

# Atlantic Housing Foundation, Inc 401(k) Plan Summary Plan Description

## INTRODUCTION

Sooner or later, you're going to need savings to supplement your retirement income. Achieving financial security for your future is not just a matter of how much you earn, but more importantly, it's a matter of how much you save.

By saving regularly through your Company's 401(k) savings Plan, even if only a few dollars each payday, you can accumulate more money in a few years than you would think possible. It is one of the surest ways to give yourself a head start on developing financial security.

Atlantic Housing Foundation, Inc wants to help you meet your financial goals with this Plan. Your savings grow faster with tax-deferred dollars, Company contributions (if any), and investment opportunities. Set your goals high and join the Plan.

This booklet describes the major features of the Atlantic Housing Foundation, Inc 401(k) Plan effective as of August 01, 2019. Read this booklet carefully and think about it. The question should not be whether you should join, but how little or how much you should invest for your financial security.

Copies of the Plan and certain related documents are available for your review in the offices of the Company. **IF THERE ARE ANY DIFFERENCES BETWEEN THIS DESCRIPTION AND THE TERMS OF THE PLAN DOCUMENT, THE TERMS OF THE PLAN DOCUMENT WILL GOVERN.** Likewise, any oral information provided to you regarding the terms of the Plan is not binding on the Plan or the Plan's administrator to the extent it conflicts with the terms of the Plan document.

## **WHO IS ELIGIBLE TO PARTICIPATE IN THE PLAN?**

All employees of Atlantic Housing Foundation, Inc and any participating Affiliates, if applicable except Resident Coordinators and MAD employees are eligible to participate in the Plan upon completing the Plan's eligibility requirements.

## **WHAT ARE THE PLAN'S ELIGIBILITY REQUIREMENTS?**

In order to participate in the Plan you must have completed 2 Months of Service. You will receive credit for one Month of Service for each month in which you complete one Hour of Service. An Hour of Service is any hour for which you are paid or are entitled to payment. If you are absent from employment with the Employer because of qualified military service, your military service will count as service for purposes of meeting the Plan's eligibility requirements.

If you terminate employment after becoming a participant in the Plan, or after satisfying the Plan's eligibility requirements but before actually becoming a participant, and are later rehired as an eligible employee, you will become a participant in the Plan on the next Entry Date following your rehire. If you terminate employment before satisfying the Plan's eligibility requirements and are later rehired, you must satisfy the Plan's eligibility requirements before you may participate in the Plan.

## **WHEN DOES PLAN PARTICIPATION BEGIN?**

You will become a participant on the first day of the month following the completion of the eligibility requirements.

## **HOW DOES THE PLAN WORK?**

The basic operation of the Plan is simple:

You may elect to defer a percentage of your eligible pay every pay period. This contribution is known as your Elective Deferrals. In order to make Elective Deferrals, you must complete an Enrollment Form and return it to the Company prior to the date established by the administrator at your Company, or enroll through the ADP Voice Response System or the Participant Website. You should consult the administrator at your Company to learn which enrollment methods are available for your Company. Your Elective Deferrals will then begin in the first payroll cycle of the following month.

For purposes of the Plan, eligible earnings is defined as compensation as reflected on your Form W-2 including your Elective Deferrals and any other contributions you may have made to a "Section 125" cafeteria plan, and any qualified transportation fringe benefits under Section 132(f)(4) of the Internal Revenue Code (the "Code"), but excluding overtime, bonuses, commissions, severance pay, dependent care, company car expenses, employee business expenses, moving expenses, nonqualified plan distributions and other noncash fringe benefits. If you are self-employed, your eligible earnings will be your Earned Income. For purposes of determining benefits under the Plan, eligible earnings also will include payments made within the later of 2-1/2 months after you sever from

employment (as defined under Section 401(k) of the Code) and the end of the Plan Year or Limitation Year (whichever is applicable) that includes your severance date, if they are (1) payments that, absent a severance from employment, would have been paid to you while you continued in employment with the Company and are regular compensation for services during or outside your regular working hours, commissions, bonuses, or other similar compensation; (2) payments for accrued sick, vacation or other leave (but only if you would have been able to use the leave if your employment continued); or (3) payments you receive under a nonqualified deferred compensation plan (but only if the payments are taxable and would have been paid to you if your employment had continued). If the Company makes “differential wage payments” (defined below) to employees who are on active military duty for a period of more than 30 days, those payments also will be included in eligible earnings. “Differential wage payments” are any payments made by an employer to an individual for any period during which the individual is performing service in the uniformed services while on active duty for a period of more than 30 days and which represents all or a portion of the wages he or she would have received from the employer if the individual were performing services for the employer. Please note that the inclusion in eligible earnings of any post-termination amounts (including differential wage payments) described in this paragraph is subject to the exclusions from eligible earnings elected by the Company, if any, described earlier in this Section.

The amount of your Elective Deferrals and any additional Company contributions are invested as you direct in accordance with the investment options provided in the Plan. These contributions and any accumulated investment earnings on all contributions will be tax-deferred until you receive a distribution.

The Plan has several features that allow you to tailor it to your own personal needs. You decide whether or not you want to make Elective Deferrals from 1% to 90% of your eligible earnings. You decide how all contributions attributable to your total Account Balance are to be invested. You also have the right to change these decisions (see Question “What Happens if I Change my Mind?”).

## **WHAT CONTRIBUTIONS ARE MADE TO THE PLAN?**

- **ELECTIVE DEFERRALS**

Your Elective Deferrals to the Plan are made from your eligible earnings before taxes are taken out. You may contribute from 1% to 90% (in whole percentages) of your eligible earnings.

- **MATCHING CONTRIBUTIONS**

The Company will make a Matching Contribution equal to 100.0% of your Elective Deferrals. The Company will not match Elective Deferrals that exceed 4.0% of your eligible earnings. For example, if you contribute 4.0% of your eligible earnings to the Plan as an Elective Deferral, the Company will contribute 100.0% of your Elective Deferral or 4% of your eligible earnings.

Assume instead that you contribute 5% of your eligible earnings to the Plan as an Elective

Deferral. In this case, the Company will make a Matching Contribution equal to 100.0% of your Elective Deferral but will not match the portion of your Elective Deferral that exceeds 4.0% of your eligible earnings, and your total Matching Contribution will still be 4% of your eligible earnings.

You must make Elective Deferrals in order to receive the Matching Contribution. The Matching Contribution is made each pay period that your Elective Deferrals are made and is calculated based on your eligible earnings for that pay period. Once your Elective Deferrals stop, the Matching Contribution also stops.

### **ARE THERE ANY LIMITATIONS TO THE AMOUNT I CAN CONTRIBUTE?**

Ordinarily, the Internal Revenue Service requires retirement plans that permit employees to defer taxes by making elective contributions to satisfy certain complex tests. Depending on the results of these tests, restrictions on contributions for certain higher paid employees may be necessary.

Congress also limits the annual dollar amount of Elective Deferrals that you can contribute to your account. For 2019, the limit is \$19,000. After 2019, this limit will be adjusted for inflation.

Congress also limits the annual eligible earnings to be considered for purposes of qualified plan contributions and testing. For 2019, this limit is \$280,000. This limit may also be increased periodically to reflect cost-of-living increases.

Finally, Congress limits the total amount of “annual additions” (contributions made to the Plan by you or by the Company on your behalf) allocated to your account each year. For 2019, this limit is the lesser of 100% of your eligible earnings (without regard to any exclusions from eligible earnings that your employer may have elected under the Plan) or \$56,000.

### **DOES THE PLAN ALLOW “CATCH-UP” CONTRIBUTIONS?**

While there are limitations to the amount of Elective Deferrals you can contribute, you will be permitted to exceed those limits if you are eligible to make a “catch-up” contribution. Catch-up contributions are contributions that exceed either a statutory limit (such as the annual limit described above on the annual dollar amount of Elective Deferrals you can contribute to your account - \$19,000 for 2019), your Plan’s limit on the amount of Elective Deferrals you can contribute to your account, or any restrictions on contributions for certain higher paid employees that may be necessary as a result of certain tests.

If you are eligible to participate in the Plan and are projected to reach age 50 during a calendar year, you will be eligible to make a catch-up contribution at any time during that calendar year – you do not need to wait until your birthday. (There are special eligibility rules for collectively bargained (union) employees, however, that may delay the availability of catch-up contributions for these employees. If you are a union employee, you should confirm with your Plan’s administrator when you will be eligible to make catch-up contributions to the Plan.)

If you are eligible to make catch-up contributions, you should contact your Plan’s administrator to learn whether you need to take any special steps to make catch-up contributions under your Plan. If

you wish to arrange to make catch-up contributions in excess of your Plan's limit on contributions, you will not be able to do so through either the ADP Voice Response System or the Participant Website; instead, you will have to arrange this through your Plan's administrator.

For 2019, the limit on catch-up contributions is \$6,000. After 2019, this limit will be adjusted for inflation.

## **WHAT DOES VESTING MEAN?**

Vesting is your right to the contributions in your total Account Balance. In other words, to be vested refers to that portion of your Account Balance that is yours and which cannot be forfeited. Upon termination of Employment, you are entitled to the entire vested portion of your Account Balance.

You are always 100% fully vested in your Elective Deferral , Rollover (if any) Contribution Accounts.

In some circumstances, the Company may need to make special contributions on your behalf called Qualified Matching Contributions or Qualified Nonelective Contributions. If made, you are always 100% vested in these contribution accounts.

If you terminate Employment due to death, Disability (defined later in this booklet) or attainment of age 65, the Plan's Normal Retirement Age, you will also be 100% fully vested in your total Account Balance.

If you leave the Company for any other reason, you will be vested in your Matching Contributions Account according to the following schedule:

<b><u>Years of Service</u></b>	<b><u>Vested %</u></b>
Less than 1 year	0%
At least 1 year, but less than 2	20%
At least 2 years, but less than 3	60%
3 Years or more	100%

Your Years of Service for vesting are counted from the Effective Date of the Plan, or your date of hire, if your date of hire is *after* the Effective Date of the Plan. For vesting, you will be credited with a Year of Service for each 12 month period beginning on either the Effective Date of the Plan, or your hire date, whichever is later, and ending on your last day of Employment with the Company and its affiliated companies, if any.

If you terminate employment and are rehired within the next 12 months, your period of absence will be included in determining your service for vesting purposes. If you are temporarily absent from service for a reason other than termination of employment, a period of up to 12 months will be counted in determining your service for vesting purposes. If you are absent from service for a reason other than termination, subsequently terminate and are then rehired within 12 months of your

termination date, the period from your termination to the date you are rehired will count as vesting service. If you are in qualified military service, that military service will be considered service for vesting purposes to the extent required by federal law.

You will not be credited with vesting service during a Period of Severance. A Period of Severance usually occurs because you have terminated employment. If your employment is terminated and you are not rehired within the 12 consecutive months beginning on your date of termination, you will incur a 1-year Period of Severance. Each 12 consecutive months thereafter is considered another 1-year Period of Severance. If you are on a leave of absence for maternity or paternity reasons, you will not be considered to have begun a Period of Severance until the second anniversary of the first date of your leave if you have not returned to employment. The first 12 months of a maternity/paternity leave count as vesting service. The next 12 months neither count as service toward vesting nor as a Period of Severance.

If you terminate employment and are later rehired, your pre-termination service, including partial years, will always count in determining your vesting in any Employer contributions made on your behalf after you are rehired. However, if you are rehired after a five-year Period of Severance, your service after you are rehired will not count in determining your vesting in the Employer contributions that were made on your behalf before you first terminated.

#### **CAN I FORFEIT ANY PORTION OF MY ACCOUNT?**

If you terminate employment before becoming 100% vested in your account balance but do not take a distribution from the Plan, the non-vested portion of your account balance will be forfeited as of the date you have a five-year Period of Severance.

If you terminate employment before becoming 100% vested in your account balance and receive a distribution of the vested portion of your account, the non-vested portion of your account will be forfeited when you take your distribution. (Participants who terminate employment with a 0% vested percentage are deemed to take a distribution when they terminate.) If you are rehired as an employee eligible to participate in the Plan, however, the forfeited amount will be restored to your account if you repay the entire amount previously distributed to you within five years of your reemployment or, if earlier, before you incur a five-year Period of Severance. If you do not repay the distribution - or if you are rehired after you have incurred a five-year Period of Severance, the forfeited portion of your account balance will remain forfeited and will not be restored. You should consult with your Plan's administrator if you are rehired and interested in repaying the portion of your account balance previously distributed to you.

#### **WHAT HAPPENS IF I BECOME PERMANENTLY DISABLED?**

If you become Disabled under the Plan while you were employed by the Employer, you become 100% vested in all your total Account Balance. You are considered to have a Disability when you become eligible for disability benefits under the Social Security Act.

#### **HOW ARE CONTRIBUTIONS INVESTED?**

Amounts contributed to the Plan are held in a trust created under the Plan. Contributions allocated to your account are invested according to your direction. Each of the investment funds that are offered has different investment objectives. The Administrative Committee has provided you with a description of each of these investment funds. Contact the Administrative Committee if you have questions regarding the different investments offered in the Plan.

### **WHAT HAPPENS IF I CHANGE MY MIND?**

At any time, you can request that changes be made to your Elective Deferrals. The following requests for changes to Elective Deferrals made by 4:00 p.m. ET on a business day will be effective as of the next available payroll after your request is received:

- Increase or decrease the amount of your contribution;
- Suspend your contributions by changing your contributions to 0%; or
- Resume your contributions after you suspended your Elective Deferrals.

The following requests for changes that are received by 4:00 p.m. ET on a business day will be in effect the next business day:

- The investment of your future contributions; or
- Reallocate/transfer your current Account Balance.

### **WILL I RECEIVE A STATEMENT OF MY ACCOUNT?**

You will receive a quarterly statement that shows the activity in your account for the calendar quarter, including contributions and investment earnings.

### **HOW IS THE VALUE OF MY ACCOUNT DETERMINED?**

The value of your Account Balance can change depending on several factors, which include:

- (a) Contributions that are made to the account;
- (b) Increases or decreases in the market value of investments;
- (c) Cost of investment management expenses, transactional costs and service charges (contact the administrator at the Company for information on these expenses, transactional costs and service charges, if any) ; and
- (d) Loans and loan repayments.

All investments involve some risk. Thus, the value of the different investments may go down as well

as up and the value of your account will vary accordingly. The statement of your account will reflect all transactions affecting the value of your account.

## **WHEN CAN I RECEIVE PLAN BENEFITS?**

Benefits are payable to you after you leave the Company for any reason (retirement, termination, Disability or death):

- If you leave the Company, you can receive your vested benefit in a single lump sum payment or have the payment paid as a "direct rollover" to an individual retirement account or individual retirement annuity (an "IRA") or to another employer's tax qualified plan. If you are eligible to establish a Roth IRA, you also may elect a direct rollover of your vested benefit to a Roth IRA.
- If you leave the Company, and the value of your vested account balance (minus any rollover contribution account but including any outstanding loan balance ) is \$5,000 or less on the applicable Valuation Date as provided under the Plan, the Company can cash your entire vested account balance out of the Plan

Under your Plan, if you are determined to be a cashout-eligible participant as described in the preceding sentence, your entire vested account balance (excluding any outstanding loan) is greater than \$1,000, and you have not elected to (a) receive your vested benefit in the form of a single lump sum payment, or (b) have the payment paid as a "direct rollover" to an IRA or to another employer's tax qualified plan, it will automatically be rolled over to an IRA established by an IRA provider selected by the Company.

If your account balance is automatically rolled over to an IRA, the IRA provider selected by your Company will establish an IRA for your benefit and the amount rolled over will be invested in an investment product designed to preserve principal and provide a reasonable rate of return and liquidity. Fees for the IRA will be charged against the IRA unless, if permitted by the IRA provider, you contact the IRA provider and request to make payment of the fees out-of-pocket. You may also contact the IRA provider at any time to request a distribution or rollover of your IRA balance.

Contact the Administrative Committee for further information regarding the Plan's procedures with regard to the automatic rollover process, the IRA provider that the Company has selected to hold automatic rollover IRAs for the Plan, and the IRA investment vehicle, as well as fees and interest rate earned on the account. The name, address, and telephone number of the Administrative Committee may be found in the Miscellaneous Items Section at the back of this Summary Plan Description.

- If your Account Balance (excluding any rollover contribution account but including any outstanding loan balance account ) is greater than \$5,000 as of the applicable Valuation Date as provided under the Plan, in addition to either a lump sum or direct rollover, you may choose to receive installments, request a partial withdrawal, or defer receiving payments until

age 70½. If you choose to defer payments, your account will continue to be invested the way you direct and will be adjusted for any gains or losses which occur. If you elect a partial withdrawal, you may elect to limit the source of your partial withdrawal to your (i) Rollover Contribution Account .

- In the event of your death before termination of Employment and before distribution of your benefits has begun, you will be 100% vested. Upon your death, your vested Account Balance will be payable in a single lump sum to your beneficiary. If your beneficiary is your surviving spouse, he or she may elect to roll over a lump sum distribution to another qualified plan or IRA. A non-spouse beneficiary may elect a direct rollover of a lump sum distribution to an IRA in accordance with and to the extent permitted under guidance issued by the Internal Revenue Service. Beneficiaries eligible to establish a Roth IRA may also elect a direct rollover of a lump sum distribution to a Roth IRA, in accordance with and to the extent permitted under guidance issued by the Internal Revenue Service. The Plan's administrator is not responsible for determining eligibility to elect a direct rollover to a Roth IRA. Please see the section of this SPD entitled "How Are My Distributions From the Plan Taxed" for further important information about direct rollovers to a Roth IRA of a lump sum distribution. If you are not married, you may name anyone as your beneficiary, or change your beneficiary at any time on a form provided for that purpose. If you are married, you must name your spouse as beneficiary unless your spouse consents to the selection of someone else. Unless otherwise elected, the beneficiary will be your spouse or, if you have no surviving spouse, your descendants, or if you have no surviving descendants, your beneficiary will be your estate.
- If you continue working for the Company after age 70½ and you are a more than 5% owner, you must begin to receive your benefits by April 1 following the year in which you reach age 70½, even if you are still employed at the time. If you are not a 5% owner, you must begin to receive your benefits by April 1 following the later of the year in which you reach age 70½ or terminate Employment.

## **HOW ARE MY DISTRIBUTIONS FROM THE PLAN TAXED?**

Distributions from this Plan that are received by you or your beneficiary are subject to current income taxes. However, under certain circumstances, such as a distribution to your spouse as your beneficiary, the income taxes on Plan distributions may be postponed or reduced. You will receive additional information about distributions from the Plan at the time you or your beneficiary is entitled to receive a benefit.

Distribution rules provide that any part of a distribution (including after-tax contributions) from a qualified plan (such as this Plan) can be rolled over to an eligible retirement plan. "Eligible retirement plans" to which a distribution may be rolled over include another employer's tax-qualified retirement plan; a §403(a) qualified annuity plan; a governmental §457 plan; a §403(b) tax-sheltered annuity; or an IRA. It is your responsibility to confirm that the plan to which you intend to roll over your distribution will accept the rollover from this Plan. Certain types of distributions are not eligible to be rolled over. These include distributions that are one of a series of substantially equal payments made over the life (or joint life expectancies) of the participant and his or her beneficiary, or over a

specified period of 10 years or more, hardship withdrawals or a minimum required distribution under the Internal Revenue Code.

You are permitted to elect to have any distribution that is eligible for rollover treatment transferred directly to an eligible retirement plan (a “direct rollover” or “direct transfer”). You will receive a written explanation of your distribution options within a reasonable period of time before receiving a distribution that is eligible to be rolled over.

If you elect to have your benefit transferred as a direct rollover to an eligible retirement plan, then you must provide the administrator at your Company, in a timely manner, with information regarding the transferee plan. The administrator at your Company is entitled to reasonably rely on the information that you provide to him or her, and will not independently verify it.

Federal income tax withholding at a rate of 20% is required on any taxable distribution that is eligible to be rolled over but is not transferred directly to an eligible retirement plan. You cannot elect to forego withholding on these distributions. The only exception to this requirement is if your vested benefit is less than \$200. Such amounts may also be subject to a 10% penalty tax if they are distributed before you attain age 59-1/2, but this amount is not withheld from a distribution. Mandatory 20% federal income tax withholding also applies to any eligible rollover distribution to your surviving spouse or non-spouse beneficiary that is not directly rolled over.

If you elect a direct rollover of your benefit to a traditional IRA, your direct rollover will not be subject to federal income tax withholding at the time of the transfer.

If you wish to elect a direct rollover of your benefit to a Roth IRA, please note that any such direct rollover to a Roth IRA must be included in gross income, but is not subject to 10% excise tax for premature distributions. If a participant, beneficiary or alternate payee elects a direct rollover of a distribution to a Roth IRA, no amount will be withheld from the direct rollover for federal income tax purposes. ***CAUTION: This means that a participant, beneficiary, or alternate payee making this election will be responsible for making sure he/she is able to pay the full amount of all required income taxes in connection with such a direct rollover. For this reason, participants, beneficiaries and alternate payees considering a direct rollover to a Roth IRA are strongly encouraged to consult their tax advisor before making this election.*** If this Plan generally permits distribution and in-service withdrawal elections to be made on-line, please note that you may need to complete a paper form to make this particular election. Please contact your Plan’s administrator for further information.

**You may want to consult with a professional tax advisor before you take a distribution of your benefits from the Plan.** You may want to discuss other alternative methods available to you to defer the payment of taxes as well as applicable federal, state and/or local tax rules that may affect your distribution.

## **MAY I WITHDRAW FUNDS WHILE STILL EMPLOYED?**

You may withdraw all or part of your vested Account Balance once you reach age 59½ to the extent the amount in the Sub-account is otherwise distributable. You may also withdraw any or part of your

Rollover Contributions Account to the extent the amount in the Sub-account is otherwise distributable in the Plan, at any time and at any age.

In the event of a financial hardship you may withdraw your own Elective Deferrals (excluding earnings on your Elective Deferrals) as well as any vested Matching Contributions.

To make a hardship withdrawal under current Internal Revenue Service rules, you must be able to show that you are suffering an immediate and heavy financial hardship and that the money cannot be obtained from any other source. You must take any non-hardship in-service withdrawals that may be available to you under the Plan before you may obtain a hardship withdrawal. You also must first obtain the maximum available loan under the Plan. You will not be required to take the maximum available loan before receiving a hardship withdrawal to the extent that repaying the loan would increase the amount of your hardship. If you either do not take a loan or take a loan of less than the maximum available amount before requesting a hardship withdrawal, you must certify to your Plan's administrator in writing that repaying the maximum available loan amount would increase the amount of your hardship. You will need to contact your Plan's administrator if you need to provide this certification.

Circumstances that qualify as an immediate and heavy financial hardship are:

- (a) Expenses for medical care (described in Section 213(d) of the Internal Revenue Code) previously incurred by you, your spouse, your dependent or your primary beneficiary under the Plan or necessary for you, your spouse, dependent or your primary beneficiary under the Plan to obtain medical care;
- (b) Costs directly related to the purchase of your principal residence (excluding mortgage payments);
- (c) Tuition, related educational fees, and room and board expenses for the next twelve (12) months of post-secondary education for yourself, your spouse or dependent or your primary beneficiary under the Plan;
- (d) Amounts necessary to prevent your eviction from your principal residence or foreclosure on the mortgage of your principal residence;
- (e) Payments for burial or funeral expenses for your deceased parent, spouse, children or other dependents or your primary beneficiary under the Plan; or
- (f) Expenses for the repair of damage to your principal residence that would qualify for the casualty deduction under the Internal Revenue Code (determined without regard to whether the loss exceeds 10% of adjusted gross income).

For this purpose, a "primary beneficiary under the Plan" is an individual who is named as your beneficiary under the Plan and has an unconditional right to all or a portion of your account balance if you die. In addition, the amount of your hardship withdrawal must be no more than the amount necessary to satisfy your immediate and heavy financial need, plus any income taxes or penalties

which are expected to result from the distribution. The minimum permitted hardship withdrawal is \$500.

As previously explained, a hardship withdrawal is not considered to be an eligible rollover distribution by the IRS. The hardship withdrawal may be subject to a 10% excise tax imposed by the IRS. You will be suspended from making elective contributions for 6 months after you receive a hardship withdrawal that includes Elective Deferrals.

If you are a qualified member of the reserves, you also may be eligible to request a qualified reservist distribution. A qualified reservist distribution is an exception to Plan restrictions on withdrawal of elective deferrals. Further, the extra 10% tax on a payout before age 59½ does not apply to a qualified reservist distribution. A qualified reservist distribution from the Plan is:

- attributable to Pre-Tax Elective Deferrals,
- available to a person who because he or she is a member of a reserve component was ordered or called to active duty for more than 179 days (or for an indefinite period), and
- made during the period that began or begins on the date of the order or call to duty and ended or ends at the close of the active-duty period.

A person who receives or received a qualified reservist distribution may, during the two-year period that begins on the day after the end of his or her active-duty period, contribute to an IRA an amount up to the amount of the qualified reservist distribution. Although the limits on IRA contributions don't apply to this special contribution, no deduction is allowed for it. This provision applies to a person ordered or called to active duty after September 11, 2001 and applies to a distribution after September 11, 2001.

## **HOW DO LOANS WORK?**

Loans will be made on a uniform and non-discriminatory basis. Sole proprietors, partners and certain shareholder/employees that were excluded from taking a plan loan under prior law prior to 2002 are eligible to take a loan from the Plan.

The minimum loan is \$500. You can borrow up to 50% of your vested Account Balance to a maximum of \$50,000. However, the \$50,000 amount in the preceding sentence is reduced by the highest outstanding loan balance you had under the Plan during the previous one-year period.

Loans must be fully repaid through payroll deductions within 5 years unless the loan is used for the purchase of your primary residence. Loans used to purchase your primary residence may be repaid within a period of no more than 30 years. You have to repay any outstanding loan before a new loan can be made. You may prepay an outstanding loan in full, by certified check, at any time.

The interest rate for a loan will be the rate in effect in the month your loan is effective. The interest

rate is the prime rate as published in The Wall Street Journal on the 14th of each month, plus two percentage points. This interest rate is effective for any loan processed as of the 16th day of the month.

When you take a loan from the Plan, your repayment of the loan is secured by your Account Balance. If you terminate Employment, any remaining payments are due immediately unless you are a party in interest. If you qualify as a party in interest you may continue to repay your loan after termination of Employment. If you do not repay the loan, the outstanding loan balance will be included in your gross income for federal income tax purposes as if it were distributed to you. If you die with an outstanding loan balance, your death will cause your loan to be in default, and your outstanding loan balance will be regarded as if it were distributed to you.

If you enter into a period of military leave, your loan repayments will be suspended for the duration of your leave. If you enter into a leave of absence without pay, or at a rate of pay (after employment and income tax withholding) that is less than your required loan installments, your loan repayment obligation will be suspended for up to one year (or until the date your final loan payment is due, if earlier). If you do not resume repayments within any administrative grace period provided under the ADP Prototype Program after you return from a leave of absence (or when the suspension of your repayment obligation ends, if earlier, as explained in this paragraph), your loan will be in default and will be included in your gross income for federal income tax purposes as if it were distributed to you.

**IF I RECEIVED A DISTRIBUTION FROM ANOTHER ELIGIBLE RETIREMENT PLAN, MAY I CONTRIBUTE THAT AMOUNT TO THE PLAN?**

Yes. You may make a Rollover Contribution of benefits, in cash (exclusive of any outstanding notes on plan loans), from an “eligible retirement plan” to this Plan. You may not make a Rollover Contribution to the Plan that includes any voluntary nondeductible, i.e., “after-tax” contributions.

You may make a Rollover Contribution to this Plan from the following types of eligible retirement plans:

- a traditional IRA (rollovers from IRAs are limited to taxable distributions, i.e., your non-taxable IRA contributions plus earnings on any of your IRA contributions whether taxable or not);
- a SIMPLE IRA (as long as the SIMPLE IRA has been in existence for at least two years at the time of the distribution);
- an employer’s qualified plan;
- a §403(a) qualified annuity plan;
- a governmental §457 plan; or
- a §403(b) tax-sheltered annuity.

You may request a direct transfer of your account in an eligible retirement plan or you may be able to

roll over a distribution which was tax deferred (i.e., does not include any “after-tax” contributions), but with respect to a rollover you must do so within 60 days of receiving a distribution from the other plan.

## **WHAT ARE THE TOP-HEAVY PROVISIONS?**

A top-heavy plan is a plan in which more than 60% of the combined Account Balances held under the Plan belong to "key employees". Key employees are generally officers, shareholders, and owners who earn above a certain compensation level and/or own more than a specified interest in the Company. If the Plan becomes top-heavy under applicable Internal Revenue Service rules, the Plan would be required to provide for minimum contributions and top-heavy vesting. The minimum contribution is generally a contribution by the Company allocated to all non-Key Employees who are eligible Participants employed on the last day of the Plan Year equal to 3% of their eligible earnings (without regard to any exclusions from eligible earnings that your employer may have elected under the Plan) unless all key employees receive a contribution of less than 3% of their eligible earnings. The amount you contribute to the Plan as an Elective Deferral is not included in calculating the 3% minimum contribution which may be required but is included in determining the contribution made on behalf of key employees. The 3% allocation will be made under this Plan or may be made under another defined contribution plan if the Company maintains one. Please note that if the Company maintains a defined benefit plan in which a participant also participates in addition to this Plan, the minimum contribution is 5%. In this case, the minimum contribution will be satisfied by providing for an accrued benefit under the defined benefit plan or by making the 5% contribution either to this Plan or to another defined contribution plan maintained by the Company. For more information on how a top-heavy contribution, if any, will be satisfied under the Plan, please contact the Plan's administrator.

## **WHAT ADMINISTRATIVE FEES MAY BE CHARGED TO YOUR PLAN ACCOUNT, AND HOW ARE THEY ASSESSED?**

Plan administrative services, such as legal, consulting, audit, accounting, trustee, and recordkeeping services, may be required to administer our Plan. The cost for these services may be paid by the Company or from the Plan, or both. The actual fees deducted from your Account, if any, will be reflected on your quarterly account statement and on the Plan's Participant Website. For information about Plan administrative expenses and how they may be assessed, please refer to the “Plan Administrative Expenses” section of the Participant Fee Disclosure Statement, which is provided to you separately and incorporated herein by reference.

Administrative fees for certain services or transactions you request may be charged directly to your Account. For information about these charges, please refer to the “Individual Expenses” section of the Participant Fee Disclosure Statement, which is provided to you separately and incorporated herein by reference. If you request or receive a distribution of all or a portion of your Account Balance (whether in-service or following the date you leave the Company) or a plan loan, administrative fees for the processing of these transactions that are charged directly against your Account will be taken pro-rata from all of the mutual funds and collective investment funds in which your Account Balance is invested at the time the fees are taken from your account. The fees will not reduce the proceeds of the transaction requested (other than upon a complete distribution of your Account Balance).

## **WHAT FEES ARE CHARGED BY THE INVESTMENT FUNDS HELD IN YOUR ACCOUNT?**

The investments in the Plan do not charge you commissions or sales loads for purchasing shares or investment units with your Plan account. Many of the investment funds available under the Plan do, however, pay fees and incur expenses that will most likely have an impact on your account balance. These investment fees and other expenses may reduce the returns generated by investment funds in which you invest. For example, investment options (such as mutual funds) pay an investment manager a fee for the management of the fund. In addition, some of the investment options pay “asset-based” fees (that is, fees based on the total assets invested in the fund) to various service providers, which may include the Plan’s recordkeeper, for other investment and administrative services provided to the investment fund. In addition, certain funds may assess shareholder-type charges, such as a redemption fee when shares are sold, if they are not held for a minimum specified period). For more information about the fees charged or paid by various investment options, please review the investment fund prospectus, or if the investment option does not have a prospectus, the information provided to you about the option, such as a Fund Fact Sheet. These documents, and other information about these fees, can be found on the Participant Website or by contacting your Plan administrator. Information about investment fund expenses and shareholder-type charges may also be found in the “Comparative Chart” section of the Participant Fee Disclosure Statement, which is provided to you separately and incorporated herein by reference.

## **ADDITIONAL ITEMS**

### **A. BENEFIT CLAIMS PROCEDURES**

Under the Plan, you generally will receive your benefit as a matter of course. However, in certain cases, you or your beneficiary may wish to request Plan benefits that you believe you are entitled to (all references herein to “you” shall include your beneficiaries). Any such request must be made by you or your authorized representative in writing, and it should be filed with the Administrative Committee. If you or your authorized representative file a claim under the Plan, you will be referred to as the “Claimant”. *Note: If your Plan is subject to a collective bargaining agreement and the agreement contains certain provisions, then the procedures for resolution of claims set forth in that collective bargaining agreement will take the place of this claims procedure as permitted by Department of Labor regulations. Please contact your Plan administrator if you have questions regarding whether a collective bargaining agreement’s claims procedures apply to you.*

#### **General Claims Procedures**

If the Claimant's claim is denied in whole or in part, the Administrative Committee will provide a written notice of denial to the Claimant or the Claimant’s authorized representative within a reasonable period of time, but no later than 90 days after the Administrative Committee receives the claim. The 90-day period will begin to run once a claim is filed, without regard to whether the Claimant has provided all the information necessary to make the

benefit determination. If the Administrative Committee determines that special circumstances require an extension beyond the initial 90-day period, the Administrative Committee will notify the Claimant or the Claimant's authorized representative in writing of the special circumstances that make the extension necessary and the date by which a decision may be expected before the end of the initial 90-day period. Any such extension may not exceed 90 days from the end of the initial 90-day period.

The Administrative Committee's notice of denial will explain the reason for the denial, refer to the specific Plan provisions on which the denial is based, describe any additional information or material needed from the Claimant to perfect his or her claim and why this information or material is necessary, and describe the Plan's claims review procedures and time limits.

Within 60 days after receiving the notice of denial, the Claimant or the Claimant's authorized representative may submit a written appeal of the denial to the Administrative Committee. The Claimant or the Claimant's authorized representative may, free of charge, review and request copies of relevant documents, records, and other information relevant to the claim. The Claimant's appeal may include written comments, documents, records, and other information relating to the claim, regardless of whether the information was submitted or considered as part of the Claimant's initial claim for benefits.

The Administrative Committee will review the appeal and make a determination within a reasonable period of time, but no more than 60 days after the Administrative Committee receives the appeal. If the Administrative Committee determines that special circumstances require an extension, the Administrative Committee will notify the Claimant or the Claimant's authorized representative in writing of the special circumstances that make the extension necessary and the date by which a decision may be expected before the end of the initial 60-day period. Any such extension may not exceed 60 days from the end of the initial review period.

The Administrative Committee will provide a written determination on appeal which will explain the reasons for the decision, refer to the provisions of the Plan on which the decision is based, and inform the Claimant or the Claimant's authorized representative of any additional rights the Claimant may have. The determination on appeal by the Administrative Committee is the final determination under this claims procedure.

### **Disability Claims Procedures**

If the Claimant's claim for benefits involves a disability determination and the Plan defines disability in a manner that requires the Plan to determine if the Claimant is disabled, the special claims procedures set forth below will apply. If, however, the Plan defines disability by reference to a determination of disability made by the Social Security Administration or pursuant to the Employer's long term disability plan, then the General Claims procedures described above will apply.

If the Claimant's claim is denied in whole or in part, the Administrative Committee will notify the Claimant or the Claimant's authorized representative within a reasonable period of time, but no later than 45 days after the Administrative Committee receives the claim. The 45-day

period will begin to run once a claim is filed, without regard to whether the Claimant has provided all the information necessary to make the benefit determination. If the Administrative Committee determines that an extension is needed for reasons beyond the Administrative Committee's control, it may take up to two 30-day extensions for consideration of the claim. If the Administrative Committee takes an extension, the Administrative Committee will notify the Claimant or the Claimant's authorized representative in writing of the reason for the extension and the date by which a decision is expected before the end of the initial 45 day period (or, for a second extension, before the end of the first extension). The notice of extension will include an explanation of the standards on which the entitlement to the benefit claimed is based, the unresolved issues that are preventing a decision, and the additional information needed to resolve the issues. If the Administrative Committee requests additional information, the Claimant or the Claimant's authorized representative will have at least 45 days after receipt of the notice of extension to provide the information. The period during which the Administrative Committee waits for the Claimant or the Claimant's authorized representative to respond to the request for information will not count against the 30-day extension period (i.e. the 30-day extension period will be tolled from the date the notice of extension is sent to the Claimant or the Claimant's authorized representative to the date on which the Claimant or the Claimant's authorized representative responds to the request for additional information).

The Administrative Committee's notice of denial will explain the reason for the denial, refer to the specific Plan provisions on which the denial is based, describe any additional information or material needed from the Claimant to perfect his or her claim and why this information or material is necessary, and describe the Plan's claims review procedures and time limits. Additionally, if the Administrative Committee relies on an internal rule, guideline, or protocol in denying the claim, it will either provide a copy of the rule, guideline or protocol, or indicate that a rule, guideline or protocol was relied upon and is available free of charge to the Claimant or the Claimant's authorized representative on request.

Within 180 days after receiving the notice of denial, the Claimant or the Claimant's authorized representative may submit a written appeal of the denial. The Claimant or the Claimant's authorized representative may review and request copies of relevant documents, records, and other information relevant to the claim free of charge. Further, upon request by the Claimant or the Claimant's authorized representative, the identity of any medical or vocational expert whose advice was obtained in connection with the claim will be disclosed, regardless of whether his or her advice was relied upon in making the determination. The Claimant's appeal may include written comments, documents, records, and other information relating to the claim, regardless of whether it was submitted or considered as part of the initial application.

The Claimant's appeal will be reviewed by an appropriate Plan fiduciary (the "Reviewing Fiduciary") who is neither a member nor a subordinate of the Administrative Committee or its members. The Administrative Committee's initial decision shall not be given any deference. If the initial decision was based in whole or in part on a medical judgment, the Reviewing Fiduciary will consult with a health care professional with appropriate training and experience in the medical field involved. The Reviewing Fiduciary will not consult with a health care professional who was consulted in connection with the initial review of the claim or a subordinate of any such professional.

The Reviewing Fiduciary will review the appeal and make a determination within a reasonable period of time, but no more than 45 days after the Reviewing Fiduciary receives the appeal. If the Reviewing Fiduciary determines that special circumstances require an extension, it will notify the Claimant or the Claimant's authorized representative in writing of the special circumstances and the date by which a decision may be expected before the end of the initial 45-day period. Any such extension may not exceed 45 days from the end of the initial review period.

The Reviewing Fiduciary will provide a written determination on appeal which will explain the reasons for the decision, refer to the provisions of the Plan on which the decision is based, and inform the Claimant or the Claimant's authorized representative of any additional rights the Claimant may have. If the Reviewing Fiduciary relies on an internal rule, guideline, or protocol in denying the claim, the Reviewing Fiduciary will either provide a copy of the rule, guideline or protocol, or indicate that a rule, guideline or protocol was relied upon and is available free of charge to the Claimant or the Claimant's authorized representative on request. The determination on appeal by the Reviewing Fiduciary is the final determination under this claims procedure.

## **B. PENSION BENEFIT GUARANTY CORPORATION**

The Pension Benefit Guaranty Corporation does not insure benefits under the Plan. The reason is that plans that provide for individual accounts, such as the Plan, are excluded under the ERISA provisions that provide for such insurance coverage.

## **C. INVESTMENT INFORMATION**

The Plan is called "an individual account plan". This means that you and all other participants have their own account in the Plan. The Plan is intended to satisfy the requirements of Section 404(c) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and Department of Labor Regulation Section 2550.404c-1 (29 C.F.R. 2550.404c-1). An ERISA Section 404(c) plan is an individual account plan which is designed to provide you with the opportunity to exercise control over the assets in your individual account, and also provides you with the opportunity to choose, from among a range of investment funds, the manner in which the assets in your account are invested. This means that you will have the responsibility for the investment decisions you make and the Plan's fiduciaries may be relieved of any liability to you under ERISA for any investment losses that are the direct and necessary result of your investment instructions.

Please note that your ability to direct the investment of your Plan account is subject to any restriction or limitation imposed by the underlying investment funds and/or your Plan, in particular, policies with respect to excessive trading (also known as market timing). The Plan's recordkeeper has put into place systematic solutions reasonably designed to assist investment fund companies with enforcing policies on and prohibitions relating to excessive trading. Any and all restrictions that the Plan's recordkeeper is enforcing will be identified to participants on the Plan's participant Web site, as well as through its Voice Response System,

and may also be disclosed in materials provided to you describing the Plan's investment procedures and designated investment alternatives. In addition, at any time an investment fund or manager may limit or refuse to honor your investment election if it determines that it would result in excessive trading and/or would otherwise be adverse to the interests of the other shareholders and/or the investment fund, and/or would otherwise violate a policy of the underlying investment fund, and may require the Plan's recordkeeper to impose restrictions upon your ability to engage in transactions in an investment (or multiple investments).

The Company will provide you with the following information at your request:

- Copies of prospectuses (or, alternatively, short-form or summary prospectuses) or similar documents relating to designated investment alternatives under the Plan
- Copies of any financial statements or reports, such as statements of additional information, and any other similar materials relating to designated investments under the Plan to the extent provided to the Plan,
- A list of the assets comprising the portfolio of each designated investment alternative that are "plan assets" and the value of each such asset, and
- Information concerning the share value of each investment and the date of the valuation.

#### **D. ERISA RIGHTS**

As a participant in the Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan participants shall be entitled to:

- 1) Examine without charge at the office of the Administrative Committee all documents governing the Plan, including collective bargaining agreements, if any, and a copy of the latest annual report (Form 5500 series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration;
- 2) Obtain copies of all documents governing the operation of the Plan, including collective bargaining agreements, if any, and a copy of the latest annual report (Form 5500 Series) and updated summary plan description upon written request to the Administrative Committee. A reasonable charge may be made for the copies;
- 3) Receive a summary of the Plan's annual financial report. The Company

is required by law to furnish each participant with a copy of this summary annual report; and

- 4) Obtain a statement telling you whether you have a right to receive benefits under the Plan and if so, what your benefits would be if you leave the Company. If you do not have a right to Plan benefits, the statement will tell you how many more years you must work to earn a right to benefits. This statement must be requested in writing; it is not required to be given more than once every 12 months. The Plan must provide the statement free of charge.

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of employee benefit plans. The people who administer your Plan, called “fiduciaries” of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries. No one, including your employer, your union (if any), or any other person may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.

If your claim for a benefit under the Plan is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you may take to enforce the above rights. For instance, if you request materials from the Plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Administrative Committee to provide the materials and to pay you up to \$110 a day until you receive the materials, unless the materials were not sent for reasons beyond the control of the Administrative Committee. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the Plan’s decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in Federal court.

If it should happen that fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay the costs and fees. If you lose, the court may order you to pay these costs and fees if, for example, it finds that your claim is frivolous.

If you have any questions about the Plan, you should contact the Administrative Committee. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Administrative Committee, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

#### **E. NON-ASSIGNMENT OF BENEFITS**

You may not assign the benefits provided for you by the Plan, nor are these benefits subject to the claims of any creditor, unless otherwise provided by law. One exception to this rule is the "Qualified Domestic Relations Order". A Qualified Domestic Relations Order is defined as a judgment, decree or court order, approving property settlement agreements, and/or relating to child support, alimony or marital property rights of a spouse, child or other dependent of a participant. To be binding, a Qualified Domestic Relations Order must specify certain required legal information and cannot alter the amount or form of benefits payable under the Plan. You may obtain a copy of the procedures that the Plan's administrator uses to determine if an order is a Qualified Domestic Relations Order without charge.

#### **F. RIGHTS TO EMPLOYMENT**

The existence of the Plan does not affect the employment rights of any employee or the rights of the Company to discharge an employee.

#### **G. FUTURE OF THE PLAN**

While the Company hopes and expects to continue the Plan indefinitely, it reserves the right to terminate, discontinue making contributions to, amend or modify the Plan at any time, acting through written resolution of the controlling entity of the Company. Upon termination of the Plan, you will become 100% vested in your total Account Balance. The Company will arrange for distributions upon Plan termination as soon as administratively feasible.

#### **H. VETERAN'S RIGHTS**

If you are a returning veteran, special rules apply to your Elective Deferrals and any form of Matching Contributions made to the Plan. In general, re-employed veterans are permitted to make additional Elective Deferrals with respect to their period of military service during a period which begins on their date of reemployment and has the same length as the lesser of (a) the period of their absence due to uniformed service, multiplied by 3 or (b) 5 years. If you are a returning veteran and believe you may be entitled to contribute under these special provisions, please contact the Company.

**I. MISCELLANEOUS ITEMS**

Plan Name:	Atlantic Housing Foundation, Inc 401(k) Plan
Plan Sponsor:	Atlantic Housing Foundation, Inc 4770 Iberia Avenue  Dallas, TX 75207 (469) 206-8900
Participating Affiliates:	Atlantic Housing Management LLC
Original Effective Date:	January 01, 2011
Amendment and Restatement Date:	This Summary Plan Description describes the Plan as of August 01, 2019.
Employer I.D. Number:	571090154
Plan Number:	001
Type of Plan:	401(k)/profit sharing plan
Plan Year:	Calendar Year
Year on which Plan's Records are Kept	Calendar Year
Administrative Committee or committee designated by Atlantic Housing Foundation, Inc to administer the Plan.	Consult your Human Resources Department or Office Manager:  Atlantic Housing Foundation, Inc 4770 Iberia Avenue Dallas, TX 75207 (469) 206-8900
Trustee:	Reliance Trust Company 1100 Abernathy Road 500 Northpark, Suite 400 Atlanta, GA 30328 Attn: Sharon H. Ennis
Service of Process:	Either the Trustee at the Trustee's address listed above or the Plan administrator at the Atlantic Housing Foundation, Inc's address listed above

If your Plan is maintained pursuant to a Collective Bargaining Agreement, a copy of the Collective Bargaining Agreement may be obtained upon written request to the Plan's administrator, and is

available for examination.