reclassified to be consistent with the 1995 presentation.

The unaudited financial information for the three months ended March 31, 1995 and 1994 has not been audited by independent public accountants; however, in the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the results of operations for the three-month periods have been included therein. The results of operations for the first three months of the year are not necessarily indicative of the results of operations which might be expected for the entire year.

(2) Net Property, Plant and Equipment

Net property, plant and equipment is composed of the following:

	March 31, 1995	December 31, 1994
	-----	-----
	(Dollars in thousands)	
Telephone, at original cost	\$1,122,612	1,076,496
Accumulated depreciation	(318,479)	(295,255)
	-----	-----
	804,133	781,241
	-----	-----
Mobile Communications, at cost	166,063	152,305
Accumulated depreciation	(41,436)	(38,552)
	-----	-----
	124,627	113,753
	-----	-----
Other, at cost	90,585	85,406
Accumulated depreciation	(34,448)	(33,269)
	-----	-----
	56,137	52,137
	-----	-----
	\$ 984,897	947,131
	=====	=====

(3) Conversion of Debentures

In February 1995 all \$115.0 million of Century's outstanding 6% convertible debentures due 2007 were converted into Century common stock by the debenture holders at a conversion price of \$25.33 per share.

(4) Earnings from Unconsolidated Cellular Entities

The following summarizes the unaudited combined results of operations of the cellular entities in which the Company's investments (as of the first quarter of 1995 and 1994) are accounted for by the equity method.

	Three months ended March 31	
	1995	1994
	(Dollars in thousands)	
Results of operations		
Revenues	\$149,254	68,269
Operating income	\$ 47,854	16,190
Net income	\$ 48,525	14,942

(5) Sales of Assets

In the first quarter of 1995 the Company sold, for an aggregate of approximately \$17.9 million, its ownership interests in certain non- strategic cellular RSAs located primarily in western states and two MSAs in the midwest, which represented an aggregate of approximately 253,000 pops. These transactions resulted in a pre-tax gain of \$5.9 million (\$2.0 million after tax).

CENTURY TELEPHONE ENTERPRISES, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") included herein should be read in conjunction with MD&A and the other information included in the Company's annual report on Form 10-K for the year ended December 31, 1994. The results of operations for the three months ended March 31, 1995 are not necessarily indicative of the results of operations which might be expected for the entire year.

RESULTS OF OPERATIONS

Three Months Ended March 31, 1995 Compared to Three Months Ended March 31, 1994

Net income for the first quarter of 1995 was \$27.0 million compared to \$19.2 million during the first quarter of 1994. The increase was principally due to an \$11.7 million increase in operating income, a \$5.9 million pre-tax gain on the sale of certain cellular properties and a \$2.2 million increase in earnings from unconsolidated cellular partnerships. These factors were partially offset by increases in minority interest, interest expense and income tax expense of \$1.2 million, \$2.9 million and \$7.8 million, respectively.

	Three months ended March 31	
	1995	1994
	-----	-----
	(Dollars in thousands, except per share amounts)	
Operating income		
Telephone	\$34,345	30,890
Mobile Communications	13,211	4,996
	-----	-----
	47,556	35,886
Interest expense	(11,396)	(8,502)
Income from unconsolidated cellular entities	4,724	2,564
Gain on sales of assets	5,909	-
Minority interest	(1,946)	(698)
Other income and expense	848	889
Income taxes	(18,695)	(10,938)
	-----	-----
Net income	\$27,000	19,201
	=====	=====
Fully diluted earnings per share	\$.47	.35
	=====	=====

Fully diluted earnings per share increased to \$.47 for the three months ended March 31, 1995 from \$.35 during the three months ended March 31, 1994, a 34.3% increase. The average number of fully diluted shares outstanding increased 2.1% as a result of shares issued for acquisitions and through the Company's dividend reinvestment, incentive and benefit plans.

Contributions to operating revenues and operating income by the Company's telephone operations and mobile communications operations for the three months ended March 31, 1995 and 1994 were as follows:

	Three months ended March 31	
	1995	1994
Operating revenues		
Telephone operations	70.4%	75.9
Mobile Communications operations	29.6%	24.1
Operating income		
Telephone operations	72.2%	86.1
Mobile Communications operations	27.8%	13.9
Telephone Operations		
	Three months ended March 31	
	1995	1994
(Dollars in thousands)		
Operating revenues		
Local service	\$ 26,840	23,505
Network access and long distance	61,585	57,907
Other	11,851	10,358
	100,276	91,770
Operating expenses		
Plant operations	21,635	21,213
Customer operations	9,150	8,508
Corporate and other	14,875	14,104
Depreciation and amortization	20,271	17,055
	65,931	60,880
Operating income	\$ 34,345	30,890
	=====	=====

Telephone operating income increased \$3.5 million (11.2%) due to an increase in operating revenues of \$8.5 million (9.3%) which more than offset an increase in operating expenses of \$5.1 million (8.3%).

The increase in revenues was primarily due to a \$2.2 million increase in the recovery from the Federal Communications Commission mandated Universal Service Fund; a \$2.2 million contribution to revenues from the acquisition of two local exchange telephone companies; \$1.6 million from increased rates for basic services which was offset by an \$807,000 decrease in intrastate high cost assistance revenues; and \$760,000 due to an increase in the number of customer access lines.

During the first quarter of 1995, operating expenses, exclusive of depreciation and amortization, increased \$1.8 million (4.2%) primarily due to \$1.2 million of expenses incurred as a result of the acquisition of two local exchange telephone companies.

Depreciation and amortization increased \$3.2 million (18.9%) which includes \$1.6 million of depreciation due to higher recurring rates approved in 1994 or anticipated to be approved in 1995 for certain subsidiaries. The remaining increase in depreciation and amortization was primarily due to higher levels of plant in service.

Mobile Communications Operations

	Three months ended March 31	
	1995	1994
	(Dollars in thousands)	
Operating revenues		
Cellular service	\$ 40,821	27,075
Equipment and other	1,328	2,135
	42,149	29,210
Operating expenses		
Cost of sales and other operating expenses	7,532	6,378
General, administrative and customer service	8,780	7,180
Sales and marketing	7,044	6,278
Depreciation and amortization	5,582	4,378
	28,938	24,214
Operating income	\$ 13,211	4,996
	=====	=====

The mobile communications operating income reflects the operations of cellular entities in which the Company has a majority interest. The minority interest owners' share of the income or loss of such entities (\$1.9 million during the first three months of 1995 and \$698,000 during the first three months of 1994) is reflected as an expense in "Minority interest". The operating income of the mobile communications segment includes the operations of Celutel, Inc. ("Celutel") subsequent to its acquisition in February 1994. The Company's share of income or loss from the cellular entities in which it has less than a majority interest (\$4.7 million and \$2.6 million during the three months ended March 31, 1995 and 1994, respectively) is reflected in "Income from unconsolidated cellular entities."

Mobile communications operating income increased \$8.2 million (164.4%) to \$13.2 million in the first quarter of 1995 from \$5.0 million in the first quarter of 1994. Mobile communications operating revenues increased \$12.9 million (44.3%) which more than offset an increase in operating expenses of \$4.7 million (19.5%).

The increase in cellular service revenues was substantially due to (i) an increase in the number of cellular units in service and (ii) a \$4.1 million increase in revenues generated by Celutel. Celutel was acquired on February 10, 1994; accordingly, the first quarter of 1995 includes three months of revenues applicable to Celutel while the first quarter of 1994 includes only revenues recorded subsequent to the acquisition date. The average number of cellular units in service in majority-owned markets during the first quarter of 1995 and 1994 was 216,500 and 138,500, respectively.

The average monthly cellular service revenue per customer declined to \$63 during the first quarter of 1995 from \$65 during the first quarter of 1994. It has been an industry-wide trend that early subscribers have normally been the heaviest users and that a higher percent of new subscribers tend to be lower usage customers. The average monthly service revenue per customer may further decline (i) as market penetration increases and additional lower usage customers are activated and (ii) as competitive pressures intensify and continue to place downward pressure on rates. The Company is responding to such competitive pressures by, among other things, modifying certain of its price plans and implementing certain other plans and promotions, all of which may result in lower average revenue per customer. The Company will continue to focus on customer

service and attempt to stimulate cellular usage by promoting the availability of certain enhanced services and by improving the quality of its service through the construction of additional cell sites and enhancements to its system.

The \$1.2 million increase in cost of sales and other operating expenses; the \$1.6 million increase in general, administrative and customer service expenses; and the \$766,000 increase in sales and marketing expenses were primarily due to additional costs related to the Celutel operations acquired during the first quarter of 1994.

Depreciation and amortization increased \$1.2 million (27.5%) due primarily to approximately \$700,000 of depreciation resulting from a higher level of plant in service and to depreciation and amortization associated with the Celutel acquisition.

Interest Expense

Interest expense increased \$2.9 million (34.0%) during the first quarter of 1995 compared to the first quarter of 1994 primarily due to the effect of higher average interest rates. Interest expense during the first quarter of 1995 on the \$115.0 million of 6% convertible debentures, which were converted to common stock in February 1995, was \$954,000 less than such interest during the first quarter of 1994.

Income from Unconsolidated Cellular Entities

Earnings from unconsolidated cellular entities, net of the amortization of associated goodwill, increased \$2.2 million (84.2%) during the first quarter of 1995 compared to the first quarter of 1994 due to improvement in profitability of the cellular entities in which the Company owns less than a majority interest.

Gain on Sales of Assets

During the first quarter of 1995, the Company sold its ownership interests in certain non-strategic cellular partnerships which resulted in a pre-tax gain of \$5.9 million (\$2.0 million after-tax; \$.03 per fully diluted share). For additional information, see Note 5 of Notes to Consolidated Financial Statements.

Minority Interest

The increased profitability during the first three months of 1995 of the Company's majority-owned and operated cellular entities resulted in a corresponding increase of \$1.2 million in the expense recorded by the Company to reflect the minority interest owners' share of the profits.

Other Income and Expense

Other income and expense for the first quarter of 1995 was \$848,000 compared to \$889,000 during the first quarter of 1994. Interest income increased \$642,000 in the first quarter of 1995, substantially all of which was due to interest income on a \$25.0 million note receivable issued to Century in May 1994. Such increase was substantially offset by a net decrease in the results of operations of subsidiaries of the Company which are not included in the telephone or mobile communications operations, including, but not limited to, the Company's competitive access subsidiary and the Company's nonregulated long distance operations.

Income Tax Expense

Income tax expense increased \$7.8 million (70.9%) during the first quarter of 1995 compared to the first quarter of 1994 primarily due to the increase in income before taxes. The effective income tax rate increased primarily because of the income tax expense attributable to the gain on sales of assets.

LIQUIDITY AND CAPITAL RESOURCES

Excluding cash used for acquisitions, the Company relies on cash provided by operations to provide a substantial portion of its cash needs. The Company's telephone operations have historically provided a stable source of cash flow which has helped the Company continue its long-term program of capital improvements. Cash provided by mobile communications operations has increased each year since that segment became cash-flow positive in 1991.

Net cash provided by operating activities was \$67.7 million during the first three months of 1995 compared to \$32.8 million during the first three months of 1994. The Company's accompanying consolidated statements of cash flows identifies major differences between net income and net cash provided by operating activities for each of these periods. For additional information relating to the telephone operations and mobile communications operations of the Company, see Results of Operations.

Net cash used in investing activities was \$48.2 million and \$109.1 million for the three months ended March 31, 1995 and 1994, respectively. Cash used in connection with the Celutel acquisition during the first three months of 1994 was \$53.4 million; cash used in connection with the acquisition of a local exchange telephone company was \$6.0 million in the first three months of 1995. Payments for property, plant and equipment were \$3.9 million more in the first quarter of 1995 than in the comparable period during 1994. Capital expenditures for the three months ended March 31, 1995 were \$28.8 million for telephone, \$18.7 million for mobile communications and \$6.7 million for other operations. The \$48.2 million of net cash used in investing activities in 1995 was net of \$17.9 million of proceeds from the sale of certain cellular properties.

Net cash used in financing activities was \$16.1 million during the first three months of 1995; net cash provided by financing activities was \$74.9 million during the first three months of 1994. Net payments, including notes payable and long-term debt, were \$13.8 million during the first quarter of 1995 compared to net borrowings of \$78.4 million during the first quarter of 1994. The net borrowings in 1994 included a \$90.0 million bridge loan incurred to fund substantially all of the Company's cash requirements in connection with the acquisition of Celutel in February 1994 (including the refinancing of \$41.7 million of Celutel's debt).

Budgeted capital expenditures for 1995 total \$114.0 million for telephone operations, \$59.0 million for mobile communications operations and \$12.0 million for other operations.

As of March 31, 1995, Century's telephone subsidiaries had available for use \$158.2 million of commitments for long-term financing from the Rural Utilities Service ("RUS") and the Company had \$89.1 million of undrawn committed bank lines of credit. In addition, approximately \$22.0 million of uncommitted credit facilities were available to Century at March 31, 1995. The Company also has access to debt and equity capital markets. Applications for additional long-term financing for Century's telephone subsidiaries have been filed with the RUS and are in various stages of processing. The Company has experienced no significant problems in obtaining funds through the issuance of debt or equity for capital expenditures or other purposes.

ACCOUNTING PRONOUNCEMENT

In March 1995 the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets To Be Disposed Of" ("SFAS 121"), effective for fiscal years beginning after December 15, 1995. SFAS 121 establishes guidance for recognizing and measuring impairment losses and requires that the carrying amount of an impaired asset be reduced to fair value when events or circumstances indicate that the carrying value may not be recoverable. Recoverability would generally be determined by estimating future cash flows resulting from use and eventual disposition of the asset. The effect on the Company's financial statements of the adoption of SFAS 121 has not been determined.

PART II. OTHER INFORMATION

CENTURY TELEPHONE ENTERPRISES, INC.

Item 6. Exhibits and Reports on Form 8-K

A. Exhibits

10.1 Century Telephone Enterprises, Inc. Employee Stock Ownership Plan and Trust 1994 Amendment and Restatement.

10.2 Century Telephone Enterprises, Inc. Stock Bonus Plan, PAYSOP and Trust 1994 Amendment and Restatement.

11 Computations of Earnings Per Share.

27 Financial Data Schedule.

B. Reports on Form 8-K

There were no reports on Form 8-K filed during the quarter ended March 31, 1995.

SIGNATURE

Pursuant to the requirements 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.

CENTURY TELEPHONE ENTERPRISES, INC.

Date: May 9, 1995

/s/ Murray H. Greer

Murray H. Greer

Controller

(Principal Accounting Officer)

CENTURY TELEPHONE ENTERPRISES, INC.

INDEX TO EXHIBITS

Exhibit
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10.1 Century Telephone Enterprises, Inc. Employee Stock Ownership Plan and Trust 1994 Amendment and Restatement, included herein.

10.2 Century Telephone Enterprises, Inc. Stock Bonus Plan, PAYSOP and Trust 1994 Amendment and Restatement, included herein.

11 Computations of Earnings Per Share, included herein.

27 Financial Data Schedule, included herein.

EXHIBIT 10.1

**CENTURY TELEPHONE ENTERPRISES, INC.
EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST**

1994 AMENDMENT AND RESTATEMENT

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STATE OF LOUISIANA

PARISH OF OUACHITA

BE IT KNOWN that on this 30th day of December, 1994, before me, Notary Public, duly commissioned and qualified in and for the Parish of Ouachita, State of Louisiana, therein residing and in the presence of the undersigned witnesses:

PERSONALLY CAME AND APPEARED:

CENTURY TELEPHONE ENTERPRISES, INC. represented herein by its Senior Vice President and Chief Financial Officer, R. Stewart Ewing, Jr., as Settlor.

The Settlor appoints Regions Bank of Louisiana as Trustee.

WHEREAS, the Trustee has previously established the Century Telephone Enterprises, Inc. Employee Stock Ownership Plan and Trust; and

WHEREAS, the Settlor desires to amend its Employee Stock Ownership Plan and Trust to comply with the Tax Reform Act of 1986, the Technical and Miscellaneous Revenue Act of 1988, technical corrections and other statutory revisions; and

WHEREAS, the Settlor desires to incorporate in this document various amendments to its Employee Stock Ownership Plan and Trust; and

WHEREAS, the Settlor desires that the Employee Stock Ownership Plan and Trust, as amended and restated, shall constitute a qualified employee benefit plan under Section 401(a) of the Internal Revenue Code of 1986, as amended (the "Code") for the exclusive benefit of employees who participate herein, and shall constitute an employee stock ownership plan under Section 4975(e)(7) of the Code;

NOW, THEREFORE, effective January 1, 1989, except as may be indicated in specific Sections hereof, the Settlor hereby amends and restates its Employee Stock Ownership Plan and Trust, upon the terms and conditions as provided herein.

SECTION 1

DEFINITIONS

1.1 Account. The Regular Account, the Merger Account, the Rollover Account, and the Suspense Account of a Participant, whether or not such accounts have been combined into one account.

1.2 Active Participant. A Participant who has completed a Year of Service within the Plan Year ending on the Adjustment Date, whether or not the Participant is employed on such date.

1.3 Adjustment Date. The last day of each Plan Year.

1.4 Approved Absence. An absence from work not exceeding one year, including absence due to temporary disability, granted to and/or approved for the Employee by an Employer in a uniform and nondiscriminatory manner; or an absence from work for service in the Armed Forces or other government services, provided that, and only so long as, reemployment rights are protected by law.

1.5 Break in Service. A twelve-consecutive month period (computation period) during which a Participant does not complete more than five hundred (500) Hours of Service with the Employer. Any Break in Service shall be deemed to have commenced on the first day of the Plan Year in which it occurs. No Break in Service shall be deemed to occur during an Employee's initial Eligibility Computation Period solely because of the failure of the Employee to complete more than five hundred (500) Hours of Service during any one Plan Year occurring in part during such twelve-month period if the Employee completes a Year of Service during such initial Eligibility Computation Period. A Break in Service shall not be deemed to have occurred during any period of Approved Absence if the Employee returns to the service of the Employer on or before the last day of the Approved Absence.

1.6 Company Stock. Shares of voting common stock, \$1.00 par value, issued by the Employer.

1.7 Compensation. Compensation will mean compensation as that term is defined in Section

4.12(b) of the Plan, and will include any amount which is contributed by

the Employee pursuant to a salary reduction agreement and which is not

includible in the gross income of the Employee under Sections 125, 402(e)(3),

402(h)(1)(B) or 403(b) of the Code.

Notwithstanding the foregoing, compensation for purposes of this

Section shall not include: (i) reimbursements or other expense allowances,

fringe benefits (cash or noncash), moving expenses, deferred compensation,

and welfare benefits; (ii) overtime; or (iii) bonuses and special awards.

In the case of a commission salesman, compensation shall mean the lesser of:

(i) the base draw of such salesman; or (ii) the commissions paid by the

Employer to such salesman as reported on his Federal income tax withholding

statement (Form W-2).

For Plan Years beginning on or after January 1, 1989, and before January

1, 1994, the annual compensation of each Participant taken into account for

determining all benefits provided under the Plan for any Plan Year shall

not exceed \$200,000. This limitation shall be adjusted by the Secretary

at the same time and in the same manner as under Section 415(d) of the

Code, except that the dollar increase in effect on January 1 of any calendar

year is effective for Plan Years beginning in such calendar year and the

first adjustment to the \$200,000 limitation is effective on January 1, 1990.

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 Plan Year shall not exceed \$150,000,

as adjusted for increases in the cost-of-living in accordance with Section

401(a)(17)(B) of the Code. The cost-of-living adjustment in effect for a

calendar year applies to any determination period beginning in such calendar

year.

If a determination period consists of fewer than 12 months, the annual compensation limit is an amount equal to the otherwise applicable annual compensation limit multiplied by a fraction, the numerator of which is the number of months in the short determination period, and the denominator of which is 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 annual compensation 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 a Participant's allocations for the current Plan Year, the compensation for such prior determination period is subject to the applicable annual compensation limit in effect for that prior period. For this purpose, in determining allocations in Plan Years beginning on or after January 1, 1989, the annual compensation limit in effect for determination periods beginning before that date is \$200,000. In addition, in determining allocations in Plan Years beginning on or after January 1, 1994, the annual compensation limit in effect for determination periods beginning before that date is \$150,000.

In addition to other applicable limitations set forth in the Plan, and notwithstanding any other provision of the Plan to the contrary, for Plan Years beginning on or after January 1, 1994, the annual Compensation of each Employee taken into account under the Plan shall not exceed the

OBRA '93 annual compensation limit. The OBRA '93 annual compensation limit is \$150,000, as adjusted by the Commissioner for increases in the cost of living in accordance with Section 401(a)(17)(B) of the Code. The cost-of-living adjustment in effect for a calendar year applies to any period, not exceeding 12

months, over which compensation is determined (determination period) beginning in such calendar year. If a determination period consists of fewer than 12 months, the OBRA '93 annual compensation limit will be multiplied by a fraction, the numerator of which is the number of months in the determination period, and the denominator of which is 12.

For plan years beginning on or after January 1, 1994, any reference in this Plan to the limitation under Section 401(a)(17) of the Code shall mean the OBRA '93 annual compensation limit set forth in this provision.

If Compensation for any prior determination period is taken into account in determining an Employee's benefits accruing in the current Plan Year, the Compensation for that prior determination period is subject to the OBRA '93 annual compensation limit in effect for that prior determination period. For this purpose, for determination periods beginning before the first day of the first Plan Year beginning on or after January 1, 1994, the OBRA '93 annual compensation limit is \$150,000.

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 this plan, the determination period shall be the Plan Year.

For employees of San Marcos Telephone Company, Inc., SM Telecorp, Inc., and subsidiaries thereof, who become participants in the Plan on or after June 20, 1993, compensation for the Plan Year ending December, 31, 1993 shall be recognized commencing as of the effective date of participation of each such employee pursuant to Section 2.1.

1.8 Date of Employment. The date on which an Employee first performs an Hour of Service for the Employer.

1.9 Date of Reemployment. The first date occurring after an Employee's Break in Service on which he performs an Hour of Service.

1.10 Disability. A Participant shall be considered disabled if the Participant cannot perform each of the material duties of his regular occupation and is likely to remain thus incapacitated continuously and permanently.

1.11 Eligibility Computation Periods In determining Years of Service and Breaks in Service for purposes of eligibility, the initial Eligibility Computation Period is the twelve (12) consecutive month period beginning on an Employee's Date of Employment or

Date of Reemployment. Subsequent Eligibility Computation Periods shall be twelve (12) consecutive month periods beginning on the first anniversary of an Employee's Date of Employment or Date of Reemployment and succeeding anniversaries thereof. Years of Service, and Breaks in Service, for eligibility purposes will be measured on the same Eligibility Computation Period.

1.12 Employee. Those persons regularly employed by the Employer, including employees of any other employer required to be aggregated with the 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 the Employer as provided in Sections 414(n) or (o) of the Code. The term Employee shall not include any owner employee, as defined in Code Section 401(c)(3).

1.13 Employer.

Century Telephone Enterprises, Inc.

1.14 Entry Date.

(a) The first day of the Plan Year on which or immediately preceding the date on which an Employee satisfies the requirements of Section 2.1; or

(b) In the case of an Employee whose Years of Service are disregarded pursuant to Section 1.30(c), such Employee will be treated as a new Employee for eligibility purposes. If an Employee's Years of Service may not be disregarded pursuant to Section 1.30(c), such

Employee shall continue to participate in the Plan, or, if terminated, shall participate immediately upon his Date of

Reemployment.

1.15 Highly Compensated Employee. 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 fifty percent (50%) 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 one hundred (100) Employees who received the most compensation from the Employer during the determination year; and (ii) Employees who are five percent (5%) owners at any time during the look-back year or determination year.

The term Highly Compensated Employee includes highly compensated active employees and highly compensated former employees.

If no officer has satisfied the compensation requirement of (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 Employee for either the separation year or any determination year ending on or after the Employee's fifty-fifth (55th) birthday.

If an Employee is, during a determination year or look-back year, a family member of either a five percent (5%) owner who is an active or former Employee or a Highly Compensated Employee who is one of the ten (10) most Highly Compensated Employees ranked on the basis of compensation paid by the Employer during such year, then the family member and the five percent (5%) owner or top-ten Highly Compensated Employee shall be aggregated.

In such case, the family member and the five percent (5%) 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 the five percent (5%) owner or top-ten Highly Compensated Employee. For purposes of this Section, family members include the spouse, lineal ascendants and descendants of the Employee or former Employee and the spouses of such lineal ascendants and descendants.

The determination of who is a Highly Compensated Employee, including the determination of the number and identity of Employees in the top-paid group, the top one hundred (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.

1.16 Hour of Service. Each hour for an Employee under (a) through (c), determined from the employment records of the Employer. Any ambiguity which may arise shall be resolved in favor of crediting

Employees with an Hour of Service.

(a) Each hour for which an Employee is paid, or entitled to payment, for the performance of duties for the Employer.

These hours will 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 five hundred one (501) Hours of Service will 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 will be calculated and credited pursuant to Section 2530.200(b) of the Department of Labor Regulations, which is 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 will not be credited both under paragraph (a) and (b), as the case may be, and under this paragraph (c). These hours will 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.

Notwithstanding the above, (i) an hour for which an Employee is directly or indirectly paid, or entitled to payment, on account of a period during which no duties are performed is not required to be credited to the Employee if such payment is made or due under a plan maintained solely for the purpose of complying with applicable worker's compensation, unemployment compensation or disability insurance laws; and (ii) Hours of Service are not required to be credited for a payment which solely reimburses an Employee for medical or medically-related expenses incurred by the Employee.

Hours of Service will be credited for employment with other members of an affiliated service group (under Section 414(m)), a controlled group of corporations (under Section 414(b)), or a group of trades or businesses under common control (under Section 414(c)) of which the Employer is a member,

and any other entity required to be aggregated with the Employer pursuant to Section 414(o) and the regulations thereunder.

Hours of Service will also be credited for any individual considered an Employee for purposes of this Plan under Section 414(n) or Section 414(o) and the regulations thereunder.

Solely for purposes of determining whether a Break in Service, as defined in Section 1.5, 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, eight 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 the 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 the 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.

1.17 Leased Employee.

(a) 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 Code Section 414(n)(6)) 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.

(b) 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 ten percent (10%) of
compensation, as defined in Code Section 415(c)(3), but

including amounts contributed pursuant to a salary

reduction agreement which are excludable from the leased

employee's gross income under Section 125, Section

402(e)(3), Section 402(h)(1)(B) or Section 403(b) of the

Code, (2) immediate participation, and (3) full and immediate

vesting; and (ii) leased employees do not constitute more

than twenty percent (20%) of the recipient's nonhighly

compensated workforce.

1.18 Limitation Year. The Plan Year unless any other twelve (12) consecutive month period

is designated pursuant to a written resolution adopted by the Employer.

1.19 Merger Account. The account maintained for a Participant with respect

to a plan which has merged with this Plan or transferred its

assets to this Plan, in accordance with Section 9.2.

1.20 Normal Retirement Age. The fifty-fifth (55th) birthday of a Participant, at which

time the Participant shall become fully vested.

1.21 Plan Administrator. The Committee referred to in Section 13 of this Plan.

1.22 Plan Year. The calendar year.

1.23 Regular Account. The individual account maintained for a Participant to which is

credited his share of Employer contributions and forfeitures, adjusted

as herein provided for investment income, gain or loss.

1.24 Rollover Account. The account maintained in accordance with Section 14.1

for each Participant who has made a rollover contribution.

1.25 Suspense Account. The account maintained in accordance with Section 4.8.

1.26 Top Heavy Valuation Date. The date specified in Section 16.9 of this Plan.

1.27 Trust. The trust created in accordance with Sections 1-4 of

the trust contained herein, or pursuant to a separate

written agreement between the Employer and the Trustee.

1.28 Valuation Date. The date on which the Trustee shall make a revaluation of

the trust fund pursuant to Section 4.4.

1.29 Vesting Computation Period. For purposes of determining Years of Service and Breaks in Service

for computing an Employee's nonforfeitable right to the Account balance

derived from Employer contributions, the computation period shall be the

Plan Year.

1.30 Year of Service. A twelve-consecutive month period (computation period) during

which an Employee completes at least five hundred (500) Hours of Service.

Effective January 1, 1994, a Year of Service is a twelve-consecutive

month period (computation period) during which an Employee completes at

least one thousand (1,000) Hours of Service. All of an Employee's Years

of Service shall be counted, subject to the following qualifications and

exceptions:

(a) A Year of Service will not be credited for any period

of Approved Absence after the Employee incurs a Break in

Service during such absence from the service of the Employer;

(b) Service performed prior to a Break in Service shall not be taken into account until the Employee has completed a Year of Service after such Break in Service. Such Year of Service will be measured by the twelve (12) consecutive month period beginning on the Employee's Date of Reemployment and, if necessary, subsequent twelve (12) consecutive month periods beginning on anniversaries of the Employee's Date of Reemployment;

(c) In the case of an Employee who does not have any nonforfeitable right to his Regular Account, Years of Service, whether or not consecutive, before a period of consecutive one year Breaks in Service shall not be taken into account if the number of consecutive one-year Breaks in Service in such period equals or exceeds the greater of five (5) 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;

(d) In the case of a Participant who has five (5) or more consecutive one-year Breaks in Service, all service after such Breaks in Service will be disregarded for purposes of vesting the Employer-derived Account balance that accrued before such Breaks in Service. Such Participant's pre-break service will count in vesting the post-break Employer-derived Account balance only if either:

- (i) such Participant has any nonforfeitable interest in the Account balance 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.

Separate accounts will be maintained for the Participant's

pre-break and post-break Employer-derived Account balance.

Both accounts will share in the earnings and losses of the trust;

and

(e) Any Employee who was employed by Central Telephone of

Ohio ("Central") on March 31, 1992 and who was not a

member of local chapter 4370 of the Communications

Workers of America at such time, who became employed by the Employer on or about April 1, 1992 pursuant to an offer of employment by the Employer, shall be credited for all purposes under this Plan with service performed prior to April 1, 1992 for Centel Corporation, Central, or any member of a controlled group in which Centel Corporation and Central were members.

(f) Service with San Marcos Telephone Company, Inc., SM Telecorp, Inc., and subsidiaries thereof, and any successors thereto by merger or otherwise, shall be counted for all purposes under this Plan.

ELIGIBILITY

2.1 Participation.

Every Participant in the Plan prior to this Amendment and Restatement

shall continue to participate in the Plan as of the effective date hereof.

Additionally, every Employee who has completed one (1) Year of Service during an Eligibility Computation Period, shall become a Participant in the Plan as of the Entry Date. However, Employees whose terms of employment are subject to a collective bargaining agreement, which does not provide for their coverage under this Plan, as well as Employees for whom union representation negotiations have begun, which negotiations do not provide for their coverage under this Plan, are not eligible to participate.

In addition, Employees employed by Century Business Communications, Inc. (formerly Century Printing & Publishing, Inc.), Interactive Communications, Inc., and Metro Access Networks, Inc. are not eligible to participate in this Plan.

2.2 Determination of Eligibility. The Plan Administrator shall determine the eligibility of each Employee for participation in the Plan. Such determination shall be conclusive and binding upon all persons.

2.3 Election Not to Participate. An Employee may, subject to the approval of the Employer, elect voluntarily not to participate in the Plan. The election not to participate must be communicated to the Employer, in writing, at least thirty (30) days before the beginning of a Plan Year. The foregoing election not to participate shall not be available with respect to partners in a partnership.

CONTRIBUTIONS

3.1 Contributions by Employee. For the current Plan Year and for each Plan Year thereafter, the Employer may make a contribution to the Trust in cash or shares of Company Stock. The Employer's contribution for any Plan Year shall not exceed the maximum amount allowable as a deduction to the Employer under Section 404 of the Code.

Notwithstanding the foregoing, the Employer shall make a contribution to the extent necessary to provide the top heavy minimum allocations under Section 16.14, even if such contribution exceeds current or accumulated net profits or the maximum amount deductible from the Employer's income for the year.

3.2 Determination of Contribution. The Employer shall determine the amount of any contributions to be made by it to the Trust under the terms of this Agreement. The Employer's determination of such contributions shall be binding on all Participants and the Trustee.

The Trustee shall have no right or duty to inquire into the amount of the Employer's annual contribution or the method used in determining the amount of the Employer's contribution, but shall be accountable only for funds actually received by it.

3.3 Time of Payment of Contribution. The Employer shall pay to the Trustee its contribution for each Plan Year within the time prescribed by law, including extensions of time, for the filing of its Federal income tax return for such year.

3.4 Exclusive Benefit. Any and all contributions made by the Employer to the trust fund shall be irrevocable, and neither such contributions nor any income therefrom shall be used for, or diverted to, purposes other than for

the exclusive benefit of Participants or their beneficiaries under the Plan.

3.5 Return of Contributions. Any contribution made by the Employer because of a mistake of fact must be returned to the Employer within one year of the contribution.

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 the date the initial qualification is denied, but only if the application for 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.

In the event the deduction of a 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.

SECTION 4

ACCOUNTS OF PARTICIPANTS

4.1 Individual Accounts for Each Participant. The Plan Administrator or, if the Plan Administrator so determines, the Trustee, shall maintain a Regular Account for each Participant.

With respect to a Participant who incurs five (5) consecutive one-year Breaks in Service before receiving a distribution, the vested portion of such Participant's Regular Account shall remain in his Regular Account, and the nonvested portion of the Participant's Regular Account shall be forfeited as provided in Section 7.2.

4.2 Allocation of Employer Contributions. Contributions made by the Employer for a Plan Year shall, as of the Adjustment Date occurring within such Plan Year, be allocated among and posted to the Regular Account of each Active Participant in the proportion which the Compensation paid to such Active Participant for such year bears to the total Compensation of all Active Participants for such year.

4.3 Allocation of Forfeiture. The amount of forfeitures determined under Section 7.2 shall be reallocated as of the Adjustment Date on which forfeitures occurred to the Regular Accounts of Active Participants by adding the total amount of forfeitures to the Employer's contribution for the year and allocating the sum thereof in accordance with Section 4.2. If there were no Employer contributions for the year, the forfeitures shall be allocated in accordance with Section 4.2.

4.4 Year-End Valuation of Account. The Trustee, as of each Adjustment Date, shall determine the net worth of the assets of the trust fund. In determining such net worth, the Trustee shall value the assets of the trust fund at their fair market value as of such Adjustment Date, and shall deduct all liabilities of the Plan and all expenses payable from the trust fund for which the Trustee has not yet obtained reimbursement. Such valuation shall not include any contribution for the year made by the Employer as of the Valuation Date.

As of each Adjustment Date, before allocation of forfeitures and Employer contributions for the year, the Trustee shall adjust the net credit balance in the Accounts of all Participants (whether or not active) upward or downward, pro-rata, so that the total of such net credit balances will equal the net worth of the trust fund as of the Adjustment Date. As used herein the term "net credit balance" means the balance to the credit of each Participant as of the immediately preceding Adjustment Date or Interim Valuation Date, if later, as reduced for payments from the Accounts and forfeitures on or subsequent to such date.

4.5 Interim Valuation of Accounts. As of the end of any month, the Plan Administrator may request the Trustee to determine, in accordance with the rules of Section 4.4, the then net worth of the assets constituting the trust fund. The last

day of each month as of which the Plan Administrator has requested the Trustee to determine the aforementioned net worth is referred to herein as an "Interim Valuation Date."

All distributions which are to be made as of or after any such Interim Valuation Date, but prior to the next succeeding Adjustment Date, or, if earlier, the next succeeding Interim Valuation Date, shall be made as if the credit balances to all Participants' Accounts had actually been credited or debited so that the total credit balances to all Accounts would equal the net worth of the assets constituting the trust fund as of such Interim

Valuation Date.

4.6 Debiting of Distribution. The amounts, if any, paid to or on behalf of a Participant at any time shall, concurrent with such payment, be debited against his Account.

4.7 Effective Date of Entries. Each Account entry which, in accordance with the provisions hereof, needs to be made shall be considered as having been made on the date herein specified regardless of the date of actual entry.

LIMIT ON ANNUAL ADDITIONS

4.8 Coverage Under This Plan Only.

(a) If the Participant does not participate in, and

has never participated in another qualified plan

maintained by the Employer, or a welfare benefit fund, as

defined in Section 419(e) of the Code, maintained by the

Employer, or an individual medical account, as defined in

Section 415(l)(2) of the Code, 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 as defined in Section 4.12, the amount of

annual additions which may be credited to the Participant's

Account 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 Account 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.

(b) Prior to determining the Participant's actual

compensation for the Limitation Year, the Employer may

determine the maximum permissible amount for a Participant on

the basis of a reasonable estimate of the Participant's

compensation for the Limitation Year, uniformly

determined for all Participants similarly situated.

(c) 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.

(d) If, pursuant to Section 4.8(c) or as a result of

the allocation of forfeitures, there is an excess amount, the excess

will be disposed of as follows:

(i) Any nondeductible voluntary employee contributions, to the extent they would reduce the excess amount, will be returned to the Participant;

(ii) If after the application of paragraph (i) an excess amount still exists, and the Participant is covered by the Plan at the end of the Limitation Year, the excess

amount in the Participant's Account will be used to reduce Employer contributions (including any allocation of forfeitures) for such Participant in the next Limitation Year, and each succeeding Limitation Year if necessary;

(iii) If after the application of paragraphs (i) and (ii) an excess amount still exists, and the Participant is not covered by the Plan at the end of a Limitation Year, 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;

(iv) If a Suspense Account is in existence at any time during a 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.

4.9 Coverage Under A Prototype Plan.

(a) This Section applies if, in addition to this Plan,

the Participant is covered under a qualified master or

prototype defined contribution plan maintained by the

Employer, 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 4.12 during any Limitation Year. The annual

additions which may be credited to a Participant's Account

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 qualified master or prototype defined contribution plans,

and welfare benefit funds for the same Limitation Year. If the

annual additions with respect to the Participant under

other qualified master or prototype defined contribution

plans, welfare benefit funds, individual medical

accounts, and simplified employee pensions 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 Account 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 and funds for the Limitation

Year will equal

the maximum permissible amount. If the annual additions with respect to the Participant under such other qualified master or prototype defined contribution plans, welfare benefit funds, individual medical accounts, and simplified employee pensions in the aggregate are equal to or greater than the maximum permissible amount, no amount will be contributed or allocated to the Participant's Account under this Plan for the Limitation Year.

(b) Prior to determining the Participant's actual compensation for the Limitation Year, the Employer may determine the maximum permissible amount for a Participant in the manner described in Section 4.8(b).

(c) 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.

(d) If, pursuant to Section 4.9(c) 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 simplified employee pension will be deemed to have been allocated first, followed by annual additions to a welfare benefit fund or individual medical account, regardless of the actual allocation date.

(e) 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:

(i) the total excess amount allocated as of such date, times

(ii) the ratio of (A) the annual additions allocated to the Participant for the Limitation Year as of such date under this Plan to (B) 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.

(f) Any excess amount attributed to this Plan will be disposed in

the manner described in Section 4.8(d).

4.10 Coverage Under A Non-Prototype Plan. If the Participant is covered under another qualified defined

contribution plan maintained by the Employer which is not a master or

prototype plan, annual additions which may be credited to the Participant's

Account under this Plan for any Limitation year will be limited in accordance

with Section 4.9 as though the other plan were a master or

prototype plan.

4.11 Combined Limits. 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. If the

sum of the defined benefit plan fraction and the defined

contribution plan fraction shall exceed 1.0 in any Limitation

Year for any Participant in this Plan, the Plan

Administrator shall adjust the numerator of the defined

benefit plan fraction so that the sum of both fractions shall

not exceed 1.0 in any Limitation Year for such Participant.

4.12 Definitions.

(a) Annual additions: The sum of the following amounts

credited to a Participant's Account for the Limitation Year:

(i) Employer contributions;

(ii) Employee contributions;

(iii) Forfeitures;

(iv) Amounts allocated, after March 31, 1984, to an individual medical account, as defined in Section 415(l)(2) of the 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 Section 419A(d)(3) of the Code, under a welfare benefit fund, as defined in Section 419(e) of the Code, maintained by the Employer are treated as annual additions to a defined contribution plan; and

(v) Allocations under a simplified employee pension.

For this purpose, any excess amount applied under Sections 4.8(d) or 4.9(f) in the Limitation Year to reduce Employer contributions will be considered annual additions for such Limitation Year.

(b) Compensation: For purposes of this Section, compensation shall mean Section 415 safe-harbor compensation. Compensation is defined as all of a Participant's 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 includable 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 1.61-2(c)]), and excluding the following:

- (i) 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, or any distributions from a plan of deferred compensation;
- (ii) 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;
- (iii) Amounts realized from the sale, exchange or other disposition of stock acquired under a qualified stock option; and
- (iv) Other amounts which received special tax benefits, or contributions made by the Employer (whether or not under a salary reduction agreement) towards the purchase of an annuity described in Section 403(b) of the Code (whether or not the amounts are actually excludable from the gross income of the Employee).

For any self-employed individual, compensation will mean earned income. For purposes of applying the limitations of this Section, compensation for a Limitation Year is the compensation actually paid or includable in gross income during such Limitation Year.

Notwithstanding the preceding sentence, compensation for a Participant in a defined contribution plan who is permanently and totally disabled (as defined in Section 22(e)(3) of the Code) is the compensation such Participant would have received for the Limitation Year if the Participant had been paid at the rate of compensation paid immediately before becoming permanently and totally disabled; such imputed compensation for the disabled Participant may be taken into account only if the Participant is not a highly compensated employee (as defined in Section 414(q) of the Code) and contributions made on behalf of such Participant are nonforfeitable when made.

(c) Defined benefit fraction: A fraction, the numerator of which is the sum of the Participant's projected annual benefits under all defined benefit plans (whether or not terminated) maintained by the Employer, and the denominator of which is the lesser of one hundred twenty-five percent (125%) of the dollar limitation determined for the Limitation Year under Sections 415(b) and (d) of the Code or one hundred forty percent (140%) 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 one hundred twenty-five percent (125%) 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 of the Code for all

Limitation Years beginning before January 1, 1987.

(d) 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 as

in effect for the Limitation Year.

(e) Defined contribution fraction: A fraction, the
numerator of which is the sum of the annual additions to

the Participant's account under all 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 one hundred twenty-five percent (125%) of the dollar limitation determined under Sections 415(b) and (d) of the Code in effect under Section 415(c)(1)(A) of the Code or thirty-five percent (35%) 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 5, 1986, but using the Code 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.

(f) Employer: For purposes of this Section, Employer shall mean the Employer and all members of a controlled group of corporations (as defined in Section 414(b) of the Code as modified by Section 415(h)), all commonly controlled trades or businesses (as defined in Section 414(c) of the Code as

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

(g) Excess amount: The excess of the Participant's annual additions for the Limitation Year over the maximum permissible amount.

(h) Highest average compensation: The average compensation for the three consecutive Years of Service with the Employer that produces the highest average. A Year of Service with the Employer is the twelve (12) consecutive month period defined in Section 1.29 of this Plan.

(i) Limitation year: The calendar year. All qualified plans maintained by the Employer must use the same Limitation Year. If the Limitation Year is amended to a different twelve (12) consecutive month period, the new Limitation Year must begin on a date within the Limitation Year in which the amendment is made.

(j) Master or prototype plan: A plan the form of which is the subject of a favorable opinion letter from the Internal Revenue Service.

(k) Maximum permissible amount: 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:

(i) the defined contribution dollar limitation, or

(ii) 25 percent of the Participant's compensation for the Limitation Year.

The compensation limitation referred to in (ii) 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(l)(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 twelve (12) consecutive month period, the maximum permissible

amount will not exceed the defined contribution dollar

limitation multiplied by the following fraction:

Year 12

(l) 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:

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

(ii) 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.

SECTION 5

BENEFITS PAYABLE AFTER NORMAL RETIREMENT

5.1 Optional Methods of Payment Available at Retirement. All sums credited to a Participant's Account shall become fully vested upon attainment of Normal Retirement Age. Upon actual retirement at or after Normal Retirement Age, a Participant shall be entitled to receive the full amount credited to his Account as of the Valuation Date or Interim Valuation Date immediately preceding the month in which payment is to be made, which amount shall be paid to the Participant in one lump sum: (i) within sixty (60) days after the close of the Plan Year in which the Participant retires, or (ii) within sixty (60) days after the distributable amount has been determined retroactive to the date in 5.1(i), unless prior to the date of his retirement he elects, in the manner prescribed by the Plan Administrator, any one of the following method or methods:

- (a) Payment of the entire amount of the Participant's Account in one lump sum at some future date, not later than one year after Normal Retirement Date;
- (b) Payment in substantially equal annual, quarterly or monthly installments (including net investment income, gain or loss) until the value of such Participant's Account is exhausted.

Unless the Participant elects otherwise, the payment period shall not exceed five (5) years. This five (5) year period shall be extended by one (1) year, up to five (5) additional years, for each \$113,980 (or fraction thereof) by which such Participant's Account balance exceeds \$569,900 (the dollar amounts herein are subject to cost of living adjustments prescribed by the Secretary of the Treasury); or

- (c) Any combination of the foregoing.

Notwithstanding anything contained in this Section 5.1, lump sum, installment or any other benefits may not be paid directly from

the Plan in any form of a life annuity or through the distribution
of property in any form of a life annuity.

In addition, if the Participant's spouse is not the designated beneficiary, the method of distribution selected must assure that at least fifty percent (50%) of the present value of the amount available for distribution is paid within the life expectancy of the Participant.

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

5.2 Manner of Payment Following Commencement of Payments. Following the commencement of payments under Section

5.1, a Participant and the Plan Administrator may, notwithstanding the fact that periodic benefits are being paid, agree that as of any subsequent date the balance credited to such Participant's Account shall be paid to or applied for the benefit of the Participant in accordance with any other payout method of Section 5.1.

5.3 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, as defined in Section 6.2(f).

5.4 Determination of Amount to be Distributed Each Year. If a 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:

(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 fifty percent (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 Section 5.4(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 Participant's required beginning date occurs, must be made on or before December 31 of that distribution calendar year.

5.5 Definitions. For purposes of this Section, the definitions contained in Section 6.2 shall apply.

5.6 Small Accounts. Any provision of the Plan to the contrary notwithstanding, the Administrator shall have the authority to direct the settlement of

any Account having a balance of less than three thousand five hundred
dollars (\$3,500.00) by the payment of one lump sum.

SECTION 6

BENEFITS PAYABLE IN THE EVENT OF DEATH OR DISABILITY

6.1 Death Distribution Provisions. Upon the death of a Participant, the following distribution provisions shall take effect:

(a) 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.

(b) 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 (i) or (ii) below:

(i) if any portion of the Participant's interest is payable to a designated beneficiary, distributions may be made over the life expectancy 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;

(ii) if the designated beneficiary is the Participant's surviving spouse, the date distributions are required to begin in accordance with (i) above shall not be earlier than the later of (1) December 31 of 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 Section 6.1(b) 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.

(c) For purposes of Section 6.1(b) above, if the surviving spouse dies after the Participant, but before payments to such spouse begin, the provisions of Section 6.1(b), with the exception of paragraph (ii) therein, shall be applied as if the surviving spouse were the Participant.

(d) For purposes of this Section 6.1, 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.

(e) For the purposes of this Section 6, distribution of a Participant's interest is considered to begin on the Participant's required beginning date (or, if Section 6.1(c) above is applicable, the date distribution is required to begin to the surviving spouse pursuant to Section 6.1(b) above). If distribution in the form of an annuity irrevocably commences to the Participant before the required beginning date, the date distribution is considered to begin is the date distribution actually commences.

6.2 Definitions. For purposes of this Section and Section 5, the following definitions shall apply:

(a) 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.

(b) Designated beneficiary. The individual who is designated as the beneficiary under the Plan in accordance with Section 401(a)(9) and the proposed regulations thereunder.

(c) 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 this Section 6.1 above.

(d) 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 Section 6.1(b)(ii) 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.

(e) Participant's benefit.

(i) The Account balance 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 balance 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.

(ii) Exception for second distribution calendar year. For purposes of paragraph (i) 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.

(f) Required beginning date.

(i) 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.

(ii) 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 (A) or (B) below:

(A) 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.

(B) 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:

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

(iii) 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 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.

(iv) 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.

6.3 Designation of Beneficiary.

A Participant at the time he joins the Plan shall

designate a beneficiary or beneficiaries to receive the sums

credited to his Account in the event of his death,

which designation may be changed by the Participant from time

to time. To be effective, the original designation of

beneficiaries and any subsequent change must be in writing on

the form provided for that purpose by the Plan Administrator.

6.4 Failure to Designate a Beneficiary or Select a Method of Payment
In the event that no beneficiary is properly designated

or in the event that a beneficiary designated by the

Participant predeceased the Participant and no new

designation of beneficiary is made, the Plan Administrator, in

its discretion, may direct the Trustee to make payment of

all sums to which the deceased Participant is entitled to

either:

(a) any one or more of the next of kin (including the surviving spouse) of the Participant and in such proportions as the Plan Administrator may determine; or

(b) the legal representative or representatives of the estate of the last to die of the Participant or his beneficiary.

6.5 Disability of a Participant. In the event of the Disability of a Participant prior to attaining Normal Retirement Age, such Participant shall be entitled to receive the entire amount credited to his Account. Payment shall begin not later than the sixtieth (60th) day after the close of the Plan Year in which the Administrator receives proof of the Participant's Disability, and shall be made in accordance with any of the methods provided in Section 5, as selected by the

Participant.

6.6 Transitional Rule. Notwithstanding the other requirements of this Section, 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 Plan is one which would not have disqualified such Plan under Section 401(a)(9) of the 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 Plan 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.

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.

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 (a) and (e) above.

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 Plan 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 shall apply.

6.7 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 (5) years after it shall become payable, remain unpaid solely by reason of the inability of the Plan Administrator, after sending a certified letter, return receipt requested, to the last known address, and after further diligent effort, to ascertain the whereabouts of such Participant or his Beneficiary, the amount so distributable shall be allocated in the same manner as a forfeiture, pursuant to this Agreement.

If an amount is forfeited pursuant to this Section, such amount will be reinstated if a claim is made by the Participant or beneficiary.

BENEFITS PAYABLE UPON BREAK IN SERVICE OR EMPLOYMENT TERMINATION

7.1 Vesting Schedule. Any Participant who incurs a Break in Service during a vesting computation period for reasons other than his retirement, death or disability shall be entitled to receive at the time and in the manner described hereinafter that percentage of the amount credited to his Account as of the Valuation Date or Interim Valuation Date coincident with or immediately preceding the Break in Service, determined as follows:

(a) A Regular Account shall be vested in accordance with the

following schedule:

YEARS OF SERVICE	VESTED PERCENTAGE
-----	-----
less than 5	0
5 or more	100

(b) A Rollover Account shall be fully vested at all times.

Notwithstanding the above provisions of this Section 7.1, a Participant's vested interest shall not be less than it was before this amendment and restatement. Also, notwithstanding the above vesting schedule, an Employee's right to his or her Account balance is nonforfeitable upon the attainment of Normal Retirement Age.

7.2 Distribution.

(a) If an Employee terminates service, and the value of the Employee's vested Account balance derived from Employer and Employee contributions is not greater than \$3,500, the Employee will receive a distribution of the value of the entire vested portion of such Account balance and the nonvested portion will be treated as a forfeiture. For purposes of this Section, if the value of an Employee's vested Account balance is zero, the Employee shall be deemed to have received a distribution of such vested Account balance. A Participant's vested Account balance shall not include accumulated deductible employee

contributions within the meaning of Section 72(o)(5)(B) of the Code for Plan Years beginning prior to January 1, 1989.

(b) If an Employee terminates service, and elects, in accordance with the requirements of this Section 7, to receive the value of the Employee's vested Account balance, the nonvested portion will be treated as a forfeiture. If the Employee elects to have distributed less than the entire vested portion of the Account balance derived from Employer contributions, the part of the nonvested portion that will be treated as a forfeiture is the total nonvested portion multiplied by a fraction, the numerator of which is the amount of the distribution attributable to Employer contributions and the denominator of which is the total value of the vested Employer derived Account balance.

(c) If an Employee receives or is deemed to receive a distribution pursuant to this Section and the Employee resumes employment covered under this Plan, the Employee's Employer derived Account balance will be restored to the amount on the date of distribution if the Employee repays to the Plan the full amount of the distribution attributable to Employer contributions before the earlier of five (5) years after the first date on which the Participant is subsequently reemployed by the Employer, or the date the Participant incurs five (5) consecutive one-year Breaks in Service following the date of the distribution.

If an Employee is deemed to receive a distribution pursuant to this Section, and the Employee resumes employment covered under this Plan before the date the Participant incurs five (5) consecutive one-year Breaks in Service, upon the reemployment of such Employee, the Employer derived Account balance of the Employee will be restored to the amount on the date of such deemed distribution.

In the event restoration is required under this

Section 7.2(c), the sources of restoration, in the order

listed, shall be:

(i) Forfeitures. To the extent used for restoration, they shall not be reallocated, or used to reduce the Employer contribution, as normally provided in Section 4.3.

(ii) Employer contribution. Notwithstanding Section 3.1, the Employer shall make any contribution required for restoration.

Such restoration shall be made for the year in which repayment occurs within the time prescribed by law, including extensions of time, for the filing of the Employer's Federal income tax return for such year.

For purposes of applying the limitations of Code

Sections 415(c) and (e), and Section 4.8 and 4.9 of

this Plan, the repayment by the Participant and the restoration provided for above shall not be treated as annual additions.

7.3 Restrictions on Immediate Distributions.

(a) If the value of a Participant's vested Account

balance derived from Employer and Employee contributions

exceeds (or at the time of any prior distribution

exceeded) \$3,500, and the Account balance is immediately

distributable, the Participant must consent to any

distribution of such Account balance. The Plan Administrator

shall notify the Participant of the right to defer any distribution

until the Participant's Account balance 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), and

shall be provided no less than 30 days and no more

than 90 days prior to the annuity starting date. However,

distribution may commence less than 30 days after the

notice described in the preceding sentence is given,

provided the distribution is one to which Sections

401(a)(11) and 417 of the Code do not apply, the Plan

Administrator clearly informs the Participant that the

Participant has a right to a period of at least 30 days

after receiving the notice to consider the decision of whether or not to elect a distribution (and, if applicable, a particular distribution option), and the Participant, after receiving the notice, affirmatively elects a distribution.

(b) The consent of the Participant shall not 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 Account balance will, 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 account balance will be transferred, without the Participant's consent, to the other plan if the Participant does not consent to an immediate distribution.

(c) An Account balance is immediately distributable if any part of the Account balance 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.

(d) For purposes of determining the applicability of the foregoing consent requirements to distributions made before the first day of the first Plan Year beginning after December 31, 1988, the Participant's vested Account balance shall not include amounts attributable to accumulated deductible employee contributions within the meaning of Section 72(o)(5)(B) of the Code.

7.4 Payment of Account Balance. 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 to consent to a distribution while a benefit is immediately distributable, within the meaning of Section 7.3 of the Plan, shall be deemed to be an election to defer commencement of payment of any benefit sufficient to satisfy this Section.

7.5 Treatment of Accounts in Pay Status. If payments are to be made under Section 5.1(b) or (c), at the election of the Plan Administrator:

(a) The Participant's Account shall continue to share in the annual and interim valuations of the trust fund and in the adjustment of the accounts for investment income, gains or losses as provided in Sections 4.4 and 4.5; or

(b) The Plan Administrator may instruct the trustee to segregate the Participant's Account which shall then be separately valued and adjusted each year to reflect the actual income derived thereon and any distributions made therefrom under this Plan.

7.6 Direct Rollovers

(a) This Section applies to distributions made on or after January 1, 1993. Notwithstanding any provision of the Plan to the contrary that would otherwise limit distributee's election under this Section, 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 that is equal to at least \$500 paid directly to an eligible retirement plan specified by the distributee in a direct rollover. The distributee may select only one (1) eligible retirement plan to which a direct rollover may be made.

(b) Definitions

(i) 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; the portion of any other distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities); and any other distribution(s) that is reasonably expected to total less than \$200 during a year.

(ii) 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 plan 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.

(iii) Distributee: A distributee includes an Employee or former Employee. In addition, the Employee's or former Employee's surviving spouse and the Employee's or former Employee's 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.

(iv) Direct rollover: A direct rollover is a payment by the Plan to the eligible retirement plan specified by the distributee.

7.7 Amendment of Vesting Schedule. If the Plan's vesting schedule is amended, or the

Plan is amended in any way that directly or indirectly

affects the computation of the 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 three (3) Years of Service

with the Employer may elect, within a

reasonable period after the adoption of the amendment or

change, to have the nonforfeitable percentage computed

under the Plan without regard to such amendment or change.

For Participants who do not have at least one (1) Hour of

Service in any Plan Year beginning after December 31, 1988,

the preceding sentence shall be applied by substituting "five (5)

Years of Service" for "three (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 or

deemed to be made and shall end on the latest of:

(a) 60 days after the amendment is adopted;

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

(c) 60 days after the Participant is issued written notice

of the amendment by the Employer or Plan Administrator.

SECTION 8

FORM OF DISTRIBUTION

8.1 Payment in Shares or Cash. Any distributions under Sections 5, 6, and 7 shall be made by the Trustee by distributing whole shares of Company Stock, as determined by the Trustee, at the market value of such shares on a national securities exchange or a national quotation system, with the value of any fractional shares paid in cash.

The Trustee may, with the consent of the Participant or if the Participant is deceased, his beneficiary, make distributions under Sections 5, 6 and 7 in cash. The amount of cash to be distributed to a Participant for shares actually allocated to his Account shall be determined based on the market value of the shares of Company Stock as of the trading date immediately preceding the distribution.

8.2 Dividends. Cash dividends on shares of Company Stock allocated to Participants' Accounts may be paid to Participants currently, or at such time as payment is otherwise due under Sections 5, 6, and 7, as determined in the sole discretion of the Plan Administrator, exercised in a uniform and nondiscriminatory manner.

SECTION 9

MERGER OR CONSOLIDATION

9.1 Merger or Consolidation. In the event of a merger or consolidation of this Plan

with any other plan, or in the event of a transfer of

assets or liabilities of this Plan to any other plan, each

Participant in the Plan will receive a benefit

immediately after the merger, consolidation, or transfer (as

if the Plan then terminated) which is at least equal to the

benefit the Participant would have been entitled to

immediately before such merger, consolidation, or transfer

(as if the Plan had then terminated).

9.2 Merger Accounts. In the event any other plan transfers its assets to this

Plan or merges with this Plan, this Plan being the surviving

plan, the Plan Administrator, or if the Plan Administrator

so determines, the Trustee, shall create a "Merger Account"

for each Participant whose accounts are transferred to

this Plan. A Participant's Merger Account shall be paid

to the Participant or his beneficiaries in accordance

with Sections 5, 6, 7 and 8. Merger Accounts shall

participate in the earnings and losses in the fund and in

forfeitures and Employer contributions in the same manner as

Regular Accounts.

9.3 Merger Agreement or Agreement Relating to Transfer of Assets.

Upon instructions of the Plan Administrator, the Trustee

shall enter into a merger agreement with any other plan or

shall enter into an agreement respecting the transfer of

assets of this Plan to another plan or from any other plan to

this Plan; however, if this Plan is a profit-sharing plan

which does not provide for a life annuity form of

payment to Participants, the Plan Administrator shall not enter into

any agreement for the transfer of assets from another plan
to this Plan if the proposed transferor plan is a defined benefit plan,
money purchase pension plan (including a target benefit plan), stock bonus,
or profit sharing plan which would otherwise provide for a life
annuity form of payment to the participants in such plan.

CLAIMS PROCEDURE

10.1 Filing of a Claim for Benefits.

(a) Every Participant and beneficiary (the claimant) who

thinks he is entitled to a benefit under the Plan or who is

not satisfied that the correct benefit is being paid shall

have the right to file a claim for such benefit at any time.

(b) Such claim must be filed in writing with the

Plan Administrator. The claim shall set forth the grounds on

which it is based, but no particular form of written claim is

required.

10.2 Notification to Claimant of Decision.

(a) The Plan Administrator shall furnish notice of its

decision (to grant the claim or to deny it in whole or in part)

to the claimant within sixty (60) days after the claim is

filed. If the Plan Administrator fails to give notice within

sixty (60) days after the claim is filed, it shall be

considered wholly denied.

(b) If the claim is denied in whole or in part, the notice

of denial by the Plan Administrator to the claimant shall

set forth in writing in a manner calculated to be understood

by the claimant:

(i) The specific reason or reasons for the denial;

(ii) Specific reference to pertinent plan provisions on which the denial is based;

(iii) A description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary; and

(iv) An explanation of the Plan's claim review procedure as set forth in Section 10.3.

10.3 Review Procedure.

(a) A claimant may appeal the denial of a claim,

including a claim considered denied, to the Plan Administrator

for a full and fair review of the claim.

(b) A request for review of a denied claim must be made in writing to the Plan Administrator within sixty (60) days after the date of the notice denying the claim or within sixty (60) days after the date on which the claim is considered denied.

(c) The claimant or his authorized representative shall have the right, during the review procedure, to review all pertinent documents and to submit issues and comments in writing to the Plan Administrator.

10.4 Decision on Review.

(a) A decision on review shall be made promptly by the Plan Administrator and not later than sixty (60) days after it receives the request for review.

(b) The decision on review shall be in writing and shall include specific reasons for the decision, written in a manner calculated to be understood by the claimant and specific references to pertinent Plan provisions on which the decision is based.

10.5 Agent for Service of Process. In any action against the Plan or Trust, the Plan Administrator, whose address is 100 Century Park Drive, Monroe, Louisiana 71203, shall be the agent for service of process of the Plan and Trust.

SECTION 11

ADOPTION BY OTHER COMPANIES

11.1 Rights of Other Companies to Participate. Any other corporation, association, joint venture, proprietorship or partnership (hereinafter called adopting companies) may adopt the terms of this Plan by a resolution of the Board of Directors of such entity in the form specified by the Plan Administrator, provided that the Board of Directors of the Employer and the Plan Administrator both approve such participation. Unless otherwise provided in the Plan or in a separate written agreement, all subsidiaries of the Employer shall be deemed to be adopting companies participating in the Plan.

A newly formed subsidiary, or a subsidiary acquired by the Employer, shall be deemed to be an adopting company as of the date of formation or acquisition, as the case may be, unless otherwise provided in the Plan or in a separate written agreement.

11.2 Control of Plan by the Employer. The administrative powers and control of the Employer as provided in the Plan, shall not be deemed diminished under the Plan by reason of participation of adopting companies in the Plan, and such administrative powers and control specifically granted herein to the Employer with respect to the appointment of the Plan Administrator and Trustee and other matters shall apply only with respect to the Employer. The Plan Administrator, under the control of the Employer, shall also be the Plan Administrator for the adopting companies.

11.3 Allocations of Contributions and Forfeitures. The amounts forfeited by Employees of the Employer and adopting companies shall be allocated across company lines in accordance with the provisions of Sections 4.3 hereof to all Participants who were Employees of the Employer and applicable adopting companies during the Plan Year in which such forfeitures occurred and the contributions made by the Employer and each adopting company shall be allocated across company lines in accordance with the

provisions of Section 4.2 hereof to Participants who were
Employees of the Employer and applicable adopting companies
during the Plan Year for which

each contribution is made. One member of an affiliated group may make contributions on behalf of another member of such group in accordance with Regulations Section 1.404(a)-10, as amended.

11.4 Withdrawal of Employer or Adopting Companies. The Employer or adopting company may withdraw at any time without affecting the others in the Plan. Such withdrawal may be accompanied by such amendments to the Plan as the withdrawing Employer or adopting company shall deem proper to continue a plan for its Employees separate and distinct from this Plan, but, if such withdrawing party does not provide for the continuance of a separate plan for its Employees, such withdrawal shall constitute a termination of this Plan with respect to that withdrawing party. The Employer may in its absolute discretion terminate any adopting company's participation at any time. Withdrawal from the Plan by any party shall not affect the continued operation of the Plan with respect to the other participating parties.

11.5 Amendment of Plan. The participation in the Plan of adopting companies shall not limit the power of the Employer under Trust Section 4.1; provided, however, that the Employer shall deliver notice of each amendment to the Plan to each adopting company within thirty (30) days of such amendment. Amendments by the Employer shall be binding upon all adopting companies to the extent accepted by such adopting companies. Acceptance by each such company shall be presumed unless the Employer and Trustee are given written notice of refusal to accept within sixty (60) days after the date of the amendment. The Employer and each adopting company may modify the provisions of the Plan as it pertains only to its

own Employees by the adoption of an amendment to the Plan specifying such modifications which shall pertain only to its Employees except to the extent that Employer amendments are presumed accepted by the adopting companies, and shall not affect the continued operation of the Plan with respect to any other party.

11.6 Termination of One or More Parties. The Plan may be terminated by all parties at any time in the manner described in Trust Section 4.2, on the part of each party. The Plan may be terminated in the manner described above with respect to one, but less than all the parties hereto and the Plan continued for the remaining parties.

11.7 Reference to Employer in Plan. Except as provided in this Section 11 and unless the context indicates otherwise, references to "Employer" in this Plan shall mean the Employer and all adopting companies.

SECTION 12

PROVISIONS RELATING TO PARTICIPANTS

12.1 Information Required of Participants. Each Participant shall furnish to the Plan Administrator such information as the Plan Administrator shall deem necessary and desirable for purposes of administering the Plan.

Any notice or information which, according to the provisions of the Plan, must be filed with the Plan

Administrator shall be deemed so filed if addressed to 100

Century Park Drive, Monroe, Louisiana 71203, and either

delivered in person or mailed to such address, postage fully paid.

SECTION 13

PLAN ADMINISTRATOR

13.1 Administration by Plan Administrator. This Plan shall be administered by a Committee, which shall be the "Plan Administrator" and "named fiduciary."

13.2 Appointment of Committee.

The Board of Directors of the Employer shall fix the

number of persons to be members of the Committee (which number shall always be an odd number) and shall appoint persons from among the officers and Employees of the Employer to serve as members of the Committee. The Committee shall have complete control of the administration of the Plan. Members of the Committee shall serve without remuneration for so long as it is mutually agreeable to them and to the Employer but they shall be reimbursed for all expenses incurred by them in the performance of their duties. Any member may resign by delivering his written resignation to the Employer and to the other members of the committee. The Board of Directors of the Employer may remove or replace any member of the Committee, or fill any vacancy, no matter how created, by notifying the member concerned and the other members of the Committee in writing.

13.3 Majority Action. Action taken by a majority of the members of the Committee shall, to the extent lawful, be binding upon the Employees, Participants, and all persons claiming any right under the Plan through any Employee or Participant. The Committee may act by vote, at a meeting, or in writing, without a meeting. Any act of the Committee shall be sufficiently evidenced if certified to by any two members thereof or by any person not a member of the Committee but who is designated, in writing, as the Secretary of the Committee by a majority thereof. A

member of the Committee who is a Participant shall not vote
on any question relating specifically to himself, and in the
event the remaining members of the

Committee are unable to agree to a determination of such question,
another person shall be selected by the Board of Directors of the
Employer for the purpose of making such determination.

13.4 Powers of the Plan Administrator.

The Committee as Plan Administrator shall have the

following powers:

- (a) To make rules and regulations for the administration of
the Plan which are not inconsistent with the terms and
provisions hereof;
- (b) To construe all terms, provisions, conditions and
limitations of this Plan;
- (c) To correct any defect or supply any omission or
reconcile any inconsistency that may appear in the Plan, in
such manner and to such extent as it shall deem expedient to
carry this Plan into effect for the greatest benefit
of all interested parties;
- (d) To select, employ and compensate from time to time such
consultants, actuaries, accounts, attorneys, and other
agents and Employees as the Plan Administrator may deem
necessary or advisable in the proper and efficient
administration of this Plan and Trust to carry out
nonfiduciary and fiduciary responsibilities (other than
trustee responsibilities as defined in Section 405(c)(3)
of ERISA);
- (e) To determine all questions relating to the eligibility
of Employees to become Participants, and to determine the
amount of compensation upon which the allocation of each
Participant shall be calculated;
- (f) To make all determination and computations concerning
the benefits, credits and debits to which any

Participant or beneficiary is entitled under the Plan;

(g) To determine all questions relating to the administration of this Plan and Trust (1) when differences of opinion arise between the Employer, the Trustee, a Participant, or any of them, and (2) whenever it is deemed advisable to determine such questions in order to promote the uniform administration of the Plan for the greatest benefit of all parties concerned;

- (h) To appoint any Employee of the Employer to act as secretary for the Plan Administrator, and to authorize the secretary so appointed to act for the Plan Administrator in all routine matters connected with the administration of the Plan;
- (i) To determine whether a Participant is disabled for the purposes of Section 6.5 hereof;
- (j) To appoint an investment manager or managers (as defined in Section 3(38) of ERISA) to manage (including the power to acquire and dispose of) all or any part of the assets of the Plan; and
- (k) To provide for the allocation of fiduciary responsibilities (other than trustee responsibilities as defined in Section 405(c)(3) of ERISA). Actions dealing with fiduciary responsibilities shall be taken in writing and the performance of agents, counsel, and fiduciaries to whom fiduciary responsibilities have been delegated shall be reviewed periodically.

The foregoing list of express powers is not intended to be either complete or conclusive, but the Plan Administrator shall, in addition, have such powers as it may reasonably determine to be necessary to the performance of its duties under the Plan and Trust. The decision or judgment of the Plan Administrator on any question arising in connection with the exercise of any of its powers or any matter of the Plan administration or the determination of benefits shall be final, binding and conclusive upon all parties concerned.

13.5 Duties of the Plan Administrator. The Committee as Plan Administrator shall, as a part of its general duty to supervise and administer the Plan:

- (a) Establish and maintain the Accounts described herein

and direct the maintenance of such other records and the preparation of such forms as are required for the efficient administration of the Plan;

(b) Give the Trustee specific directions in writing in respect to:

(i) The making of distribution payments, giving the names of the payees, the amounts to be paid and the time or times when payments shall be made; and

(ii) The making of any other payments which the Trustee is not by the terms of the trust agreement authorized to make without a direction in writing by the Plan Administrator; and

(c) Prepare an annual report, as of the end of the Plan Year.

13.6 Expenses. The Employer shall reimburse the trust fund for all

expenses (other than normal brokerage charges which are

included in the cost of securities purchased or charged to

proceeds in the case of sales) incurred in the

administration of the Plan under Trust Section 1.5,

including the expenses and fees of the Trustee, except that any

such expenses not so reimbursed by the Employer shall be paid from the

trust fund.

ROLLOVERS

14.1 Rollover Contributions. If the Plan Administrator instructs the Trustee in writing

to accept Rollover Contributions, any Employee who is a

Participant or who will become a Participant if he completes a

Year of Service in an Eligibility Computation Period

may make a Rollover Contribution at any time. The Trustee

shall credit the fair market value of any Rollover Contribution

to a Rollover Account of the contributing Participant as of the date

the Rollover Contribution is made. A Rollover Account shall

be fully vested and shall be paid to the Participant or

his beneficiaries in accordance with Section 5, 6, 7 and

8. Rollover Accounts shall participate in the earnings and

losses of the Trust Fund, but not in forfeitures or Employer

contributions.

14.2 Definition of Rollover Contribution. The term Rollover Contribution is defined as the contribution of

a Rollover Amount as defined in Section 14.3 to the Trustee on or

before the sixtieth (60th) day immediately following the day the

contributing Participant receives the Rollover Amount.

14.3 Definition of Rollover Amount. The term Rollover Amount is defined as:

(a) the amount distributed to the Participant is deposited

to the Plan no later than the sixtieth day after such

distribution was received by the Participant;

(b) the amount distributed is not one of a series of

substantially equal periodic payments made for the life (or

life expectancy) of the Participant or the joint lives (or

joint life expectancies) of the Participant and the

Participant's designated beneficiary, or for a specified

period of ten years or more;

(c) the amount distributed is not required under Code

(d) if the amount distributed included property such
property is rolled over, or if sold the proceeds of such
property may be rolled over;

(e) the amount distributed is includible in gross income
(determined without regard to the exclusion for net
unrealized appreciation with respect to employer securities).

In addition, if the Plan Administrator so instructs the Trustee
in writing, the Plan will accept any eligible rollover distribution
(as defined in Section 7.6) directly to the Plan.

Rollover Amounts which relate to distributions prior to
January 1, 1993, must be made in accordance with paragraphs (a)
through (e) and additionally meet the requirements of paragraph (f):

(f) The distribution from the qualified plan constituted
the Participant's entire interest in such Plan and was
distributed within one taxable year to the Participant:

(i) on account of separation from service, a Plan termination, or in the case of a profit-sharing or stock bonus plan, a complete discontinuance
of contributions under such plan within the meaning of Code Section
402(a)(6)(A), or

(ii) in one or more distributions which constitute a qualified lump sum distribution within the meaning of Code Section 402(e)(4)(A),
determined without reference to subparagraphs (B) and (H).

14.4 Conduit Rollovers. Rollover Contribution may also be made through an individual

retirement account (IRA) qualified under Code Section 408

where the IRA was used as a conduit from a qualified plan,

the Rollover Contribution is made in accordance with the

rules provided under paragraphs (a) through (e) and the

Rollover Contribution does not include any regular IRA

contributions, or earnings thereon, which the Participant may

have made to the IRA. Rollover Contributions, which relate to

distributions prior to January 1, 1993, may be made

through an IRA in accordance with paragraphs (a) through (f)

and additional requirements as provided in the previous

sentence. The Trustee shall not be held responsible for

determining the taxfree status of any Rollover Contribution

made under this Plan.

SECTION 15

TRADES OR BUSINESSES UNDER COMMON CONTROL

15.1 Definitions. All employees of all corporations which are members of a controlled groups of corporations (as defined in Section 414(b) of the Code) and all employees of all trades or businesses (whether or not incorporated) which are under common control (as defined in Section 414(c) of the Code) will be treated as employed by a single employer.

Such other trades or businesses in a group with the Employer are hereinafter called "Associated Employer."

The term "transferred participant" means an Employee of the Employer who was a Participant in this Plan and who is employed by an Associated Employer after his services with the Employer are terminated.

In addition to the foregoing, Hours of Service will also be credited for any individual required under Section 414(m) or 414(n) of the Code to be considered an employee of any employer aggregated under Section 414(b), (c), or (m) or the Code.

Any Leased Employee as defined in Section 1.17(a), excluding any Leased Employee described in Section 1.17(b), shall be treated as an employee of the recipient employer.

15.2 Allocation. No Employee shall be credited with any compensation for a year under Section 4.2 of this Plan except with respect to compensation actually paid to him by the Employer or accrued by the Employer with respect to him.

15.3 Participation and Vesting. All of an Employee's service with an Associated Employer shall be counted as service with the Employer for all purposes of this Plan, except as otherwise provided in the Plan or in a separate written agreement.

15.4 Vesting and Distributions. In determining whether a transferred participant incurs a Break in Service under this Plan, his service with the Employer shall be combined with his service with an Associated Employer. In determining whether a transferred participant subsequently incurs a Break in Service with the Employer for vesting and distribution purposes, his Hours of Service with Associated Employers shall be counted.

SECTION 16

TOP HEAVY PLAN RULES

16.1 Key Employee. Any Employee or former Employee (and the beneficiaries

of such Employee) who at any time during the determination

period was an officer of the Employer if such individual's annual

compensation exceeds fifty percent (50%) of the dollar

limitation under Section 415(b)(1)(A) of the Code, an owner

(or considered an owner under Section 318 of the Code) of one

of the ten largest interests in the Employer if such

individual's compensation exceeds one hundred percent (100%)

of the dollar limitation under Section 415(c)(1)(A) of the

Code, a five percent (5%) owner of the Employer, or a one

percent (1%) owner of the Employer who has an annual

compensation of more than \$150,000. 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 Section

125, Section 402(e)(3), Section 402(h)(1)(B) or Section

403(b) of the Code. The determination period is the Plan

Year containing the determination date and the four (4)

preceding Plan Years.

The determination of who is a Key Employee will be made in accordance

with Section 416(i)(1) of the Code and the regulations thereunder.

16.2 Non-Key Employee.

Any Employee who is not a Key Employee.

16.3 Super Top Heavy Plan. For any Plan Year beginning after December 31, 1983,

this Plan is a Super Top Heavy Plan if any of the following

conditions exists:

(a) If the top heavy ratio for this Plan exceeds ninety

percent (90%) 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 ninety percent (90%).

(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 ninety percent (90%).

16.4 Top Heavy Plan.

For any Plan Year beginning after December 31, 1983,

this Plan is a Top Heavy Plan if any of the following

conditions exists:

(a) If the top heavy ratio for this Plan exceeds sixty percent (60%) 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 sixty percent (60%).

(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 sixty percent (60%).

16.5 Top Heavy Ratio.

(a) If the Employer maintains one or more defined contribution plans (including any Simplified Employee Pension Plan) and the Employer has not maintained any defined benefit plan which during the five (5) year period ending on the determination date(s) has or 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 five (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 five (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 adjusted 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.

(b) 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 five (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 (a) 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 Participants determined in accordance with (a) above, and the present value of accrued benefits under the defined benefit plan or plans for all Participants 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 (5) year period ending on the determination date.

(c) For purposes of (a) and (b) 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 twelve (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 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 been credited with at least one Hour of Service with any

employer maintaining the Plan at any time during the five (5) year period ending on the determination date will be disregarded. The calculation of the top heavy ratio, and to 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 (a) the method, if any, that uniformly applies for accrual purposes under all defined benefit plans maintained by the Employer, or (b) 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.

16.6 Top Heavy Plan Year. For a particular Plan Year commencing after **December 31, 1983, the Plan is a Top Heavy Plan.**

16.7 Top Heavy Compensation. For any Top Heavy Plan Year, compensation as defined in **Code Section 415(c)(3) and Regs. Section 1.415-2(d), not in** excess of \$200,000 (or such other amounts as the Secretary of Treasury or his delegate may designate), which shall be considered as compensation for all purposes of Section 16 of this Plan.

16.8 Determination Date. The last day of the preceding Plan Year, or, in the case of the first Plan Year, the last day of such Plan Year.

16.9 Valuation Date. The last day of the Plan Year, on which Account balances or accrued benefits are valued for purposes of calculating the Top Heavy Ratio.

16.10 Aggregation Group.

Either a Required Aggregation Group or a Permissive Aggregation

Group as hereinafter determined.

(a) Required Aggregation Group: (i) Each qualified plan of the Employer in which at least one Key Employee participates or participated at any time during the determination period (regardless of whether the Plan has terminated), and (ii) any other qualified plan of the Employer which enables lan described in (i) to meet the requirements of Sections 401(a)(4) or 410 of the Code.

In the case of a Required Aggregation Group, each plan in the group will be considered a Top Heavy Plan if the Required Aggregation Group is a Top Heavy Group. No plan in the Required Aggregation Group will be considered a Top Heavy Plan if the Required Aggregation Group is not a Top Heavy Group.

(b) 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 Sections 401(a)(4) and 410 of the Code.

In the case of a Permissive Aggregation Group, only a

plan that is part of the Required Aggregation Group will be considered a Top Heavy Plan if the Permissive Aggregation Group is a Top Heavy Group. No plan in the Permissive Aggregation Group will be considered a Top Heavy Plan if the **Permissive Aggregation Group is not a Top Heavy Group.**

16.11 Present Value of Accrued Benefits. The present value of an accrued benefit under a defined benefit plan shall be based on the interest and mortality rates specified in such defined benefit plan.

TOP HEAVY REQUIREMENTS

16.12 Top Heavy Plan Requirements. If the Plan is or becomes top heavy in any Plan Year beginning after December 31, 1983, the provisions of this Section 16 will supersede any conflicting provisions in the **Plan.**

16.13 Top Heavy Reduction.

(a) In Section 4.9(a), 1.0 shall be substituted for 1.25

unless the extra minimum allocation is being made pursuant

to Section 16.14. However, for any Plan Year in which this

Plan is a Super Top Heavy Plan, 1.0 shall be substituted for 1.25 in

any event.

(b) \$41,500 shall be substituted for \$51,875 in determining the

"transition fraction" of Section 4.9(b).

16.14 Minimum Allocations.

(a) Except as otherwise provided in (c) and (d) below,

the Employer contributions and forfeitures allocated on

behalf of any Participant who is not a Key Employee shall not

be less than the lesser of three percent of such

Participant's compensation or in the case where the

Employer has no defined benefit plan which designates this

Plan to satisfy Section 401 of the Code, the largest

percentage of Employer contributions and forfeitures, as a

percentage of the Key Employee's compensation, as limited

by Section 401(a)(17) of the Code, allocated on behalf of

any Key Employee for that year. The minimum allocation

is determined without regard to any Social Security

contribution. This minimum allocation shall be made even

though, under other Plan provisions, the Participant would

not otherwise be entitled to receive an allocation, or

would have received a lesser allocation for the year because

of (i) the Participant's failure to complete 1,000 Hours of

Service (or any equivalent provided in the Plan), or (ii) the

Participant's failure to make mandatory employee contributions

to the Plan, or (iii) compensation less than a stated amount.

(b) For purposes of computing the minimum allocation,

compensation will mean compensation as defined in Section

1.7 of the Plan.

(c) The provision in (a) above shall not apply to

any Participant who was not employed by the Employer on the last

day of the Plan Year.

(d) The provision in (a) above shall not apply to any Participant to the extent the Participant is covered under any other plan or plans of the Employer and the Employer has elected that the minimum allocation or benefit requirement applicable to top heavy plans will be met in the other plan or plans.

(e) The minimum allocation required (to the extent required to be nonforfeitable under Section 416(b) of the Code) may not be forfeited under Section 411(a)(3)(B) or

411(a)(3)(D) of the Code.

16.15 Top Heavy Vesting. For any Plan Year in which this Plan is top-heavy, the following vesting schedule will automatically apply to the Plan, but only if the application of such schedule results in a higher vested percentage for the Participant:

YEARS OF SERVICE	VESTED PERCENTAGE
2	20%
3	40%
4	60%
5	80%
6	100%

The minimum vesting schedule applies to all benefits within the meaning of Section 411(a)(7) of the Code except those attributable to employee 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 balance of any Employee who does not have an Hour of Service after the Plan has initially become topheavy and such Employee's Account balance attributable to Employer contributions and forfeitures will be determined without regard to this Section.

16.16 Minimum Required Distribution. A Key Employee's benefits shall be distributed to him or begin to be distributed to him under Section 5 no later than the taxable year in which he attains age 70 1/2 regardless of when he retires.

16.17 Alternative Effective Date. Notwithstanding any other provision of this Plan and Trust, the effective date otherwise provided for the application of this Section 16 shall be extended in accordance with any legislative act of Congress.

ESOP PROVISIONS

17.1 Exempt Loans.

(a) Subject to the provisions of this Section 17.1, the

Trustee may incur installment obligations from time to time to finance the acquisition of Company Stock for the Trust or to repay a prior loan. Any such loan which is made or guaranteed, directly or indirectly, by a disqualified person or party in interest is referred to herein as an "exempt loan".

(b) An exempt loan must be primarily for the benefit of the Participants and beneficiaries of this Plan. At the time the loan is made, the interest rate and price of Company Stock to be acquired with loan proceeds should not be such that the Plan assets might be drained off. The terms of a loan must, at the time the loan is made, be at least as favorable to the Plan as the terms of a comparable loan resulting from arms length negotiations between independent parties.

(c) The proceeds of an exempt loan must be used within a reasonable time after receipt by the Plan and Trust only for any or all of the following purposes:

(i) To acquire Company Stock;

(ii) To repay such loan; or

(iii) To repay a prior exempt loan. A new loan the proceeds of which are so used must satisfy the provisions of this paragraph (c).

Except as otherwise provided in this section 17, or as otherwise required by applicable law, no Company Stock acquired with the proceeds of an exempt loan may be subject to a put, call, or other option, or buy-sell or similar arrangement while held by and when distributed from this Plan, whether

or not this Plan is then an ESOP.

(d) An exempt loan shall be without recourse against the Plan and Trust; and only Company Stock acquired with the proceeds of a prior exempt loan or with the proceeds of a

prior exempt loan repaid with the proceeds of the current exempt loan may be given as collateral.

loan shall have any rights to the assets of the Plan and

Trust other than:

(i) Collateral given for the loan,

(ii) Contributions other than contributions of Company Stock that are made to the Plan to meet its obligations under the loan, and

(iii) Earnings attributable to such collateral and the investment of such contributions.

The payment made with respect to an exempt loan by the

Plan and Trust during a Plan Year shall not exceed an amount

equal to the sum of such contribution and earnings received

during or prior to the year less such payments in prior years.

Such contributions and earnings shall be accounted for

separately on the books of account of the Plan until the loan

is repaid.

(f) In the event of a default upon an exempt loan, the

value of the Plan assets transferred in satisfaction of the

loan shall not exceed the amount of default. If the lender is

a disqualified person, the loan shall provide for a transfer

of Plan assets upon default only upon and to the extent of

the failure of the Plan to meet the payment schedule of the

loan.

(g) The interest rate of an exempt loan must not be in

excess of a reasonable rate of interest.

(h) An exempt loan shall provide for the release from

encumbrance under this subsection (h) of the Plan assets used as

collateral for the loan in one of the two methods described in

this subsection (h):

(i) For each Plan Year during the duration of the loan, the number of securities released must equal the number of encumbered securities held immediately before release for the current Plan Year multiplied by a fraction, the numerator of which is the amount of principal and interest paid for the year and the denominator of which is the sum of the numerator plus the principal and interest to be paid for all future years. The number of future years on the loan must be definitely ascertainable and must be determined without taking into account any possible extensions or renewal periods. If the interest rate under the loan is variable, the interest to be paid in the future years must be computed by using the interest rate applicable as of the end of the Plan Year.

(ii) The number of shares of Company Stock to be released from encumbrance may be determined solely with reference to principal payments

provided the following requirements are satisfied. The loan must provide for annual payments of principal and interest at a cumulative rate that is not less rapid at any time than level annual payments of such amounts for ten (10) years. Interest included in

any payment is disregarded only to the extent that it would be determined to be interest under standard loan amortization tables. This subparagraph (h)(ii) is not applicable from the time, that, by reason of a renewal, extension or refinancing, the sum of the expired duration of the exempt loan, the renewal period, the extension period, and the duration of the new exempt loan exceeds ten (10) years.

(i) All assets acquired by the Plan and Trust with the

proceeds of an exempt loan shall be held in a Suspense Account, and shall

be released from encumbrance under subsection (h). For purposes of the

allocation to be made under Section 4.2, assets released from the Suspense

Account shall be treated as having been contributed to the Plan in the Plan

Year in which they are released. Income with respect to Company Stock

acquired with the proceeds of an exempt loan shall be allocated as

provided in Sections 4.4 and 4.5 except to the extent that income from such

Company Stock is to be used to repay the loan.

17.2 Voting Rights.

Each Participant in the Plan (or, in the event of the Participant's

death, the Participant's beneficiary) is, for purposes of this Section 17.2, hereby designated a "named fiduciary" within the meaning of Section 403(a)(1) of ERISA and shall be entitled to direct the Plan and Trustee as to the manner in which Company Stock released pursuant to Section 17.1(h) and (i) and allocated to the Account or Accounts of such Participant is to be voted on each matter brought before an annual or special stockholders' meeting of the Employer. Before each such meeting of stockholders, the Trustee shall cause to be furnished to each Participant (or beneficiary) a copy of the proxy solicitation material, together with a form requesting confidential directions on how such shares of stock released pursuant to Section 17.1(h) and (i) and allocated to such Participant's Account or Accounts shall be voted on each such matter. Upon timely receipt of such directions the Trustee shall on each such matter vote as directed the number of votes attributable, as provided below, to such Participant.

The instructions received by the Trustee from Participants shall be held by the Trustee in strict confidence and shall not be divulged or released to any person, including officers or employees of the Employer or any affiliate; provided, however, that to the extent necessary

such instructions may be relayed by the Trustee to a recordkeeper, auditor or other person providing services to the Plan if such person (i) is not the Employer, an affiliate or any employee, officer or director thereof, and (ii) agrees not to divulge such directions to any other person, including employees, officers and directors of the Employer and its affiliates.

The number of votes attributable to each Participant shall be determined as follows:

(a) first, the total number of shares of Company Stock released as of the record date for the matter requiring the vote shall be determined:

(b) next, the total number of votes attributable to Company Stock owned by the Plan, whether released or unreleased, shall be determined;

(c) next, the number of votes attributable to released shares shall be determined by multiplying the total number of available votes by a fraction, the numerator of which shall be the number of released shares, and the denominator of which shall be total shares;

(d) next, the number of votes determined under (iii), above, shall be attributed to each Participant, in the ratio which the number of released shares allocated to such Participant's Account or Accounts as of the immediately preceding Valuation Date bears to the total number of released shares allocated to Participants' Accounts as of such date.

Each Participant, as a named fiduciary, shall also be entitled to separately direct the vote of a portion of the number of votes with respect to which a signed voting direction instrument is not timely received from the Participants and a portion of the number of votes with respect to any shares of stock not then released pursuant to Section 17.1(h) and (i) and held in the Suspense Account and a portion of the number of votes with respect to any shares of stock released pursuant to Section 17.1(h) and (i) and not allocated to Participants' Accounts ("Undirected Votes"). Such direction with respect to each Participant who timely elects to direct the vote of Undirected Votes as a named fiduciary shall be with respect to a number of Undirected Votes equal to the total

number of Undirected Votes multiplied by a

fraction, the numerator of which is the total number of votes attributable to such Participant and the denominator of which is the total number of votes attributable to all Participants who timely elect to vote Undirected Votes as a named fiduciary.

17.3 Rights on Tender or Exchange Offer.

Each Participant (or, in the event of the

Participant's death, the Participant's beneficiary) is, for purposes of this Section 17.3, hereby designated a "named fiduciary" within the meaning of Section 403(a)(1) of ERISA and shall have the right, to the extent of the number of shares of Company Stock allocated to such Participant's Account or Accounts, to direct the Trustee in writing as to the manner in which to respond to a tender or exchange offer with respect to shares of Company Stock. The Trustee shall use its best efforts to timely distribute or cause to be distributed to each Participant (or beneficiary) such information as will be distributed to stockholders of the Employer in connection with any such tender or exchange offer. Upon timely receipt of such instructions, the Trustee shall respond as instructed with respect to shares of Company Stock allocated to such Participant's Account or Accounts. The instructions received by the Trustee from Participants shall be held by the Trustee in strict confidence and shall not be divulged or released to any person, including officers or employees of the Employer or any affiliate; provided, however, that to the extent necessary for the operation of the Plan, such instructions may be relayed by the Trustee to a recordkeeper, auditor or other person providing services to the Plan if such person (i) is not the Employer, an

affiliate or any employee, officer or director thereof, and

(ii) agrees not to divulge such directions to any other person, including employees, officers and directors of the Employer and its affiliates. If the Trustee shall not receive timely instruction from a Participant (or beneficiary) as to the manner in which to respond to such a tender or exchange offer, the Trustee shall not tender or exchange any shares of Company Stock with respect to which such Participant has the right of direction. Each Participant, as a named fiduciary, shall also be entitled to separately direct the tender of a portion of the shares of Company Stock not released pursuant to Section 17.1(h) and (i) and held in the Suspense Account and a portion of the shares of Company Stock released

pursuant to Section 17.1(h) and (i) and not allocated to Participants' Accounts. Such direction shall be with respect to the total of the number of shares of Company Stock in the Suspense Account and the number of shares of Company stock released and not allocated multiplied by a fraction, the numerator of which is the total shares of Company Stock allocated to the Participant's Account or Accounts and the denominator of which is the total number of shares of Company Stock which are allocated to the Accounts of all Participants. In effecting the foregoing, to the extent possible, the Trustee shall tender or exchange shares of Company Stock entitled to one vote per share prior to shares of Company Stock having greater than one vote per share.

17.4 Special Limitation Rules. Any Employer contributions which are used by the Trustee (not later than the due date, including extensions, for filing the Company's Federal income tax return for the Plan Year) to

pay interest on an exempt loan shall not be included as annual additions under Section 4.8; provided, however, that the provisions of this Section 17.4 shall be applicable only

for a Plan Year in which not more than one-third (1/3) of the Employer contributions applied to pay principal and/or interest on an exempt loan are allocated to Participants who are officers of the Employer, shareholders owning more than ten percent (10%) of Company Stock, as determined under Section 415(c)(6)(B)(iv) of the Code, or Employees whose compensation exceeds an amount equal to twice the dollar amount referred to in Section 4.8; and the Committee shall reallocate such Employer contributions to the extent

necessary to satisfy this special rule.

17.5 Limitation on Electing Shareholder.

To the extent that a shareholder sells Company Stock
to the Plan and elects (with the consent of the Company) special tax
treatment under Section 1042 of the Code, no assets
attributable to such Company Stock may be allocated to the

Account of:

(a) Any person who owns (after application of Section

318(a) of the Code) more than twenty-five percent (25%)

in value of the outstanding securities of the Employer; or

(b) the shareholder, and any person who is related to such shareholder (within the meaning of Section 267(b) of the Code, but excluding lineal descendants of such shareholder as long as no more than five percent (5%) of the aggregate amount of all Company Stock sold by such shareholder in a transaction to which Section 1042 of the Code applies is allocated to lineal descendants of such shareholder) during the Nonallocation Period (as defined below).

Further, no allocation of Employer contributions may be made to the Accounts of such persons unless additional allocations are made to other Participants, in accordance with the provisions of Sections 401(a) and 410 of the Code.

The phrase "Nonallocation Period" means the period beginning on the date of sale and ending on the later of ten (10) years after the date of sale or the date of the allocation attributable to the final payment on the exempt loan or other indebtedness incurred with respect to the sale.

17.6 Investment Diversification. Each Participant who has completed at least ten (10) years of participation under the Plan and has attained age fifty-five (55) may elect, within ninety (90) days after the end of each Plan Year in the five (5) year period beginning with the Plan Year after the Plan Year in which the Participant attains age fifty-five (55) (or, if later, beginning with the Plan Year after the first Plan Year in which the individual completes at least ten (10) years of participation under the Plan and has attained age fifty-five (55)), to direct the investment of twenty-five percent (25%) of the Participant's Account balance under the Plan, to the extent such portion exceeds the amount to which a prior election applied. For the last Plan Year in which the

Participant can make an election, the Participant shall

be entitled to direct the investment of fifty percent

(50%) of his Account balance in the Plan, to the extent such

portion exceeds the amount to which a prior election applied.

If a Participant elects to diversify the investment of twenty-five

(25%) or fifty percent (50%) of his Account balance, as the case may be,

the Plan Administrator shall direct the Trustee to distribute,

within ninety (90) days after the end of the Plan Year for which the election could be made, the portion of the Participant's Account balance covered by the election.

17.7 Company Stock Distributions.

(a) Notwithstanding the provisions of Sections 5, 6, 7

and 8, distributions of Company Stock from the Plan shall be made in accordance with this Section 17.7, unless the application of Sections 5, 6, 7 and 8 would result in an earlier distribution date.

(b) Unless the Participant (or his beneficiary, if

the Participant is deceased) elects otherwise, if a

Participant retires, dies or becomes disabled while employed

by the Employer, distribution of Company Stock in his

Account will be made or commenced as soon as practicable

following the date on which the Participant retires, dies or becomes

disabled, but not later than the sixtieth (60th) day next following

the close of the Plan Year during which the Participant retires, dies or

becomes disabled.

(c) Unless the Participant elects otherwise, upon

termination of employment of the Participant with the Employer

for reasons other than retirement, death or disability,

distribution of Company Stock in his Account will be made

not later than the later of:

(i) one (1) year after the close of the Plan Year which is the fifth (5th) Plan Year following the Plan Year in which his employment terminates, unless the Participant is reemployed by the Employer before the end of such year; or

(ii) the earlier of:

(A) the Plan Year in which an Exempt Loan is fully repaid with respect to distributions of Company Stock acquired with the proceeds of that Exempt Loan; or

(B) the sixtieth (60th) day following the end of the Plan Year in which the Participant attains Normal Retirement Age.

SECTION 18 QUALIFIED DOMESTIC RELATIONS ORDERS
DEFINITIONS

18.1 Domestic Relations Order. Any judgment, decree, or order (including approval of a property settlement agreement) that relates to the provision of child support, alimony payments, or marital property rights to a spouse, former spouse, child or other dependent of a Participant, made pursuant to a state domestic relations law, including a community property law.

18.2 Alternate Payee. Any spouse, former spouse, child or other dependent of a Participant who is recognized by a Qualified Domestic Relations Order as having a right to receive all, or a portion of, the benefits payable under the Plan with respect to a Participant.

18.3 Qualified Domestic Relations Order. A Domestic Relations Order as described in Section 414(p) of the Code which:

(a) Creates or recognizes the existence of an Alternate Payee's right to, or assigns to an Alternate Payee the right to, receive all or a portion of the benefits payable with respect to a Participant under the Plan; and

(b) Clearly specifies the following:

(i) the name and last known mailing address (if available) of the Participant and each Alternate Payee to which the order relates (unless the Plan Administrator has reason to know such addresses independently);

(ii) the amount or percentage of the Participant's benefits to be paid to an Alternate Payee or the manner in which the amount is to be determined; and

(iii) the number of payments or period for which payments are required.

A Qualified Domestic Relations Order does not include an order which:

(a) requires the Plan to provide any type or form of benefit, or any option, not otherwise provided under the Plan;

(b) requires the Plan to provide increased benefits, i.e., provides for the payment of benefits in excess of the benefits to which the Participant would be entitled in the absence of the order; or

(c) requires the payment of benefits to an Alternate Payee that are required to be paid to another Alternate Payee under a previously existing Qualified Domestic Relations Order.

PROCEDURES

18.4 Notice. Upon receipt of a Domestic Relations Order, the Plan Administrator

shall promptly notify the Participant and any Alternate Payee of receipt of the order and of the Plan's procedures for determining whether the order is a Qualified Domestic Relations Order.

18.5 Determination of Qualification. Within a reasonable period of time after receipt of the order

(as defined in regulations to be prescribed by the

Secretary of Labor), the Plan Administrator shall determine

whether the order is qualified and notify the Participant and

any Alternate Payee of such determination.

18.6 Deferral of Payment. During any time period during which the issue of

whether a Domestic Relations Order is qualified is being determined,

any amount which would be payable pursuant to the terms of

the order shall be deferred and the amounts so payable will

be segregated into a separate account.

18.7 Payment after Deferral. If, within eighteen (18) months after payment is deferred

in accordance with Section 18.6, the Plan Administrator

determines that the Domestic Relations Order is

qualified, the amounts segregated into the separate

accounts, plus earnings thereon, shall be paid to the

Alternate Payee(s) specified in the order, in accordance with

the terms of the order (subject, however, to the provisions

of Code Section 414 (p) this Section 18 and other

applicable provisions of the Plan).

18.8 Payments after Eighteen Months. If, after eighteen (18) months have elapsed after

the deferral of benefits pursuant to Section 18.6,

the Plan Administrator determines that the order is qualified,

the Plan Administrator shall make payments pursuant to the

order; however, such payments shall be made prospectively

only, and any amounts segregated into the special

account for periods before the determination that the

order is qualified shall be paid to the person or persons who

would have received the amounts if the order had not been

issued. Neither the Plan, nor the Plan

Administrator, shall be liable for payments to any Alternate

Payee for any period before the order is determined to be

qualified.

18.9 Payments Under Qualified Domestic Relations Order. Payments may made to an Alternate Payee prior to,

coincident with, or after Participant's termination of

employment if made pursuant to a Qualified Domestic

Relations Order. A distribution

to an Alternate Payee may be made out of a Participant's

Account on a date coincident with the Participant's

"earliest retirement age," defined as the earlier of (i)

the date on which the Participant is entitled to a

distribution under the Plan, or (ii) the later of (A) the

date the Participant attains age 50, or (B) the earliest

date on which the Participant could begin receiving

benefits under the Plan if he had separated from service.

In addition, this Plan specifically authorizes

distributions to an Alternate Payee under a Qualified

Domestic Relations Order prior to the Participant's

attainment of the earliest retirement age (as defined above

and in Section 414(p) of the Code) but only if: (1) the order

specifies distribution at the earlier date or permits an agreement between the Plan and the Alternate Payee authorizing an earlier distribution; and (2) the Alternate Payee consents to a distribution prior to the Participant's earliest retirement age if the present value of the Alternate Payee's benefits under the Plan exceeds \$3,500. Nothing in this Section 18 shall provide a Participant with a right to receive a distribution at a time not otherwise permitted under the Plan, nor shall it provide the Alternate Payee with a right to receive a form of payment not permitted under the Plan.

18.10 Non-qualification. If the Plan Administrator determines that the order is not qualified, or if eighteen (18) months have expired since deferral of benefits, the Plan Administrator shall pay the amounts segregated pursuant to Section 18.6 above to the person or persons who would have received the amounts if the order had not been issued.

18.11 Effective Dates. The provisions of this Section 18 shall be effective for orders issued on or after January 1, 1985; however, the Plan Administrator may treat any order issued before such date as a Qualified Domestic Relations Order if it otherwise meets the requirements of this Section 18. Additionally, the

Plan Administrator shall treat a Domestic Relations Order

received before January 1, 1985 as a Qualified Domestic Relations Order to the extent payments are being made pursuant to the order.

AMENDMENT AND TERMINATION OF PLAN;

ASSIGNMENT OF BENEFITS

19.1 Amendment. The Employer shall have the right at any time, and from

time to time, to amend, in whole or in part, any or all

of the provisions of the Plan. However, no such

amendment shall authorize or permit any part of the Trust

Fund (other than such part as is required to pay taxes and

administration expenses) to be used for or diverted to

purposes other than for the exclusive benefit of the

Participants or their beneficiaries or estates. Any such

amendment shall become effective upon the adoption

thereof by an appropriate written instrument executed by

order of the Board of Directors or upon such later date as may

be specified in such instrument provided that any

amendment affecting the powers and duties of the Trustee

shall not be effective until the date it is accepted in

writing by the Trustee.

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 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, if

the vesting schedule of the Plan is amended, in the case of

an Employee who is a Participant as of the later of the

date such amendment is adopted or the date it becomes effective, the nonforfeitable percentage (determined as of such date) of such Employee's right to his Employer-derived accrued benefit will not be less than his percentage computed under the Plan without regard to such amendment.

19.2 Termination; Discontinuance of Contributions. The Employer shall have the right at any time to terminate this agreement and the Trust hereby created. Such termination shall be effective upon execution by the Employer of an appropriate instrument

terminating the Plan and Trust

as authorized by the Board of Directors or upon such later date as may be specified in such instrument. A copy of such instrument shall be delivered to the Trustee.

Upon termination or partial termination of the Plan by any method, the Regular Accounts of all Participants shall become fully vested and the Plan Administrator shall direct the Trustee to distribute all assets remaining in the Plan to Participants, their beneficiaries or estates in the ratio of the Participants' Account balances in the Plan.

In the event the Employer completely discontinues contributions for a fixed or indeterminate period, but without terminating this Plan, the Regular Accounts of Participants shall be completely vested and nonforfeitable at the values determined by the Trustee as of the close of the year in which contributions have been suspended, and all adjustments in Participant's Accounts thereafter made under the terms of the Plan and Trust with respect to the amounts so vested shall similarly be completely vested in favor of each Participant but no distribution shall be made of any Account except on actual termination of the Plan or the occurrence of any of the events stated in Sections 5, 6, and 7 and then only in the manner provided in such Sections.

19.3 Assignment of Benefits. No benefit or interest available hereunder will be subject to assignment or alienation, either voluntarily or involuntarily. The interest of each Participant or

beneficiary shall be held subject to the maximum restraint on alienation permitted or required by applicable Louisiana or Federal law. The

preceding sentences 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 Section
414(p) of the Code.

THE TRUST

TRUST SECTION 1

TRUSTEE

1.1 Establishment and Acceptance of Trust. The Trustee shall receive any contributions paid to it in cash, or other property approved by the Plan Administrator for acceptance by the Trustee. All contributions so received together with the income therefrom (herein called the "Trust Fund") shall be held, managed, and administered in Trust pursuant to the terms of this Agreement. The Trustee hereby accepts the Trust created hereunder and agrees to perform the duties under this Agreement on its part to be performed. The assets of the trust will be valued annually at fair market value as of the last day of the Plan Year. On such date, the earnings and losses of the Trust will be allocated to each Participant's account in the ratio that such Account balance bears to all Account balances.

1.2 Investment of Trust Fund. The Trustee shall invest and reinvest the principal and income of the Trust Fund and keep the Trust Fund invested, without distinction between principal and income. All contributions shall be applied by the Trustee as follows:

- (a) To the payment of principal and interest on any outstanding exempt loan made to the Trust.
- (b) To purchase shares of Company Stock under the direction of the Plan Administrator.

Subject to the provisions of ERISA Section 404, as additional shares of Company Stock become available and subject to the direction of the Plan Administrator, funds, as they become available, shall be used for the purpose of purchasing such shares.

This Plan is designed to invest primarily in Company

Stock, and the investment policy of this Plan is to so
invest. To the extent funds remain after acquiring available Company Stock
and until other Company Stock becomes available, subject
to the direction of the Plan Administrator, the Trustee may

invest in such securities or in such property, real or personal, wherever situated, as the Trustee shall deem advisable, including, but not limited to, stocks, common or preferred, bonds and mortgages, and other evidences of indebtedness or ownership. In making such investments,

the Trustee shall be restricted to securities or other property of the character authorized by applicable law from time to time for trust investments.

1.3 Powers of Trustee. The Trustee shall have the following powers and authority in the administration of the Trust Fund:

(a) Purchase of Property. To purchase or subscribe for any securities or other property and to retain the same in trust.

(b) Sale, Exchange, Conveyance and Transfer of Property.

To sell, exchange, convey, transfer, or otherwise dispose of any securities or other property held by it, by private contract or at public auction. No person dealing with the Trustee shall be bound to see to the application of the purchase money or to inquire into the validity, expediency, or propriety of any such sale or other disposition.

(c) Exercise of Owner's and Voting Rights. To vote any stocks, bonds or other securities; to give general or special proxies or powers of attorney with or without power of substitution; to exercise any conversion privileges, subscription rights, or other options, and to make any payments incidental thereto; to oppose, or to consent to, or otherwise participate in, corporate reorganizations or other changes affecting the corporate securities, and to delegate discretionary powers, and to pay any assessments or charges in connection therewith; and generally to exercise any of the powers of an owner with respect to stocks, bonds,

held as part of the Trust Fund.

The Trustee shall vote Company Stock held in the Plan in

accordance with Section 17 and the instructions of the

Plan Administrator.

(d) Registration of Investments. To cause any securities or other property held as

part of the Trust Fund to be registered in its own name or in

the name of one or more of its nominees, and to hold any

investments in bearer form, but the books and records of the

Trustee shall at all times show that all such investments are a

part of the Trust Fund.

(e) Borrowing and Lending. To borrow or raise money for the purposes of the

Trust in such amount, and upon such terms and conditions, as

the Trustee shall deem advisable; and, for any sum so borrowed,

to issue its promissory note as Trustee, and to secure the

repayment thereof by pledging all, or any part, of the

Trust Fund; and no person lending money to the Trustee

shall be bound to see to the application of the money lent

or to inquire into the validity, expediency or propriety of

any such borrowing.

(f) Retention of Cash. Subject to the direction of the Committee, to keep

such portion of the Trust Fund in cash or cash balances as the

Trustee may, from time to time, deem to be in the best

interests of the Trust created hereby.

(g) Execution of Instruments. To make, execute, acknowledge, and deliver any and

all documents of transfer and conveyance and any and all

other instruments that may be necessary or appropriate to

carry out the powers herein granted.

(h) Settlement of Claims and Debts. To settle, compromise, or submit to arbitration any

claims, debts or damages due or

owing to or from the

Trust Fund, and to commence or defend suits or legal

or administrative proceedings.

(i) Employment of Agents and Counsel. To employ suitable agents and counsel (who may also

be counsel for the Employer), and to pay their reasonable

expenses and compensation.

(j) Power to do any Necessary Act. To do all such acts, take all such proceedings,

and exercise all such rights and privileges, although not

specifically mentioned herein, as the Trustee may deem

necessary to administer the Trust Fund, and to carry out the

purposes of this Trust.

1.4 Payments from the Trust. The Trustee shall from time to time, on the

written directions of the Committee, make payments out of the

Trust Fund to such persons, in such manner, in such

amounts, and for such purposes as may be specified in the

written directions of the Committee, and upon any payment

being made, the amount thereof shall no longer constitute a

part of the Trust Fund. Each such written direction shall be

accompanied by a certificate of the Committee that the

payment is in accordance with the Plan. The Trustee shall not

be responsible in any way for the application of such payments

or for the adequacy of the Trust Fund to discharge any and all

liabilities under the Plan.

1.5 Payment of Compensation, Expenses and Taxes. The Trustee shall be paid by the Employer such

reasonable compensation as shall from time to time be

agreed upon by the Employer and the Trustee. In addition,

the Trustee shall be reimbursed by the Employer for any

reasonable expenses, including reasonable counsel fees,

incurred by it in the administration of the Trust Fund. All

taxes of any and all kinds whatsoever that may be levied or

assessed under existing or future laws upon, or in respect
of, the Trust Fund or the income thereof shall be paid by the
Employer. Nevertheless, if the Employer refuses to make
such payments, such compensation and expenses may be made from
the Trust Fund.

1.6 Accounting. The Trustee shall keep accurate and detailed accounts of all investments, receipts, disbursements, and other transactions hereunder. All accounts, books and records relating to such transactions shall be open for inspection and audit at all reasonable times by any person designated by the Committee.

Within one hundred thirty-five (135) days following the close of each fiscal year of the Trust and within sixty (60) days after the removal or resignation of the Trustee as provided in Section 1.7 hereof, the Trustee shall file with the Committee a written account setting forth all investments, receipts, disbursements, and other transactions effected by it during such fiscal year or during the period from the close of the last fiscal year to the date of such removal or resignation, and setting forth the current value of the Trust Fund.

1.7 Removal, Resignation and Appointment of Successor Trustee.

The Trustee may be removed by the Employer at any time upon ten (10) days' notice in writing to the Trustee. The Trustee may resign at any time upon ten (10) days' notice in writing to the Employer. Upon such removal or resignation of the Trustee, the Employer shall appoint a successor Trustee who shall have the same powers and duties as those conferred upon the Trustee hereunder. Upon acceptance of such appointment by the successor Trustee, the Trustee shall assign, transfer, and pay over to such successor Trustee the funds and properties then constituting the Trust Fund. The Trustee is authorized, however, to reserve such sum of money, as it may deem advisable, for payment of its fees and expenses in connection with the settlement of its account or otherwise

which the Employer refuses to pay, and any balance of such reserve remaining after the payment of such fees and expenses shall be paid over to the successor Trustee.

TRUST SECTION 2

FIDUCIARY RESPONSIBILITY

2.1 Fiduciary Duties. The Trustee shall discharge its duties with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims, 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, and in accordance with the Plan and Trust provisions insofar as the provisions thereof are consistent with the provisions of the

Employee Retirement Income Security Act of 1974.

2.2 Location of Assets. The Trustee may not maintain the indicia of ownership of any assets of the Plan outside the jurisdiction of the courts of the United States.

2.3 Deposits with Trustee. The investment of all or part of the Plan's assets in demand deposits and in deposits which bear a reasonable rate

of interest in the commercial banking department of the corporate Trustee is hereby expressly authorized.

2.4 Common Trust Fund.

Notwithstanding any other provision of this Agreement,

the Trustee may cause any part or all of the cash properly held by the Trust to be invested as a part of any common trust fund created by the corporate Trustee or any other bank.

The bank shall not receive more than reasonable compensation for its services in operating and administering the common trust funds.

2.5 Prohibited Transactions by Trustee. A fiduciary under this Plan and Trust shall not:

(a) Deal with the assets of the Plan for its own account;

- (b) Act in any capacity in any transaction involving the Plan on behalf of a party whose interests are adverse to the Plan or its Participants; or
- (c) Receive any consideration from any party in connection with any transaction involving Plan assets (other than for its compensation and expenses as provided for herein).

2.6 Party in Interest and Disqualified Person Transactions. A fiduciary of the Plan shall not cause the Plan to engage in a transaction, if he knows or should know that such transaction constitutes a direct or indirect:

- (a) Sale, exchange or lease of property between the Plan and a party in interest;
- (b) Loan or extension of credit between the Plan and a party in interest, except as permitted in Plan Section 17;
- (c) Furnishing of goods, services or facilities between the Plan and a party in interest;
- (d) Transfer to, or use by or for the benefit of, a party in interest of any assets of the Plan, or from the Plan; or
- (e) An acquisition of Employer securities or real estate in violation of Section 407(a) of the Employee Retirement Income Security Act of 1974.

Nothing in this paragraph shall restrict the Trustee in investing funds in common trust funds maintained by it or from maintaining demand, savings or time deposits in its commercial banking department or from providing other ancillary services as defined in Section 408(b)(6) of the Employee Retirement Income Security Act of 1974. Nor shall the Trustee be prevented from borrowing funds from its commercial department for the purposes of covering overdrafts in its demand account or to permit payments to Participants without the necessity for immediate liquidation of assets.

2.7 Intent of Trust. The provisions of this Trust are intended to comply with the fiduciary responsibility requirements of the Employee Retirement Income Security Act of 1974 and no provision herein shall be construed to authorize the Trustee to violate any of the fiduciary responsibility or prohibited transaction provisions of

that Act. Any provision herein which is contrary
to the provisions of that Act shall be considered not written and any
provision required to be written into the Plan and Trust by that
Act which is not expressly provided for in this instrument is
hereby incorporated herein by reference and shall be just as binding
upon the Trustee as if it were expressly written herein. In order
that this Plan and Trust may expressly comply with that Act,
it may be amended retroactively.

TRUST SECTION 3

SPENDTHRIFT CLAUSE

3.1 Restrictions on Alienation. No benefit or interest available hereunder will be

subject to alienation or assignment, either voluntary or

involuntary, and the interest of each Participant or

beneficiary shall be held subject to the maximum restraint on

alienation permitted or required by applicable Louisiana or

Federal law.

3.2 Qualified Domestic Relations Order. Section 3.1 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 Section 414(p) of the

Code.

TRUST SECTION 4

AMENDMENT AND TERMINATION OF TRUST

4.1 Amendment. The Employer shall have the right at any time, and from time to time, to amend, in whole or in part, any or all

of the provisions of this Trust. However, no such amendment shall authorize or permit any part of the Trust Fund (other than such part as is required to pay taxes and administration expenses) to

be used for or diverted to purposes other than for the exclusive benefit of the Participants and their beneficiaries or estates. Any such amendment shall become effective upon the adoption thereof by appropriate written instrument executed by order of the Board of Directors or upon such later date as may be specified in such instrument provided that any amendment affecting the powers and duties of the Trustee shall not be effective until the date it is accepted in writing by the Trustee.

4.2 Termination; Discontinuance of Contributions. The Employer shall have the right at any time to terminate the Trust hereby created. Such termination shall be effective upon execution by the Employer of an appropriate instrument terminating the Plan and Trust as authorized by the Board of Directors or upon such later date as may be specified in such instrument. A copy of such instrument shall be delivered to the Trustee.

Upon termination or partial termination of the Trust by any method, the Plan Administrator shall direct the Trustee to distribute all assets remaining in the Plan to Participants, their beneficiaries or estates in the ratio of the Participants' Account balances in the Plan.

THUS DONE AND SIGNED on the day first above shown, in the presence of the undersigned competent witnesses, who

hereunto sign their names with the said appearers and me,

Notary after reading of the whole.

WITNESSES

/S/ Merrie D. Rachal

- - - - -

/S/ Carol P. Caruso

- - - - -

CENTURY TELEPHONE ENTERPRISES, INC.

By: /S/ R. Stewart Ewing, Jr.

- - - - -

R. Stewart Ewing, Jr.

Senior Vice President

/S/ G. Robert Collier

- - - - -

NOTARY PUBLIC

EXHIBIT 10.2

**CENTURY TELEPHONE ENTERPRISES, INC.
STOCK BONUS PLAN, PAYSOP AND TRUST**

1994 AMENDMENT AND RESTATEMENT

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STATE OF LOUISIANA

PARISH OF OUACHITA

BE IT KNOWN, that on this 30th day of December, 1994,
before me, Notary Public, duly commissioned and qualified in and
for the Parish of Ouachita, State of Louisiana, therein residing
and in the presence of the undersigned witnesses:

PERSONALLY CAME AND APPEARED:

CENTURY TELEPHONE ENTERPRISES, INC. represented herein by its
Senior Vice President and Chief Financial Officer, R. Stewart
Ewing, Jr., as Settlor.

The Settlor appoints Regions Bank of Louisiana as Trustee.

WHEREAS, the Trustee has previously established the Century
Telephone Enterprises, Inc. Stock Bonus Plan, PAYSOP and Trust;
and

WHEREAS, the Settlor desires to incorporate in this document
various amendments to its Stock Bonus Plan, PAYSOP and Trust; and

WHEREAS, the Settlor desires to amend its Stock Bonus Plan,
PAYSOP and Trust to comply with the Tax Reform Act of 1986, the
Technical and Miscellaneous Revenue Act of 1988, technical
corrections and other statutory revisions; and

WHEREAS, the Settlor desires that the Stock Bonus Plan,
PAYSOP and Trust, as amended and restated, shall constitute a
qualified employee benefit plan under Section 401(a) of the
Internal Revenue Code of 1986, as amended (the "Code") for the
exclusive benefit of employees who participate herein;

NOW, THEREFORE, effective January 1, 1989, except as may be
indicated in specific Sections hereof, the Settlor hereby amends
and restates its Stock Bonus Plan, PAYSOP and Trust, upon the
terms and conditions as provided herein.

SECTION 1

DEFINITIONS

1.1 Account.

The Regular Account, the Merger Account, the Rollover

Account, and the Suspense Account of a Participant, whether or not

such accounts have been combined into one account.

1.2 Active Participant. A Participant who has completed a Year of Service within the

Plan Year ending on the Adjustment Date, whether or not the

Participant is employed on such date.

1.3 Adjustment Date. The last day of each Plan Year.

1.4 Approved Absence. An absence from work not exceeding one year, including

absence due to temporary disability, granted to and/or approved

for the Employee by an Employer in a uniform and nondiscriminatory

manner; or an absence from work for service in the Armed Forces or

other government services, provided that, and only so long as,

reemployment rights are protected by law.

1.5 Break in Service. A twelve-consecutive month period (computation period) during

which a Participant does not complete more than five hundred (500)

Hours of Service with the Employer. Any Break in Service shall be

deemed to have commenced on the first day of the Plan Year in

which it occurs. No Break in Service shall be deemed to occur

during an Employee's initial Eligibility Computation Period solely

because of the failure of the Employee to complete more than five

hundred (500) Hours of Service during any one Plan Year occurring

in part during such twelve-month period if the Employee completes

a Year of Service during such initial Eligibility Computation

Period. A Break in Service shall not be deemed to have occurred

during any period of Approved Absence if the Employee returns to

the service of the Employer on or before the last day of the

Approved Absence.

1.6 Company Stock. Shares of voting common stock, \$1.00 par value, issued by the

Employer.

1.7 Compensation. Compensation will mean compensation as that term is defined

in Section 4.12(b) of the Plan, and will include any amount which

is contributed by the Employee pursuant to a salary reduction

agreement and which is not includible in the gross income of the

Employee under Sections 125, 402(e)(3), 402(h)(1)(B) or 403(b) of

the Code.

Notwithstanding the foregoing, compensation for purposes of

this Section shall not include: (i) reimbursements or other

expense allowances, fringe benefits (cash or noncash), moving

expenses, deferred compensation, and welfare benefits; (ii)

overtime; or (iii) bonuses and special awards. In the case of a

commission salesman, compensation shall mean the lesser of: (i)

the base draw of such salesman; or (ii) the commissions paid by

the Employer to such salesman as reported on his Federal income

tax withholding statement (Form W-2).

For Plan Years beginning on or after January 1, 1989, and

before January 1, 1994, the annual compensation of each

Participant taken into account for determining all benefits

provided under the Plan for any Plan Year shall not exceed

\$200,000. This limitation shall be adjusted by the Secretary at

the same time and in the same manner as under Section 415(d) of

the Code, except that the dollar increase in effect on January 1

of any calendar year is effective for Plan Years beginning in such

calendar year and the first adjustment to the \$200,000 limitation

is effective on January 1, 1990.

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 Plan Year

shall not exceed \$150,000, as adjusted for increases in the cost-of-living in accordance with Section 401(a)(17)(B) of the Code. The cost-of-living adjustment in effect for a calendar year applies to any determination period beginning in such calendar year.

If a determination period consists of fewer than 12 months, the annual compensation limit is an amount equal to the otherwise applicable annual compensation limit multiplied by a fraction, the numerator of which is the number of months in the short determination period, and the denominator of which is 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 annual compensation 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 a Participant's allocations for the current Plan Year, the compensation for such prior determination period is subject to the applicable annual compensation limit in effect for that prior period. For this purpose, in determining allocations in Plan Years beginning on or after January 1, 1989, the annual compensation limit in effect for determination periods beginning before that date is \$200,000. In addition, in determining allocations in Plan Years beginning on or after January 1, 1994, the annual compensation limit in effect for determination periods beginning before that date is \$150,000.

In addition to other applicable limitations set forth in the

Plan, and notwithstanding any other provision of the Plan to the contrary, for Plan Years beginning on or after January, 1994, the annual Compensation of each Employee taken into account under the Plan shall not exceed the OBRA '93 annual compensation limit. The OBRA '93 annual compensation limit is \$150,000, as adjusted by the Commissioner for increases in the cost of living in accordance with Section 401(a)(17)(B) of the Code. The cost-of-living adjustment in effect for a calendar year applies to any period, not exceeding 12

months, over which compensation is determined (determination period) beginning in such calendar year. If a determination period consists of fewer than 12 months, the OBRA '93 annual compensation limit will be multiplied by a fraction, the numerator of which is the number of months in the determination period, and the denominator of which is 12.

For plan years beginning on or after January 1, 1994, any reference in this Plan to the limitation under Section 401(a)(17) of the Code shall mean the OBRA '93 annual compensation limit set forth in this provision.

If Compensation for any prior determination period is taken into account in determining an Employee's benefits accruing in the current Plan Year, the Compensation for that prior determination period is subject to the OBRA '93 annual compensation limit in effect for that prior determination period. For this purpose, for determination periods beginning before the first day of the first Plan Year beginning on or after January 1, 1994, the OBRA '93 annual compensation limit is \$150,000.

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 this plan, the determination period shall be the Plan Year.

For employees of San Marcos Telephone Company, Inc., SM Telecorp, Inc., and subsidiaries thereof, who become participants in the Plan on or after June 20, 1993, compensation for the Plan Year ending December 31, 1993 shall be recognized commencing as of the effective date of participation of each such employee pursuant to Section 2.1.

1.8 Date of Employment. The date on which an Employee first performs an Hour of

Service for the Employer.

1.9 Date of Reemployment. The first date occurring after an Employee's Break in Service on which he performs an Hour of Service.

1.10 Disability. A Participant shall be considered disabled if the Participant cannot perform each of the material duties of his regular occupation and is likely to remain thus incapacitated continuously and permanently.

1.11 Eligibility Computation Periods. In determining Years of Service and Breaks in Service for purposes of eligibility, the initial Eligibility Computation Period is the twelve (12) consecutive month period beginning on an Employee's Date of Employment or Date of Reemployment. Subsequent Eligibility Computation Periods shall be twelve (12) consecutive month periods beginning on the first anniversary of an Employee's Date of Employment or Date of Reemployment and succeeding anniversaries thereof. Years of Service, and Breaks in Service, for eligibility purposes will be measured on the same Eligibility Computation

Period.

1.12 Employee. Those persons regularly employed by the Employer, including employees of any other employer required to be aggregated with the 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 the Employer as provided in Sections 414(n) or (o) of the Code. The term Employee shall not include any owner employee, as defined in Code Section 401(c)(3).

1.13 Employer.

Century Telephone Enterprises, Inc.

1.14 Entry Date.

(a) The January 1 or July 1 on which or immediately

following the date on which an Employee satisfies the requirements of Section 2.1; or

(b) In the case of an Employee whose Years of Service are

disregarded pursuant to Section 1.29(c), such Employee will be

treated as a new Employee for eligibility purposes. If an

Employee's Years of Service may not be disregarded pursuant to

Section 1.29(c), such

Employee shall continue to participate in the Plan, or, if terminated, shall participate immediately upon his Date of Reemployment.

1.15 Highly Compensated Employee. 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 fifty percent (50%) 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 one hundred (100) Employees who received the most compensation from the Employer during the determination year; and (ii) Employees who are five percent (5%) owners at any time during the look-back year or determination year.

If no officer has satisfied the compensation requirement of (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

Employee for either the separation year or any determination year
ending on or after the Employee's fifty-fifth (55th) birthday.

The term Highly Compensated Employee includes both highly compensated active employees and highly compensated former employees.

If an Employee is, during a determination year or look-back year, a family member of either a five percent (5%) owner who is an active or former Employee or a Highly Compensated Employee who is one of the ten (10) most Highly Compensated Employees ranked on the basis of compensation paid by the Employer during such year, then the family member and the five percent (5%) owner or top-ten Highly Compensated Employee shall be aggregated. In such case, the family member and the five percent (5%) 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 the five percent (5%) owner or top-ten Highly Compensated Employee. For purposes of this Section, family members include the spouse, lineal ascendants and descendants of the Employee or former Employee and the spouses of such lineal ascendants and descendants.

The determination of who is a Highly Compensated Employee, including the determination of the number and identity of Employees in the top-paid group, the top one hundred (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.

1.16 Hour of Service. Each hour for an Employee under (a) through (c), determined from the employment records of the Employer. Any ambiguity which may arise shall be resolved in favor of crediting Employees with an Hour of Service.

(a) Each hour for which an Employee is paid, or entitled to

payment, for the performance of duties for the Employer. These
hours will 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 five hundred one (501) Hours of Service will 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 will be calculated and credited pursuant to Section 2530.200(b) of the Department of Labor Regulations, which is 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 will not be credited both under paragraph (a) and (b), as the case may be, and under this paragraph (c). These hours will 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.

Notwithstanding the above, (i) an hour for which an Employee is directly or indirectly paid, or entitled to payment, on account of a period during which no duties are performed is not required to be credited to the Employee if such payment is made or due under a plan maintained solely for the purpose of complying with applicable worker's compensation, unemployment compensation or disability insurance laws; and (ii) Hours of Service are not required to be credited for a payment which solely reimburses an Employee for medical or medically-related expenses incurred by the

Employee.

Hours of Service will be credited for employment with other members of an affiliated service group (under Section 414(m)), a controlled group of corporations (under Section 414(b)), or a group of trades or businesses under common control (under Section 414(c)) of which the Employer is a member,

and any other entity

required to be aggregated with the Employer pursuant to Section 414(o) and the regulations thereunder.

Hours of Service will also be credited for any individual considered an Employee for purposes of this Plan under Section 414(n) or Section 414(o) and the regulations thereunder.

Solely for purposes of determining whether a Break in Service, as defined in Section 1.5, 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, eight 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 the 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 the 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.

1.17 Leased Employee.

(a) 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 Code Section 414(n)(6)) 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.

(b) 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 ten percent (10%) of compensation, as defined in Code Section 415(c)(3), but including amounts contributed pursuant to a salary reduction agreement which are excludable from the leased employee's gross income under Section 125, Section 402(e)(3), Section 402(h)(1)(B) or Section 403(b) of the Code, (2) immediate participation, and (3) full and immediate vesting; and (ii) leased employees do not constitute more than twenty percent (20%) of the recipient's nonhighly compensated workforce.

1.18 Limitation Year. The Plan Year unless any other twelve (12) consecutive month period is designated pursuant to a written resolution adopted by the Employer.

1.19 Merger Account. The account maintained for a Participant with respect to a plan which has merged with this Plan or transferred its assets to this Plan, in accordance with Section 9.2.

1.20 Normal Retirement Age. The fifty-fifth (55th) birthday of a Participant, at which time the Participant shall become fully vested.

1.21 Plan Administrator. The Committee referred to in Section 13 of this Plan.

1.22 Plan Year. The calendar year.

1.23 Regular Account. The individual account maintained for a Participant to which is credited his share of Employer contributions and forfeitures, adjusted as herein provided for investment income, gain or loss.

1.24 Rollover Account. The account maintained in accordance with Section 14.1 for each Participant who has made a rollover contribution.

1.25 Suspense Account. The account maintained in accordance with Section 4.8.

1.26 Top Heavy Valuation Date. The date specified in Section 16.9 of this Plan.

1.27 Valuation Date. The date on which the Trustee shall make a revaluation of the trust fund pursuant to Section 4.4.

1.28 Vesting Computation Period. For purposes of determining Years of Service and Breaks in Service for computing an Employee's nonforfeitable right to the Account balance derived from Employer contributions, the computation period shall be the Plan Year.

1.29 Year of Service. A twelve-consecutive month period (computation period) during which an Employee completes at least five hundred (500) Hours of Service. Effective January 1, 1994, a Year of Service is a twelve-consecutive month period (computation period) during which an Employee completes at least one thousand (1,000) Hours of Service. All of an Employee's Years of Service shall be counted, subject to the following qualifications and exceptions:

(a) A Year of Service will not be credited for any period of Approved Absence after the Employee incurs a Break in Service during such absence from the service of the Employer;

(b) Service performed prior to a Break in Service shall not be taken into account until the Employee has completed a Year of Service after such Break in Service. Such Years of Service will be measured by the twelve (12) consecutive month period beginning on the

Employee's

Date of Reemployment and, if necessary, subsequent twelve

(12) consecutive month periods beginning on anniversaries

of the Employee's date of Reemployment;

(c) In the case of an Employee who does not have any

nonforfeitable right to his Regular Account, Years of Service,

whether or not consecutive, before a period of consecutive one

year Breaks in Service shall not be taken into account if the

number of consecutive one-year Breaks in Service in such period

equals or exceeds the greater of five (5) 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;

(d) In the case of a Participant who has five (5) or more

consecutive one-year Breaks in Service, all service

after such Breaks in Service will be disregarded for

purposes of vesting the Employer-derived Account balance

that accrued before such Breaks in Service. Such

Participant's pre-break service will count in

vesting the post-break Employer-derived Account balance only if

either:

(i) such Participant has any nonforfeitable interest in the Account balance 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.

Separate accounts will be maintained for the Participant's

pre-break and post-break Employer-derived Account balance.

Both accounts will share in the earnings and losses of the

trust; and

(e) Any Employee who was employed by Central Telephone of

Ohio ("Central") on March 31, 1992 and who was not a member of

local chapter 4370 of the Communications Workers of America at
such time, who became employed by the Employer on or about April
1, 1992 pursuant to an offer of employment by the Employer, shall
be credited for all purposes under this Plan with service
performed prior to April 1, 1992 for Centel

Corporation, Central,

or any member of a controlled group in which Centel Corporation

and Central were members.

(f) Service with San Marcos Telephone Company, Inc., SM

Telecorp, Inc., and subsidiaries thereof, and any successors

thereto by merger or otherwise, shall be counted for all purposes

under this Plan.

ELIGIBILITY

2.1 Participation.

Every Participant in the Plan prior to this Amendment and

Restatement shall continue to participate in the Plan as of the effective date hereof. Additionally, every Employee who has completed one (1) Year of Service during an Eligibility Computation Period, shall become a Participant in the Plan as of the Entry Date. However, Employees whose terms of employment are subject to a collective bargaining agreement, which does not provide for their coverage under this Plan, as well as Employees for whom union representation negotiations have begun, which negotiations do not provide for their coverage under this Plan, are not eligible to participate. In addition, Employees employed by Century Business Communications, Inc. (formerly Century Printing & Publishing, Inc.), Interactive Communications, Inc., and Metro Access Networks, Inc. are not eligible to participate in this Plan.

2.2 Determination of Eligibility. The Plan Administrator shall determine the eligibility of each Employee for participation in the Plan. Such determination shall be conclusive and binding upon all persons.

2.3 Election Not to Participate. An Employee may, subject to the approval of the Employer, elect voluntarily not to participate in the Plan. The election not to participate must be communicated to the Employer, in writing, at least thirty (30) days before the beginning of a Plan Year. The foregoing election not to participate shall not be available with respect to partners in a partnership.

SECTION 3

CONTRIBUTIONS

3.1 Contributions by Employer. For the current Plan Year and for each Plan Year thereafter, the Employer may make a contribution to the Trust in cash or shares of Company Stock. The Employer's contribution for any Plan Year shall not exceed the maximum amount allowable as a deduction to the Employer under Section 404 of the Code.

Notwithstanding the foregoing, the Employer shall make a contribution to the extent necessary to provide the top heavy minimum allocations under Section 16.14, even if such contribution exceeds current or accumulated net profits or the maximum amount deductible from the Employer's income for the year.

3.2 Determination of Contribution. The Employer shall determine the amount of any contributions to be made by it to the Trust under the terms of this Agreement.

The Employer's determination of such contributions shall be binding on all Participants and the Trustee.

The Trustee shall have no right or duty to inquire into the amount of the Employer's annual contribution or the method used in determining the amount of the Employer's contribution, but shall be accountable only for funds actually received by it.

3.3 Time of Payment of Contribution. The Employer shall pay to the Trustee its contribution for each Plan Year within the time prescribed by law, including extensions of time, for the filing of its Federal income tax return for such year.

3.4 Exclusive Benefit. Any and all contributions made by the Employer to the trust fund shall be irrevocable, and neither such contributions nor any income therefrom shall be used for, or diverted to, purposes other than for

the exclusive benefit of Participants or their

beneficiaries under the Plan.

3.5 Return of Contributions.

Any contribution made by the Employer because of a mistake of

fact must be returned to the Employer within one year of the

contribution.

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 the date the initial qualification

is denied, but only if the application for 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.

In the event the deduction of a 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.

SECTION 4

ACCOUNTS OF PARTICIPANTS

4.1 Individual Accounts for Each Participant

The Plan Administrator or, if the Plan Administrator so

determines, the Trustee, shall maintain a Regular Account for each

Participant. With respect to a Participant who incurs five (5)

consecutive one-year Breaks in Service before receiving a

distribution, the vested portion of such Participant's Regular

Account shall remain in his Regular Account, and the nonvested

portion of the Participant's Regular Account shall be forfeited as

provided in Section 7.2.

4.2 Allocation of Employer Contributions. Contributions made by the Employer for a Plan Year shall, as

of the Adjustment Date occurring within such Plan Year, be

allocated among and posted to the Regular Account of each Active

Participant in the proportion which the Compensation paid to such

Active Participant for such year bears to the total Compensation

of all Active Participants for such year.

4.3 Allocation of Forfeitures. The amount of forfeitures determined under Section 7.2 shall

be reallocated as of the Adjustment Date on which forfeitures

occurred to the Regular Accounts of Active Participants by adding

the total amount of forfeitures to the Employer's contribution for

the year and allocating the sum thereof in accordance with Section

4.2. If there were no Employer contributions for the year, the

forfeitures shall be allocated in accordance with Section 4.2.

4.4 Year-End Valuation of Accounts. The Trustee, as of each Adjustment Date, shall determine the

net worth of the assets of the trust fund. In determining such

net worth, the Trustee shall value the assets of the trust fund at

their fair market value as of such Adjustment Date, and shall

deduct all liabilities of the Plan and all expenses payable from

the trust fund for which the Trustee has not yet obtained

reimbursement. Such valuation shall not include any contribution
for the year made by the Employer as of the Valuation Date.

As of each Adjustment Date, before allocation of forfeitures and Employer contributions for the year, the Trustee shall adjust the net credit balance in the Accounts of all Participants (whether or not active) upward or downward, pro-rata, so that the total of such net credit balances will equal the net worth of the trust fund as of the Adjustment Date. As used herein the term "net credit balance" means the balance to the credit of each Participant as of the immediately preceding Adjustment Date or Interim Valuation Date, if later, as reduced for payments from the Accounts and forfeitures on or subsequent to such date.

4.5 Interim Valuation of Accounts. As of the end of any month, the Plan Administrator may request the Trustee to determine, in accordance with the rules of Section 4.4, the then net worth of the assets constituting the trust fund. The last day of each month as of which the Plan Administrator has requested the Trustee to determine the aforementioned net worth is referred to herein as an "Interim Valuation Date."

All distributions which are to be made as of or after any such Interim Valuation Date, but prior to the next succeeding Adjustment Date, or, if earlier, the next succeeding Interim Valuation Date, shall be made as if the credit balances to all Participants' Accounts had actually been credited or debited so that the total credit balances to all Accounts would equal the net worth of the assets constituting the trust fund as of such Interim **Valuation Date.**

4.6 Debiting of Distributions. The amounts, if any, paid to or on behalf of a Participant at any time shall, concurrent with such payment, be debited against his Account.

4.7 Effective Date of Entries. Each Account entry which, in accordance with the provisions hereof, needs to be made shall be considered as having been made

on the date herein specified regardless of the date of actual
entry.

LIMIT ON ANNUAL ADDITIONS

4.8 Coverage Under This Plan Only.

(a) If the Participant does not participate in, and has

never participated in another qualified plan maintained by the

Employer, or a welfare benefit fund, as defined in Section 419(e)

of the Code, maintained by the Employer, or an individual medical

account, as defined in Section 415(1)(2) of the Code, 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 as defined in Section 4.12, the amount

of annual additions which may be credited to the Participant's

Account 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 Account 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.

(b) Prior to determining the Participant's actual

compensation for the Limitation Year, the Employer may determine

the maximum permissible amount for a Participant on the basis of a

reasonable estimate of the Participant's compensation for the

Limitation Year, uniformly determined for all Participants

similarly situated.

(c) 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.

(d) If, pursuant to Section 4.8(c) or as a result of the

allocation of forfeitures, there is an excess amount, the excess

will be disposed of as follows:

- (i) Any nondeductible voluntary employee contributions, to the extent they would reduce the excess amount, will be returned to the Participant;
- (ii) If after the application of paragraph (i) an excess amount still exists, and the Participant is covered by the Plan at the end of the Limitation Year, the excess

amount in the Participant's Account will be used to reduce Employer contributions (including any allocation of forfeitures) for such Participant in the next Limitation Year, and each succeeding Limitation Year if necessary;

(iii) If after the application of paragraphs (i) and

(ii) an excess amount still exists, and the Participant is not covered by the Plan at the end of a Limitation Year, 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;

(iv) If a Suspense Account is in existence at any time during a 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.

4.9 Coverage Under A Prototype Plan.

(a) This Section applies if, in addition to this Plan, the

Participant is covered under a qualified master or prototype

defined contribution plan maintained by the Employer, 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 4.12 during any Limitation Year.

The annual additions which may be credited to a Participant's

Account 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

qualified master or prototype defined contribution plans, welfare

benefit funds, individual medical accounts, and simplified

employee pensions for the same Limitation Year. If the annual

additions with respect to the Participant under other qualified

master or prototype defined contribution plans, welfare benefit

funds, individual medical accounts, and simplified employee

pensions 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 Account

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 and funds for the Limitation Year will equal the maximum permissible amount. If the annual additions with respect to the Participant under such other qualified master or prototype defined contribution plans, welfare benefit funds, individual medical accounts, and simplified employee pensions in the aggregate are equal to or greater than the maximum permissible amount, no amount will be contributed or allocated to the Participant's Account under this Plan for the Limitation Year.

(b) Prior to determining the Participant's actual compensation for the Limitation Year, the Employer may determine the maximum permissible amount for a Participant in the manner described in Section 4.8(b).

(c) 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.

(d) If, pursuant to Section 4.9(c) 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 simplified employee pension will be deemed to have been allocated first, followed by annual additions to a welfare benefit fund or individual medical account, regardless of the actual allocation date.

(e) 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:

(i) the total excess amount allocated as of such date, times

(ii) the ratio of (A) the annual additions allocated to the Participant for the Limitation Year as of such date under this Plan to (B) 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.

(f) Any excess amount attributed to this Plan will be

disposed in the manner described in Section 4.8(d).

4.10 Coverage Under A Non-Prototype Plan. If the Participant is covered under another qualified defined

contribution plan maintained by the Employer which is not a master

or prototype plan, annual additions which may be credited to the

Participant's Account under this Plan for any Limitation year will

be limited in accordance with Section 4.9 as though the other plan

were a master or prototype plan.

4.11 Combined Limits. 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. If the sum of the defined benefit plan fraction

and the defined contribution plan fraction shall exceed 1.0 in any

Limitation Year for any Participant in this Plan, the Plan

Administrator shall adjust the numerator of the defined benefit

plan fraction so that the sum of both fractions shall not exceed

1.0 in any Limitation Year for such Participant.

4.12 Definition.

(a) Annual additions: The sum of the following amounts

credited to a Participant's Account for the Limitation Year:

(i) Employer contributions;

(ii) Employee contributions;

(iii) Forfeitures;

(iv) Amounts allocated, after March 31, 1984, to an individual medical account, as defined in Section 415(l)(2) of the 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 Section 419A(d)(3) of the Code, under a welfare benefit fund, as defined in Section 419(e) of the Code, maintained by the Employer are treated as annual additions to a defined contribution plan; and

(v) Allocations under a simplified employee pension.

For this purpose, any excess amount applied under Sections 4.8(d) or 4.9(f) in the Limitation Year to reduce Employer contributions will be considered annual additions for such Limitation Year.

(b) Compensation: For purposes of this Section, compensation shall mean Section 415 safe-harbor compensation, which is defined as all of a Participant's 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 includable 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 1.61-2(c))), and excluding the following:

- (i) Employer contributions to a plan of deferred compensation which are not includable in the Employee's gross income for the taxable year in which contributed, or Employer contributions under a simplified employee pension plan, or any distributions from a plan of deferred compensation;
- (ii) 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;
- (iii) Amounts realized from the sale, exchange or other disposition of stock acquired under a qualified stock option; and
- (iv) Other amounts which received special tax benefits, or contributions made by the Employer (whether or not under a salary reduction agreement) towards the purchase of an annuity described in Section 403(b) of the Code (whether or not the amounts are actually excludable from the gross income of the Employee).

For any self-employed individual, compensation will mean earned income.

For purposes of applying the limitations of this Section, compensation for a Limitation Year is the compensation actually paid or includable in gross income during such Limitation Year.

Notwithstanding the preceding sentence, compensation for a

Participant in a defined contribution plan who is permanently and
totally disabled (as defined in Section 22(e)(3) of the Code) is the

compensation such Participant would have received for the Limitation Year if the Participant had been paid at the rate of compensation paid immediately before becoming permanently and totally disabled; such imputed compensation for the disabled Participant may be taken into account only if the Participant is not a highly compensated employee (as defined in Section 414(q) of the Code) and contributions made on behalf of such Participant are nonforfeitable when made.

(c) Defined benefit fraction: A fraction, the numerator of which is the sum of the Participant's projected annual benefits under all defined benefit plans (whether or not terminated) maintained by the Employer, and the denominator of which is the lesser of one hundred twenty-five percent (125%) of the dollar limitation determined for the Limitation Year under Sections 415(b) and (d) of the Code or one hundred forty percent (140%) 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 one hundred twenty-five percent (125%) 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 of the Code for all Limitation Years beginning before January 1, 1987.

(d) 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 as in effect for the Limitation Year.

(e) Defined contribution fraction: A fraction, the numerator of which is the sum of the annual additions to the Participant's account under all 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 one hundred twenty-five percent (125%) of the dollar limitation determined under Sections 415(b) and (d) of the Code in effect under Section 415(c)(1)(A) of the Code or thirty-five percent (35%) 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 5, 1986, but using the Code 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.

(f) Employer: For purposes of this Section, Employer shall

mean the Employer and all members of a controlled group of

corporations (as defined in Section 414(b) of the Code as modified

by Section 415(h)), all commonly controlled trades or businesses

(as defined in Section 414(c) of the Code as modified by Section

415(h)) or affiliated service groups (as defined in Section 414(m)

of the Code) of

which the Employer is a part, and any other entity

required to be aggregated with the Employer pursuant to

regulations under Section 414(o) of the Code.

(g) Excess amount: The excess of the Participant's annual

additions for the Limitation Year over the maximum permissible

amount.

(h) Highest average compensation: The average compensation

for the three consecutive Years of Service with the Employer that

produces the highest average. A Year of Service with the Employer

is the twelve (12) consecutive month period defined in Section

1.29 of this Plan.

(i) Limitation year: The calendar year. All qualified

plans maintained by the Employer must use the same Limitation

Year. If the Limitation Year is amended to a different twelve

(12) consecutive month period, the new Limitation Year must begin

on a date within the Limitation Year in which the amendment is

made.

(j) Master or prototype plan: A plan the form of which is

the subject of a favorable opinion letter from the Internal

Revenue Service.

(k) Maximum permissible amount: 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:

(i) the defined contribution dollar limitation, or

(ii) 25 percent of the Participant's compensation for the Limitation Year.

The compensation limitation referred to in (ii) 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(l)(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 twelve (12) consecutive month period, the maximum permissible amount will not exceed the defined contribution dollar limitation multiplied by the following fraction:

(l) 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:

- (i) the Participant will continue employment until Normal Retirement Age under the Plan (or current age, if later), and
- (ii) 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.

SECTION 5

BENEFITS PAYABLE AFTER NORMAL RETIREMENT

5.1 Optional Methods of Payment Available at Retirement. All sums credited to a Participant's Account shall become fully vested upon attainment of Normal Retirement Age. Upon actual retirement at or after Normal Retirement Age, a Participant shall be entitled to receive the full amount credited to his Account as of the Valuation Date or Interim Valuation Date immediately preceding the month in which payment is to be made, which amount shall be paid to the Participant in one lump sum:

(i) within sixty (60) days after the close of the Plan Year in which the Participant retires, or (ii) within sixty (60) days after the distributable amount has been determined retroactive to the date in 5.1(i), unless prior to the date of his retirement he elects, in the manner prescribed by the Plan Administrator, any one of the following method or methods:

(a) Payment of the entire amount of the Participant's Account in one lump sum at some future date, not later than one year after Normal Retirement Date;

(b) Payment in substantially equal annual, quarterly or monthly installments (including net investment income, gain or loss) until the value of such Participant's Account is exhausted. Unless the Participant elects otherwise, the payment period shall not exceed five (5) years. This five (5) year period shall be extended by one (1) year, up to five (5) additional years, for each \$113,980 (or fraction thereof) by which such Participant's Account balance exceeds \$569,900 (the dollar amounts herein are subject to cost of living adjustments prescribed by the Secretary of the Treasury); or

(c) Any combination of the foregoing.

Notwithstanding anything contained in this Section 5.1, lump sum, installment or any other benefits may not be paid directly from the Plan in any form of a life annuity or through the distribution of property in any form of a life annuity.

In addition, if the Participant's spouse is not the designated beneficiary, the method of distribution selected must assure that at least fifty percent (50%) of the present value of the amount available for distribution is paid within the life expectancy of the Participant.

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

5.2 Manner of Payment Following Commencement of Payments. Following the commencement of payments under Section 5.1, a Participant and the Plan Administrator may, notwithstanding the fact that periodic benefits are being paid, agree that as of any subsequent date the balance credited to such Participant's Account shall be paid to or applied for the benefit of the Participant in accordance with any other payout method of Section 5.1.

5.3 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, as defined in Section 6.2(f).

5.4 Determination of Amount to be Distributed Each Year. If a 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:

(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 fifty percent (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 Section 5.4(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 Participant's required beginning date occurs, must be made on or before December 31 of that distribution calendar year.

5.5 Definitions. For purposes of this Section, the definitions contained in Section 6.2 shall apply.

5.6 Small Accounts. Any provision of the Plan to the contrary notwithstanding,

the Administrator shall have the authority to direct the settlement of any Account having a balance of less than three thousand five hundred dollars (\$3,500) by the payment of one lump sum.

SECTION 6

BENEFITS PAYABLE IN THE EVENT OF DEATH OR DISABILITY

6.1 Death Distribution Provisions. Upon the death of a Participant, the following distribution provisions shall take effect:

(a) 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.

(b) 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 (i) or (ii) below:

(i) if any portion of the Participant's interest is payable to a designated beneficiary, distributions may be made over the life expectancy 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;

(ii) if the designated beneficiary is the Participant's surviving spouse, the date distributions are required to begin in accordance with (i) above shall not be earlier than the later of (1) December 31 of 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 Section 6.1(b) 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.

(c) For purposes of Section 6.1(b) above, if the surviving spouse dies after the Participant, but before payments to such spouse begin, the provisions of Section 6.1(b), with the exception of paragraph (ii) therein, shall be applied as if the surviving spouse were the Participant.

(d) For purposes of this Section 6.1, 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.

(e) For the purposes of this Section 6.1, distribution of a Participant's interest is considered to begin on the Participant's required beginning date (or, if Section 6.1(c) above is applicable, the date distribution is required to begin to the surviving spouse pursuant to Section 6.1(b) above). If distribution in the form of an annuity irrevocably commences to the Participant before the required beginning date, the date distribution is considered to begin is the date distribution actually commences.

6.2 Definitions. For purposes of this Section and Section 5, the following definitions shall apply:

(a) 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.

(b) Designated beneficiary. The individual who is designated as the beneficiary under the Plan in accordance with Section 401(a)(9) and the proposed regulations thereunder.

(c) 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 Section 6.1 above.

(d) 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 Section 6.1(b)(ii) 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.

(e) Participant's benefit.

(i) The Account balance 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 balance 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.

(ii) Exception for second distribution calendar year. For purposes of paragraph (i) 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.

(f) Required beginning date.

(i) 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.

(ii) 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 (A) or (B) below:

(A) 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.

(B) 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:

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

(2) 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.

(iii) 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 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.

(iv) 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.

6.3 Designation of Beneficiary. A Participant at the time he joins the Plan shall designate a

beneficiary or beneficiaries to receive the sums credited to his

Account in the event of his death, which designation may be

changed by the Participant from time to time. To be effective,

the original designation of beneficiaries and any subsequent

change must be in writing on the form provided for that purpose by

the Plan Administrator.

6.4 Failure to Designate a Beneficiary or Select a Method of Payment.

In the event that no beneficiary is properly designated or in

the event that a beneficiary designated by the Participant

predeceased the Participant and no new designation of beneficiary

is made, the Plan Administrator, in its discretion, may direct the

Trustee to make payment of all sums to which the deceased

Participant is entitled to either:

(a) any one or more of the next of kin (including the surviving spouse) of the Participant and in such proportions as the Plan Administrator may determine; or

(b) the legal representative or representatives of the estate of the last to die of the Participant or his beneficiary.

6.5 Disability of a Participant. In the event of the Disability of a Participant prior to

attaining Normal Retirement Age, such Participant shall be

entitled to receive the entire amount credited to his Account.

Payment shall begin not later than the sixtieth (60th) day after

the close of the Plan Year in which the Administrator receives

proof of the Participant's Disability, and shall be made in

accordance with any of the methods provided in Section 5, as

selected by the Participant.

6.6 Transitional Rule. Notwithstanding the other requirements of this Section,

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 Plan is one which would not

have disqualified such Plan under Section 401(a)(9) of

the 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 Plan 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.

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. 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 (a) and (e) above.

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 Plan 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 shall apply.

6.7 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 (5) years after it shall become payable, remain unpaid solely by reason of the inability of the Plan Administrator, after sending a certified letter, return receipt requested, to the last known address, and after further diligent effort, to ascertain the whereabouts of such Participant or his Beneficiary, the amount so distributable shall be allocated in the same manner as a forfeiture, pursuant to this Agreement. If an amount is forfeited pursuant to this Section, such amount will be reinstated if a claim is made by the Participant or beneficiary.

SECTION 7
BENEFITS PAYABLE UPON BREAK IN SERVICE
OR EMPLOYMENT TERMINATION

7.1 Vesting Schedule. Any Participant who incurs a Break in Service during a vesting computation period for reasons other than his retirement, death or disability shall be entitled to receive at the time and in the manner described hereinafter that percentage of the amount credited to his Account as of the Valuation Date or Interim Valuation Date coincident with or immediately preceding the Break in Service, determined as follows:

(a) A Regular Account shall be vested in accordance with

the following schedule:

YEARS OF SERVICE	VESTED PERCENTAGE
less than 5	0
5 or more	100

(b) A Rollover Account shall be fully vested at all times.

Notwithstanding the above provisions of this Section 7.1, a Participant's vested interest shall not be less than it was before this amendment and restatement. Also, notwithstanding the above vesting schedule, an Employee's right to his or her Account balance is nonforfeitable upon the attainment of Normal Retirement

Age.

7.2 Distributions.

(a) If an Employee terminates service, and the value of the

Employee's vested Account balance derived from Employer and

Employee contributions is not greater than \$3,500, the Employee

will receive a distribution of the value of the entire vested

portion of such Account balance and the nonvested portion will be

treated as a forfeiture. For purposes of this Section, if the

value of an Employee's vested Account balance is zero, the

Employee shall be deemed to have received a distribution of such

vested Account balance. A Participant's vested Account balance

shall not include accumulated deductible employee

contributions within the meaning of Section 72(o)(5)(B) of the Code for Plan Years beginning prior to January 1, 1989.

(b) If an Employee terminates service, and elects, in

accordance with the requirements of this

Section 7, to receive the value of the Employee's vested Account

balance, the nonvested portion will be treated as a forfeiture.

If the Employee elects to have distributed less than the entire

vested portion of the Account balance derived from Employer

contributions, the part of the nonvested portion that will be

treated as a forfeiture is the total nonvested portion multiplied

by a fraction, the numerator of which is the amount of the

distribution attributable to Employer contributions and the

denominator of which is the total value of the vested Employer

derived Account balance.

(c) If an Employee receives or is deemed to receive a

distribution pursuant to this Section and the Employee resumes

employment covered under this Plan, the Employee's Employer

derived Account balance will be restored to the amount on the date

of distribution if the Employee repays to the Plan the full amount

of the distribution attributable to Employer contributions before

the earlier of five (5) years after the first date on which the

Participant is subsequently re-employed by the Employer, or the

date the Participant incurs five (5) consecutive one-year Breaks

in Service following the date of the distribution. If an Employee

is deemed to receive a distribution pursuant to this Section, and

the Employee resumes employment covered under this Plan before the

date the Participant incurs five (5) consecutive one-year Breaks

in Service, upon the reemployment of such Employee, the Employer

derived Account balance of the Employee will be restored to the

amount on the date of such deemed distribution.

In the event restoration is required under this Section

7.2(c), the sources of restoration, in the order listed, shall be:

- (i) Forfeitures. To the extent used for restoration, they shall not be reallocated, or used to reduce the Employer contribution, as normally provided in Section 4.3.
- (ii) Employer contribution. Notwithstanding Section 3.1, the Employer shall make any contribution required for restoration.

Such restoration shall be made for the year in which repayment occurs within the time prescribed by law, including extensions of time, for the filing of the Employer's Federal income tax return for such year.

For purposes of applying the limitations of Code Sections

415(c) and (e), and Section 4.8 and 4.9 of this Plan, the

repayment by the Participant and the restoration provided for above shall not be treated as annual additions.

7.3 Restrictions on Immediate Distributions.

(a) If the value of a Participant's vested Account balance

derived from Employer and Employee contributions exceeds (or at

the time of any prior distribution exceeded) \$3,500, and the

Account balance is immediately distributable, the Participant must

consent to any distribution of such Account balance. The Plan

Administrator shall notify the Participant of the right to defer

any distribution until the Participant's Account balance 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), and shall be provided no less

than 30 days and no more than 90 days prior to the annuity

starting date. However, distribution may commence less than 30

days after the notice described in the preceding sentence is

given, provided the distribution is one to which Sections

401(a)(11) and 417 of the Code do not apply, the Plan

Administrator clearly informs the Participant that the Participant

has a right to a period of at least 30 days after receiving the

notice to consider the decision of whether or not to elect a

distribution (and, if applicable, a particular distribution

option), and the Participant, after receiving the notice,

affirmatively elects a distribution.

(b) The consent of the Participant shall not 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 Account balance will, 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 account balance will be transferred, without the Participant's consent, to the other plan if the Participant does not consent to an immediate distribution.

(c) An Account balance is immediately distributable if any part of the Account balance 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.

(d) For purposes of determining the applicability of the foregoing consent requirements to distributions made before the first day of the first Plan Year beginning after December 31, 1988, the Participant's vested Account balance shall not include amounts attributable to accumulated deductible employee contributions within the meaning of Section 72(o)(5)(B) of the Code.

7.4 Payment of Account Balance. 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 to consent to a distribution while a benefit is immediately distributable, within the meaning of Section 7.3 of the Plan, shall be deemed to be an election to defer commencement of payment of any benefit sufficient to satisfy this Section.

7.5 Treatment of Accounts in Pay Status. If payments are to be made under Section 5.1(b) or (c), at the election of the Plan Administrator:

(a) The Participant's Account shall continue to share in the annual and interim valuations of the trust fund and in the adjustment of the accounts for investment income, gains or losses as provided in Sections 4.4 and 4.5; or

(b) The Plan Administrator may instruct the trustee to segregate the Participant's Account which shall then be separately valued and adjusted each year to reflect the actual income derived thereon and any distributions made therefrom under this Plan.

7.6 Direct Rollovers.

(a) This Section applies to distributions made on or after January 1, 1993. Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's election under this Section, 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 that is equal to at least \$500 paid directly to an eligible retirement plan specified by the distributee in a direct rollover. The distributee may select only one (1) eligible retirement plan to which a direct rollover may be made.

(b) Definitions

(i) 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; the portion of any other distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities); and any other distribution(s) that is reasonably expected to total less than \$200 during a year.

(ii) 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 plan 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.

(iii) Distributee: A distributee includes an Employee or former Employee. In addition, the Employee's or former Employee's surviving spouse and the Employee's or former Employee's 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.

(iv) Direct rollover: A direct rollover is a payment by the Plan to the eligible retirement plan specified by the distributee.

7.7 Amendment of Vesting Schedule. If the Plan's vesting schedule is amended, or the Plan is

amended in any way that directly or indirectly affects the

computation of the 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 three

(3) Years of Service with the Employer may elect, within a

reasonable period after the adoption of the amendment or change,

to have the nonforfeitable percentage computed under the Plan

without regard to such amendment or change. For Participants who

do not have at least one (1) Hour of Service in any Plan Year

beginning after December 31, 1988, the preceding sentence shall be

applied by substituting "five (5) Years of Service" for "three (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 or deemed to be

made and shall end on the latest of:

(a) 60 days after the amendment is adopted;

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

(c) 60 days after the Participant is issued written notice

of the amendment by the Employer or Plan Administrator.

SECTION 8

FORM OF DISTRIBUTION

8.1 Payment in Shares or Cash. Any distributions under Sections 5, 6, and 7 shall be made by the Trustee by distributing whole shares of Company Stock, as determined by the Trustee, at the market value of such shares on a national securities exchange or a national quotation system, with the value of any fractional shares paid in cash.

The Trustee may, with the consent of the Participant or if the Participant is deceased, his beneficiary, make distributions under Sections 5, 6 and 7 in cash. The amount of cash to be distributed to a Participant for shares actually allocated to his Account shall be determined based on the market value of the shares of Company Stock as of the trading date immediately preceding the distribution.

8.2 Dividends. Cash dividends on shares of Company Stock allocated to Participants' Accounts may be paid to Participants currently, or at such time as payment is otherwise due under Sections 5, 6, and 7, as determined in the sole discretion of the Plan Administrator, exercised in a uniform and nondiscriminatory manner.

SECTION 9

MERGER OR CONSOLIDATION

9.1 Merger or Consolidation. In the event of a merger or consolidation of this Plan with any other plan, or in the event of a transfer of assets or liabilities of this Plan to any other plan, each Participant in the Plan will receive a benefit immediately after the merger, consolidation, or transfer (as if the Plan then terminated) which is at least equal to the benefit the Participant would have been entitled to immediately before such merger, consolidation, or transfer (as if the Plan had then terminated).

9.2 Merger Accounts. In the event any other plan transfers its assets to this Plan or merges with this Plan, this Plan being the surviving plan, the Plan Administrator, or if the Plan Administrator so determines, the Trustee, shall create a "Merger Account" for each Participant whose accounts are transferred to this Plan. A Participant's Merger Account shall be paid to the Participant or his beneficiaries in accordance with Sections 5, 6, 7 and 8. Merger Accounts shall participate in the earnings and losses in the fund and in forfeitures and Employer contributions in the same manner as Regular Accounts.

9.3 Merger Agreement or Agreement Relating to Transfer of Assets. Upon instructions of the Plan Administrator, the Trustee shall enter into a merger agreement with any other plan or shall enter into an agreement respecting the transfer of assets of this Plan to another plan or from any other plan to this Plan; however, if this Plan is a profit-sharing plan which does not provide for a life annuity form of payment to Participants, the Plan Administrator shall not enter into any agreement for the transfer of assets from another plan to this Plan if the proposed transferor plan is a defined benefit plan, money purchase pension plan (including a target benefit plan), stock bonus, or profit sharing plan which would otherwise provide for a life annuity form of payment to the participants in such plan.

CLAIMS PROCEDURE

10.1 Filing of a Claim for Benefits.

(a) Every Participant and beneficiary (the claimant) who thinks he is entitled to a benefit under the Plan or who is not satisfied that the correct benefit is being paid shall have the right to file a claim for such benefit at any time.

(b) Such claim must be filed in writing with the Plan

Administrator. The claim shall set forth the grounds on which it is based, but no particular form of written claim is required.

10.2 Notification to Claimant of Decision.

(a) The Plan Administrator shall furnish notice of its decision (to grant the claim or to deny it in whole or in part) to the claimant within sixty (60) days after the claim is filed. If the Plan Administrator fails to give notice within sixty (60) days after the claim is filed, it shall be considered wholly denied.

(b) If the claim is denied in whole or in part, the notice of denial by the Plan Administrator to the claimant shall set forth in writing in a manner calculated to be understood by the claimant:

(i) The specific reason or reasons for the denial;

(ii) Specific reference to pertinent plan provisions on which the denial is based;

(iii) A description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary; and

(iv) An explanation of the Plan's claim review procedure as set forth in Section 10.3.

10.3 Review Procedure.

(a) A claimant may appeal the denial of a claim, including a claim considered denied, to the Plan Administrator for a full and fair review of the claim.

(b) A request for review of a denied claim must be made in writing to the Plan Administrator within sixty (60) days after the date of the notice denying the claim or within sixty (60) days after the date on which the claim is considered denied.

(c) The claimant or his authorized representative shall have the right, during the review procedure, to review all pertinent documents and to submit issues and comments in writing to the Plan Administrator.

10.4 Decision on Review.

(a) A decision on review shall be made promptly by the Plan Administrator and not later than sixty (60) days after it receives the request for review.

(b) The decision on review shall be in writing and shall include specific reasons for the decision, written in a manner calculated to be understood by the claimant and specific references to pertinent Plan provisions on which the decision is based.

10.5 Agent for Service of Process. In any action against the Plan or Trust, the Plan Administrator, whose address is 100 Century Park Drive, Monroe, Louisiana 71203, shall be the agent for service of process of the Plan and Trust.

SECTION 11

ADOPTION BY OTHER COMPANIES

11.1 Rights of Other Companies to Participate. Any other corporation, association, joint venture, proprietorship or partnership (hereinafter called adopting companies) may adopt the terms of this Plan by a resolution of the Board of Directors of such entity in the form specified by the Plan Administrator, provided

that the Board of Directors of the Employer and the Plan Administrator

both approve such participation. Unless otherwise provided in the Plan or in a separate written agreement, all subsidiaries of the Employer shall be deemed to be adopting companies participating in the Plan.

A newly formed subsidiary, or a subsidiary acquired by the Employer, shall be deemed to be an adopting company as of the date of formation or acquisition, as the case may be, unless otherwise provided in the Plan or in a separate written agreement.

11.2 Control of Plan by the Employer. The administrative powers and control of the Employer as provided in the Plan, shall not be deemed diminished under the Plan by reason of participation of adopting companies in the Plan, and such administrative powers and control specifically granted herein to the Employer with respect to the appointment of the Plan Administrator and Trustee and other matters shall apply only with respect to the Employer. The Plan Administrator, under the control of the Employer, shall also be the Plan Administrator for the adopting companies.

11.3 Allocations of Contributions and Forfeitures. The amounts forfeited by Employees of the Employer and adopting companies shall be allocated across company lines in accordance with the provisions of Sections 4.3 hereof to all Participants who were Employees of the Employer and applicable adopting companies during the Plan Year in which such forfeitures occurred and the contributions made by the Employer and each adopting company shall be allocated across company lines in accordance with the provisions of Section 4.2 hereof to Participants who were Employees of the Employer and applicable

adopting companies during the Plan Year for which

each contribution is made. One member of an affiliated group may make contributions on behalf of another member of such group in accordance with Regulations Section 1.404(a)-10, as amended.

11.4 Withdrawal of Employer or Adopting Companies. The Employer or adopting company may withdraw at any time without affecting the others in the Plan. Such withdrawal may be accompanied by such amendments to the Plan as the withdrawing Employer or adopting company shall deem proper to continue a plan for its Employees separate and distinct from this Plan, but, if such withdrawing party does not provide for the continuance of a separate plan for its Employees, such withdrawal shall constitute a termination of this Plan with respect to that withdrawing party. The Employer may in its absolute discretion terminate any adopting company's participation at any time. Withdrawal from the Plan by any party shall not affect the continued operation of the Plan with respect to the other participating parties.

11.5 Amendment of Plan. The participation in the Plan of adopting companies shall not limit the power of the Employer under Trust Section 4.1; provided, however, that the Employer shall deliver notice of each amendment to the Plan to each adopting company within thirty (30) days of such amendment. Amendments by the Employer shall be binding upon all adopting companies to the extent accepted by such adopting companies. Acceptance by each such company shall be presumed unless the Employer and Trustee are given written notice of refusal to accept within sixty (60) days after the date of the amendment. The Employer and each adopting company may modify the provisions of the Plan as it pertains only to its own Employees by the adoption of an amendment to the Plan specifying such modifications which shall pertain only to its Employees except to the extent that Employer amendments are presumed accepted by the adopting companies, and shall not affect the continued operation of the Plan with respect to any other party.

11.6 Termination of One or More Parties. The Plan may be terminated by all parties at any time in the manner described in Trust Section 4.2, on the part of each party.

The Plan may be terminated in the manner described above with respect to one, but less than all the parties hereto and the Plan continued for the remaining parties.

11.7 Reference to Employer in Plan. Except as provided in this Section 11 and unless the context indicates otherwise, references to "Employer" in this Plan shall mean the Employer and all adopting companies.

PROVISIONS RELATING TO PARTICIPANTS

12.1 Information Required of Participants. Each Participant shall furnish to the Plan Administrator such information as the Plan Administrator shall deem necessary and desirable for purposes of administering the Plan.

Any notice or information which, according to the provisions of the Plan, must be filed with the Plan Administrator shall be deemed so filed if addressed to 100 Century Park Drive, Monroe, Louisiana 71203, and either delivered in person or mailed to such address, postage fully paid.

SECTION 13

PLAN ADMINISTRATOR

13.1 Administration by Plan Administrator. This Plan shall be administered by a Committee, which shall be the "Plan Administrator" and "named fiduciary."

13.2 Appointment of Committee. The Board of Directors of the Employer shall fix the number of persons to be members of the Committee (which number shall always be an odd number) and shall appoint persons from among the officers and Employees of the Employer to serve as members of the Committee.

The Committee shall have complete control of the administration of the Plan. Members of the Committee shall serve without remuneration for so long as it is mutually agreeable to them and to the Employer but they shall be reimbursed for all expenses incurred by them in the performance of their duties. Any member may resign by delivering his written resignation to the Employer and to the other members of the committee.

The Board of Directors of the Employer may remove or replace any member of the Committee, or fill any vacancy, no matter how created, by notifying the member concerned and the other members of the Committee in writing.

13.3 Majority Action. Action taken by a majority of the members of the Committee shall, to the extent lawful, be binding upon the Employees, Participants, and all persons claiming any right under the Plan through any Employee or Participant. The Committee may act by vote, at a meeting, or in writing, without a meeting. Any act of the Committee shall be sufficiently evidenced if certified to by any two members thereof or by any person not a member of the Committee but who is designated, in writing, as the Secretary of the Committee by a majority thereof. A member of the Committee who is a Participant shall not vote on any question relating specifically to himself, and in the event the remaining members of the

Committee are unable to

agree to a determination of such question, another person shall be selected by the Board of Directors of the Employer for the purpose of making such determination.

13.4 Powers of the Plan Administrator. The Committee as Plan Administrator shall have the following powers:

- (a) To make rules and regulations for the administration of the Plan which are not inconsistent with the terms and provisions hereof;
- (b) To construe all terms, provisions, conditions and limitations of this Plan;
- (c) To correct any defect or supply any omission or reconcile any inconsistency that may appear in the Plan, in such manner and to such extent as it shall deem expedient to carry this Plan into effect for the greatest benefit of all interested parties;
- (d) To select, employ and compensate from time to time such consultants, actuaries, accounts, attorneys, and other agents and Employees as the Plan Administrator may deem necessary or advisable in the proper and efficient administration of this Plan and Trust to carry out nonfiduciary and fiduciary responsibilities (other than trustee responsibilities as defined in Section 405(c)(3) of ERISA);
- (e) To determine all questions relating to the eligibility of Employees to become Participants, and to determine the amount of compensation upon which the allocation of each Participant shall be calculated;
- (f) To make all determination and computations concerning the benefits, credits and debits to which any Participant or

beneficiary is entitled under the Plan;

(g) To determine all questions relating to the administration of this Plan and Trust (1) when differences of opinion arise between the Employer, the Trustee, a Participant, or any of them, and (2) whenever it is deemed advisable to determine such questions in order to promote the uniform administration of the Plan for the greatest benefit of all parties concerned;

(h) To appoint any Employee of the Employer to act as secretary

for the Plan Administrator, and to authorize the secretary

so appointed to act for the Plan Administrator in all

routine matters connected with the administration of the Plan;

(i) To determine whether a Participant is disabled for the purposes

of Section 6.5 hereof;

(j) To appoint an investment manager or managers (as defined in

Section 3(38) of ERISA) to manage (including the power to

acquire and dispose of) all or any part of the assets of

the Plan; and

(k) To provide for the allocation of fiduciary responsibilities

(other than trustee responsibilities as defined in Section

405(c)(3) of ERISA). Actions dealing with fiduciary

responsibilities shall be taken in writing and the performance

of agents, counsel, and fiduciaries to whom fiduciary

responsibilities have been delegated shall be reviewed

periodically.

The foregoing list of express powers is not intended to be either

complete or conclusive, but the Plan Administrator shall, in addition,

have such powers as it may reasonably determine to be necessary to the

performance of its duties under the Plan and Trust. The decision or

judgment of the Plan Administrator on any question arising in

connection with the exercise of any of its powers or any matter of Plan

administration, or the determination of benefits, shall be final,

binding and conclusive upon all parties concerned.

13.5 Duties of the Plan Administrator. The Committee as Plan Administrator shall, as a part of its general

duty to supervise and administer the Plan:

(a) Establish and maintain the Accounts described herein

and direct the maintenance of such other records and the

preparation of such forms as are required for the

efficient administration of the Plan;

(b) Give the Trustee specific directions in writing in respect to:

(i) The making of distribution payments, giving the names of the payees, the amounts to be paid and the time or times when payments shall be made; and

(ii) The making of any other payments which the Trustee is not by the terms of the trust agreement authorized to make without a direction in writing by the Plan Administrator; and

(c) Prepare an annual report, as of the end of the Plan Year.

13.6 Expenses. The Employer shall reimburse the trust fund for all expenses

(other than normal brokerage charges which are included in the

cost of securities purchased or charged to proceeds in the case of

sales) incurred in the administration of the Plan under Trust Section

1.5, including the expenses and fees of the Trustee, except that any such

expenses not so reimbursed by the Employer shall be paid from the trust

fund.

ROLLOVERS

14.1 Rollover Contributions. If the Plan Administrator instructs the Trustee in writing to accept Rollover Contributions, any Employee who is a Participant or who will become a Participant if he completes a Year of Service in an

Eligibility Computation Period may make a Rollover Contribution at any

time. The Trustee shall credit the fair market value of any Rollover Contribution to a Rollover Account of the contributing Participant as of the date the Rollover Contribution is made. A Rollover Account shall be fully vested and shall be paid to the Participant or his beneficiaries in accordance with Section 5, 6, 7 and 8. Rollover Accounts shall participate in the earnings and losses of the Trust Fund, but not in forfeitures or Employer contributions.

14.2 Definition of Rollover Contribution. The term Rollover Contribution is defined as the contribution of a Rollover Amount as defined in Section 14.3 to the Trustee on or before the sixtieth (60th) day immediately following the day the contributing Participant receives the Rollover Amount.

14.3 Definition of Rollover Amount. The term Rollover Amount is defined as:

- (a) The amount distributed to the Participant is deposited to the Plan no later than the sixtieth day after such distribution was received by the Participant.
- (b) the amount distributed is not one of a series of substantially equal periodic payments made for the life (or life expectancy) of the Participant or the joint lives (or joint life expectancies) of the Participant and the Participant's designated beneficiary, or for a specified period of ten years or more:
- (c) the amount distributed is not required under Code Section 401(a)(9);

(d) if the amount distributed included property such property

is rolled over, or if sold the proceeds of such property

may be rolled over;

(e) the amount distributed is includible in gross income

(determined without regard to the exclusion for net

unrealized appreciation with respect to employer securities).

In addition, if the Plan Administrator so instructs the Trustee in

writing, the Plan will also accept any eligible rollover distribution

(as defined in Section 7.6) directly to the Plan.

Rollover Amounts, which relate to distributions prior to January 1,

1993, must be made in accordance with paragraphs (a) through (e) and

additionally meet the requirements of paragraph (f):

(f) The distribution from the qualified plan constituted the

Participant's entire interest in such Plan and was distributed

within one taxable year to the Participant:

(i) on account of separation from Service, a Plan termination, or in the case of a profit-sharing or stock bonus plan, a complete discontinuance of contributions under such plan within the meaning of Code Section 402(a)(6)(A), or

(ii) in one or more distributions which constitute a qualified lump sum distribution within the meaning of Code Section 402(e)(4)(A), determined without reference to subparagraphs (B) and (H).

14.4 Conduit Rollovers. Rollover Contribution may also be made through an individual

retirement account (IRA) qualified under Code Section 408 where the IRA

was used as a conduit from a qualified plan, the Rollover Contribution

is made in accordance with the rules provided under paragraphs (a)

through (e) and the Rollover Contribution does not include any regular

IRA contributions, or earnings thereon, which the Participant may have

made to the IRA. Rollover Contributions, which relate to distributions

prior to January 1, 1993, may be made through an IRA in accordance with

paragraphs (a) through (f) and additional requirements as provided in

the previous sentence. The Trustee shall not be held responsible for

determining the taxfree status of any Rollover Contribution made under

this Plan.

TRADES OR BUSINESSES UNDER COMMON CONTROL

15.1 Definitions. All employees of all corporations which are members of a controlled groups of corporations (as defined in Section 414(b) of the Code) and all employees of all trades or businesses (whether or not incorporated) which are under common control (as defined in Section 414(c) of the Code) will be treated as employed by a single employer.

Such other trades or businesses in a group with the Employer are hereinafter called "Associated Employer." The term "transferred participant" means an Employee of the Employer who was a Participant in this Plan and who is employed by an Associated Employer after his services with the Employer are terminated.

In addition to the foregoing, Hours of Service will also be credited for any individual required under Section 414(m) or 414(n) of the Code to be considered an employee of any employer aggregated under Section 414(b), (c), or (m) or the Code.

Any Leased Employee as defined in Section 1.17(a), excluding any Leased Employee described in Section 1.17(b), shall be treated as an employee of the recipient employer.

15.2 Allocation. No Employee shall be credited with any compensation for a year under Section 4.2 of this Plan except with respect to compensation actually paid to him by the Employer or accrued by the Employer with respect to him.

15.3 Participation and Vesting. All of an Employee's service with an Associated Employer shall be counted as service with the Employer for all purposes of this Plan, except as otherwise provided in the Plan or in a separate written agreement.

15.4 Vesting and Distributions. In determining whether a transferred participant incurs a Break in Service under this Plan, his service with the Employer shall be combined with his service with an Associated Employer. In determining whether a transferred participant subsequently incurs a Break in Service with the Employer for vesting and distribution purposes, his Hours of Service with Associated Employers shall be counted.

TOP HEAVY PLAN RULES

16.1 Key Employee. Any Employee or former Employee (and the beneficiaries of such Employee) who at any time during the determination period was an

officer of the Employer if such individual's annual compensation

exceeds fifty percent (50%) of the dollar limitation under Section

415(b)(1)(A) of the Code, an owner (or considered an owner under

Section 318 of the Code) of one of the ten largest interests in the

Employer if such individual's compensation exceeds one hundred percent

(100%) of the dollar limitation under Section 415(c)(1)(A) of the Code,

a five percent (5%) owner of the Employer, or a one percent (1%) owner

of the Employer who has an annual compensation of more than \$150,000.

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 Section 125, Section 402(e)(3), Section

402(h)(1)(B) or Section 403(b) of the Code. The determination period

is the Plan Year containing the determination date and the four (4)

preceding Plan Years.

The determination of who is a Key Employee will be made in

accordance with Section 416(i)(1) of the Code and the regulations

thereunder.

16.2 Non-Key Employee.

Any Employee who is not a Key Employee.

16.3 Super Top Heavy Plan. For any Plan Year beginning after December 31, 1983, this Plan is a

Super Top Heavy Plan if any of the following conditions exists:

(a) If the top heavy ratio for this Plan exceeds ninety percent

(90%) 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 ninety percent (90%).

(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 ninety percent (90%).

16.4 Top Heavy Plan. For any Plan Year beginning after December 31, 1983, this Plan is a Top Heavy Plan if any of the following conditions exists:

(a) If the top heavy ratio for this Plan exceeds sixty percent (60%) 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 sixty percent (60%).

(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 sixty percent (60%).

16.5 Top Heavy Ratio.

(a) If the Employer maintains one or more defined contribution plans (including any Simplified Employee Pension Plan) and the Employer has not maintained any defined benefit plan which during the five (5) year period ending on the determination date(s) has or 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 five (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 five (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 adjusted 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.

(b) 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 five (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 (a) 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 Participants determined in accordance with (a) above, and the present value of accrued benefits under the defined benefit plan or plans for all Participants 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 (5) year period ending on the determination date.

(c) For purposes of (a) and (b) 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

twelve (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 been credited with at least one Hour of Service with any

employer

maintaining the Plan at any time during the five (5) year period ending on the determination date will be disregarded. The calculation of the top heavy ratio, and to 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 (a) the method, if any, that uniformly applies for accrual purposes under all defined benefit plans maintained by the Employer, or (b) 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.

16.6 Top Heavy Plan Year. For a particular Plan Year commencing after December 31, 1983,

the Plan is a Top Heavy Plan.

16.7 Top Heavy Compensation. For any Top Heavy Plan Year, compensation as defined in Code Section 415(c)(3) and Regs. Section 1.415-2(d), not in excess of \$200,000

(or such other amounts as the Secretary of Treasury or his delegate may designate), which shall be considered as compensation for all purposes

of Section 16 of this Plan.

16.8 Determination Date. The last day of the preceding Plan Year, or, in the case of the

first Plan Year, the last day of such Plan Year.

16.9 Valuation Date. The last day of the Plan Year, on which Account balances or accrued benefits are valued for purposes of calculating the Top Heavy Ratio.

16.10 Aggregation Group.

Either a Required Aggregation Group or a Permissive Aggregation

Group as hereinafter determined.

(a) Required Aggregation Group: (i) Each qualified plan of the Employer in which at least one Key Employee participates or participated at any time during the determination period (regardless of whether the Plan has terminated), and (ii) any other qualified plan of the Employer which enables a plan described in (i) to meet the requirements of Sections 401(a)(4) or 410 of the Code.

In the case of a Required Aggregation Group, each plan in the group will be considered a Top Heavy Plan if the Required Aggregation Group is a Top Heavy Group. No plan in the Required Aggregation Group will be considered a Top Heavy Plan if the Required Aggregation Group is not a Top Heavy Group.

(b) 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 Sections 401(a)(4) and 410 of the Code.

In the case of a Permissive Aggregation Group, only a plan that is part of the Required Aggregation Group will be considered a Top Heavy Plan if the Permissive Aggregation Group is a Top Heavy Group. No plan in the Permissive Aggregation Group will be considered a Top Heavy Plan if the Permissive Aggregation Group is not a Top Heavy Group.

16.11 Present Value of Accrued Benefits. The present value of an accrued benefit under a defined benefit plan shall be based on the interest and mortality rates specified in such defined benefit plan.

TOP HEAVY REQUIREMENTS

16.12 Top Heavy Plan Requirements. If the Plan is or becomes top heavy in any Plan Year beginning after December 31, 1983, the provisions of this Section 16 will supersede any

conflicting provisions in the Plan.

16.13 Top Heavy Reduction.

(a) In Section 4.9(a), 1.0 shall be substituted for 1.25 unless

the extra minimum allocation is being made pursuant to Section 16.14.

However, for any Plan Year in which this Plan is a Super Top Heavy

Plan, 1.0 shall be substituted for 1.25 in any event.

(b) \$41,500 shall be substituted for \$51,875 in determining the

"transition fraction" of Section 4.9(b).

16.14 Minimum Allocations.

(a) Except as otherwise provided in (c) and (d) below, the

Employer contributions and forfeitures allocated on behalf of any

Participant who is not a Key Employee shall not be less than the

lesser of three percent of such Participant's compensation or

in the case where the Employer has no defined benefit plan

which designates this Plan to satisfy Section 401 of the Code, the

largest percentage of Employer contributions and forfeitures,

as a percentage of the Key Employee's compensation, as limited by

Section 401(a)(17) of the Code, allocated on behalf of

any Key Employee for that year. The minimum allocation is determined

without regard to any Social Security contribution. This

minimum allocation shall be made even though, under other Plan

provisions, the Participant would not otherwise be entitled to receive

an allocation, or would have received a lesser allocation for the year

because of (i) the Participant's failure to complete 1,000 Hours of

Service (or any equivalent provided in the Plan), or (ii) the

Participant's failure to make mandatory employee contributions to the

Plan, or (iii) compensation less than a stated amount.

(b) For purposes of computing the minimum allocation, compensation

will mean compensation as defined in Section 1.7 of the Plan.

(c) The provision in (a) above shall not apply to any Participant

who was not employed by the Employer on the last day of the Plan Year.

(d) The provision in (a) above shall not apply to any Participant to the extent the Participant is covered under any other plan or plans of the Employer and the Employer has elected that the minimum allocation or benefit requirement applicable to top heavy plans will be met in the other plan or plans.

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

16.15 Top Heavy Vesting. For any Plan Year in which this Plan is top-heavy, the following vesting schedule will automatically apply to the Plan, but only if the application of such schedule results in a higher vested percentage for

the Participant:	
YEARS OF SERVICE	VESTED PERCENTAGE
-----	-----
2	20%
3	40%
4	60%
5	80%
6	100%

The minimum vesting schedule applies to all benefits within the meaning of Section 411(a)(7) of the Code except those attributable to employee 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 balance 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.

16.16 Minimum Required Distribution. A Key Employee's benefits shall be distributed to him or begin to be distributed to him under Section 5 no later than the taxable year in which he attains age 70 1/2 regardless of when he retires.

16.17 Alternative Effective Date. Notwithstanding any other provision of this Plan and Trust, the effective date otherwise provided for the application of this Section

16 shall be extended in accordance with any legislative act of

Congress.

PAYSOP PROVISIONS

17.1 Nature of the Plan.

(a) This Tax Credit Employee Stock Ownership Plan ("PAYSOP") is an addition to the Stock Bonus Plan established by the Employer. The

PAYSOP forms a part of a Stock Bonus Plan under Section 401(a) of the

Internal Revenue Code and is a Tax Credit Employee Stock Ownership Plan

under Section 409 of the Code. The PAYSOP is intended to make available to the Company the payroll-based employee stock ownership credit described in Section 41 of the Code and is designed to be invested primarily (or exclusively) in Company Stock.

(b) The PAYSOP has been and will be funded through the Trust established under the Stock Bonus Plan and is administered by the Plan Administrator described in Section 13 of the Stock Bonus Plan. The interests of Participants under the PAYSOP shall be reflected by separate Tax Credit Accounts under the Trust. Except as otherwise provided in this PAYSOP, the provisions of the Stock Bonus Plan shall generally apply to the PAYSOP.

17.2 Definitions. Except to the extent that they are inconsistent with this Section 17, all of the definitions included in Section 1 of the Stock Bonus Plan

shall apply to this Tax Credit Employee Stock Ownership Plan.

Additional specific terms are defined below in this Section 17.2.

(a) PAYSOP - This Century Telephone Enterprises, Inc. Tax Credit Employee Stock Ownership Plan established by the Employer as an addition to the Stock Bonus Plan.

(b) Tax Credit Account - The Account of a Participant which reflects his interest under the Trust attributable to PAYSOP contributions.

(c) Stock Bonus Plan - The Century Telephone Enterprises, Inc.

Stock Bonus Plan.

(d) PAYSOP Contributions - Employer contributions made to the Trust by the Company pursuant to Section 17.4 of the PAYSOP.

(e) PAYSOP Compensation - The compensation of each Participant within the meaning of Section 415(e)(3) of the Code and the regulations thereunder.

17.3 Eligibility and Participation. Each Participant under the Stock Bonus Plan will be eligible to share in the allocation of PAYSOP Contributions under Section 17.4 as of each Adjustment Date, provided that he is eligible to share in the allocation of Employer Contributions and forfeitures as described in Section 4 of the Stock Bonus Plan.

17.4 Employer Contributions.
(a) PAYSOP Contributions shall be paid to the Trust for each Plan Year for which the Employer elects the payroll-based employee stock ownership credit available under Section 41 of the Code in any amount not exceeding the following percentages of PAYSOP Compensation of those Participants eligible to share in the allocation of such Employer

Contributions for that Plan Year:	
Compensation Paid During Calendar Year -----	Applicable Percentage -----
1984	.50
1985	.50
1986	.50
1987	.50

(b) PAYSOP Contributions shall be paid to the Trust not later than thirty (30) days after the due date (including extensions) for filing the Employer's Federal income tax return for that Plan Year. PAYSOP Contributions may be paid in shares of Company Stock or in cash, as determined by the Employer's Board of Directors; provided, however, that PAYSOP Contributions in cash shall be used by the Trustee to acquire Company Stock within thirty (30) days.

(c) In the event that any Employer Contributions are paid to the Trust by reasons of a mistake of fact, such contributions may be returned to the Employer by the Trustee (upon the request of the

Employer) within one year after payment to the Trust.

17.5 Participant's Accounts.

(a) A Tax Credit Account shall be established for each Participant

under the PAYSOP. It will be credited annually with shares of Company

Stock (including fractional shares) representing his allocable share of

PAYSOP Contributions, as well as Company Stock acquired with any

dividends on Company Stock allocated to his Tax Credit Account (or with

any net income of the Trust attributable to the PAYSOP). Each

Participant shall at all times have a 100% vested (nonforfeitable)

interest in the balance of his Tax Credit Account.

The allocations to the Tax Credit Accounts of Participants for each

Plan Year shall be made in the following manner.

(b) Employer Contributions - PAYSOP Contributions under Section

17.4(a) for each Plan Year will be allocated among the Tax Credit

Accounts of Participants (so entitled under Section 17.3) as of the

Adjustment Date in the ratio which the PAYSOP Compensation of each

such Participant bears to the total PAYSOP Compensation of all such

Participants for that Plan Year. For purposes of this allocation,

however, PAYSOP Compensation of each Participant shall not exceed one

hundred thousand dollars (\$100,000) for each Plan Year.

(c) Net Income and Dividends - Each Participant's Tax Credit

Account shall share in any net income of the Trust attributable to the

PAYSOP in the manner outlined in Section 4 of the Stock Bonus Plan.

His Tax Credit Account shall also be credited with the amount of any

dividends received on Company Stock allocated to such Tax Credit Account.

All such amounts shall be allocated as of each Adjustment Date, but

shall be reinvested in shares of Company Stock for allocation purposes.

(d) Allocation Limitations - The limitations outlined in Sections

4.8 and 4.9 of the Stock Bonus Plan shall be applied by including each

Participant's share of PAYSOP Contributions as Employer Contributions.

In no event, however, shall the allocation of PAYSOP Contributions to a

Participant's Tax Credit Account be reduced to comply with such
limitation until after reductions have been made to Participant's
Accounts under the Stock Bonus Plan.

For each Plan Year, no more than one-third (1/3) of the PAYSOP

Contributions under Section 17.4(a) may be allocated to the Tax Credit

Accounts of Participants who are officers of the Employer, shareholders

owning more than ten percent (10%) of Company Stock, as determined

under Section 415(c)(6)(B)(iv) of the Code, or Participants whose

PAYSOP Compensation for that Plan Year exceeds \$60,000. The \$60,000

amount shall be adjusted (after 1985) for increases in the cost of

living, pursuant to regulations prescribed under Section 415(c)(6) and

(d)(1) of the Code. The Plan Administrator may reallocate PAYSOP

Contributions for any Plan Year in order to satisfy this additional

limitation in accordance with the principles of Section 4.8.

(e) Voting Company Stock -

(i) Each Participant shall be entitled to direct the voting rights with respect to the shares of Company Stock owned by the PAYSOP, but only to the extent required by Sections 401(a)(22) and 409(e)(3) of the Code and the regulations thereunder. The number of votes to which each Participant is entitled shall be determined under (2), below. On all other matters, the Plan Administrator need not solicit instructions from Participants. Prior to the holding of each annual or special meeting of Company shareholders, the Committee will send to all Participants who have Company Stock in their Tax Credit Accounts the proxy statements for such meeting, together with a form to be sent to the Trustee which will indicate the number of votes to which the Participant is entitled, and on which may be set forth each Participant's instructions as to the manner of voting the shares, including fractional shares, of Company Stock. Upon receipt of such instructions, the Trustee will vote the Company Stock in accordance with such instructions including fractional shares, which shares shall be aggregated with the fractional shares of other Participants with such accounts to the lowest whole number thereof for the purposes of voting. All shares of Company Stock held by the Trust for which no instructions have been received by the Trustee as to the manner of voting such shares five days prior to such meeting shall not be voted by the Trustee.

(ii) The number of votes available to each Participant shall be determined as follows:

(1) first, the total number of votes attributable to Company Stock owned by the PAYSOP shall be determined;

(2) next, the amount of votes determined under (i), above, shall be allocated to each Participant in the ratio which such Participant's

Account balance as of the immediately preceding Valuation Date bears to the total Account Balances of all Participants as of such date.

17.6 Expenses. If brokerage commissions charged with respect to the purchase

or sale of Company Stock of the PAYSOP exceed the lesser of the

following amounts, they shall be paid by the Employer:

(a) the sum of -

(i) 10% of the first \$100,000 of the dividends paid to the PAYSOP with respect to Company Stock during the Plan Year, and

(ii) 5% of the amount of such dividends in excess of

\$100,000, or

(b) \$100,000.

17.7 Distributions.

(a) All distributions of benefits from a Participant's Tax

Credit Account shall be made at the same time and in the same manner

outlined in Sections 5, 6, 7 and 8 of the Stock Bonus Plan except

that the Company Stock which is actually allocated to his Tax Credit

Account shall be distributed.

(b) No Company Stock allocated to a Participant's Tax Credit

Account may be distributed before the end of the eighty-fourth

(84th) month beginning after the Adjustment Date as of which such

Company Stock is allocated to such Tax Credit Account, except

in the event of his retirement, disability, death or other

termination of service. This eighty-four (84) month restriction

shall not apply in the case of certain divisive corporate

reorganizations, as provided in Section 409(d)(2) and (3) of the Code.

17.8 Future of the Plan. The PAYSOP may be amended or terminated by the Company in

accordance with the provisions of Section 4 of the Trust. The PAYSOP

may be amended or terminated without there being an amendment or

termination of the Stock Bonus Plan.

The Employer specifically reserves the right to amend the PAYSOP

retroactively in order to satisfy the applicable requirements of

Sections 401(a) and 409 of the Code.

QUALIFIED DOMESTIC RELATIONS ORDERS

DEFINITIONS

18.1 Domestic Relations Order. Any judgment, decree, or order (including approval of a property settlement agreement) that relates to the provision of child support, alimony payments, or marital property rights to a spouse, former spouse, child or other dependent of a Participant, made pursuant to a state domestic relations law, including a community property law.

18.2 Alternate Payee. Any spouse, former spouse, child or other dependent of a Participant who is recognized by a Qualified Domestic Relations Order as having a right to receive all, or a portion of, the benefits payable under the Plan with respect to a Participant.

18.3 Qualified Domestic Relations Order. A Domestic Relations Order as described in Section 414(p) of the Code which:

(a) Creates or recognizes the existence of an Alternate Payee's right to, or assigns to an Alternate Payee the right to, receive all or a portion of the benefits payable with respect to a Participant under the Plan; and

(b) Clearly specifies the following:

(i) the name and last known mailing address (if available) of the Participant and each Alternate Payee to which the order relates (unless the Plan Administrator has reason to know such addresses independently);

(ii) the amount or percentage of the Participant's benefits to be paid to an Alternate Payee or the manner in which the amount is to be determined; and

(iii) the number of payments or period for which payments are required.

A Qualified Domestic Relations Order does not include an order which:

(a) requires the Plan to provide any type or form of benefit,
or any option, not otherwise provided under the Plan;
(b) requires the Plan to provide increased benefits, i.e.,
provides for the payment of benefits in excess of
the benefits to which the Participant would be entitled
in the absence of the order; or
(c) requires the payment of benefits to an Alternate Payee that
are required to be paid to another Alternate Payee under
a previously existing Qualified Domestic Relations Order.

PROCEDURES

18.4 Notice. Upon receipt of a Domestic Relations Order, the Plan Administrator shall promptly notify the Participant and any Alternate Payee of receipt of the order and of the Plan's procedures for determining whether the order is a Qualified Domestic Relations Order.

18.5 Determination of Qualification. Within a reasonable period of time after receipt of the order (as defined in regulations to be prescribed by the Secretary of Labor), the Plan Administrator shall determine whether the order is qualified and notify the Participant and any Alternate Payee of such determination.

18.6 Deferral of Payment. During any time period during which the issue of whether a Domestic Relations Order is qualified is being determined, any amount which would be payable pursuant to the terms of the order shall be deferred and the amounts so payable will be segregated into a separate account.

18.7 Payment after Deferral. If, within eighteen (18) months after payment is deferred in accordance with Section 18.6, the Plan Administrator determines that the Domestic Relations Order is qualified, the amounts segregated into the separate accounts, plus earnings thereon, shall be paid to the Alternate Payee(s) specified in the order,

in accordance

with the terms of the order (subject, however, to the provisions of

Code Section 414 (p), this Section 18 and other applicable provisions

of the Plan).

18.8 Payments after Eighteen Months. If, after eighteen (18) months have elapsed after the deferral of

benefits pursuant to Section 18.6, the Plan Administrator determines

that the order is qualified, the Plan Administrator shall make payments

pursuant to the order; however, such payments shall be made

prospectively only, and any amounts segregated into the special account

for periods before the determination that the order is qualified shall

be paid to the person or persons who would have received the amounts if

the order had not been issued. Neither the Plan, nor the Plan

Administrator, shall be liable for payments to any Alternate Payee for

any period before the order is determined to be qualified.

18.9 Payments under Qualified Domestic Relations Order. Payments may made to an Alternate Payee prior to coincident with,

or after Participant's termination of employment if made pursuant to a

Qualified Domestic Relations Order. A distribution to an Alternate

Payee may be made out of a Participant's Account on a date coincident

with the Participant's "earliest retirement age," defined as the

earlier of (i) the date on which the Participant is entitled to a

distribution under the Plan, or (ii) the later of (A) the date the

Participant attains age 50, or (B) the earliest date on which the

Participant could begin receiving benefits under the Plan if he had

separated from service. In addition, this Plan specifically authorizes

distributions to an Alternate Payee under a Qualified Domestic

Relations Order prior to the Participant's attainment of the earliest

retirement age (as defined above and in Section 414(p) of the Code) but

only if: (1) the order specifies distribution at the earlier date or

permits an agreement between the Plan and the Alternate Payee

authorizing an earlier distribution; and (2) the Alternate Payee

consents to a distribution prior to the Participant's earliest retirement age if the present value of the Alternate Payee benefits under the Plan exceeds \$3,500. Nothing in this Section 18 shall provide a Participant with a right to receive a distribution at a time not

otherwise permitted under the Plan, nor shall it provide the

Alternate Payee with a right to receive a form of payment not permitted under the Plan.

18.10 Non-qualification. If the Plan Administrator determines that the order is not qualified, or if eighteen (18) months have expired since deferral of benefits, the Plan Administrator shall pay the amounts segregated pursuant to Section 18.6 above to the person or persons who would have received the amounts if the order had not been issued.

18.11 Effective Dates. The provisions of this Section 18 shall be effective for orders issued on or after January 1, 1985; however, the Plan Administrator may treat any order issued before such date as a Qualified Domestic Relations Order if it otherwise meets the requirements of this Section

18. Additionally, the Plan Administrator shall treat a Domestic Relations Order received before January 1, 1985 as a Qualified Domestic Relations Order to the extent payments are being made pursuant to the order.

AMENDMENT AND TERMINATION OF PLAN

ASSIGNMENT OF BENEFITS

19.1 Amendment. The Employer shall have the right at any time, and from time to time, to amend, in whole or in part, any or all of the provisions of the Plan. However, no such amendment shall authorize or permit any part of the Trust Fund (other than such part as is required to pay taxes and administration expenses) to be used for or diverted to purposes other than for the exclusive benefit of the Participants or their beneficiaries or estates. Any such amendment shall become effective upon the adoption thereof by an appropriate written instrument executed by order of the Board of Directors or upon such later date as may be specified in such instrument provided that any amendment affecting the powers and duties of the Trustee shall not be effective until the date it is accepted in writing by the Trustee.

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 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, if the vesting schedule of the Plan is amended, in the case of an Employee who is a Participant as of the later of the date such amendment is adopted or the date it becomes effective, the nonforfeitable percentage (determined as of such date) of such Employee's right to his Employer-derived accrued benefit will not be less than his percentage computed under the Plan without regard to such amendment.

19.2 Termination; Discontinuance of Contributions. The Employer shall have the right at any time to terminate this agreement and the Trust hereby created. Such termination shall be effective upon execution by the Employer of an appropriate instrument

terminating the Plan and Trust as authorized by the Board of Directors or upon such later date as may be specified in such instrument. A copy of such instrument shall be delivered to the Trustee.

Upon termination or partial termination of the Plan by any method, the Regular Accounts of all Participants shall become fully vested and the Plan Administrator shall direct the Trustee to distribute all assets remaining in the Plan to Participants, their beneficiaries or estates in the ratio of the Participants' Account balances in the Plan.

In the event the Employer completely discontinues contributions for a fixed or indeterminate period, but without terminating this Plan, the Regular Accounts of Participants shall be completely vested and nonforfeitable at the values determined by the Trustee as of the close of the year in which contributions have been suspended, and all adjustments in Participant's Accounts thereafter made under the terms of the Plan and Trust with respect to the amounts so vested shall similarly be completely vested in favor of each Participant but no distribution shall be made of any Account except on actual termination of the Plan or the occurrence of any of the events stated in Sections 5, 6, and 7 and then only in the manner provided in such Sections.

19.3 Assignment of Benefits. No benefit or interest available hereunder will be subject to assignment or alienation, either voluntarily or involuntarily. The interest of each Participant or beneficiary shall be held subject to the maximum restraint on alienation permitted or required by applicable Louisiana or Federal law. The preceding sentences 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 Section 414(p) of the Code.

THE TRUST

TRUST SECTION 1

TRUSTEE

1.1 Establishment and Acceptance of Trust. The Trustee shall receive any contributions paid to it in cash, or other property approved by the Plan Administrator for acceptance by the Trustee. All contributions so received together with the income therefrom (herein called the "Trust Fund") shall be held, managed, and administered in Trust pursuant to the terms of this Agreement. The Trustee hereby accepts the Trust created hereunder and agrees to perform the duties under this Agreement on its part to be performed. The assets of the trust will be valued annually at fair market value as of the last day of the Plan Year. On such date, the earnings and losses of the Trust will be allocated to each Participant's account in the ratio that such Account balance bears to all Account balances.

1.2 Investment of Trust Fund. The Trustee shall invest and reinvest the principal and income of the Trust Fund and keep the Trust Fund invested, without distinction between principal and income. All contributions shall be applied by the Trustee to pay for shares of Company Stock purchased by the Trust under the Stock Bonus Plan and the PAYSOP under the direction of the Plan Administrator.

Subject to the provisions of ERISA Section 404, as additional shares of Company Stock become available and subject to the direction of the Plan Administrator, funds, as they become available, shall be used for the purpose of purchasing such shares.

This Plan is designed to invest primarily in Company Stock, and the investment policy of this Plan is to so invest. To the extent funds remain after acquiring available Company Stock and until other Company Stock becomes available, subject to the direction of the Plan Administrator, the Trustee may invest in such securities or in such property, real or personal, wherever situated, as the Trustee shall

deem advisable, including, but not limited to, stocks, common or preferred, bonds and mortgages, and

other evidences of indebtedness or ownership. In making such investments, the Trustee shall be restricted to securities or other property of the character authorized by applicable law from time to time for trust investments.

1.3 Powers of Trustee. The Trustee shall have the following powers and authority in the administration of the Trust Fund:

(a) Purchase of Property. To purchase or subscribe for any securities or other property and to retain the same in trust.

(b) Sale, Exchange, Conveyance and Transfer of Property. To sell, exchange, convey, transfer, or otherwise dispose of any securities or other property held by it, by private contract or at public auction.

No person dealing with the Trustee shall be bound to see to the application of the purchase money or to inquire into the validity, expediency, or propriety of any such sale or other disposition.

(c) Exercise of Owner's and Voting Rights. To vote any stocks, bonds or other securities; to give general or special proxies or powers of attorney with or without power of substitution; to exercise any conversion privileges, subscription rights, or other options, and to make any payments incidental thereto; to oppose, or to consent to, or otherwise participate in, corporate reorganizations or other changes affecting the corporate securities, and to delegate discretionary powers, and to pay any assessments or charges in connection therewith; and generally to exercise any of the powers of an owner with respect to stocks, bonds, securities or other property held as part of the Trust Fund.

The Trustee shall vote Company Stock held in the Plan
in accordance with Section 17 and the instructions of
the Plan Administrator.

(d) Registration of Investments. To cause any securities or other property held as part of the Trust Fund to be registered in its own name or in the name of one or more of its nominees, and to hold any investments in bearer form, but the books and records of the Trustee shall at all times show that all such investments

are a part of the Trust Fund.

(e) Borrowing and Lending. To borrow or raise money for the purposes of the Trust in such amount, and upon such terms and conditions, as the Trustee shall deem advisable; and, for any sum so borrowed, to issue its promissory note as Trustee, and to secure the repayment thereof by pledging all, or any part, of the Trust Fund; and no person lending money to the Trustee shall be bound to see to the application of the money lent or to inquire into the validity, expediency or propriety of any such borrowing.

(f) Retention of Cash. Subject to the direction of the Plan Administrator, to keep such portion of the Trust Fund in cash or cash balances as the Trustee may, from time to time, deem to be in the best interests of the Trust created hereby.

(g) Execution of Instruments. To make, execute, acknowledge, and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted.

(h) Settlement of Claims and Debts. To settle, compromise, or submit to arbitration any claims, debts or damages due or owing to or from the Trust Fund, and to commence or defend suits or legal or administrative proceedings.

(i) Employment of Agents and Counsel. To employ suitable agents and counsel (who may also be counsel for the Employer), and to pay their reasonable expenses and compensation.

(j) Power to do any Necessary Act. To do all such acts, take all such proceedings, and exercise all such rights and privileges, although not specifically mentioned herein, as the Trustee may deem necessary to administer the Trust Fund, and to carry out the purposes of this Trust.

1.4 Payments from the Trust. The Trustee shall from time to time, on the written directions of the Committee, make payments out of the Trust Fund to such persons, in such manner, in such amounts, and for such purposes as may be specified in the written directions of the Committee, and upon any payment being made, the amount thereof shall no longer constitute a part of the Trust Fund. Each such written direction shall be accompanied by a certificate of the Committee that the payment is in accordance with the Plan. The Trustee shall not be responsible in any way for the application of such payments or for the adequacy of the Trust Fund to discharge any and all liabilities under the Plan.

1.5 Payment of Compensation, Expenses and Taxes. The Trustee shall be paid by the Employer such reasonable compensation as shall from time to time be agreed upon by the Employer and the Trustee. In addition, the Trustee shall be reimbursed by the Employer for any reasonable expenses, including reasonable counsel fees, incurred by it in the administration of the Trust Fund.

All taxes of any and all kinds whatsoever that may be levied or assessed under existing or future laws upon, or in respect of, the Trust Fund or the income thereof shall be paid by the Employer. Nevertheless, if the Employer refuses to make such payments, such compensation and expenses may be made from the Trust Fund.

1.6 Accounting. The Trustee shall keep accurate and detailed accounts of all investments, receipts, disbursements, and other transactions hereunder.

All accounts, books and records relating to such transactions shall be open for inspection and audit at all reasonable times by any person designated by the Plan Administrator.

Within one hundred thirty-five (135) days following the close of each fiscal year of the Trust and within sixty (60) days after the removal or resignation of the Trustee as provided in Section 1.7 hereof, the Trustee shall file with the Plan Administrator a written account setting forth all investments, receipts, disbursements, and other transactions effected by it during such fiscal year or during the period from the close of the last fiscal year to the date of such removal or resignation, and setting forth the current value of the

Trust Fund.

1.7 Removal, Resignation and Appointment of Successor Trustee. The Trustee may be removed by the Employer at any time upon ten (10) days' notice in writing to the Trustee. The Trustee may resign at any time upon ten (10) days' notice in writing to the Employer. Upon such removal or resignation of the Trustee, the Employer shall appoint a successor Trustee who shall have the same powers and duties as those conferred upon the Trustee hereunder. Upon acceptance of such appointment by the successor Trustee, the Trustee shall assign, transfer, and pay over to such successor Trustee the funds and properties then constituting the Trust Fund. The Trustee is authorized, however, to reserve such sum of money, as it may deem advisable, for payment of its fees and expenses in connection with the settlement of its account or otherwise which the Employer refuses to pay, and any balance of such reserve remaining after the payment of such fees and expenses shall be paid over to the successor Trustee.

TRUST SECTION 2

FIDUCIARY RESPONSIBILITY

2.1 Fiduciary Duties. The Trustee shall discharge its duties with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims, 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, and in accordance with the Plan and Trust provisions insofar as the provisions thereof are consistent with the provisions of the Employee Retirement Income Security Act of 1974.

2.2 Location of Assets. The Trustee may not maintain the indicia of ownership of any assets of the Plan outside the jurisdiction of the courts of the United

States.

2.3 Deposits with Trustee. The investment of all or part of the Plan's assets in demand deposits and in deposits which bear a reasonable rate of interest in the commercial banking department of the corporate Trustee is hereby expressly authorized.

2.4 Common Trust Fund. Notwithstanding any other provision of this Agreement, the Trustee may cause any part or all of the cash properly held by the Trust to be invested as a part of any common trust fund created by the corporate Trustee or any other bank. The bank shall not receive more than reasonable compensation for its services in operating and administering the common trust funds.

2.5 Prohibited Transactions by Trustee. A fiduciary under this Plan and Trust shall not:

(a) Deal with the assets of the Plan for its own account;

(b) Act in any capacity in any transaction involving the Plan on behalf of a party whose interests are adverse to the Plan or

its Participants; or

(c) Receive any consideration from any party in connection with any transaction involving Plan assets (other than for its compensation and expenses as provided for herein).

2.6 Party in Interest and Disqualified Person Transactions. A fiduciary of the Plan shall not cause the Plan to engage in a transaction, if he knows or should know that such transaction constitutes a direct or indirect:

(a) Sale, exchange or lease of property between the Plan and a party in interest;

(b) Loan or extension of credit between the Plan and a party in interest;

(c) Furnishing of goods, services or facilities between the Plan and a party in interest;

(d) Transfer to, or use by or for the benefit of, a party in interest of any assets of the Plan, or from the Plan; or

(e) An acquisition of Employer securities or real estate in violation of Section 407(a) of the Employee Retirement Income Security Act of 1974.

Nothing in this paragraph shall restrict the Trustee in investing funds in common trust funds maintained by it or from maintaining demand, savings or time deposits in its commercial banking department or from providing other ancillary services as defined in Section 408(b)(6) of the Employee Retirement Income Security Act of 1974.

Nor shall the Trustee be prevented from borrowing funds from its commercial department for the purposes of covering overdrafts in its demand account or to permit payments to Participants without the necessity for immediate liquidation of assets.

2.7 Intent of Trust. The provisions of this Trust are intended to comply with the

fiduciary responsibility requirements of the Employee Retirement

Income Security Act of 1974 and no provision herein shall be construed

to authorize the Trustee to violate any of the fiduciary

responsibility or prohibited transaction provisions of that Act.

Any provision herein which is contrary to the provisions of that

Act shall be considered not

written and any provision required to
be written into the Plan and Trust by that Act which is not expressly
provided for in this instrument is hereby incorporated herein
by reference and shall be just as binding upon the Trustee
as if it were expressly written herein. In order that this Plan
and Trust may expressly comply with that Act, it may be
amended retroactively.

TRUST SECTION 3

SPENDTHRIFT CLAUSE

3.1 Restrictions on Alienation. No benefit or interest available hereunder will be subject to alienation or assignment, either voluntary or involuntary, and the interest of each Participant or beneficiary shall be held subject to the maximum restraint on alienation permitted or required by applicable

Mississippi or Federal law.

3.2 Qualified Domestic Relations Order. Section 3.1 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 Section 414(p) of the Code.

TRUST SECTION 4

AMENDMENT AND TERMINATION OF TRUST

4.1 Amendment.

The Employer shall have the right at any time, and from time to time, to amend, in whole or in part, any or all of the provisions of this Trust. However, no such amendment shall authorize or permit any part of the Trust Fund (other than such part as is required to pay taxes and administration expenses) to be used for or diverted to purposes other than for the exclusive benefit of the Participants and their beneficiaries or estates. Any such amendment shall become effective upon the adoption thereof by appropriate written instrument executed by order of the Board of Directors or upon such later date as may be specified in such instrument provided that any amendment affecting the powers and duties of the Trustee shall not be effective until the date it is accepted in writing by the Trustee.

4.2 Termination; Discontinuance of Contributions. The Employer shall have the right at any time to terminate the Trust hereby created. Such termination shall be effective upon execution by the Employer of an appropriate instrument terminating the Plan and Trust as authorized by the Board of Directors or upon such later date as may be specified in such instrument. A copy of such instrument shall be delivered to the Trustee.

Upon termination or partial termination of the Trust by any method, the Plan Administrator shall direct the Trustee to distribute all assets remaining in the Plan to Participants, their beneficiaries or estates in the ratio of the Participants' Account balances in the Plan.

THUS DONE AND SIGNED on the day first above shown, in the presence
of the undersigned competent witnesses, who hereunto sign their names
with the said appearers and me, Notary after reading of the whole.

WITNESSES:	CENTURY TELEPHONE ENTERPRISES, INC.
/S/ Merrie D. Rachal	/S/ R. Stewart Ewing, Jr.
_____	By: _____
	R. Stewart Ewing, Jr.,
/S/ Carol P. Caruso	Senior Vice-President and
_____	Chief Financial Officer
/S/ G. Robert Collier	

NOTARY PUBLIC	

EXHIBIT 11
CENTURY TELEPHONE ENTERPRISES, INC.

COMPUTATIONS OF EARNINGS PER SHARE
(UNAUDITED)

Three months
ended March 31

1995 1994

(Dollars, except per share amounts, and shares expressed in thousands)

Net income	\$27,000	19,201
Dividends applicable to preferred stock	(29)	(13)
	-----	-----
Net income applicable to common stock	26,971	19,188
Dividends applicable to preferred stock	29	13
Interest on 6% convertible debentures, net of taxes	526	1,146
	-----	-----
Net income as adjusted for purposes of computing fully diluted earnings per share	\$27,526	20,347
	=====	=====
Weighted average number of shares:		
Outstanding during period	55,922	52,296
Common stock equivalent shares	655	521
Employee Stock Ownership Plan shares not committed to be released	(393)	-
	-----	-----
Number of shares for computing primary earnings per share	56,184	52,817
Incremental common shares attributable to additional dilutive effect of convertible securities	2,476	4,661
	-----	-----
Number of shares as adjusted for purposes of computing fully diluted earnings per share	58,660	57,478
	=====	=====
Earnings per average common share	\$.48	.37
	=====	=====
Primary earnings per share	\$.48	.36
	=====	=====
Fully diluted earnings per share	\$.47	.35
	=====	=====

ARTICLE 5

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE UNAUDITED CONSOLIDATED BALANCE SHEET OF CENTURY TELEPHONE ENTERPRISES, INC. & SUBSIDIARIES AS OF MARCH 31, 1995 & THE RELATED UNAUDITED CONSOLIDATED STATEMENTS OF INCOME, STOCKHOLDERS' EQUITY & CASH FLOWS FOR THE THREE-MONTH PERIOD THEN ENDED & IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

MULTIPLIER: 1000

PERIOD TYPE	3 MOS
FISCAL YEAR END	DEC 31 1995
PERIOD START	JAN 01 1995
PERIOD END	MAR 31 1995
CASH	10,599
SECURITIES	0
RECEIVABLES	41,383
ALLOWANCES	2,216
INVENTORY	6,363
CURRENT ASSETS	78,490
PP&E	1,379,260
DEPRECIATION	394,363
TOTAL ASSETS	1,692,151
CURRENT LIABILITIES	284,205
BONDS	427,022
COMMON	58,318
PREFERRED MANDATORY	0
PREFERRED	2,268
OTHER SE	728,462
TOTAL LIABILITY AND EQUITY	1,692,151
SALES	0
TOTAL REVENUES	142,425
CGS	0
TOTAL COSTS	94,869
OTHER EXPENSES	0
LOSS PROVISION	0
INTEREST EXPENSE	11,396
INCOME PRETAX	45,695
INCOME TAX	18,695
INCOME CONTINUING	27,000
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	27,000
EPS PRIMARY	0.48
EPS DILUTED	0.47

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