SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

(Mark One) FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended April 30, 2002.

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the transition period from ___ to ___.

Commission file number: 1-8266

DATARAM CORPORATION

(Exact name of registrant as specified in its charter)

New Jersey	22-1831409
(State of Incorporation)	(I.R.S. Employer Identification No.)

P.O. Box 7528, Princeton, New Jersey 08543-7528
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (609) 799-0071

Securities registered pursuant to section 12(b) of the Act: NONE

Securities registered pursuant to section 12(g) of the Act:

Common Stock, $1.00 Par Value

(Title of Class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

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

The aggregate market value of the Common Stock held by non-affiliates of the registrant on July 23, 2002 was $22,870,053.

The number of shares of Common Stock outstanding on July 23, 2002: 8,461,919 shares.

DOCUMENTS INCORPORATED BY REFERENCE:

(1) Definitive Proxy Statement for Annual Meeting of Shareholders to be held on September 18, 2002 (the "Definitive Proxy Statement") to be filed within 120 days of the end of the fiscal year.

(2) 2002 Annual Report to Security Holders

DATARAM CORPORATION
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PART I

Item 1. BUSINESS

(a) General Development of Business.

Dataram develops, manufactures and markets memory products for use with workstations, network servers, desktop computers, notebooks and non-computer applications. The Company's computer-related memory products expand the capacity and extend the economic useful life of computers manufactured by Sun Microsystems, Inc. ("Sun"), Hewlett-Packard Company ("HP"), Silicon Graphics, Inc. ("SGI"), International Business Machines Corporation ("IBM") and PC manufacturers. The Company also manufactures a line of memory products for Intel motherboard based servers for sale to original equipment manufacturers (OEMs)and channel assemblers.

In fiscal 2002, the Company continued to be adversely effected by the worldwide retrenchment in computer sales. Capital spending on new information technology equipment remained soft in light of the general

economic uncertainty. In part, the Company was able to offset this trend by the sale of upgrades to existing equipment. DRAM prices represent approximately 80% of the cost of the Company's final product. For the most part, competitive pressures require the Company to pass through decreases in prices to customers. As a result, average selling prices of the Company's products declined during most of the fiscal year. This trend halted briefly in the fourth quarter but has resumed in fiscal 2003. The Company responded to this business climate by reducing staff, reductions which in the short run adversely affects the Company's earnings. In March of fiscal 2001, the Company acquired certain of the assets of Memory Card Technology A/S ("MCT"), a Danish manufacturer of memory boards for notebooks, desktop computers and other applications. During the year the Company completed the integration of the sales force acquired in the MCT transaction and the Company is now moving to integrate all information systems.

After the close of the fiscal year, the Company announced a further restructuring of its operations which will reduce employment by approximately 24% and save a projected $2.5 million in annual operating costs.

Dataram was incorporated in New Jersey in 1967 and made its initial public offering in 1968. Its common stock, $1 par value (the "Common Stock") was listed for trading on the American Stock Exchange in 1981. In 2000 the Company changed its listing to the NASDAQ National Market where its stock trades under the symbol "DRAM." The Company's principal executive office is located at 186 Princeton Road (Route 571), West Windsor, New Jersey 08550, its telephone number is (609) 799-0071, its fax is (609) 799-6734 and its website is at http://www.dataram.com.

RISK FACTORS

WE MAY HAVE TO SUBSTANTIALLY INCREASE OUR WORKING CAPITAL REQUIREMENTS IN THE EVENT OF DRAM ALLOCATIONS. Over the past 20 years, availability of DRAMs has swung back and forth from over supply to shortage. In times of shortage, Dataram has been forced to invest substantial working capital resources in building and maintaining inventory. At such times Dataram has bought DRAMs in excess of its customers' needs in order to ensure future allocations from DRAM manufacturers. Dataram believes that the market for DRAMs is presently out of balance and there is an oversupply of DRAMS, but there can be no assurance that conditions of shortage may not prevail in the future. In the event of a shortage, Dataram may not be able to obtain sufficient DRAMs to meet customers' needs in the short term, and Dataram may have to invest substantial working capital resources in order to meet long term customer needs.

WE COULD SUFFER LOSSES IF DRAM PRICES DECLINE SUBSTANTIALLY. Dataram is often required to maintain substantial inventories during periods of shortage and allocation. During periods of increasing availability of DRAM and rapidly declining prices, Dataram has been forced to write down inventory. At the present time, the market is one of over supply, and Dataram seeks to maintain a minimum inventory while meeting the needs of customers. But there can be no assurance that Dataram will not suffer losses in the future based upon high inventories and declining DRAM prices.

OUR MEMORY PRODUCTS MAY VIOLATE OTHERS' PATENTS. Certain of Dataram's memory products are designed to be used with proprietary computer systems built by various OEM manufacturers. Dataram often has to comply with proprietary memory designs which may be patented, now or at some time in the future. OEMs have, at times, claimed that we have violated their patent rights by adapting our computer memory products to meet the requirements of their systems. It is the policy of Dataram to, in unclear cases, either obtain an opinion of patent counsel prior to marketing, or obtain a license from the patent holder. Dataram is presently licensed by Sun Microsystems to sell memory products for their principal products. However, there can be no assurance that memory designs will not be created in the future which will, in fact, be patented and which patent holders will require the payment of substantial royalties as a condition for Dataram's continued presence in the segment of the market covered by the patent or they may not give us a license. Nor can there be any assurance that Dataram's existing products do not violate one or more existing patents.

WE MUST INTEGRATE MCT'S ASSETS INTO OUR OPERATIONS. In March of 2001 the Company purchased certain assets of MCT that have been merged into Dataram International. The Company faces challenges in integrating Dataram International's operations into the overall operations of the Company. These challenges include integration of data processing systems, the supervision of new personnel, the training of Dataram International's sales force to sell Dataram's server products and dealing with business in foreign locations. The Company will inevitably incur additional costs in integrating Dataram International's operations into Dataram's systems and business. There is no assurance that integration of all of Dataram International's operations will be successfully completed at projected costs, nor can there be any assurance that the integrated business will be profitable, particularly as MCT had suffered operating losses prior to its acquistion.

WE FACE COMPETITION FROM OEMs. Dataram sells its products at a lower price than OEMs. Customers will often pay some premium for the "name brand" product when buying additional memory and OEMs seek to exploit this tendency by having a high profit margin on memory products. However, individual OEMs could change their policy and price memory products competitively. While Dataram believes that with its manufacturing efficiency and low overhead it still would be able to compete favorably with OEMs, in such an event profit margins and earnings would be adversely affected.

WE MAY LOSE AN IMPORTANT CUSTOMER. During fiscal 2002, no single customer accounted for 10% of the Company's revenue. However, the largest ten customers accounted for approximately 35% of the Company's revenue. There can be no assurance that one or more of these customers will cease or materially decrease their business with the Company in the future and that Dataram's financial performance will not be adversely affected thereby.

WE FACE COMPETITION FROM DRAM MANUFACTURERS. DRAM manufacturers not only sell their product as discreet devices, but also as finished memory modules. They primarily sell these modules directly to computer manufacturers and large distributors and as such compete with the Company on a limited basis. There can be no assurance that DRAM manufacturers will not continue to expand their market and customer base. In such a case, they would become a more direct competitor to the Company and the Company's profit margins and earnings could be adversely affected.

THE MARKET FOR OUR PRODUCTS MAY NARROW OVER TIME. The principal market of Dataram is owners of workstations and servers, classes of machines lying between large mainframe computers and personal computers. The trend has been observed that personal computers are increasing in their power and sophistication and, as a result, are now filling some of the computational needs traditionally filled by workstations. The competition for the supply of after-market memory products in the PC industry is very competitive and if Dataram competes in this market we can be expected to have lower profit margins. There can be no assurance that this trend will not continue in the future, and that Dataram's financial performance will not be adversely affected thereby.

WE MAY MAKE UNPROFITABLE ACQUISITIONS. Dataram has for some time explored the possibility of acquiring one or more businesses in the technology sector. While the Company is not currently engaged in discussions which could lead to an acquisition, the possibility exists that an acquisition will be made at some time in the future. Uncertainty surrounds all acquisitions and it is possible that a particular acquisition may not result in a benefit to shareholders, particularly in the short term.

WE MAY BE SUBJECT TO UNKNOWN LIABILTIES ARISING FROM THE ACQUISITION OF MCT'S ASSETS. While the Company purchased assets and assumed only a limited and discrete liability in connection with the MCT transaction, and while the Company believes that it had conducted adequate due diligence, there can be no assurance that the Company will not be held liable for liabilities of MCT which at the present are unknown and unforeseen. The Company believes that it has made reservations for all known risks that could have a material impact upon the Company.

A SIGNIFICANT PORTION OF OUR OPERATIONS ARE DESIGNED TO MEET THE NEEDS OF THE VERY COMPETITIVE PC MARKET. In addition to selling server memory

systems, we develop, manufacturer and market a variety of memory products for use with notebooks and desktop computers that are mainly IBM compatible, plus memory products for digital cameras, digital printers, image processors, print controllers, multi-function centers, routers and video cards as well as flash memory. Many of these products are sold to OEMs and incorporated into computers and other equipment. This is an intensely competitive market with high volumes but lower margins.

WE MAY BE ADVERSELY AFFECTED BY EXCHANGE RATE FLUCTUATIONS. A portion of our accounts receivable and a portion of our expenses are denominated in foreign currencies. These proportions change over time. As a result, the Company's revenues and expenses may be adversely affected, from time to time, by changes in the relationship of the dollar to various foreign currencies on foreign exchange markets. The Company does not currently hedge its foreign currency risks.

OUR STOCK HAS LIMITED LIQUIDITY. Although the stock of Dataram is publicly traded, it has been observed that this market is "thin." As a result, Dataram's common stock may trade at a discount to what would be its value if the stock enjoyed greater liquidity.

WE ARE SUBJECT TO THE NEW JERSEY SHAREHOLDERS PROTECTION ACT. This statute has the effect of prohibiting any "business combination" - a very broadly defined term - with any "interested shareholder" unless the transaction is approved by the Board of Directors at a time before the interested shareholder had acquired a 10% ownership interest. This prohibition of "business combinations" is for five years after the shareholder became an "interested shareholder" and continues after that time period subject to certain exceptions. A practical consequence of this statute is that a hostile acquisition of Dataram is unlikely to occur. As a result, hostile transactions which might be of benefit to shareholders may not occur because of this statute.

(b) Financial Information about Industry Segments.

The Company operates in one industry segment.

(c) Narrative Description of Business.

Dataram develops, manufactures and markets a variety of memory products for use with workstations and network servers, including those sold by Sun, HP (including Compaq), SGI,IBM Fujitsu/Siemens and Dell. The Company sells memory products both for new machines and for the installed base of these classes of computers at prices less than the computer manufacturer. The Company also develops, manufactures and markets memory boards for desktop computers and notebooks and other applications, principally based on sales to OEMs and distributors.

Industry Background

The market for the Company's memory products ranges from desktop and notebook computers to workstations and network servers. These systems have been important to the growth of the Internet.

A workstation, like a PC, is designed to provide computer resources to individual users. A workstation differs from a PC by providing substantially greater computational performance, input/output capability and graphic display. Workstations are nearly always networked. As a result of this networking capability, a new class of computer system, the network server, has emerged.

Network servers are computer systems on a network which provide dedicated functions accessible by all workstations and other systems on the same network. Examples of different types of network servers in use today are: file servers, communication servers, computation servers, database servers, print servers and storage servers.

Dataram designs, produces and markets memory products for workstations

and network servers sold by Sun, HP (including Compaq), Silicon Graphics and IBM. Additionally, the Company produces and markets memory for Intel processor based motherboards for use by OEMs and channel assemblers.

The "open system" philosophy espoused by most of the general computer industry has played a part in enlarging the market for third party vendors. Under the "open system" philosophy, manufacturers adhere to industry design standards, enabling users to "mix and match" hardware and software products from a variety of vendors so that a system can be configured for the user's application in the most economical manner with reduced concern for compatibility and support. Memory products for desktop and notebook computers, workstations and network servers have become commodities with substantial competition from OEMs and a number of independent memory manufacture suppliers.

Generally, growth in memory markets closely follows both the growth in unit shipments of system vendors and the growth of memory requirements per system.

Business Strategy

Market Growth

Generally, growth in the memory market closely follows both the growth in unit shipments of system vendors and the growth of memory requirements per system. Management estimates that the long term growth rate measured by revenue in the market for its products is approximately 20% annually.

Market Penetration

In addition to the growth in the market, management estimates that sales by system vendors constitute 80% of the memory market in fiscal 2002. Thus, there is an opportunity for growth through penetration of the system vendor's market share. To successfully compete with system vendors, Dataram must continue to respond to customers' needs in a short time frame. To support customers' needs, the Company has two dedicated and highly automated manufacturing facilities that are designed to produce and ship customer orders within twenty-four hours or less.

Products

The Company's principal business is the development, manufacture and marketing of memory products which can be added to workstations, network servers, desktop and notebook computers to upgrade or expand the capabilities of such systems. When vendors produce computer systems adhering to open system industry standards, the development effort for Dataram and other independent memory manufacturers is straightforward and allows for the use of many standard components.

Distribution Channels

Dataram sells its memory products to OEM's, distributors, value-added resellers and larger end-users. The Company has sales offices in New Jersey, Denmark, The United Kingdom, Germany, Italy, Australia, New Zealand, Japan and Singapore.

Product Warranty and Service

Management believes that the Company's reputation for the reliability of its memory products and the confidence of prospective purchasers in Dataram's ability to provide service over the life of the product are important factors in making sales. As a consequence, the Company adopted many years ago a Lifetime Warranty program for its memory products. The economic useful life of the computer systems to which Dataram's memory equipment is attached is almost always substantially less than the physical useful life of the equipment itself. Thus, memory systems are unlikely to "wear out." The Company's experience is that less than 1% of all the products it sells are returned under the Lifetime Warranty.

Working Capital Requirements

The memory product business is heavily dependent upon the price of DRAMs. Producers of DRAM are required to invest substantial capital resources to produce their end product. Their marginal cost is low as a percentage of the total cost of the product. As a result, the world-wide market for DRAMs has swung in the past from periods of substantial over supply, where the Company has seen falling prices for DRAMs and wide availability of DRAMs allowing the Company to have minimum inventories to meet the needs of customers; to periods of shortage, where DRAMs are allocated and where the Company must invest heavily in inventory in order to continue to be assured of the supply of DRAMs from vendors. This volatility in the price and availability of the Company's basic raw material requires Dataram to maintain substantial cash and credit resources at all times. At April 30, 2002, the Company had cash and cash equivalents of $3.7 million and also had available an unused line of credit in the amount of $11.2 million. At the present time, the market for DRAMs is one of over supply.

Memory Product Complexity

DRAM memory products for workstations and servers had, for many years, been undergoing a process of simplification with a corresponding decline in profit margins as competitors' entry into the market became easier. However, recent trends in the market have seen the development by OEMs of more complex memory designs. This has enabled Dataram to increase its margins somewhat. Memory products for desktop and notebook computers are much simpler, and gross margins are lower and market competition is more intense.

Engineering and Development

The Company's ability to compete successfully depends upon its ability to identify new memory needs of its customers. To achieve this goal, the Company's engineering group continually monitors computer system vendors' new product developments, and the Company evaluates and tests major components as they become available. Dataram designs prototype memory products and subjects them to reliability testing procedures. During its fiscal year ended April 30, 2002, the Company incurred costs of $1,839,000 for engineering and product development compared to $1,673,000 in fiscal 2001 and $1,391,000 in fiscal 2000.

Raw Materials

The Company purchases standard dynamic random access memory ("DRAM") chips. The costs of such chips is approximately 80% of the total cost of memory products. Fluctuations in the availability or prices of memory chips can have a significant impact on the Company's profit.

Dataram has created close relationships with a number of primary suppliers while qualifying and developing alternate sources as a back up. The qualification program consists of extensive evaluation of process capabilities, on-time delivery performance and financial stability of each supplier. Alternative sources are qualified to normally assure supply in the event of a problem with the primary source or to handle surges in demand.

Manufacturing

The Company assembles its memory boards at manufacturing facilities in Bucks County, Pennsylvania and Aarhus, Denmark.

Backlog

The Company expects that all backlog on hand will be filled during the current fiscal year. The Company believes that backlog is generally not material to its business since the Company usually ships its memory products on the same day an order is received.

Seasonality

The Company's business can be seasonal with December and January being

the slowest months.

Competition

The intensely competitive computer industry is characterized by rapid technological change and constant pricing pressures. These characteristics are equally applicable to the third party memory market, where pricing is a major consideration in the buying decision. Dataram competes with Sun, HP (including Compaq), Silicon Graphics and IBM, as well as with a number of third party memory suppliers, including Kingston Technology.

Although many of Dataram's competitors possess significantly greater financial, marketing and technological resources, the Company competes favorably based on the buying criteria of price/performance, time-to-market, product quality, reliability, service/support, breadth of product line and compatibility with computer system vendors' technology. Dataram's objective is to continue to remain strong in all of these areas with particular focus on price/performance and time-to-market, which management believes are two of the more important criteria in the selection of third party memory product suppliers. Market research and analysis capability by the Company is necessary to ensure timely information on new products and technologies coming from the computer system vendors and from the overall memory market. Dataram must continue low cost, high volume production while remaining flexible to satisfy the time-to-market requirement.

The Company believes that its 36-year reputation for providing quality products is an important factor to its customers when making a purchase decision. To strengthen this reputation, the Company has a comprehensive lifetime warranty and service program which provides customers with added confidence in buying from Dataram. See "Business-Product Warranty and Service."

Patents, Trademarks and Licenses

The Company believes that its success depends primarily upon the price and performance of its products rather than on ownership of copyrights or patents.

Sale of memory products for systems that use proprietary memory design can from time to time give rise to claims of copyright or patent infringement. In most such instances the Company has either obtained the opinion of patent counsel that its products do not violate such patents or copyrights or obtained a license from the original equipment manufacturer.

To the best of the Company's knowledge and belief, no Company product infringes any valid copyright or patent. However, because of rapid technological development in the computer industry with concurrent extensive patent coverage and the rapid rate of issuance of new patents, questions of infringement may continue to arise in the future. If such patents or copyrights are perfected in the future, the Company believes, based upon industry practice, that any necessary licenses would be obtainable upon the payment of reasonable royalties.

Employees

As of April 30, 2002, the Company had 259 full-time employees; however the Company has since to reduce this amount by approximately 24%. The Company believes it has satisfactory relationships with its employees. None of the Company's employees are covered by a collective bargaining agreement.

Environment

Compliance with federal, state and local provisions which have been enacted or adopted to regulate the protection of the environment does not have a material effect upon the capital expenditures, earnings and competitive position of the Company. The Company does not expect to make any material expenditures for environmental control facilities in either the current fiscal year (fiscal 2003) or the succeeding fiscal year (fiscal 2004).

(d) Financial Information about Foreign and Domestic Operations and Export Sales.

REVENUES (000's)

Fiscal	U.S.	Export Europe	Other	Consolidated
2002	39,296	27,131	14,763	81,190
2001	93,557	24,273	12,747	130,577
2000	85,832	14,865	8,455	109,152

PERCENTAGES

Fiscal	U.S.	Export Europe	Other	Consolidated
2002	48.4%	33.4%	18.2%	100.0%
2001	71.6%	18.6%	9.8%	100.0%
2000	78.6%	13.6%	7.8%	100.0%

The Company's acquisition of MCT's assets occurred in March of fiscal 2001. This resulted in significantly more of Dataram's revenue in fiscal 2002 arising from sources outside of the United States than in prior years.

Item 2. Properties

The Company occupies approximately 24,000 square feet of space for administrative, sales, research and development and manufacturing support in West Windsor Township, New Jersey under a lease expiring on June 30, 2006.

The Company leases a 90,000 square foot office and assembly plant in Aarhus, Denmark. The lease expires on July 1, 2009.

The Company leases a 32,000 square foot assembly plant in Bucks County, Pennsylvania. The lease expires on January 31, 2006 and the Company has a two-year renewal option.

The Company also leases marketing facilities in The United Kingdom, Germany, Italy, Australia, New Zealand, Japan and Singapore.

On September 29, 1980, the Company purchased approximately 81 acres of undeveloped property in West Windsor Township, New Jersey. The purchase price of $875,000 was paid in cash. This property is approximately five miles from the Company's current leased facilities.

Item 3. Legal Proceedings

Lemelson Medical, Education & Research Foundation, Limited Partnership vs. Dataram et al., United States District Court for the District of Arizona; Docket No. CV-01-1440-PHX-HRH.

This is a patent infringement case in which a holder of certain "Lemelson" patents brought an action in the Federal District Court for the District of Arizona against numerous defendants, including the Company in November of 2001. Dataram has acknowledged service of the complaint but has not answered the complaint because the Court has stayed its further prosecution pending the results of a similar Nevada case involving the same patents. The case is in its very early stages. The alleged patent

infringement does not implicate the Company's products, but rather the machinery that manufactures them, and if the case resumes it is anticipated that the sellers of that machinery would be joined by the Company.

Item 4. Submission of Matters to a Vote of Security Holders

No matter was submitted to a vote of Security Holders in the fourth quarter of the fiscal year covered by this report.

PART II

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

Incorporated by reference herein is the information set forth in the Company's 2002 Annual Report to Security Holders under the caption "Common Stock Information" at page 6.

Item 6. Selected Financial Data

Incorporated by reference herein is the information set forth in the 2002 Annual Report to Security Holders under the caption "Selected Financial Data" at page 24.

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

Incorporated by reference herein is the information set forth in the 2002 Annual Report to Security Holders under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations" at page 4 through page 6.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Incorporated by reference herein is the information set forth in the 2002 Annual Report to Security Holders under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations" at page 6.

Item 8. Financial Statements and Supplementary Data

Index to Consolidated Financial Statements and Schedule	Page in Annual Report*
Consolidated Financial Statements:	
Consolidated Balance Sheets as of April 30, 2002 and 2001	7
Consolidated Statements of Operations - Years ended April 30, 2002, 2001 and 2000	8
Consolidated Statements of Cash Flows - Years ended April 30, 2002, 2001 and 2000	9
Consolidated Statements of Stockholders' Equity and Comprehensive Income (Loss) - Years ended April 30, 2002, 2001 and 2000	10
Notes to Consolidated Financial Statements - April 30, 2002, 2001 and 2000	11-22
Independent Auditors' Report on Consolidated Financial Statements	23

Financial Statement Schedule:	Page in 10-K
Valuation and Qualifying Accounts - Years ended April 30, 2002, 2001 and 2000	13
Independent Auditors' Report on Financial Statement Schedule	14

All other schedules are omitted as the required information is not applicable or because the required information is included in the consolidated financial statements or notes thereto.

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*Incorporated herein by reference.

<TABLE>
Schedule II

DATARAM CORPORATION AND SUBSIDIARIES

Valuation and Qualifying Accounts

Years ended April 30, 2002, 2001 and 2000

Description	Balance at beginning of period	Additions charged to costs and expenses	Deductions from reserves	Balance at close of period
<S>	<C>	<C>	<C>	<C>
Year ended April 30, 2002:				
Allowance for doubtful accounts and sales returns	$ 450,000	(65,000)	65,000*	320,000
Year ended April 30, 2001:				
Allowance for doubtful accounts and sales returns	$ 450,000	144,000	144,000*	450,000
Year ended April 30, 2000:				
Allowance for doubtful accounts and sales returns	$ 450,000	58,000	58,000*	450,000
Reserve for inventory obsolescence	$ 25,000	--	25,000	--

_____
*Represents write-offs and recoveries of accounts receivable.
</TABLE>

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Dataram Corporation:

Under date of June 5, 2002, we reported on the consolidated balance sheets of Dataram Corporation and subsidiaries as of April 30, 2002 and 2001, and the related consolidated statements of operations, stockholders' equity and comprehensive income (loss), and cash flows for each of the years in the three-year period ended April 30, 2002, as contained in the April 30, 2002 Annual Report to Security Holders. These consolidated financial statements and our report thereon are incorporated by reference in the annual report on Form 10-K for the year ended April 30, 2002. In connection with our audits of the aforementioned consolidated financial statements, we also audited the

related consolidated financial statement schedule as listed in the accompanying index. This financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statement schedule based on our audits.

In our opinion, such consolidated financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

KPMG LLP

Short Hills, New Jersey
June 5, 2002

Item 9. Changes In and Disagreements with Accountants on Accounting and Financial Disclosure

Not Applicable.

PART III

Item 10. Directors and Executive Officers of the Registrant

Incorporated by reference herein is the information set forth in the Definitive Proxy Statement under the captions "Executive Officers of the Company," "Nominees for Director" and "Section 16 Compliance."

Item 11. Executive Compensation

Incorporated by reference herein is the information set forth in the Definitive Proxy Statement under the caption "Executive Compensation."

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Incorporated by reference herein is the information set forth in the Definitive Proxy Statement under the captions "Security Ownership of Certain Beneficial Owners and Management" and "Equity Plan Compensation Information."

Item 13. Certain Relationships and Related Transactions

Incorporated by reference herein is the information set forth in the Definitive Proxy Statement under the captions "Executive Compensation" and "Board of Directors."

PART IV

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

(a) The following documents are filed as part of this report:

1. Financial Statements incorporated by reference into Part II of this Report.

2. Financial Statement Schedule included in Part II of this Report.

(b) Reports on Form 8-K:

None

(c) Exhibits:

The Exhibit Index appears on page 18.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DATARAM CORPORATION
(Registrant)

Date: July 26, 2002 By: ROBERT V. TARANTINO

_____
Robert V. Tarantino, President

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

Date: July 26, 2002 By: ROBERT V. TARANTINO

_____
Robert V. Tarantino, President
Chief Executive Officer and
Chairman of the Board of Directors
(Principal Executive Officer)

Date: July 26, 2002 By: RICHARD HOLZMAN

Richard Holzman, Director

Date: July 26, 2002 By: THOMAS A. MAJEWSKI

Thomas A. Majewski,
Director

Date: July 26, 2002 By: BERNARD L. RILEY

Bernard L. Riley, Director

Date: July 26, 2002 By: ROGER C. CADY

Roger C. Cady, Director

Date: July 26, 2002 By: MARK E. MADDOCKS

Mark E. Maddocks
Vice President, Finance
(Principal Financial & Accounting Officer)

EXHIBIT INDEX

3(a) Restated Certificate of Incorporation. Incorporated by reference from Exhibits to a Quarterly Report on Form 10-Q for the quarter ended July 31, 2000 and filed on September 13, 2000.

3(b) By-Laws

4(a) Credit Agreement with First Union National Bank dated April 16, 2001. Incorporated by reference from Exhibits to an Annual Report on Form 10-K for the year ended April 30, 2001 and filed on July 26, 2001.

4(b) First Amendment to Credit Agreement with First Union National Bank dated January 21, 2002. Incorporated by reference from Exhibits to a Quarterly Report on Form 10-Q for the quarter ended January 31, 2002 and filed on March 8, 2002.

10(a) 2001 Stock Option Plan. Incorporated by reference from Exhibits to a Definitive Proxy Statement for an Annual Meeting of Shareholders held on September 12, 2001 and filed on July 26, 2001.

10(b) Savings and Investment Retirement Plan, January 1, 2001 Restatement

10(c) West Windsor, New Jersey Lease dated September 19, 2000. Incorporated by reference from Exhibits to an Annual Report on Form 10-K for the year ended April 30, 2001 and filed on July 26, 2001.

10(d) Bucks County, Pennsylvania Lease dated January 31, 1995

10(e) Aarhus, Denmark Lease dated July 1, 1997

10(f) Employment Agreement of Robert V. Tarantino dated May 1, 1997

10(g) Service Agreement of Lars Marcher.

13(a) 2002 Annual Report to Shareholders

24(a) KPMG LLP Independent Accountant's Consent for S-8 Registration No. 33-56282

99(a) Earnings Press Release dated June 5, 2002

BY-LAWS

OF

DATARAM CORPORATION

ARTICLE I

STOCKHOLDERS

Section 1. Annual Meeting. The annual meeting of the stockholders of the Corporation shall be held either within or without the State of New Jersey, at such time and place as the Board of Directors may designate in the call or in a waiver of notice thereof, or in the absence of Board action designating the time for such meeting, on the second Tuesday in October or each year beginning with the year 1976 (or if such day be a legal holiday, then on the next succeeding day not a holiday) at 1:30 o'clock in the afternoon, for the purpose of electing directors and for the transaction of such other business as may properly be brought before the meeting.

Section 2. Delayed Annual Meeting. If for any reason the annual meeting of the stockholders shall not be held on the day designated pursuant to Section 1 of this Article, or on any subsequent day to which it shall have been duly adjourned, such meeting may be called and held as a special meeting, and the same proceedings may be had and the same business may be transacted at such meeting as at any annual meeting.

Section 3. Special Meetings. Special meetings of the stockholders may be called by the Board of Directors or by the President, at such times and at such place either within or without the State of New Jersey as may be stated in the call or in a waiver of notice thereof.

Section 4. Notice of Meetings. Notice of the time, place and purpose of every meeting of stockholders shall be delivered personally or mailed not less than ten days nor more than sixty days previous thereto to each stockholder of record entitled to vote, at his post office address appearing upon the records of the Corporation or at such other address as shall be furnished in writing by him to the Corporation for such purpose. Such further notice shall be given as may be required by law or by these By-Laws. Any meeting may be held without notice if all stockholders entitled to vote either are present in person or by proxy, or waive notice in writing, either before or after the meeting.

Section 5. Quorum. The holders of record of a least a majority of the shares of the stock of the Corporation issued and outstanding and entitled to vote, present in person or by proxy, shall, except as otherwise provided by law or by these By-Laws, constitute a quorum at all meetings of the stockholders; if there be no such quorum, the holders of a majority of such shares so present or represented may adjourn the meeting from time to time until a quorum shall have been obtained.

Section 6. Organization of Meetings. Meetings of the

stockholders shall be presided over by the Chairman of the Board, if there be one, or if he is not present by the President, or if he is not present, by a chairman to be chosen at the meeting. The Secretary of the Corporation, or in his absence an Assistant Secretary, shall act as Secretary of the meeting, if present.

Section 7. Voting. At each meeting of stockholders, except as otherwise provided by statute or the Certificate of Incorporation, every holder of record of stock entitled to vote shall be entitled to one vote in person or by proxy for each share of such stock standing in his name or by proxy for each share of such stock standing in his name on the records of the Corporation. Elections of directors shall be determined by a plurality of the votes cast thereat and, except as otherwise provided by statute, the Certificate of Incorporation, or these By-Laws, all other action shall be determined by a majority of the votes cast at such meeting. Each proxy to vote shall be either in writing and signed, or given by telegram, radio, radiogram, cable or equivalent communication made by the stockholder or by his duly authorized agent.

At all elections of directors, the voting shall be in such other manner as may be determined by the Board of Directors, unless a shareholder present in person or by proxy entitled to vote at such election demands election by ballot. With respect to any other matter presented to the stockholders for their consideration at a meeting, any stockholder entitled to vote may,

on any question, demand a vote by ballot.

A complete list of the stockholders entitled to vote at each such meeting, arranged in alphabetical order (within each class, series or group of shareholders maintained by the Corporation for convenience of reference) with the address of each, and the number of shares registered in the name of each stockholder, shall be prepared by the Secretary and shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

Section 8. Inspectors of Election. The Board of Directors in advance of any meeting of stockholders may appoint one or more Inspectors of Election to act at the meeting or any adjournment thereof. If Inspectors of Election are not so appointed, the chairman of the meeting may, and on the request of any stockholder entitled to vote, shall appoint one or more Inspectors of Election. Each Inspector of Election, before entering upon the discharge of his duties, shall take and sign an oath faithfully to execute the duties of Inspector of Election at such meeting with strict impartiality and according to the best

of his ability. If appointed, Inspectors of Election shall take charge of the polls and, when the vote is completed, shall make a certificate of the result of the vote taken and of such other facts as may be required by law.

Section 9. Action by Consent. Any action required or permitted to be taken at any meeting of stockholders may be taken without a meeting, if, prior to such action, a written consent or consents thereto, setting forth such action, is or are signed by the holders of record of all of the shares of stock of the Corporation or, in the alternative, by the holders of record of so many of the shares of the stock of the Corporation as are required by law for the taking of such action by written consent, if, either the Corporation solicits for such consents or proxies for consents from the holders of all of the shares of stock of the Corporation, issued, outstanding and entitled to vote, or promptly notifies all non-consenting holders of stock of the Corporation as required by law. Any such solicitation or notice to non-consenting stockholders hereunder shall specify at least the action to which the consent relates, its proposed effective date, any conditions precedent to such action, the date of tabulation of consents, and the rights of all stockholders who are entitled to dissent from such action, if any, together with the requisite procedure for assertion and enforcement of those rights. In the case of a merger, consolidation, or sale, lease, exchange or other disposition of substantially all of the assets of the Corporation, any required or permitted stockholder action

may be taken by a prior written consent or consents to such action, setting forth the action to be taken, signed either by the holders of all the shares of every class of issued and outstanding stock of the Corporation, or by the holders of all of the shares of stock of the Corporation, issued, outstanding and entitled to vote, with the same notice to all other holders of stock of the Corporation as is required hereunder to be sent to non-consenting stockholders.

ARTICLE II
DIRECTORS

Section 1. Number, Quorum, Term, Vacancies, Removal. The Board of Directors of the Corporation shall consist of at least three but not more than fifteen persons. The number of directors may be determined by a resolution passed by a majority of the whole Board or by a vote of the holders of record of at least a majority of the shares of stock of the Corporation, issued and outstanding and entitled to vote.

A majority of the members of the Board of Directors then holding office (but not less than one-third of the total number of directors nor less than two directors) shall constitute a quorum for the transaction of business, but if at any meeting of the Board there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time until a quorum shall have been obtained.

Directors shall hold office until the next annual election

and until their successors shall have been elected and shall have qualified, unless sooner displaced.

Whenever any vacancy shall have occurred in the Board of Directors, by reason of death, resignation, increase in the number of directors, or otherwise, other than removal of a director with or without cause by a vote of the stockholders, or is scheduled to occur pursuant to a resignation tendered to the Board effective at a future date, it shall be filled by a majority of the directors then holding office though less than a

quorum (except as otherwise provided by law), or in the case of a subsequently effective resignation, by such a majority of the directors including the resignee, or by the stockholders, and the person so chosen shall hold office until the next annual election and until his successor is duly elected and has qualified.

Any one or more of the directors of the Corporation may be removed either with or without cause at any time by a vote of the holders of record of at least a majority of the shares of stock of the Corporation, issued and outstanding and entitled to vote, or removed with cause at any time by a majority of the whole Board, and thereupon the term of the director or directors who shall have been so removed shall forthwith terminate and there shall be a vacancy or vacancies in the Board of Directors, to be filled as provided in these By-Laws. A majority of the whole Board may suspend any one or more of the directors of the corporation pending a final determination that cause for removal exists.

Section 2. Meetings, Notice. Meetings of the Board of Directors shall be held at such place either within or without the State of New Jersey, as may from time to time be fixed by resolution of the Board, or as may be specified in the call or in a waiver of notice thereof. Regular meetings of the Board of Directors shall be held at such times as may from time to time be fixed by resolution of the Board, and special meetings may be held at any time upon the call of two directors, the Chairman of the Board, if one be elected, or the President, by oral, telegraphic or written notice, duly served on or sent or mailed to each director not less than two days before such meeting. A meeting of the Board may be held without notice immediately after the annual meeting of stockholders at the same place at which such meeting was held. Notice need not be given of regular meetings of the Board or of any special meeting when its time and place are determined in advance by a quorum of the Board. Any meeting may be held without notice, if all directors are present, or if notice is waived in writing, either before or after the meeting, by those not present. Any meeting of the Board may be held by means of conference telephone or any other means of communication by which all persons participating in the meeting are able to hear each other.

Section 3. Committees. The Board of Directors may, in its discretion, by resolution passed by a majority of the whole Board, designate from among its members one or more committees which shall consist of two or more directors. The Board may

designate one or more directors as alternate members of any such committee, who may replace any absent or disqualified member at any meeting of the committee. Such committees shall have and may exercise such powers as shall be conferred or authorized by the resolution appointing them. A majority of any such committee may determine its action and fix the time and place of its meetings, including meetings by telephone conference call or similar means of communication, unless the Board of Directors shall otherwise provide. The Board shall have power at any time to change the membership of any such committee, to fill vacancies in it, or to dissolve it.

Section 4. Action by Consent. Any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee thereof, may be taken without a meeting, if prior to such action a written consent or consents thereto is signed by all members of the Board, or of such committee as the

case may be, and such written consent or consents is filed with the minutes of proceedings of the Board or committee.

Section 5. Compensation. The Board of Directors may determine, from time to time, the amount of compensation which shall be paid to its members. The Board of Directors shall also have power, in its discretion, to allow a fixed sum and expenses for attendance at each regular or special meeting of the Board, or of any committee of the Board; in addition the Board of Directors shall also have power, in its discretion, to provide

for any pay to directors rendering services to the Corporation not ordinarily rendered by directors, as such, special compensation appropriate to the value of such services, as determined by the Board from time to time.

ARTICLE III
OFFICERS

Section 1. Titles and Election. The officers of the Corporation, who shall be chosen by the Board of Directors at its first meeting after each annual meeting of stockholders, shall be a President, a Treasurer and a Secretary. The Board of Directors from time to time may elect a Chairman of the Board, one or more Vice Presidents, Assistant Secretaries, Assistant Treasurers and such other officers and agents as it shall deem necessary, and may define their powers and duties. Any number of offices may be held by the same person.

Section 2. Terms of Office. The officers shall hold office until their successors are chosen and qualify.

Section 3. Removal. Any officer may be removed, either with or without cause, at any time, by the affirmative vote of a majority of the Board of Directors.

Section 4. Resignations. Any officer may resign at any time by giving written notice to the Board of Directors or to the Secretary. Such resignation shall take effect at the time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5. Vacancies. If the office of any officer or agent becomes vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, the directors may choose a successor, who shall hold office for the unexpired term in respect of which such vacancy occurred.

Section 6. Chairman of the Board. The Chairman of the Board of Directors, if one be elected, shall preside at all meetings of the Board of Directors and of the stockholders, and he shall have and perform such other duties as from time to time may be assigned to him by the Board of Directors.

Section 7. President. The President shall be the chief executive officer of the Corporation and, in the absence of the Chairman, shall preside at all meetings of the Board of Directors, and of the stockholders. He shall exercise the powers and perform the duties usual to the chief executive officer and, subject to the control of the Board of Directors, shall have general management and control of the affairs and business of the Corporation; he shall appoint and discharge

employees and agents

of the Corporation (other than officers elected by the Board of Directors) and fix their compensation; and he shall see that all orders and resolutions of the Board of Directors are carried into effect. He shall have the power to execute bonds, mortgages and other contracts, agreements and instruments of the Corporation, and shall do and perform such other duties as from time to time may be assigned to him by the Board of Directors.

Section 8. Vice Presidents. If chosen, the Vice Presidents, in the order of their seniority, shall, in the absence or disability of the President, exercise all of the powers and duties of the President. Such Vice Presidents shall have the power to execute bonds, notes, mortgages and other contracts, agreements and instruments of the Corporation, and shall do and perform such other duties incident to the office of Vice President and as the Board of Directors, or the President shall direct.

Section 9. Secretary. The Secretary shall attend all sessions of the Board and all meetings of the stockholders and record all votes and the minutes of proceedings in a book to be kept for that purpose. He shall give, or cause to be given, notice of all meetings of the stockholders and of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors. The Secretary shall affix the corporate seal to any instrument requiring it, and when so affixed, it shall be attested by the signature of the Secretary

or an Assistant Secretary or the Treasurer or an Assistant Treasurer who may affix the seal to any such instrument in the event of the absence or disability of the Secretary. The Secretary shall have and be the custodian of the stock records and all other books, records and papers of the Corporation (other than financial) and shall see that all books, reports, statements, certificates and other documents and records required by law are property kept and filed.

Section 10. Treasurer. The Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all moneys, and other valuable effects in the name and to the credit of the Corporation, in such depositories as may be designed by the Board of Directors. He shall disburse the funds of the Corporation as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the directors whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Corporation.

Section 11. Duties of Officers may be Delegated. In case of the absence or disability of any officer of the Corporation, or for any other reason that the Board may deem sufficient, the Board may delegate, for the time being, the powers or duties, or any of them, of such officer to any other officer, or to any director.

ARTICLE IV
INDEMNIFICATION

Section 1. Actions by Others. The Corporation (1) shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he is or was a director, officer or trustee of the Corporation or of any constituent corporation absorbed by the Corporation in a consolidation or merger and (2) except as otherwise required by Section 3 of this Article, may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he (a) is or was an employee or agent or the legal representative of a director, officer, trustee, employee or agent of the Corporation or of any absorbed constituent corporation, or (b) is or was serving at the request of the Corporation or of any absorbed constituent corporation as a director, officer, employee, agent of or participant in another corporation, partnership, joint venture, trust or other enterprise, or the legal representative of such a person against expenses, costs, disbursements (including attorneys' fees), judgments, fines and amounts actually and reasonably incurred by him in connection with such

action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, and with respect to any criminal action or proceeding, he had no reasonable cause to believe that his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not meet the applicable standard of conduct.

Section 2. Actions by or in the Right of the Corporation. The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, trustee, employee or agent of the Corporation or of any constituent corporation absorbed by the Corporation by consolidation or merger, or the legal representative of any such person, or is or was serving at the request of the Corporation or of any absorbed constituent corporation, as a director, officer, trustee, employee, agent of or participant, or the legal representative of any such person in another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he

reasonably believed to be in or not opposed to the best interests of the Corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for

negligence or misconduct in the performance of his duty to the Corporation unless and only to the extent that the New Jersey Superior Court or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the New Jersey Superior Court or such other court shall deem proper.

Section 3. Successful Defense. To the extent that a person who is or was a director, officer, trustee, employee or agent of the Corporation or of any constituent corporation absorbed by the Corporation by consolidation or merger, or the legal representative of any such person, has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 1 of this Article, or in defense of any claim, issue, or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

Section 4. Specific Authorization. Any indemnification under Section 1 or Section 2 of this Article (unless ordered by a court) shall be made by the Corporation only as authorized in the

specific case upon a determination that indemnification of the director, officer, trustee, employee, agent, or the legal representative thereof, is proper in the circumstances because he has met the applicable standard of conduct set forth in said Sections 1 and 2. Such determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (2) if such a quorum is not obtainable, or, even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (3) by the stockholders.

Section 5. Advance of Expenses. Expenses incurred by any person who may have a right of indemnification under this Article in defending a civil or criminal action, suit or proceeding may be paid by the Corporation in advance of the final distribution of such action, suit or proceeding as authorized in the specific case, in the same manner as a determination that indemnification is proper under Section 4 of this Article upon receipt of an undertaking by or on behalf of the director, officer, trustee, employee, or the legal representative thereof, to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Corporation pursuant to this Article.

Section 6. Right of Indemnity not Exclusive. The indemnification provided by this Article shall not exclude any

other rights to which those seeking indemnification may be entitled under the certificate of incorporation of the Corporation or any By-Law agreement, vote of stockholders or otherwise, and shall continue as to a person who has ceased to be a director, officer, trustee, employee, agent or the legal representative thereof, and shall inure to the benefit of the heirs, executors, and administrators of such a person.

Section 7. Insurance. The Corporation may purchase and maintain insurance on behalf of any person who is or was a

director, officer, trustee, employee or agent of the Corporation or of any constituent corporation absorbed by the Corporation by consolidation or merger or the legal representative of such person or is or was serving at the request of the Corporation or of any absorbed constituent corporation as a director, officer, trustee, employee or agent of or participant in another corporation, partnership, joint venture, trust or other enterprise, or the legal representative of any such person against any liability asserted against him and incurred by him in any such capacity, arising out of his status as such or by reason of his being or having been such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of this Article, Section 14A:3-5 of the New Jersey Business Corporation Act, or otherwise.

Section 8. Invalidity of any Provision of this Article. The invalidity or unenforceability of any provision of this

Article shall not affect the validity or enforceability of the remaining provisions of this Article.

ARTICLE V
CAPITAL STOCK

Section 1. Certificates. The interest of each stockholder of the Corporation shall be evidenced by certificates for shares of stock in such form (including punch cards, magnetically coded or otherwise treated forms to facilitate machine or automatic processing) as the Board of Directors may from time to time prescribe. Each certificate of stock shall in any event state upon its face all matters required by law. Each certificate of stock issued at any time the Corporation is authorized to issue shares of more than one class of stock shall set out on it the designations, rights, preferences and limitations of each class and series then authorized and the power of the Board of Directors to divide any such shares and to change such designations, rights, preferences and limitations. The certificates of stock shall be signed by the Chairman of the Board, if any, or by the President or a Vice President and by the Secretary, or the Treasurer, or an Assistant Secretary, or an Assistant Treasurer, sealed with the seal of the Corporation or a facsimile thereof, and countersigned and registered in such manner, if any, as the Board of Directors may by resolution prescribe. Where any such certificate is countersigned by a transfer agent other than the Corporation or its employee, or

registered by a registrar other than the Corporation or its employee, the signature of any such officer may be a facsimile signature. In case any officer or officers who shall have signed, or whose facsimile signature or signatures shall have been used on, any such certificate or certificates shall cease to be such officer or officers of the Corporation, whether because of death, resignation or otherwise, before such certificate or certificates shall have been delivered by the Corporation, such certificate or certificates may nevertheless be adopted by the Corporation and be issued and delivered as though the person or persons who signed such certificate or certificates or whose facsimile signature or signatures shall have been used thereon had not ceased to be such officer or officers of the Corporation.

Section 2. Transfer. The shares of stock of the Corporation shall be transferred only upon the books of the Corporation by the holder thereof in person or by his attorney, upon surrender for cancellation of certificates for the same number of shares, with an assignment and power of transfer endorsed thereon or attached thereto, duly executed, with such proof of the authenticity of the signature as the Corporation or its agents may reasonably require.

Section 3. Record Dates. The Board of Directors may fix in advance a date, not less than ten nor more than sixty days preceding the date of any meeting of stockholders, or the date for the payment of any dividend, or the date for the distribution

or allotment of any rights, or the date when any change, conversion or exchange of capital stock shall go into effect, as a record date for the determination of the stockholders entitled to notice of, and to vote at, any such meeting, or entitled to receive payment of any such dividend, or to receive any distribution or allotment of such rights, or to exercise the rights in respect of any such change, conversion or exchange of capital stock, and in such case only such stockholders as shall be stockholders of record on the date so fixed shall be entitled to such notice of, and to vote at, such meeting, or to receive payment of such dividend, or to receive such distribution or allotment or rights or to exercise such rights, as the case may be, notwithstanding any transfer of any stock on the books of the Corporation after any such record date fixed as aforesaid.

Section 4. Lost Certificate. In the event that any certificate of stock is lost, stolen, destroyed or mutilated, the Board of Directors may authorize the issuance of a new certificate of the same tenor and for the same number of shares in lieu thereof. The Board may in its discretion, before the issuance of such new certificate, require the owner of the lost, stolen, destroyed or mutilated certificate, or the legal representative of the owner, to make an affidavit or affirmation setting forth such facts as to the loss, destruction or mutilation as it deems necessary, and to give the Corporation a bond in such reasonable sum as it directs to indemnify the Corporation.

ARTICLE VI
CONTRACTS AND FINANCIAL TRANSACTIONS

Section 1. Contracts. When the execution of any contract, conveyance, or other instrument, has been authorized by the Board of Directors, or in the case of such contract, conveyance or other instrument, between the Corporation and any director or any corporation, firm, association or entity in which a director of the Corporation has a direct or indirect interest, has been authorized as set out in the New Jersey Business Corporation Act, without specification as to the executing officer, the President, or a Vice President may execute the same in the name and on behalf of the Corporation, and the Secretary, an Assistant Secretary or the Secretary-Treasurer may attest to that execution and affix the corporate seal thereto.

Section 2. Checks, Notes, Etc. All checks and drafts on the Corporation's bank accounts and all bills of exchange and promissory notes, and all acceptances, obligations and other

instruments for the payment of money, may be signed by the President or any Vice President and may also be signed by such other officer or officers, agent or agents, as shall be thereunto authorized from time to time by the Board of Directors.

Section 3. Loans to Officers and Employees. The Board of Directors may authorize the loaning of money, guaranteeing of obligations or other assistance to any officer or employee of the

Corporation or of any subsidiary whenever in judgment of the Board such loan, guarantee or assistance may reasonably be expected to benefit the Corporation. Any such loan, guarantee or assistance may be made with or without interest, and may be unsecured, or secured in such manner as the Board shall approve.

ARTICLE VII
MISCELLANEOUS PROVISIONS

Section 1. Offices. The registered office of the Corporation shall be located at c/o Norris, McLaughlin, Trucker & Marcus, Esqs., 2 Park Avenue, Somerville, New Jersey 08876. The Corporation may have other offices either within or without the State of New Jersey at such places as shall be determined from time to time by the Board of Directors or the business of the Corporation may require.

Section 2. Fiscal Year. The fiscal year of the Corporation shall be determined by the Board of Directors.

Section 3. Corporate Seal. The seal of the Corporation shall be circular in form and contain the name of the Corporation, and the year and state of its incorporation. Such seal may be altered from time to time at the discretion of the Board of Directors.

Section 4. Books. There shall be kept at such office of the Corporation as the Board of Directors shall determine, within or without the State of New Jersey, correct books and records of account of all its business and transactions, minutes of the proceedings of its stockholders, Board of Directors and committees, and the stock book, containing the names and addresses of the stockholders, the number of shares held by them, respectively, and the dates when they respectively became the owners of record thereof, and in which the transfer of stock shall be registered, and such other books and records as the Board of Directors may from time to time determine.

Section 5. Voting of Stock. Unless otherwise specifically authorized by the Board of Directors, all rights and powers, including any right to vote, incident to any stock owned by the Corporation, other than stock of the Corporation, shall be exercised in person or by proxy, by the President or any Vice President of the Corporation on behalf of the Corporation in no more restricted manner or limited extent than would apply to any owner thereof.

ARTICLE VIII
AMENDMENTS

Section 1. Amendments. The vote of the holders of at

least a majority of the shares of stock of the Corporation, issued and outstanding and entitled to vote, shall be necessary

at any meeting of stockholders to amend or repeal these By-Laws or to adopt new by-laws. These By-Laws may also be amended or repealed, or new by-laws adopted, at any meeting of the Board of Directors by the vote of at least a majority of the entire Board; provided that any by-law adopted by the Board may be amended or repealed by the stockholders in the manner set forth above.

Any proposal to amend or repeal these By-Laws or to adopt new by-laws shall be stated in the notice of the meeting of the Board of Directors or the stockholders, or in the waiver of notice thereof, as the case may be, unless all of the directors or the holders of record of all of the shares of stock of the Corporation, issued and outstanding and entitled to vote, are present at such meeting.

DATARAM CORPORATION
SAVINGS AND INVESTMENT RETIREMENT PLAN

January 1, 2001 Restatement

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PREAMBLE

The Dataram Corporation Savings and Investment Retirement Plan, originally effective as of May 1, 1982, is hereby amended and restated in its entirety. Except as otherwise specifically provided in Article XXIII, this amendment and restatement shall be effective as of January 1, 2001. The Plan, as amended and restated hereby, is intended to qualify as a profit-sharing plan under Code Section 401(a), and includes a cash or deferred arrangement that is intended to qualify under Code Section 401(k). The Plan is maintained for the exclusive benefit of eligible employees and their beneficiaries.

Notwithstanding any other provision of the Plan to the contrary, a Participant's vested interest in his Account under the Plan on and after the effective date of this amendment and restatement shall be not less than his vested interest in his account on the day immediately preceding the effective date. Any provision of the Plan that restricted or limited withdrawals, loans, or other distributions, or otherwise required separate accounting with respect to any portion of a Participant's Account immediately prior to the later of the effective date of this amendment and restatement or the date this amendment and restatement is adopted and the elimination of which would adversely affect the qualification of the Plan under Code Section 401(a) shall continue in effect with respect to such portion of the Participant's Account as if fully set forth in this amendment and restatement.

ARTICLE I
DEFINITIONS

1.1 Plan Definitions

As used herein, the following words and phrases have the meanings hereinafter set forth, unless a different meaning is plainly required by the context:

An "Account" means the account maintained by the Trustee in the name of a Participant that reflects his interest in the Trust and any Sub-Accounts maintained thereunder, as provided in Article VIII.

The "Administrator" means the Sponsor unless the Sponsor designates another person or persons to act as such.

An "After-Tax Contribution" means any after-tax employee contribution made by a Participant to the Plan as may be permitted under Article V or as may have been permitted under the terms of the Plan prior to this amendment and restatement or any after-tax employee contribution made by a Participant to another plan that is transferred directly to the Plan.

The "Beneficiary" of a Participant means the person or persons entitled under the provisions of the Plan to receive distribution hereunder in the event the Participant dies before receiving distribution of his entire interest under the Plan.

A Participant's "Benefit Payment Date" means (i) if payment is made through the purchase of an annuity, the first day of the first period for which the annuity is payable or (ii) if payment is made in any other form, the first day on which all events have occurred which entitle the Participant to receive payment of his benefit.

The "Code" means the Internal Revenue Code of 1986, as amended from time to time. Reference to a Code section includes such section and any comparable section or sections of any future legislation that amends, supplements, or supersedes such section.

The "Compensation" of a Participant for any period means regular or base salary or wages including overtime.

In addition to the foregoing, Compensation includes any amount that would have been included in the foregoing description, but for the Participant's election to defer payment of such amount under Code Section 125, 402(e)(3), 402(h)(1)(B), 403(b), or 457(b) and certain contributions described in Code Section 414(h)(2) that are picked up by the employing unit and treated as employer contributions.

In no event, however, shall the Compensation of a Participant taken into account under the Plan for any Plan Year exceed $150,000 (subject to adjustment annually as provided in Code Sections

401(a)(17)(B) and 415(d); provided, however, that the dollar increase in effect on January 1 of any calendar year, if any, is effective for Plan Years beginning in such calendar year). If the Compensation of a Participant is determined over a period of time that contains fewer than 12 calendar months, then the annual compensation limitation described above shall be adjusted with respect to that Participant by multiplying the annual compensation limitation in effect for the Plan Year by a fraction the numerator of which is the number of full months in the period and the denominator of which is 12; provided, however, that no proration is required for a Participant who is covered under the Plan for less than one full Plan Year if the formula for allocations is based on Compensation for a period of at least 12 months.

A "Contribution Period" means the period specified in Article VI for which Employer Contributions shall be made.

"Disabled" means a Participant can no longer continue in the service of his employer because of a mental or physical condition that is likely to result in death or is expected to continue for a period of at least six months. A Participant shall be considered Disabled only if the Administrator determines he is Disabled based on a written certificate of a physician acceptable to it.

An "Eligible Employee" means any Employee who has met the eligibility requirements of Article III to participate in the Plan.

The "Eligibility Service" of an employee means the period or periods of service credited to him under the provisions of Article II for purposes of determining his eligibility to participate in the Plan as may be required under Article III.

An "Employee" means any person who is classified by an Employer, in accordance

with its payroll records, as an employee of the Employer, other than any such person who is covered by a collective bargaining agreement that does not specifically provide for coverage under the Plan. Any individual who is not treated by an Employer as a common law employee of the Employer shall be excluded from Plan participation even if a court or administrative agency determines that such individual is a common law employee and not an independent contractor.

An "Employer" means the Sponsor and any entity which has adopted the Plan as may be provided under Article XX.

An "Employer Contribution" means the amount, if any, that an Employer contributes to the Plan as may be provided under Article VI or Article XXII.

An "Enrollment Date" means the first day of each Plan Year quarter.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time. Reference to a section of ERISA includes such section and any comparable section or sections of any future legislation that amends, supplements, or supersedes such section.

The "General Fund" means a Trust Fund maintained by the Trustee as required to hold and administer any assets of the Trust that are not allocated among any separate Investment Funds as may be provided in the Plan or the Trust Agreement. No General Fund shall be maintained if all assets of the Trust are allocated among separate Investment Funds.

A "Highly Compensated Employee" means any Employee or former Employee who is a "highly compensated active employee" or a "highly compensated former employee" as defined hereunder.

A "highly compensated active employee" includes any Employee who performs services for an Employer or any Related Company during the Plan Year and who (i) was a five percent owner at any time during the Plan Year or the "look back year" or (ii) received "compensation" from the Employers and Related Companies during the "look back year" in excess of $80,000 (subject to adjustment annually at the same time and in the same manner as under Code Section 415(d)) and was in the top paid group of employees for the "look back year". An Employee is in the top paid group of employees if he is in the top 20 percent of the employees of his Employer and all Related Companies when ranked on the basis of "compensation" paid during the "look back year".

A "highly compensated former employee" includes any Employee who (1) separated from service from an Employer and all Related Companies (or is deemed to have separated from service from an Employer and all Related Companies) prior to the Plan Year, (2) performed no services for an Employer or any Related Company during the Plan Year, and (3) was a "highly compensated active employee" for either the separation year or any Plan Year ending on or after the date the Employee attains age 55, as determined under the rules in effect under Code Section 414(q) for such year.

The determination of who is a Highly Compensated Employee hereunder, including determinations as to the number and identity of employees in the top paid group, shall be made in accordance with the provisions of Code Section 414(q) and regulations issued thereunder.

For purposes of this definition, the following terms have the following meanings:

(a) An employee's "compensation" means compensation as defined in Code Section 415(c)(3) and regulations issued thereunder.

(b) The "look back year" means the 12-month period immediately preceding the Plan Year.

An "Hour of Service" with respect to a person means each hour, if any, that may be credited to him in accordance with the provisions of Article II.

An "Investment Fund" means any separate investment Trust Fund maintained by the Trustee as may be provided in the Plan or the Trust Agreement or any

separate investment fund maintained by the Trustee, to the extent that there are Participant Sub-Accounts under such funds, to which assets of the Trust may be allocated and separately invested.

A "Matching Contribution" means any Employer Contribution made to the Plan on account of a Participant's Tax-Deferred Contributions or After-Tax Contributions as provided in Article VI, including Regular Matching Contributions and any such contribution that is designated by an Employer as a Qualified Matching Contribution.

The "Normal Retirement Date" of an employee means the date he attains age 65.

A "Participant" means any person who has an Account in the Trust.

The "Plan" means the Dataram Corporation Savings and Investment Retirement Plan, as from time to time in effect.

A "Plan Year" means the 12-consecutive-month period ending each December 31.

A "Predecessor Employer" means any company that is a predecessor organization to an Employer under the Code, provided that the Employer maintains a plan of such predecessor organization.

A "Profit-Sharing Contribution" means any Employer Contribution made to the Plan as provided in Article VI, other than Matching Contributions and Qualified Nonelective Contributions.

A "Qualified Joint and Survivor Annuity" means an immediate annuity payable at earliest retirement age under the Plan, as defined in regulations issued under Code Section 401(a)(11), that is payable (i) for the life of a Participant, if the Participant is not married, or (ii) for the life of a Participant with a survivor annuity payable for the life of the Participant's spouse that is equal to at least 50 percent, but not more than 100 percent, of the amount of the annuity payable during the joint lives of the Participant and his spouse, if the Participant is married. No survivor annuity shall be payable to the Participant's spouse under a Qualified Joint and Survivor Annuity if such spouse is not the same spouse to whom the Participant was married on his Benefit Payment Date.

A "Qualified Matching Contribution" means any Matching Contribution made to the Plan as provided in Article VI that is 100 percent vested when made and may be taken into account to satisfy the limitations on Tax-Deferred Contributions made by Highly Compensated Employees under Article VII.

A "Qualified Nonelective Contribution" means any Employer Contribution made to the Plan as provided in Article VI that is 100 percent vested when made and may be taken into account to satisfy the limitations on Tax-Deferred Contributions and/or Matching and After-Tax Contributions made by or on behalf of Highly Compensated Employees under Article VII, other than Qualified Matching Contributions.

A "Qualified Preretirement Survivor Annuity" means an annuity payable for the life of a Participant's surviving spouse if the Participant dies prior to his Benefit Payment Date.

A "Regular Matching Contribution" means any Matching Contribution made to the Plan at the rate specified in Article VI, other than any Matching Contribution characterized by the Employer as a Qualified Matching Contribution.

A "Related Company" means any corporation or business, other than an Employer, which would be aggregated with an Employer for a relevant purpose under Code Section 414.

A Participant's "Required Beginning Date" means April 1 of the calendar year following the calendar year in which the Participant attains age 70 1/2; provided, however, that a Participant who attains age 70 1/2 on or after January 1, 1999 and who continues employment with an Employer or Related

Company after age 70 1/2 and who is not a "five percent owner" may make an election prior to April 1 of the calendar year following the calendar year in which the Participant attains age 70 1/2 to postpone his Required Beginning Date to April 1 of the calendar year following the calendar year in which his Settlement Date occurs.

A Participant is a "five percent owner" if he is a five percent owner, as defined in Code Section 416(i) and determined in accordance with Code Section 416, but without regard to whether the Plan is top-heavy, for the Plan Year ending with or within the calendar year in which the Participant attains age 70 1/2. The Required Beginning Date of a Participant who is a "five percent owner" hereunder shall not be redetermined if the Participant ceases to be a five percent owner as defined in Code Section 416(i) with respect to any subsequent Plan Year.

A "Rollover Contribution" means any rollover contribution to the Plan made by a Participant as may be permitted under Article V.

The "Settlement Date" of a Participant means the date on which a Participant's interest under the Plan becomes distributable in accordance with Article XV.

A "Single Life Annuity" means an annuity payable for the life of a Participant.

The "Sponsor" means Dataram Corporation, and any successor thereto.

A "Sub-Account" means any of the individual sub-accounts of a Participant's Account that is maintained as provided in Article VIII.

A "Tax-Deferred Contribution" means the amount contributed to the Plan on a Participant's behalf by his Employer in accordance with Article IV.

The "Trust" means the trust, custodial accounts, annuity contracts, or insurance contracts maintained by the Trustee under the Trust Agreement.

The "Trust Agreement" means any agreement or agreements entered into between the Sponsor and the Trustee relating to the holding, investment, and reinvestment of the assets of the Plan, together with all amendments thereto and shall include any agreement establishing a custodial account, an annuity contract, or an insurance contract (other than a life, health or accident, property, casualty, or liability insurance contract) for the investment of assets if the custodial account or contract would, except for the fact that it is not a trust, constitute a qualified trust under Code Section 401.

The "Trustee" means the trustee or any successor trustee which at the time shall be designated, qualified, and acting under the Trust Agreement and shall include any insurance company that issues an annuity or insurance contract pursuant to the Trust Agreement or any person holding assets in a custodial account pursuant to the Trust Agreement. The Sponsor may designate a person or persons other than the Trustee to perform any responsibility of the Trustee under the Plan, other than trustee responsibilities as defined in ERISA Section 405(c)(3), and the Trustee shall not be liable for the performance of such person in carrying out such responsibility except as otherwise provided by ERISA. The term Trustee shall include any delegate of the Trustee as may be provided in the Trust Agreement.

A "Trust Fund" means any fund maintained under the Trust by the Trustee.

A "Valuation Date" means the date or dates designated by the Sponsor and communicated in writing to the Trustee for the purpose of valuing the General Fund and each Investment Fund and adjusting Accounts and Sub-Accounts hereunder, which dates need not be uniform with respect to the General Fund, each Investment Fund, Account, or Sub-Account; provided, however, that the General Fund and each Investment Fund shall be valued and each Account and Sub-Account shall be adjusted no less often than once annually.

The "Vesting Service" of an employee means the period or periods of service credited to him under the provisions of Article II for purposes of determining his vested interest in his Employer Contributions Sub-Account, if Employer

Contributions are provided for under either Article VI or Article XXII.

1.2 Interpretation

Where required by the context, the noun, verb, adjective, and adverb forms of each defined term shall include any of its other forms. Wherever used herein, the masculine pronoun shall include the feminine, the singular shall include the plural, and the plural shall include the singular.

ARTICLE II
SERVICE

2.1 Special Definitions

For purposes of this Article, the following terms have the following meanings.

The "continuous service" of an employee means the continuous service credited to him in accordance with the provisions of this Article.

The "employment commencement date" of an employee means the date he first completes an Hour of Service.

A "maternity/paternity absence" means a person's absence from employment with an Employer or a Related Company because of the person's pregnancy, the birth of the person's child, the placement of a child with the person in connection with the person's adoption of the child, or the caring for the person's child immediately following the child's birth or adoption. A person's absence from employment will not be considered a maternity/paternity absence unless the person furnishes the Administrator such timely information as may reasonably be required to establish that the absence was for one of the purposes enumerated in this paragraph and to establish the number of days of absence attributable to such purpose.

The "reemployment commencement date" of an employee means the first date following a "severance date" on which he again completes an Hour of Service.

The "severance date" of an employee means the earlier of (i) the date on which he retires, dies, or his employment with all Employers and Related Companies is otherwise terminated, or (ii) the first anniversary of the first date of a period during which he is absent from work with all Employers and Related Companies for any other reason; provided, however, that if he terminates employment with or is absent from work with all Employers and Related Companies on account of service with the armed forces of the United States, he shall not incur a "severance date" if he is eligible for reemployment rights under the Uniformed Services Employment and Reemployment Rights Act of 1994 and he returns to work with an Employer or a Related Company within the period during which he retains such reemployment rights, but, if he does not return to work within such period, his "severance date" shall be the earlier of the date which is one year after his absence commenced or the last day of the period during which he retains such reemployment rights; and provided, further, that if an employee is on a "maternity/paternity absence" beyond the first anniversary of the first day of such absence, he shall not incur a "severance date" if he returns to employment before the second anniversary of the first day of such absence but, if he does not return within such period, his "severance date" shall be the second anniversary of the first date of such "maternity/paternity absence"; and provided, further, that if an employee is on a paid leave of absence beyond the first anniversary of the first day of such absence, he shall not incur a "severance date" if he returns to employment before the second anniversary of the first

day of such absence but, if he does not return within such period, his "severance date" shall be the first anniversary of the first date of such paid leave of absence.

2.2 Crediting of Hours of Service

A person shall be credited with an Hour of Service for each hour for which he is paid, or entitled to payment, for the performance of duties for an Employer, a Predecessor Employer, or any Related Company. Except as otherwise specifically provided with respect to Predecessor Employers, Hours of Service shall not be credited for employment with a corporation or business prior to the date such corporation or business becomes a Related Company. Notwithstanding the foregoing, with respect to former employees of Da-Tech Corporation who were hired by an Employer on July 6, 1998, employment with Da-Tech Corporation before July 6, 1998 shall be treated as employment with an Employer

2.3 Crediting of Continuous Service

A person shall be credited with "continuous service" for the aggregate of the periods of time between his "employment commencement date" or any "reemployment commencement date" and the "severance date" that next follows such "employment commencement date" or "reemployment commencement date"; provided, however, that an employee who has a "reemployment commencement date" within the 12-consecutive-month period following the earlier of the first date of his absence or his "severance date" shall be credited with "continuous service" for the period between his "severance date" and "reemployment commencement date".

2.4 Eligibility Service

There shall be no Eligibility Service credited under the Plan.

2.5 Vesting Service

An employee shall be credited with Vesting Service equal to his "continuous service". Vesting Service shall be computed to the nearest 1/12th of a year treating each calendar month or portion of a calendar month in which an employee is credited with "continuous service" as 1/12th year of Vesting Service.

2.6 Crediting of Service on Transfer or Amendment

Notwithstanding any other provision of the Plan to the contrary, if an Employee is transferred from employment covered under a qualified plan maintained by an Employer or a Related Company for which service is credited based on Hours of Service and computation periods in accordance with Department of Labor Regulations Section 2530.200 through 2530.203 to employment covered under the Plan or, prior to amendment, the Plan provided for crediting of service on the basis of Hours of Service and computation periods in accordance with Department of Labor Regulations Section 2530.200 through 2530.203, an affected Employee shall be

credited with Vesting Service hereunder as provided in Treasury Regulations Section 1.410(a)-7(f)(1).

2.7 Crediting of Service to Leased Employees

Notwithstanding any other provision of the Plan to the contrary, a "leased employee" working for an Employer or a Related Company (other than an "excludable leased employee") shall be considered an employee of such Employer or Related Company for purposes of Vesting Service crediting under the Plan, but shall not be eligible to participate in the Plan. Such "leased employee" shall also be considered an employee of such Employer or Related Company for purposes of applying Code Sections 401(a)(3), (4), (7), and (16), and 408(k), 415, and 416.

A "leased employee" means any person who performs services for an Employer or a Related Company (the "recipient") (other than an employee of the "recipient") pursuant to an agreement between the "recipient" and any other person (the "leasing organization") on a substantially full-time basis for a period of at least one year, provided that such services are performed under

primary direction of or control by the "recipient". An "excludable leased employee" means any "leased employee" of the "recipient" who is covered by a money purchase pension plan maintained by the "leasing organization" which provides for (i) a nonintegrated employer contribution on behalf of each participant in the plan equal to at least ten percent of compensation, (ii) full and immediate vesting, and (iii) immediate participation by employees of the "leasing organization" (other than employees who perform substantially all of their services for the "leasing organization" or whose compensation from the "leasing organization" in each plan year during the four-year period ending with the plan year is less than $1,000); provided, however, that "leased employees" do not constitute more than 20 percent of the "recipient's" nonhighly compensated work force. For purposes of this Section, contributions or benefits provided to a "leased employee" by the "leasing organization" that are attributable to services performed for the "recipient" shall be treated as provided by the "recipient".

ARTICLE III
ELIGIBILITY

3.1 Eligibility

Each Employee who was an Eligible Employee immediately prior to January 1, 2001 shall continue to be an Eligible Employee on January 1, 2001. Each other Employee shall become an Eligible Employee as of the Enrollment Date coinciding with or next following the date on which he becomes an Employee.

3.2 Transfers of Employment

If a person is transferred directly from employment with an Employer or with a Related Company in a capacity other than as an Employee to employment as an Employee, he shall become an Eligible Employee as of the later of the date he is so transferred or the date he would have become an Eligible Employee if he had been an Employee for his entire period of employment with the Employer or Related Company.

3.3 Reemployment

If a person who terminated employment with an Employer and all Related Companies is reemployed as an Employee and if he had been an Eligible Employee prior to his termination of employment, he shall again become an Eligible Employee on the date he is reemployed. Otherwise, the eligibility of a person who terminated employment with an Employer and all Related Companies and who is reemployed by an Employer or a Related Company to participate in the Plan shall be determined in accordance with Section 3.1 or 3.2.

3.4 Notification Concerning New Eligible Employees

Each Employer shall notify the Administrator as soon as practicable of Employees becoming Eligible Employees as of any date.

3.5 Effect and Duration

Upon becoming an Eligible Employee, an Employee shall be entitled to make Tax-Deferred and After-Tax Contributions to the Plan in accordance with the provisions of Article IV and Article V and receive allocations of Employer Contributions in accordance with the provisions of Article VI (provided he meets any applicable requirements thereunder) and shall be bound by all the terms and conditions of the Plan and the Trust Agreement. A person shall continue as an Eligible Employee eligible to make Tax-Deferred and After-Tax Contributions to the Plan and to participate in allocations of Employer Contributions only so long as he continues employment as an Employee.

ARTICLE IV
TAX-DEFERRED CONTRIBUTIONS

4.1 Tax-Deferred Contributions

Effective as of the date he becomes an Eligible Employee, each Eligible Employee may elect, in accordance with rules prescribed by the Administrator, to have Tax-Deferred Contributions made to the Plan on his behalf by his Employer as hereinafter provided. An Eligible Employee's election shall include his authorization for his Employer to reduce his Compensation and to make Tax-Deferred Contributions on his behalf. An Eligible Employee who elects not to have Tax-Deferred Contributions made to the Plan as of the first Enrollment Date he becomes eligible to participate may change his election by amending his reduction authorization as prescribed in this Article.

Tax-Deferred Contributions on behalf of an Eligible Employee shall commence with the first payment of Compensation made on or after the date on which his election is effective.

4.2 Amount of Tax-Deferred Contributions

The amount of Tax-Deferred Contributions to be made to the Plan on behalf of an Eligible Employee by his Employer shall be an integral percentage of his Compensation of not less than two percent nor more than 15 percent. In the event an Eligible Employee elects to have his Employer make Tax-Deferred Contributions on his behalf, his Compensation shall be reduced for each payroll period by the percentage he elects to have contributed on his behalf to the Plan in accordance with the terms of his currently effective reduction authorization.

4.3 Combined Limit on Tax-Deferred and After-Tax Contributions

Notwithstanding any other provision of the Plan to the contrary, in no event may the Tax-Deferred Contributions made on behalf of an Eligible Employee for the Plan Year, when combined with the After-Tax Contributions made by the Eligible Employee for the Plan Year, exceed 15 percent of the Eligible Employee's Compensation for the Plan Year.

4.4 Amendments to Reduction Authorization

An Eligible Employee may elect, in the manner prescribed by the Administrator, to change the amount of his future Compensation that his Employer contributes on his behalf as Tax-Deferred Contributions. An Eligible Employee may amend his reduction authorization at such time or times during the Plan Year as the Administrator may prescribe by giving such number of days advance notice of his election as the Administrator may prescribe. An Eligible Employee who amends his reduction authorization shall be limited to selecting an amount of his Compensation that is otherwise permitted under this Article IV. Tax-Deferred Contributions shall be made on behalf of such Eligible Employee by his Employer pursuant to his properly amended reduction

authorization commencing with Compensation paid to the Eligible Employee on or after the date such amendment is effective, until otherwise altered or terminated in accordance with the Plan.

4.5 Suspension of Tax-Deferred Contributions

An Eligible Employee on whose behalf Tax-Deferred Contributions are being made may elect, in the manner prescribed by the Administrator, to have such contributions suspended at any time by giving such number of days advance notice of his election as the Administrator may prescribe. Any such voluntary suspension shall take effect commencing with Compensation paid to such Eligible Employee on or after the expiration of the required notice period and shall remain in effect until Tax-Deferred Contributions are resumed as hereinafter set forth.

4.6 Resumption of Tax-Deferred Contributions

An Eligible Employee who has voluntarily suspended his Tax-Deferred Contributions may elect, in the manner prescribed by the Administrator, to

have such contributions resumed. An Eligible Employee may make such election at such time or times during the Plan Year as the Administrator may prescribe, by giving such number of days advance notice of his election as the Administrator may prescribe.

4.7 Delivery of Tax-Deferred Contributions

As soon after the date an amount would otherwise be paid to an Employee as it can reasonably be separated from Employer assets, each Employer shall cause to be delivered to the Trustee in cash all Tax-Deferred Contributions attributable to such amounts.

4.8 Vesting of Tax-Deferred Contributions

A Participant's vested interest in his Tax-Deferred Contributions Sub-Account shall be at all times 100 percent.

ARTICLE V
AFTER-TAX AND ROLLOVER CONTRIBUTIONS

5.1 After-Tax Contributions

An Eligible Employee may elect, in accordance with rules prescribed by the Administrator, to make After-Tax Contributions to the Plan. After-Tax Contributions shall be made by payroll withholding in accordance with the provisions of this Article V. An Eligible Employee's election to make After-Tax Contributions may be made effective as of the Enrollment Date on which he becomes an Eligible Employee. An Eligible Employee who elects not to make After-Tax Contributions by payroll withholding as of the first Enrollment Date on which he is eligible may change his election by amending his payroll withholding authorization as prescribed in this Article

After-Tax Contributions by payroll withholding shall commence with the first payment of Compensation made on or after the date on which the Eligible Employee's election is effective.

5.2 Amount of After-Tax Contributions by Payroll Withholding

The amount of After-Tax Contributions made by an Eligible Employee by payroll withholding shall be an integral percentage of his Compensation up to five percent.

5.3 Combined Limit on Tax-Deferred and After-Tax Contributions

Notwithstanding any other provision of the Plan to the contrary, in no event may the After-Tax Contributions made by an Eligible Employee for the Plan Year, when combined with the Tax-Deferred Contributions made on behalf of the Eligible Employee for the Plan Year, exceed 15 percent of the Eligible Employee's Compensation for the Plan Year.

5.4 Amendments to Payroll Withholding Authorization

An Eligible Employee may elect, in the manner prescribed by the Administrator, to change the amount of his future Compensation that he contributes to the Plan as After-Tax Contributions by payroll withholding. An Eligible Employee may amend his payroll withholding authorization at such time or times during the Plan Year as the Administrator may prescribe by giving such number of days advance notice of his election as the Administrator may prescribe. An Eligible Employee who changes his payroll withholding authorization shall be limited to selecting an amount of his Compensation that is otherwise permitted under this Article V. After-Tax Contributions shall be made on behalf of such Eligible Employee pursuant to his properly amended payroll withholding authorization commencing with Compensation paid to the Eligible Employee on or after the date such amendment is effective, until otherwise altered or terminated in accordance with the Plan.

5.5 Suspension of After-Tax Contributions by Payroll Withholding

An Eligible Employee who is making After-Tax Contributions by payroll withholding may elect, in the manner prescribed by the Administrator, to have such contributions suspended at any time by giving such number of days advance notice to his Employer as the Administrator may prescribe. Any such voluntary suspension shall take effect commencing with Compensation paid to such Eligible Employee on or after the expiration of the required notice period and shall remain in effect until After-Tax Contributions are resumed as hereinafter set forth.

5.6 Resumption of After-Tax Contributions by Payroll Withholding

An Eligible Employee who has voluntarily suspended his After-Tax Contributions by payroll withholding in accordance with Section 5.5 may elect, in the manner prescribed by the Administrator, to have such contributions resumed. An Eligible Employee may make such election at such time or times as the Administrator may prescribe, by giving such number of days advance notice of his election as the Administrator may prescribe.

5.7 Delivery of After-Tax Contributions

As soon after the date an amount would otherwise be paid to an Employee as it can reasonably be separated from Employer assets, the Employer shall cause to be delivered to the Trustee in cash the After-Tax Contributions attributable to such amount.

5.8 Rollover Contributions

An Employee who was a participant in a plan qualified under Code Section 401 and who receives (or is eligible to receive) a cash distribution from such plan that he elects either (i) to roll over immediately to a qualified retirement plan or (ii) to roll over into a conduit IRA from which he receives a later cash distribution, may elect to make a Rollover Contribution to the Plan if he is entitled under Code Section 402(c) or 408(d)(3)(A) to roll over such distribution to another qualified retirement plan. The Administrator may require an Employee to provide it with such information as it deems necessary or desirable to show that he is entitled to roll over such distribution to another qualified retirement plan. An Employee shall make a Rollover Contribution to the Plan by delivering, or causing to be delivered, to the Trustee the cash that constitutes the Rollover Contribution amount within 60 days of receipt of the distribution from the plan or from the conduit IRA in the manner prescribed by the Administrator.

5.9 Vesting of After-Tax Contributions and Rollover Contributions

A Participant's vested interest in his After-Tax Contributions Sub-Account and his Rollover Contributions Sub-Account shall be at all times 100 percent.

ARTICLE VI
EMPLOYER CONTRIBUTIONS

6.1 Contribution Period

The Contribution Periods for Employer Contributions shall be as follows:

(a) The Contribution Period for Matching Contributions under the Plan is each month.

(b) The Contribution Period for Qualified Nonelective Contributions under the Plan is each Plan Year.

(c) The Contribution Period for Profit-Sharing Contributions under the Plan is each Plan Year.

6.2 Profit-Sharing Contributions

Each Employer may, in its discretion, make a Profit-Sharing Contribution to the Plan for the Contribution Period in an amount determined by the Employer.

6.3 Allocation of Profit-Sharing Contributions

Any Profit-Sharing Contribution made by an Employer for a Contribution Period shall be allocated among its Eligible Employees during the Contribution Period who have met the allocation requirements for Profit-Sharing Contributions described in this Article. The allocable share of each such Eligible Employee shall be in the ratio which his Compensation from the Employer for the Contribution Period bears to the aggregate of such Compensation for all such Eligible Employees.

Notwithstanding any other provision of the Plan to the contrary, Compensation earned by an Eligible Employee during a Contribution Period, but prior to the date on which the Employee first became an Eligible Employee shall be excluded in determining the Eligible Employee's allocable share of any Profit-Sharing Contribution made for the Contribution Period.

6.4 Qualified Nonelective Contributions

Each Employer may, in its discretion, make a Qualified Nonelective Contribution to the Plan for the Contribution Period in an amount determined by the Sponsor.

6.5 Allocation of Qualified Nonelective Contributions

Any Qualified Nonelective Contribution made by an Employer for a Contribution Period shall be allocated among its Eligible Employees during the Contribution Period who have met the allocation requirements for Qualified Nonelective Contributions described in this Article, other than any such Eligible Employee who is a Highly Compensated Employee. The allocable share of each such Eligible Employee shall be determined as follows:

(a) the Eligible Employee with the least "test compensation", as defined in Section 7.1, shall receive an allocation equal to the lower of:

(i) the maximum contribution permitted to be made to the Plan on his behalf under Code Section 415, taking into account any contributions already made on his behalf; or

(ii) the full amount of the Qualified Nonelective Contribution made by the Employer for the Contribution Period.

(b) If any Qualified Nonelective Employer Contribution remains after allocation has been made in accordance with the provisions of paragraph (a) above, the Eligible Employee with the next lowest "test compensation", as defined in Section 7.1, shall receive an allocation equal to the lower of:

(i) the maximum contribution permitted to be made to the Plan on his behalf under Code Section 415, taking into account any contributions already made on his behalf; or

(ii) the balance of the Qualified Nonelective Contribution made by the Employer for the Contribution Period remaining after allocation has been made in accordance with the provisions of paragraph (a) above.

(c) If any Qualified Nonelective Contribution remains after allocation has been made in accordance with the provisions of paragraph (b) above, allocations shall continue to Eligible Employees as provided in paragraph (b) in ascending order of "test compensation", until the Qualified Nonelective Contribution has been fully allocated.

6.6 Amount and Allocation of Matching Contributions

Each Employer shall make a Matching Contribution to the Plan for each Contribution Period on behalf of each of its Eligible Employees during the Contribution Period who has met the allocation requirements for Matching

Contributions described in this Article. The amount of such Matching Contribution shall be in an amount equal to the percentage, as indicated below, of the aggregate Tax-Deferred Contributions and After-Tax Contributions made for the Contribution Period by or on behalf of such Eligible Employee.

(a) $.25 for each $1.00 allocated to such a Participant's Tax-Deferred and/or After-Tax Contributions for Participants with up to two years of Vesting Service as of the first day of the calendar quarter.

(b) $.50 for each $1.00 allocated to such a Participant's Tax-Deferred and/or After-Tax Contributions for Participants with at least two years of Vesting Service and up to five years of Vesting Service as of the first day of the calendar quarter.

(c) $.75 for each $1.00 allocated to such a Participant's Tax Deferred and/or After-Tax Contributions for Participants with at least five years of Vesting Service and up to ten years of Vesting Service as of the first day of the calendar quarter.

(d) $.1.00 for each $1.00 allocated to such a Participant's Tax-Deferred and/or After-Tax Contributions for Participants with ten or more years of Vesting Service.

In addition, the Employer reserves the right to reduce the amount of Matching Contributions being allocated to each Participant account, contingent upon a Board of Directors resolution.

6.7 Limit on Contributions Matched

Notwithstanding any other provision of this Article to the contrary, After-Tax Contributions and Tax-Deferred Contributions made to the Plan by or on behalf of an Eligible Employee for a Contribution Period that exceed six percent of the Eligible Employee's Compensation for the Contribution Period shall be excluded in determining the amount and allocation of Matching Contributions with respect to such Eligible Employee for the Contribution Period.

Compensation earned by an Eligible Employee during the Contribution Period, but prior to the date on which the Employee first became an Eligible Employee, shall be excluded in applying the limitation contained in this paragraph. An Eligible Employee's After-Tax Contributions and Tax-Deferred Contributions shall be aggregated for purposes of determining whether this limitation has been met.

6.8 Qualified Matching Contributions

An Employer may designate any portion or all of its Matching Contribution as a Qualified Matching Contribution. Amounts that are designated as Qualified Matching Contributions shall be accounted for separately and may be withdrawn only as permitted under the Plan.

6.9 Verification of Amount of Employer Contributions by the Sponsor

The Sponsor shall verify the amount of Employer Contributions to be made by each Employer in accordance with the provisions of the Plan. Notwithstanding any other provision of the Plan to the contrary, the Sponsor shall determine the portion of the Employer Contribution to be made by each Employer with respect to an Employee who transfers from employment with one Employer as an Employee to employment with another Employer as an Employee.

6.10 Payment of Employer Contributions

Employer Contributions made for a Contribution Period shall be paid in cash to the Trustee within the period of time required under the Code in order for the contribution to be deductible by the Employer in determining its Federal income taxes for the Plan Year.

6.11 Allocation Requirements for Employer Contributions

A person who was an Eligible Employee at any time during a Contribution Period shall be eligible to receive an allocation of Profit-Sharing Contributions for such Contribution Period.

A person who was an Eligible Employee at any time during a Contribution Period shall be eligible to receive an allocation of Matching Contributions for such Contribution Period.

A person who was an Eligible Employee at any time during a Contribution Period shall be eligible to receive an allocation of Qualified Nonelective Contributions for such Contribution Period.

6.12 Vesting of Employer Contributions

A Participant's vested interest in his Qualified Nonelective and Qualified Matching Contributions Sub-Accounts shall be at all times 100 percent.

A Participant's vested interest in his Profit-Sharing and Regular Matching Contributions Sub-Accounts shall be determined in accordance with the following schedule:

Years of Vesting Service	Vested Interest
Less than 3	0%
3, but less than 4	33%
4, but less than 5	66%
5 or more	100%

Notwithstanding the foregoing, if a Participant is employed by an Employer or a Related Company on his Normal Retirement Date, the date he becomes Disabled, or the date he dies, his vested interest in his Profit-Sharing and Regular Matching Contributions Sub-Accounts shall be 100 percent.

6.13 Election of Former Vesting Schedule

If the Sponsor adopts an amendment to the Plan that directly or indirectly affects the computation of a Participant's vested interest in his Employer Contributions Sub-Account, any Participant with three or more years of Vesting Service shall have a right to have his vested interest in his Employer Contributions Sub-Account continue to be determined under the vesting provisions in effect prior to the amendment rather than under the new vesting provisions, unless the vested interest of the Participant in his Employer Contributions Sub-Account under the Plan as amended is not at any time less than such vested interest determined without regard to the amendment. A Participant shall exercise his right under this Section by giving written notice of his exercise thereof to the Administrator within 60 days after the latest of (i) the date he receives notice of the amendment from the Administrator, (ii) the effective date of the amendment, or (iii) the date the amendment is adopted. Notwithstanding the foregoing, a Participant's vested interest in his Employer Contributions Sub-Account on the effective date of such an amendment shall not be less than his vested interest in his Employer Contributions Sub-Account immediately prior to the effective date of the amendment.

6.14 Forfeitures to Reduce Employer Contributions

Notwithstanding any other provision of the Plan to the contrary, the amount of the Employer Contribution required under this Article for a Plan Year shall be reduced by the amount of any forfeitures occurring during the Plan Year or any prior Plan Year that are not used to pay Plan expenses and that are applied against Employer Contributions as provided in Article XIV.

ARTICLE VII
LIMITATIONS ON CONTRIBUTIONS

7.1 Definitions

For purposes of this Article, the following terms have the following meanings:

The "aggregate limit" means the sum of (i) 125 percent of the greater of the average "contribution percentage" for "eligible participants" other than Highly Compensated Employees or the average "deferral percentage" for Eligible Employees other than Highly Compensated Employees and (ii) the lesser of 200 percent or two plus the lesser of such average "contribution percentage" or average "deferral percentage", or, if it would result in a larger "aggregate limit", the sum of (iii) 125 percent of the lesser of the average "contribution percentage" for "eligible participants" other than Highly Compensated Employees or the average "deferral percentage" for Eligible Employees other than Highly Compensated Employees and (iv) the lesser of 200 percent or two plus the greater of such average "contribution percentage" or average "deferral percentage". For purposes of determining the "aggregate limit", the "contribution percentages" and "deferral percentages" used shall be for the applicable "testing year".

The "annual addition" with respect to a Participant for a "limitation year" means the sum of the Tax-Deferred Contributions, After-Tax Contributions, and Employer Contributions allocated to his Account for the "limitation year" (including any "excess contributions" that are distributed pursuant to this Article), the employer contributions, "employee contributions", and forfeitures allocated to his accounts for the "limitation year" under any other qualified defined contribution plan (whether or not terminated) maintained by an Employer or a Related Company concurrently with the Plan, and amounts described in Code Sections 415(l)(2) and 419A(d)(2) allocated to his account for the "limitation year".

The "contribution percentage" with respect to an "eligible participant" for a particular Plan Year means the ratio of the sum of the Matching Contributions made to the Plan on his behalf and the After-Tax Contributions made by him for the Plan Year to his "test compensation" for such Plan Year. To the extent permitted by regulations issued under Code Section 401(m), the Sponsor may elect to include the Tax-Deferred Contributions and/or Qualified Nonelective Contributions made to the Plan on an "eligible participant's" behalf for the Plan Year in computing the numerator of such "eligible participant's" "contribution percentage". Notwithstanding the foregoing, any Tax-Deferred Contributions, Qualified Matching Contributions, and/or Qualified Nonelective Contributions that are included in determining the numerator of an "eligible participant's" "deferral percentage" may not be included in determining the numerator of his "contribution percentage".

After-Tax Contributions made by an "eligible participant" shall be included in determining his "contribution percentage" for a Plan Year only if they are contributed to the Plan before the end of such Plan Year. Other contributions made on an "eligible participant's" behalf for a Plan Year shall be included in determining his "contribution percentage" for such Plan Year only if the contributions are allocated to the "eligible participant's" Account as of a date within such Plan Year and are made to the Plan before the end of the 12-month period immediately following the Plan Year to which the contributions relate. The determination of an "eligible participant's" "contribution percentage" shall be made after any reduction required to satisfy the Code Section 415 limitations is made as provided in this Article VII and shall satisfy such other requirements as may be prescribed by the Secretary of the Treasury.

The "deferral percentage" with respect to an Eligible Employee for a particular Plan Year means the ratio of the Tax-Deferred Contributions made on his behalf for the Plan Year to his "test compensation" for the Plan Year. To the extent permitted by regulations issued under Code Section 401(k), the Sponsor may elect to include Qualified Matching Contributions and/or Qualified Nonelective Contributions made to the Plan on the Eligible Employee's behalf for the Plan Year in computing the numerator of such Eligible Employee's "deferral percentage". Notwithstanding the foregoing, any Tax-Deferred Contributions, Qualified Matching Contributions, and/or Qualified Nonelective Contributions that are included in determining the numerator of an Eligible Employee's "contribution percentage" may not be included in determining the numerator of his "deferral percentage".

Contributions made on an Eligible Employee's behalf for a Plan Year shall be included in determining his "deferral percentage" for such Plan Year only if they meet the following requirements:

(a) Tax-Deferred Contributions must relate to Compensation that would, but for the Eligible Employee's deferral election, have been received by the Eligible Employee during such Plan Year.

(b) The contributions must be allocated to the Eligible Employee's Account as of a date within such Plan Year.

(c) The contributions must be made to the Plan before the end of the 12-month period immediately following the Plan Year to which they relate.

The determination of an Eligible Employee's "deferral percentage" shall be made after any reduction required to satisfy the Code Section 415 limitations is made as provided in this Article VII and shall satisfy such other requirements as may be prescribed by the Secretary of the Treasury.

An "elective contribution" means any employer contribution made to a plan maintained by an Employer or a Related Company on behalf of a Participant in lieu of cash compensation pursuant to his written election to defer under any qualified CODA as described in Code Section 401(k), any simplified employee pension cash or deferred arrangement as described in Code Section 402(h)(1)(B), any eligible deferred compensation plan under Code Section 457, or any plan as described in Code Section 501(c)(18), and any contribution made on behalf of the Participant by an Employer or a Related Company for the purchase of an annuity contract under Code Section 403(b) pursuant to a salary reduction agreement.

An "eligible participant" means any Eligible Employee who is eligible to make After-Tax Contributions or to have Tax-Deferred Contributions made on his behalf (if Tax-Deferred Contributions are taken into account in determining "contribution percentages"), or to participate in the allocation of Matching Contributions.

An "employee contribution" means any employee after-tax contribution allocated to an Eligible Employee's account under any qualified plan of an Employer or a Related Company.

An "excess contribution" means any contribution made to the Plan by or on behalf of a Participant that exceeds one of the limitations described in this Article.

An "excess deferral" with respect to a Participant means that portion of a Participant's Tax-Deferred Contributions for his taxable year that, when added to amounts deferred for such taxable year under other plans or arrangements described in Code Section 401(k), 408(k), or 403(b) (other than any such plan or arrangement that is maintained by an Employer or a Related Company), would exceed the dollar limit imposed under Code Section 402(g) as in effect on January 1 of the calendar year in which such taxable year begins and is includible in the Participant's gross income under Code Section 402(g).

A "limitation year" means the calendar year.

A "matching contribution" means any employer contribution allocated to an Eligible Employee's account under any plan of an Employer or a Related Company solely on account of "elective contributions" made on his behalf or "employee

contributions" made by him.

A "qualified matching contribution" means any employer contribution allocated to an Eligible Employee's account under any plan of an Employer or a Related Company solely on account of "elective contributions" made on his behalf or "employee contributions" made by him that is a qualified matching contribution as defined in regulations issued under Code Section 401(k), is nonforfeitable when made, and is distributable only as permitted in regulations issued under Code Section 401(k).

A "qualified nonelective contribution" means any employer contribution allocated to an Eligible Employee's account under any plan of an Employer or a Related Company that the Participant could not elect instead to receive in cash, that is a qualified nonelective contribution as defined in Code Sections 401(k) and 401(m) and regulations issued thereunder, is nonforfeitable when made, and is distributable only as permitted in regulations issued under Code Section 401(k).

The "test compensation" of an Eligible Employee or "eligible participant" for a Plan Year means compensation as defined in Code Section 414(s) and regulations issued thereunder, limited, however, to $150,000 (subject to adjustment annually as provided in Code Sections 401(a)(17)(B) and 415(d); provided, however, that the dollar increase in effect on January 1 of any calendar year, if any, is effective for Plan Years beginning in such calendar year) and, if elected by the Sponsor, further limited solely to "test compensation" of an Employee attributable to periods of time when he is an Eligible Employee or "eligible participant". If the "test compensation" of an Eligible Employee or "eligible participant" is determined over a period of time that contains fewer than 12 calendar months, then the annual compensation limitation described above shall be adjusted with respect to that Eligible Employee or "eligible participant" by multiplying the annual compensation limitation in effect for the Plan Year by a fraction the numerator of which is the number of full months in the period and the denominator of which is 12; provided, however, that no proration is required for an Eligible Employee or "eligible participant" who is covered under the Plan for less than one full Plan Year if the formula for allocations is based on Compensation for a period of at least 12 months.

The "testing year" means the Plan Year for which the limitations on "deferral percentages" and "contribution percentages" of Highly Compensated Employees are being determined.

7.2 Code Section 402(g) Limit

In no event shall the amount of the Tax-Deferred Contributions made on behalf of an Eligible Employee for his taxable year, when aggregated with any "elective contributions" made on behalf of the Eligible Employee under any other plan of an Employer or a Related Company for his taxable year, exceed the dollar limit imposed under Code Section 402(g), as in effect on January 1 of the calendar year in which such taxable year begins. In the event that the Administrator determines that the reduction percentage elected by an Eligible Employee will result in his exceeding the Code Section 402(g) limit, the Administrator may adjust the reduction authorization of such Eligible Employee by reducing the percentage of his Tax-Deferred Contributions to such smaller percentage that will result in the Code Section 402(g) limit not being exceeded. If the Administrator determines that the Tax-Deferred Contributions made on behalf of an Eligible Employee would exceed the Code Section 402(g) limit for his taxable year, the Tax-Deferred Contributions for such Participant shall be automatically suspended for the remainder, if any, of such taxable year.

If an Employer notifies the Administrator that the Code Section 402(g) limit has nevertheless been exceeded by an Eligible Employee for his taxable year, the Tax-Deferred Contributions that, when aggregated with "elective contributions" made on behalf of the Eligible Employee

under any other plan of an Employer or a Related Company, would exceed the

Code Section 402(g) limit, plus any income and minus any losses attributable thereto, shall be distributed to the Eligible Employee no later than the April 15 immediately following such taxable year. Any Tax-Deferred Contributions that are distributed to an Eligible Employee in accordance with this Section shall not be taken into account in determining the Eligible Employee's "deferral percentage" for the "testing year" in which the Tax-Deferred Contributions were made, unless the Eligible Employee is a Highly Compensated Employee.

If an amount of Tax-Deferred Contributions is distributed to a Participant in accordance with this Section, Matching Contributions that are attributable solely to the distributed Tax-Deferred Contributions, plus any income and minus any losses attributable thereto, shall be forfeited by the Participant no earlier than the date on which distribution of Tax-Deferred Contributions pursuant to this Section occurs and no later than the last day of the Plan Year following the Plan Year for which the Matching Contributions were made.

7.3 Distribution of Excess Deferrals

Notwithstanding any other provision of the Plan to the contrary, if a Participant notifies the Administrator in writing no later than the March 1 following the close of the Participant's taxable year that "excess deferrals" have been made on his behalf under the Plan for such taxable year, the "excess deferrals", plus any income and minus any losses attributable thereto, shall be distributed to the Participant no later than the April 15 immediately following such taxable year. Any Tax-Deferred Contributions that are distributed to a Participant in accordance with this Section shall nevertheless be taken into account in determining the Participant's "deferral percentage" for the "testing year" in which the Tax-Deferred Contributions were made. If an amount of Tax-Deferred Contributions is distributed to a Participant in accordance with this Section, Matching Contributions that are attributable solely to the distributed Tax-Deferred Contributions, plus any income and minus any losses attributable thereto, shall be forfeited by the Participant no earlier than the date on which distribution of Tax-Deferred Contributions pursuant to this Section occurs and no later than the last day of the Plan Year following the Plan Year for which the Matching Contributions were made.

7.4 Limitation on Tax-Deferred Contributions of Highly Compensated Employees

Notwithstanding any other provision of the Plan to the contrary, the Tax-Deferred Contributions made with respect to a Plan Year on behalf of Eligible Employees who are Highly Compensated Employees may not result in an average "deferral percentage" for such Eligible Employees that exceeds the greater of:

(a) a percentage that is equal to 125 percent of the average "deferral percentage" for all other Eligible Employees for the "testing year"; or

(b) a percentage that is not more than 200 percent of the average "deferral percentage" for all other Eligible Employees for the "testing year" and that is not more than two percentage

points higher than the average "deferral percentage" for all other Eligible Employees for the "testing year",

unless the "excess contributions", determined as provided in Section 7.5, are distributed as provided in Section 7.6.

In order to assure that the limitation contained herein is not exceeded with respect to a Plan Year, the Administrator is authorized to suspend completely further Tax-Deferred Contributions on behalf of Highly Compensated Employees for any remaining portion of a Plan Year or to adjust the projected "deferral percentages" of Highly Compensated Employees by reducing the percentage of their deferral elections for any remaining portion of a Plan Year to such smaller percentage that will result in the limitation set forth above not being exceeded. In the event of any such suspension or reduction, Highly Compensated Employees affected thereby shall be notified of the reduction or suspension as soon as possible and shall be given an opportunity to make a new

deferral election to be effective the first day of the next following Plan Year. In the absence of such an election, the election in effect immediately prior to the suspension or adjustment described above shall be reinstated as of the first day of the next following Plan Year.

In determining the "deferral percentage" for any Eligible Employee who is a Highly Compensated Employee for the Plan Year, "elective contributions", "qualified nonelective contributions", and "qualified matching contributions" (to the extent that "qualified nonelective contributions" and "qualified matching contributions" are taken into account in determining "deferral percentages") made to his accounts under any plan of an Employer or a Related Company that is not mandatorily disaggregated pursuant to IRS regulations Section 1.410(b)-7(c), as modified by Section 1.401(k)-1(g)(11), shall be treated as if all such contributions were made to the Plan; provided, however, that if such a plan has a plan year different from the Plan Year, any such contributions made to the Highly Compensated Employee's accounts under the plan for the plan year ending with or within the same calendar year as the Plan Year shall be treated as if such contributions were made to the Plan. Notwithstanding the foregoing, such contributions shall not be treated as if they were made to the Plan if regulations issued under Code Section 401(k) do not permit such plan to be aggregated with the Plan.

If one or more plans of an Employer or Related Company are aggregated with the Plan for purposes of satisfying the requirements of Code Section 401(a)(4) or 410(b), then "deferral percentages" under the Plan shall be calculated as if the Plan and such one or more other plans were a single plan. Plans may be aggregated to satisfy Code Section 401(k) only if they have the same plan year.

The Administrator shall maintain records sufficient to show that the limitation contained in this Section was not exceeded with respect to any Plan Year and the amount of the "qualified nonelective contributions" and/or "qualified matching contributions" taken into account in determining "deferral percentages" for any Plan Year.

7.5 Determination and Allocation of Excess Tax-Deferred Contributions Among Highly Compensated Employees

Notwithstanding any other provision of the Plan to the contrary, in the event that the limitation on Tax-Deferred Contributions described in Section 7.4 is exceeded in any Plan Year, the Administrator shall determine the dollar amount of the excess by reducing the dollar amount of the contributions included in determining the "deferral percentage" of Highly Compensated Employees in order of their "deferral percentages" as follows:

(a) The highest "deferral percentage(s)" shall be reduced to the greater of (1) the maximum "deferral percentage" that satisfies the limitation on Tax-Deferred Contributions described in Section 7.4 or (2) the next highest "deferral percentage".

(b) If the limitation on Tax-Deferred Contributions described in Section 7.4 would still be exceeded after application of the provisions of paragraph (a), the Administrator shall continue reducing "deferral percentages" of Highly Compensated Employees, continuing with the next highest "deferral percentage", in the manner provided in paragraph (a) until the limitation on Tax-Deferred Contributions described in Section 7.4 is satisfied.

The determination of the amount of "excess contributions" hereunder shall be made after Tax-Deferred Contributions and "excess deferrals" have been distributed pursuant to Sections 7.2 and 7.3, if applicable.

After determining the dollar amount of the "excess contributions" that have been made to the Plan, the Administrator shall allocate such excess among Highly Compensated Employees in order of the dollar amount of the Tax-Deferred and Qualified Matching Contributions (to the extent such contributions are included in determining "deferral percentages") allocated to their Accounts as follows:

(c) The contributions made on behalf of the Highly Compensated Employee(s) with the largest dollar amount of Tax-Deferred and Qualified Matching

Contributions allocated to his Account for the Plan Year shall be reduced by the dollar amount of the excess (with such dollar amount being allocated equally among all such Highly Compensated Employees), but not below the dollar amount of such contributions made on behalf of the Highly Compensated Employee(s) with the next highest dollar amount of such contributions allocated to his Account for the Plan Year.

(d) If the excess has not been fully allocated after application of the provisions of paragraph (c), the Administrator shall continue reducing the contributions made on behalf of Highly Compensated Employees, continuing with the Highly Compensated Employees with the largest remaining dollar amount of such contributions allocated to their Accounts for the Plan Year, in the manner provided in paragraph (c) until the entire excess determined above has been allocated.

7.6 Distribution of Excess Tax-Deferred Contributions

"Excess contributions" allocated to a Highly Compensated Employee pursuant to the preceding Section, plus any income and minus any losses attributable thereto, shall be distributed to the Highly Compensated Employee prior to the end of the next succeeding Plan Year. If such excess amounts are distributed more than 2 1/2 months after the last day of the Plan Year for which the excess occurred, an excise tax may be imposed under Code Section 4979 on the Employer maintaining the Plan with respect to such amounts.

Excess amounts shall be distributed from the Highly Compensated Employee's Tax-Deferred Contributions and Qualified Matching Contributions Sub-Accounts in proportion to the Tax-Deferred Contributions and Qualified Matching Contributions included in determining the Highly Compensated Employee's "deferral percentage" for the Plan Year.

If an amount of Tax-Deferred Contributions is distributed to a Participant in accordance with this Section, Matching Contributions that are attributable solely to the distributed Tax-Deferred Contributions, plus any income and minus any losses attributable thereto, shall be forfeited by the Participant no earlier than the date on which distribution of Tax-Deferred Contributions pursuant to this Section occurs and no later than the last day of the Plan Year following the Plan Year for which the Matching Contributions were made.

7.7 Limitation on Matching Contributions and After-Tax Contributions of Highly Compensated Employees

Notwithstanding any other provision of the Plan to the contrary, the Matching Contributions and After-Tax Contributions made with respect to a Plan Year by or on behalf of "eligible participants" who are Highly Compensated Employees may not result in an average "contribution percentage" for such "eligible participants" that exceeds the greater of:

(a) a percentage that is equal to 125 percent of the average "contribution percentage" for all other "eligible participants" for the "testing year"; or

(b) a percentage that is not more than 200 percent of the average "contribution percentage" for all other "eligible participants" for the "testing year" and that is not more than two percentage points higher than the average "contribution percentage" for all other "eligible participants" for the "testing year",

unless the "excess contributions", determined as provided in Section 7.8, are forfeited or distributed as provided in Section 7.9.

In determining the "contribution percentage" for any "eligible participant" who is a Highly Compensated Employee for the Plan Year, "matching contributions", "employee contributions", "qualified nonelective contributions", and "elective contributions" (to the extent that "qualified nonelective contributions" and "elective contributions" are taken into account in determining "contribution percentages") made to his accounts under any plan of an Employer or a Related Company that is not mandatorily disaggregated pursuant to IRS regulations Section 1.410(b)-7(c), as modified by IRS regulations Section 1.401(k)-1(g)(11), shall be treated as if all such

contributions were made to the Plan; provided, however, that if such a plan has a plan year different from the Plan Year, any such contributions made to the Highly Compensated Employee's accounts under the plan for the plan year ending with or within the same calendar year as the Plan Year shall be treated as if such contributions were made to the Plan. Notwithstanding the foregoing, such contributions shall not be treated as if they were made to the Plan if regulations issued under Code Section 401(m) do not permit such plan to be aggregated with the Plan.

If one or more plans of an Employer or a Related Company are aggregated with the Plan for purposes of satisfying the requirements of Code Section 401(a)(4) or 410(b), the "contribution percentages" under the Plan shall be calculated as if the Plan and such one or more other plans were a single plan. Plans may be aggregated to satisfy Code Section 401(m) only if they have the same plan year.

The Administrator shall maintain records sufficient to show that the limitation contained in this Section was not exceeded with respect to any Plan Year and the amount of the "elective contributions", "qualified nonelective contributions", and/or "qualified matching contributions" taken into account in determining "contribution percentages" for any Plan Year.

7.8 Determination and Allocation of Excess After-Tax and Matching Contributions Among Highly Compensated Employees

Notwithstanding any other provision of the Plan to the contrary, in the event that the limitation on After-Tax and Matching Contributions described in Section 7.7 is exceeded in any Plan Year, the Administrator shall determine the dollar amount of the excess by reducing the dollar amount of the contributions included in determining the "contribution percentage" of Highly Compensated Employees in order of their "contribution percentages", as follows:

(a) The highest "contribution percentage(s)" shall be reduced to the greater of (1) the maximum "contribution percentage" that satisfies the limitation on After-Tax and Matching Contributions described in Section 7.7 or (2) the next highest "contribution percentage".

(b) If the limitation on After-Tax and Matching Contributions described in Section 7.7 would still be exceeded after application of the provisions of paragraph (a), the Administrator shall continue reducing "contribution percentages" of Highly Compensated Employees, continuing with the next highest "contribution percentage", in the manner provided in paragraph (a) until the limitation on After-Tax and Matching Contributions described in Section 7.7 is satisfied.

The determination of the amount of excess After-Tax and Matching Contributions shall be made after application of Sections 7.2, 7.3, and 7.6, if applicable.

After determining the dollar amount of the "excess contributions" that have been made to the Plan, the Administrator shall allocate such excess among Highly Compensated Employees in

order of the dollar amount of the After-Tax, Matching, and Tax-Deferred Contributions (to the extent such contributions are included in determining "contribution percentages") allocated to their Accounts as follows:

(c) The contributions made on behalf of the Highly Compensated Employee(s) with the largest dollar amount of After-Tax, Matching, and Tax-Deferred Contributions allocated to his Account for the Plan Year shall be reduced by the dollar amount of the excess (with such dollar amount being allocated equally among all such Highly Compensated Employees), but not below the dollar amount of such contributions made on behalf of the Highly Compensated Employee(s) with the next highest dollar amount of such contributions allocated to his Account for the Plan Year.

(d) If the excess has not been fully allocated after application of the provisions of paragraph (c), the Administrator shall continue reducing the contributions made on behalf of Highly Compensated Employees, continuing with the Highly Compensated Employees with the largest remaining dollar amount of such contributions allocated to their Accounts for the Plan Year, in the manner provided in paragraph (c) until the entire excess determined above has been allocated.

7.9 Forfeiture or Distribution of Excess Contributions

"Excess contributions" allocated to a Highly Compensated Employee pursuant to the preceding Section, plus any income and minus any losses attributable thereto, shall be forfeited, to the extent forfeitable, or distributed to the Participant prior to the end of the next succeeding Plan Year as hereinafter provided. If such excess amounts are distributed more than 2 1/2 months after the last day of the Plan Year for which the excess occurred, an excise tax may be imposed under Code Section 4979 on the Employer maintaining the Plan with respect to such amounts.

The distribution or forfeiture requirement of this Section shall be satisfied by reducing contributions made by or on behalf of the Highly Compensated Employee to the extent necessary in the following order:

(a) After-Tax Contributions made by the Highly Compensated Employee that have not been matched, if any, shall be distributed.

(b) Pro rata amounts of After-Tax Contributions made by the Highly Compensated Employee that have been matched, if any, and the Matching Contributions attributable thereto (to the extent such Matching Contributions are included in determining the Highly Compensated Employee's "contribution percentage") shall be distributed or forfeited, as appropriate.

(c) Matching Contributions attributable to Tax-Deferred Contributions (to the extent such Matching Contributions are included in determining the Highly Compensated Employee's "contribution percentage") shall be distributed or forfeited, as appropriate.

(d) Tax-Deferred Contributions included in determining the Highly Compensated Employee's "contribution percentage" shall be distributed.

Excess After-Tax Contributions of a Participant shall in all cases be distributed. Excess Matching Contributions shall be distributed only to the extent a Participant has a vested interest in his Matching Contributions Sub-Account and shall otherwise be forfeited. Any amounts forfeited with respect to a Participant pursuant to this Section shall be treated as a forfeiture under the Plan no later than the last day of the Plan Year following the Plan Year for which the Matching Contributions were made.

7.10 Multiple Use Limitation

Notwithstanding any other provision of the Plan to the contrary, the following multiple use limitation as required under Code Section 401(m) shall apply: the sum of the average "deferral percentage" for Eligible Employees who are Highly Compensated Employees and the average "contribution percentage" for "eligible participants" who are Highly Compensated Employees may not exceed the "aggregate limit". In the event that, after satisfaction of the limitations provided under this Article, it is determined that contributions under the Plan fail to satisfy the multiple use limitation contained herein, the multiple use limitation shall be satisfied by further reducing the "deferral percentages" of Eligible Employees who are Highly Compensated Employees to the extent necessary to eliminate the excess, as provided in the preceding Sections. Instead of reducing "deferral percentages", the Administrator may determine to satisfy the multiple use limitation in an alternative manner, consistently applied, that may be permitted by regulations issued under Code Section 401(m).

If an amount of Tax-Deferred Contributions is distributed to a Participant in accordance with this Section, Matching Contributions that are attributable solely to the distributed Tax-Deferred Contributions, plus any income and minus any losses attributable thereto, shall be forfeited by the Participant

no later than the last day of the Plan Year following the Plan Year for which the Matching Contributions were made.

7.11 Treatment of Forfeited Matching Contributions

Any Matching Contributions that are forfeited pursuant to the provisions of the preceding Sections of this Article shall be treated as a forfeiture under the Plan and applied in accordance with the provisions of Article XIV.

7.12 Determination of Income or Loss

The income or loss attributable to "excess contributions" that are distributed pursuant to this Article shall be determined for the preceding Plan Year under the method otherwise used for allocating income or loss to Participant's Accounts.

7.13 Code Section 415 Limitations on Crediting of Contributions and Forfeitures

Notwithstanding any other provision of the Plan to the contrary, the "annual addition" with respect to a Participant for a "limitation year" shall in no event exceed the lesser of (i) $30,000 (adjusted as provided in Code Section 415(d)) or (ii) 25 percent of the Participant's compensation, as defined in Code Section 415(c)(3) and regulations issued thereunder, for the "limitation year"; provided, however, that the limit in clause (i) shall be pro-rated for any short "limitation year". If the "annual addition" to the Account of a Participant in any "limitation year" would otherwise exceed the amount that may be applied for his benefit under the limitation contained in this Section, the limitation shall be satisfied by reducing contributions made to the Participant's Account to the extent necessary in the following order:

Tax-Deferred Contributions made on behalf of the Participant for the "limitation year" that have not been matched, if any, shall be reduced.

Tax-Deferred Contributions made on behalf of the Participant for the "limitation year" that have been matched, if any, and the Matching Contributions attributable thereto shall be reduced pro rata.

Profit-Sharing Contributions otherwise allocable to the Participant's Account for the "limitation year", if any, shall be reduced.

Qualified Nonelective Contributions otherwise allocable to the Participant's Account for the "limitation year", if any, shall be reduced.

The amount of any reduction of Tax-Deferred or After-Tax Contributions (plus any income attributable thereto) shall be returned to the Participant. The amount of any reduction of Employer Contributions shall be deemed a forfeiture for the "limitation year".

Amounts deemed to be forfeitures under this Section shall be held unallocated in a suspense account established for the "limitation year" and shall be applied against the Employer's contribution obligation for the next following "limitation year" (and succeeding "limitation years", as necessary). If a suspense account is in existence at any time during a "limitation year", all amounts in the suspense account must be applied against the Employer's contribution obligation before any further contributions that would constitute "annual additions" may be made to the Plan. No suspense account established hereunder shall share in any increase or decrease in the net worth of the Trust.

For purposes of this Article, excesses shall result only from the allocation of forfeitures, a reasonable error in estimating a Participant's annual compensation (as defined in Code Section 415(c)(3) and regulations issued thereunder), a reasonable error in determining the amount of "elective contributions" that may be made with respect to any Participant under the limits of Code Section 415, or other limited facts and circumstances that justify the availability of the provisions set forth above.

7.14 Application of Code Section 415 Limitations Where Participant is

If a Participant is covered by any other qualified defined contribution plan (whether or not terminated) maintained by an Employer or a Related Company concurrently with the Plan, and if the "annual addition" for the "limitation year" would otherwise exceed the amount that may be applied for the Participant's benefit under the limitation contained in the preceding Section, such excess shall be reduced first by returning or forfeiting, as provided under the applicable defined contribution plan, the contributions last allocated to the Participant's accounts for the "limitation year" under all such defined contribution plans, and, to the extent such contributions are returned to the Participant, the income attributable thereto. If contributions are allocated to the defined contribution plans as of the same date, any excess shall be allocated pro rata among the defined contribution plans. For purposes of determining the order of reduction hereunder, contributions to a simplified employee pension plan described in Code Section 408(k) shall be deemed to have been allocated first and contributions to a welfare benefit fund or individual medical account shall be deemed to have been allocated next, regardless of the date such contributions were actually allocated.

7.15 Scope of Limitations

The Code Section 415 limitations contained in the preceding Sections shall be applicable only with respect to benefits provided pursuant to defined contribution plans and defined benefit plans described in Code Section 415(k). For purposes of applying the Code Section 415 limitations contained in the preceding Sections, the term "Related Company" shall be adjusted as provided in Code Section 415(h).

ARTICLE VIII
TRUST FUNDS AND ACCOUNTS

8.1 General Fund

The Trustee shall maintain a General Fund as required to hold and administer any assets of the Trust that are not allocated among the Investment Funds as provided in the Plan or the Trust Agreement. The General Fund shall be held and administered as a separate common trust fund. The interest of each Participant or Beneficiary under the Plan in the General Fund shall be an undivided interest.

8.2 Investment Funds

The Sponsor shall determine the number and type of Investment Funds and shall communicate the same and any changes therein in writing to the Administrator and the Trustee. Each Investment Fund shall be held and administered as a separate common trust fund. The interest of each Participant or Beneficiary under the Plan in any Investment Fund shall be an undivided interest.

The Sponsor may determine to offer one or more Investment Funds that are invested primarily in equity securities issued by an Employer or a Related Company that are publicly traded and are "qualifying employer securities" as defined in ERISA Section 407(d)(5). In no event may a Participant's Tax-Deferred Contributions made for any Plan Year beginning on or after January 1, 1999 in excess of one percent of the Participant's Compensation for such Plan Year be required to be invested in such equity securities.

8.3 Loan Investment Fund

If a loan from the Plan to a Participant is approved in accordance with the provisions of Article XII, the Sponsor shall direct the establishment and maintenance of a loan Investment Fund in the Participant's name. The assets of the loan Investment Fund shall be held as a separate trust fund. A Participant's loan Investment Fund shall be invested in the note reflecting

the loan that is executed by the Participant in accordance with the provisions of Article XII. Notwithstanding any other provision of the Plan to the contrary, income received with respect to a Participant's loan Investment Fund shall be allocated and the loan Investment Fund shall be administered as provided in Article XII.

8.4 Income on Trust

Any dividends, interest, distributions, or other income received by the Trustee with respect to any Trust Fund maintained hereunder shall be allocated by the Trustee to the Trust Fund for which the income was received.

8.5 Accounts

As of the first date a contribution is made by or on behalf of an Employee there shall be established an Account in his name reflecting his interest in the Trust. Each Account shall be maintained and administered for each Participant and Beneficiary in accordance with the provisions of the Plan. The balance of each Account shall be the balance of the account after all credits and charges thereto, for and as of such date, have been made as provided herein.

8.6 Sub-Accounts

A Participant's Account shall be divided into such separate, individual Sub-Accounts as are necessary or appropriate to reflect the Participant's interest in the Trust.

ARTICLE IX
LIFE INSURANCE CONTRACTS

9.1 No Life Insurance Contracts

A Participant's Account may not be invested in life insurance contracts on the life of the Participant.

ARTICLE X
DEPOSIT AND INVESTMENT OF CONTRIBUTIONS

10.1 Future Contribution Investment Elections

Each Eligible Employee shall make an investment election in the manner and form prescribed by the Administrator directing the manner in which the contributions made on his behalf shall be invested. An Eligible Employee's investment election shall specify the percentage, in the percentage increments prescribed by the Administrator, of such contributions that shall be allocated to one or more of the Investment Funds with the sum of such percentages equaling 100 percent, or an Eligible Employee's investment election may elect to have a specified dollar amount, in accordance with procedures prescribed by the Administrator. The investment election by a Participant shall remain in effect until his entire interest under the Plan is distributed or forfeited in accordance with the provisions of the Plan or until he records a change of investment election with the Administrator, in such form as the Administrator shall prescribe. If recorded in accordance with any rules prescribed by the Administrator, a Participant's change of investment election may be implemented effective at any time during the Plan Year.

10.2 Deposit of Contributions

All contributions made on a Participant's behalf shall be deposited in the

Trust and allocated among the Investment Funds in accordance with the Participant's currently effective investment election. If no investment election is recorded with the Administrator at the time contributions are to be deposited to a Participant's Account, his contributions shall be allocated among the Investment Funds as directed by the Administrator.

10.3 Election to Transfer Between Funds

A Participant may elect to transfer investments from any Investment Fund to any other Investment Fund. The Participant's transfer election shall specify a percentage, in the percentage increments prescribed by the Administrator, of the amount eligible for transfer that is to be transferred, which percentage may not exceed 100 percent. Any transfer election must be recorded with the Administrator, in such form as the Administrator shall prescribe. Subject to any restrictions pertaining to a particular Investment Fund, if recorded in accordance with any rules prescribed by the Administrator, a Participant's transfer election may be implemented effective at any time during the Plan Year.

10.4 404(c) Protection

The Plan is intended to constitute a plan described in ERISA Section 404(c) and regulations issued thereunder. The fiduciaries of the Plan may be relieved of liability for any losses that are the direct and necessary result of investment instructions given by a Participant, his Beneficiary, or an alternate payee under a qualified domestic relations order.

ARTICLE XI
CREDITING AND VALUING ACCOUNTS

11.1 Crediting Accounts

All contributions made under the provisions of the Plan shall be credited to Accounts in the Trust Funds by the Trustee, in accordance with procedures established in writing by the Administrator, either when received or on the succeeding Valuation Date after valuation of the Trust Fund has been completed for such Valuation Date as provided in Section 11.2, as shall be determined by the Administrator.

11.2 Valuing Accounts

Accounts in the Trust Funds shall be valued by the Trustee on the Valuation Date, in accordance with procedures established in writing by the Administrator, either in the manner adopted by the Trustee and approved by the Administrator or in the manner set forth in Section 11.3 as Plan valuation procedures, as determined by the Administrator.

11.3 Plan Valuation Procedures

With respect to the Trust Funds, the Administrator may determine that the following valuation procedures shall be applied. As of each Valuation Date hereunder, the portion of any Accounts in a Trust Fund shall be adjusted to reflect any increase or decrease in the value of the Trust Fund for the period of time occurring since the immediately preceding Valuation Date for the Trust Fund (the "valuation period") in the following manner:

(a) First, the value of the Trust Fund shall be determined by valuing all of the assets of the Trust Fund at fair market value.

(b) Next, the net increase or decrease in the value of the Trust Fund attributable to net income and all profits and losses, realized and unrealized, during the valuation period shall be determined on the basis of the valuation under paragraph (a) taking into account appropriate adjustments for contributions, loan payments, and transfers to and distributions, withdrawals, loans, and transfers from such Trust Fund during the valuation period.

(c) Finally, the net increase or decrease in the value of the Trust Fund shall be allocated among Accounts in the Trust Fund in the ratio of the

balance of the portion of such Account in the Trust Fund as of the preceding Valuation Date less any distributions, withdrawals, loans, and transfers from such Account balance in the Trust Fund since the Valuation Date to the aggregate balances of the portions of all Accounts in the Trust Fund similarly adjusted, and each Account in the Trust Fund shall be credited or charged with the amount of its allocated share. Notwithstanding the foregoing, the Administrator may adopt such accounting procedures as it considers appropriate and equitable to establish a

proportionate crediting of net increase or decrease in the value of the Trust Fund for contributions, loan payments, and transfers to and distributions, withdrawals, loans, and transfers from such Trust Fund made by or on behalf of a Participant during the valuation period.

11.4 Finality of Determinations

The Trustee shall have exclusive responsibility for determining the value of each Account maintained hereunder. The Trustee's determinations thereof shall be conclusive upon all interested parties.

11.5 Notification

Within a reasonable period of time after the end of each Plan Year, the Administrator shall notify each Participant and Beneficiary of the value of his Account and Sub-Accounts as of a Valuation Date during the Plan Year.

ARTICLE XII
LOANS

12.1 Application for Loan

A Participant who is a party in interest as defined in ERISA Section 3(14) may make application to the Administrator for a loan from his Account. Loans shall be made to Participants in accordance with written guidelines which are hereby incorporated into and made a part of the Plan.

As collateral for any loan granted hereunder, the Participant shall grant to the Plan a security interest in his vested interest under the Plan equal to the amount of the loan; provided, however, that in no event may the security interest exceed 50 percent of the Participant's vested interest under the Plan determined as of the date as of which the loan is originated in accordance with Plan provisions. In the case of a Participant who is an active employee, the Participant also shall enter into an agreement to repay the loan by payroll withholding or personal check. No loan in excess of 50 percent of the Participant's vested interest under the Plan shall be made from the Plan. Loans shall not be made available to Highly Compensated Employees in an amount greater than the amount made available to other employees.

A loan shall not be granted unless the Participant consents to the charging of his Account for unpaid principal and interest amounts in the event the loan is declared to be in default. If a Participant's Account is subject to the "automatic annuity" provisions under Article XVI, the Participant's spouse must consent in writing to any loan hereunder. Any spousal consent given pursuant to this Section must be made within the 90-day period ending on the date the Plan acquires a security interest in the Participant's Account, must acknowledge the effect of the loan, and must be witnessed by a Plan representative or a notary public. Such spousal consent shall be binding with respect to the consenting spouse and any subsequent spouse with respect to the loan. A new spousal consent shall be required if the Participant's Account is used for security in any renegotiation, extension, renewal, or other revision of the loan.

12.2 Reduction of Account Upon Distribution

Notwithstanding any other provision of the Plan, the amount of a Participant's Account that is distributable to the Participant or his Beneficiary under Article XIII or XV shall be reduced by the portion of his vested interest that is held by the Plan as security for any loan outstanding to the Participant, provided that the reduction is used to repay the loan. If distribution is made because of the Participant's death prior to the commencement of distribution of his Account and the Participant's vested interest in his Account is payable to more than one individual as Beneficiary, then the balance of the Participant's vested interest in his Account shall be adjusted by reducing the vested account balance by the amount of the security used to repay the loan, as provided in the preceding sentence, prior to determining the amount of the benefit payable to each such individual.

12.3 Requirements to Prevent a Taxable Distribution

Notwithstanding any other provision of the Plan to the contrary, the following terms and conditions shall apply to any loan made to a Participant under this Article:

(a) The interest rate on any loan to a Participant shall be a reasonable interest rate commensurate with current interest rates charged for loans made under similar circumstances by persons in the business of lending money.

(b) The amount of any loan to a Participant (when added to the outstanding balance of all other loans to the Participant from the Plan or any other plan maintained by an Employer or a Related Company) shall not exceed the lesser of:

(i) $50,000, reduced by the excess, if any, of the highest outstanding balance of any other loan to the Participant from the Plan or any other plan maintained by an Employer or a Related Company during the preceding 12-month period over the outstanding balance of such loans on the date a loan is made hereunder; or

(ii) 50 percent of the vested portions of the Participant's Account and his vested interest under all other plans maintained by an Employer or a Related Company.

(c) The term of any loan to a Participant shall be no greater than five years, except in the case of a loan used to acquire any dwelling unit which within a reasonable period of time is to be used (determined at the time the loan is made) as a principal residence (as defined in Code Section 121) of the Participant.

(d) Substantially level amortization shall be required over the term of the loan with payments made not less frequently than quarterly, except that if so provided in the written guidelines applicable to Plan loans, the amortization schedule may be waived and payments suspended while a Participant is on a leave of absence from employment with an Employer or any Related Company (for periods in which the Participant does not perform military service as described in paragraph (e)), provided that all of the following requirements are met:

(i) Such leave is either without pay or at a reduced rate of pay that, after withholding for employment and income taxes, is less than the amount required to be paid under the amortization schedule;

(ii) Payments resume after the earlier of (a) the date such leave of absence ends or (b) the one-year anniversary of the date such leave began;

(iii) The period during which payments are suspended does not exceed one year;

(iv) Payments resume in an amount not less than the amount required under the original amortization schedule; and

(v) The waiver of the amortization schedule does not extend the period of

the loan beyond the maximum period permitted under this Article.

(e) If a Participant is absent from employment with any Employer or any Related Company for a period during which he performs services in the uniformed services (as defined in chapter 45 of title 38 of the United States Code), whether or not such services constitute qualified military service, the suspension of payments shall not be taken into account for purposes of applying either paragraph (c) or paragraph (d) of this Section provided that all of the following requirements are met:

(i) Payments resume upon completion of such military service;

(ii) Payments resume in an amount not less than the amount required under the original amortization schedule and continue in such amount until the loan is repaid in full;

(iii) Upon resumption, payments are made no less frequently than required under the original amortization schedule and continue under such schedule until the loan is repaid in full; and

(iv) The loan is repaid in full, including interest accrued during the period of such military service, no later than the last scheduled repayment date under the original amortization schedule extended by the period of such military service.

(f) The loan shall be evidenced by a legally enforceable agreement that demonstrates compliance with the provisions of this section.

12.4 Administration of Loan Investment Fund

Upon approval of a loan to a Participant, the Administrator shall direct the Trustee to transfer an amount equal to the loan amount from the Investment Funds in which it is invested, as directed by the Administrator, to the loan Investment Fund established in the Participant's name. Any loan approved by the Administrator shall be made to the Participant out of the Participant's loan Investment Fund. All principal and interest paid by the Participant on a loan made under this Article shall be deposited to his Account and shall be allocated upon receipt among the Investment Funds in accordance with the Participant's currently effective investment election. The balance of the Participant's loan Investment Fund shall be decreased by the amount of principal payments and the loan Investment Fund shall be terminated when the loan has been repaid in full.

12.5 Default

If either (1) a Participant fails to make or cause to be made, any payment required under the terms of the loan within 90 days following the date on which such payment shall become due,

unless payment is not made because the Participant is on a leave of absence and the amortization schedule is waived as provided in Section 12.3(d) or (e), or (2) there is an outstanding principal balance existing on a loan after the last scheduled repayment date (extended as provided in Section 12.3(e), if applicable), the Administrator shall direct the Trustee to declare the loan to be in default, and the entire unpaid balance of such loan, together with accrued interest, shall be immediately due and payable. In any such event, if such balance and interest thereon is not then paid, the Trustee shall charge the Account of the borrower with the amount of such balance and interest as of the earliest date a distribution may be made from the Plan to the borrower without adversely affecting the tax qualification of the Plan or of the cash or deferred arrangement.

12.6 Deemed Distribution Under Code Section 72(p)

If a Participant's loan is in default as provided in Section 12.5, the Participant shall be deemed to have received a taxable distribution in the amount of the outstanding loan balance as required under Code Section 72(p), whether or not distribution may actually be made from the Plan without adversely affecting the tax qualification of the Plan; provided, however, that the taxable portion of such deemed distribution shall be reduced in accordance

with the provisions of Code Section 72(e) to the extent the deemed distribution is attributable to the Participant's After-Tax Contributions.

If a Participant is deemed to have received distribution of an outstanding loan balance hereunder, no further loans may be made to such Participant from his Account unless either (a) there is a legally enforceable arrangement among the Participant, the Plan, and the Participant's employer that repayment of such loan shall be made by payroll withholding or (b) the loan is secured by such additional collateral consisting of real, personal, or other property satisfactory to the Administrator to provide adequate security for the loan.

12.7 Treatment of Outstanding Balance of Loan Deemed Distributed Under Code Section 72(p)

With respect to any loan made on or after January 1, 2002, the balance of such loan that is deemed to have been distributed to a Participant hereunder shall cease to be an outstanding loan for purposes of Code Section 72(p) and a Participant shall not be treated as having received a taxable distribution when his Account is offset by such outstanding loan balance as provided in Section 12.5. Any interest that accrues on a loan after it is deemed to have been distributed shall not be treated as an additional loan to the Participant and shall not be included in the Participant's taxable income as a deemed distribution. Notwithstanding the foregoing, however, unless a Participant repays such loan, with interest, the amount of such loan, with interest thereon calculated as provided in the original loan note, shall continue to be considered an outstanding loan for purposes of determining the maximum permissible amount of any subsequent loan under Section 12.3(b).

If a Participant elects to make payments on a loan after it is deemed to have been distributed hereunder, such payments shall be treated as After-Tax Contributions to the Plan solely for purposes of determining the taxable portion of the Participant's Account and shall not be treated

as After-Tax Contributions for any other Plan purpose, including application of the limitations on contributions applicable under Code Sections 401(m) and 415.

12.8 Special Rules Applicable to Loans

Any loan made hereunder shall be subject to the following rules:

(a) Minimum Loan Amount: A Participant may not request a loan for less than $1,000.

(b) Maximum Number of Outstanding Loans: A Participant with an outstanding loan may not apply for another loan until the existing loan is paid in full and may not refinance an existing loan or obtain a second loan for the purpose of paying off the existing loan. The provisions of this paragraph shall not apply to any loans made prior to the effective date of this amendment and restatement; provided, however, that any such loan shall be taken into account in determining whether a Participant may apply for a new loan hereunder.

(c) Maximum Period for Principal Residence Loan: The term of any loan to a Participant that is used to acquire any dwelling unit which within a reasonable period of time is to be used (determined at the time the loan is made) as a principal residence (as defined in Code Section 121) of the Participant shall be no greater than ten years.

(d) Pre-Payment Without Penalty: A Participant may pre-pay the balance of any loan hereunder prior to the date it is due without penalty.

(e) Effect of Termination of Employment: Upon a Participant's termination of employment, the balance of any outstanding loan hereunder shall immediately become due and owing.

12.9 Loans Granted Prior to Amendment

Notwithstanding any other provision of this Article to the contrary, any loan made under the provisions of the Plan as in effect prior to this amendment and

restatement shall remain outstanding until repaid in accordance with its terms or the otherwise applicable Plan provisions.

ARTICLE XIII
WITHDRAWALS WHILE EMPLOYED

13.1 Non-Hardship Withdrawals of After-Tax Contributions

A Participant who is employed by an Employer or a Related Company may elect at any time, subject to the limitations and conditions prescribed in this Article, to make a cash withdrawal or, if the Participant's Account is subject to the "automatic annuity" provisions of Article XVI, a withdrawal through the purchase of a Qualified Joint and Survivor Annuity or a Single Life Annuity as provided in Article XVI from his After-Tax Contributions Sub-Account.

13.2 Non-Hardship Withdrawals of Rollover Contributions

A Participant who is employed by an Employer or a Related Company may elect at any time, subject to the limitations and conditions prescribed in this Article, to make a cash withdrawal or, if the Participant's Account is subject to the "automatic annuity" provisions of Article XVI, a withdrawal through the purchase of a Qualified Joint and Survivor Annuity or a Single Life Annuity as provided in Article XVI from his Rollover Contributions Sub-Account.

13.3 Age 59 1/2 Withdrawals

A Participant who is employed by an Employer or a Related Company and who has attained age 59 1/2 may elect, subject to the limitations and conditions prescribed in this Article, to make a cash withdrawal or, if the Participant's Account is subject to the "automatic annuity" provisions of Article XVI, a withdrawal through the purchase of a Qualified Joint and Survivor Annuity or a Single Life Annuity as provided in Article XVI from his vested interest in any of the following Sub-Accounts:

(a) his Tax-Deferred Contributions Sub-Account.

(b) his Profit-Sharing Contributions Sub-Account.

(c) his Regular Matching Contributions Sub-Account.

13.4 Overall Limitations on Non-Hardship Withdrawals

Non-hardship withdrawals made pursuant to this Article shall be subject to the following conditions and limitations:

(a) A Participant must apply for a non-hardship withdrawal such number of days prior to the date as of which it is to be effective as the Administrator may prescribe.

(b) Withdrawals may be made effective as soon as administratively practicable after the Administrator's approval of the Participant's withdrawal application.

(c) A Participant who makes a withdrawal from his After-Tax Contributions Sub-Account in accordance with the provisions of this Article may not make a further such withdrawal during the 12-month period following the effective date of the withdrawal.

(d) A Participant may not make more than one non-hardship withdrawal from his Rollover Contributions Sub-Account in accordance with the provisions of this Article during the Plan Year.

(e) If a Participant's Account is subject to the "automatic annuity" provisions of Article XVI, the Participant's spouse must consent to any withdrawal hereunder, unless the withdrawal is made in the form of a Qualified Joint and Survivor Annuity.

13.5 Hardship Withdrawals

A Participant who is employed by an Employer or a Related Company and who is determined by the Administrator to have incurred a hardship in accordance with the provisions of this Article may elect, subject to the limitations and conditions prescribed in this Article, to make a cash withdrawal or, if the Participant's Account is subject to the "automatic annuity" provisions of Article XVI, a withdrawal through the purchase of a Qualified Joint and Survivor Annuity or a Single Life Annuity as provided in Article XVI from his vested interest in any of the following Sub-Accounts:

(a) his Tax-Deferred Contributions Sub-Account, excluding any income credited to such Sub-Account after December 31, 1988.

(b) his Rollover Contributions Sub-Account.

13.6 Hardship Determination

The Administrator shall grant a hardship withdrawal only if it determines that the withdrawal is necessary to meet an immediate and heavy financial need of the Participant. An immediate and heavy financial need of the Participant means a financial need on account of:

(a) expenses previously incurred by or necessary to obtain for the Participant, the Participant's spouse, or any dependent of the Participant (as defined in Section 152 of the Code) medical care described in Section 213(d) of the Code;

(b) costs directly related to the purchase (excluding mortgage payments) of a principal residence for the Participant;

(c) payment of tuition, related educational fees, and room and board expenses for the next 12 months of post-secondary education for the Participant, the Participant's spouse, or any dependent of the Participant; or

(d) the need to prevent the eviction of the Participant from his principal residence or foreclosure on the mortgage of the Participant's principal residence.

13.7 Satisfaction of Necessity Requirement for Hardship Withdrawals

A withdrawal shall be deemed to be necessary to satisfy an immediate and heavy financial need of a Participant only if the Participant satisfies all of the following requirements:

(a) The withdrawal is not in excess of the amount of the immediate and heavy financial need of the Participant.

(b) The Participant has obtained all distributions, other than hardship distributions, and all non-taxable loans currently available under all plans maintained by an Employer or any Related Company.

(c) The Participant's Tax-Deferred Contributions and After-Tax Contributions and the Participant's "elective contributions" and "employee contributions", as defined in Article VII, under all other qualified and non-qualified deferred compensation plans maintained by an Employer or any Related Company shall be suspended for at least 12 months after his receipt of the withdrawal.

(d) The Participant's Tax-Deferred Contributions and "elective contributions", as defined in Article VII, for his taxable year immediately following the taxable year of the withdrawal shall not exceed the applicable limit under Code Section 402(g) for such next taxable year less the amount of the Participant's Tax-Deferred Contributions and "elective contributions" for the taxable year of the withdrawal.

A Participant shall not fail to be treated as an Eligible Employee for purposes of applying the limitations contained in Article VII of the Plan merely because his Tax-Deferred Contributions are suspended in accordance with

this Section.

13.8 Conditions and Limitations on Hardship Withdrawals

Hardship withdrawals made pursuant to this Article shall be subject to the following conditions and limitations:

(a) A Participant must apply for a hardship withdrawal such number of days prior to the date as of which it is to be effective as the Administrator may prescribe.

(b) Hardship withdrawals may be made effective as soon as administratively practicable after the Administrator's approval of the Participant's withdrawal application.

(c) The amount of a hardship withdrawal may include any amounts necessary to pay any Federal, state, or local income taxes or penalties reasonably anticipated to result from the distribution.

(d) If a Participant's Account is subject to the "automatic annuity" provisions of Article XVI, the Participant's spouse must consent to any withdrawal hereunder, unless the withdrawal is made in the form of a Qualified Joint and Survivor Annuity.

13.9 Order of Withdrawal from a Participant's Sub-Accounts

Distribution of a withdrawal amount shall be made from a Participant's Sub-Accounts, to the extent necessary, in the order prescribed by the Administrator, which order shall be uniform with respect to all Participants and non-discriminatory. If the Sub-Account from which a Participant is receiving a withdrawal is invested in more than one Investment Fund, the withdrawal shall be charged against the Investment Funds as directed by the Administrator.

ARTICLE XIV
TERMINATION OF EMPLOYMENT AND SETTLEMENT DATE

14.1 Termination of Employment and Settlement Date

A Participant's Settlement Date shall occur on the date he terminates employment with the Employers and all Related Companies because of death, disability, retirement, or other termination of employment. Written notice of a Participant's Settlement Date shall be given by the Administrator to the Trustee.

14.2 Separate Accounting for Non-Vested Amounts

If as of a Participant's Settlement Date the Participant's vested interest in his Employer Contributions Sub-Account is less than 100 percent, that portion of his Employer Contributions Sub-Account that is not vested shall be accounted for separately from the vested portion and shall be disposed of as provided in the following Section. If prior to such Settlement Date the Participant received a distribution under the Plan, his vested interest in his Employer Contributions Sub-Account shall be an amount ("X") determined by the following formula:

$$X = P(AB + D) - D$$

For purposes of the formula:

P = The Participant's vested interest in his Employer Contributions Sub-Account on the date distribution is to be made.

AB = The balance of the Participant's Employer Contributions Sub-Account as of the Valuation Date immediately preceding the date distribution

is to be made.

D = The amount of all prior distributions from the Participant's Employer Contributions Sub-Account. Amounts deemed to have been distributed to a Participant pursuant to Code Section 72(p), but which have not actually been offset against the Participant's Account balance shall not be considered distributions hereunder.

14.3 Disposition of Non-Vested Amounts

That portion of a Participant's Employer Contributions Sub-Account that is not vested upon the occurrence of his Settlement Date shall be disposed of as follows:

(a) If the Participant has no vested interest in his Account upon the occurrence of his Settlement Date or his vested interest in his Account as of the date of distribution does not exceed $3,500, resulting in the distribution or deemed distribution to the Participant of his entire vested interest in his Account, the non-vested balance remaining in the

Participant's Employer Contributions Sub-Account shall be forfeited and his Account closed as of (i) the Participant's Settlement Date, if the Participant has no vested interest in his Account and is therefore deemed to have received distribution on that date, or (ii) the date actual distribution is made to the Participant.

(b) If the Participant's vested interest in his Account exceeds $3,500 and the Participant is eligible for and consents in writing to a single sum payment of his vested interest in his Account, the non-vested balance remaining in the Participant's Employer Contributions Sub-Account shall be forfeited and his Account closed as of the date the single sum payment occurs, provided that such distribution is made because of the Participant's Settlement Date. A distribution is deemed to be made because of a Participant's Settlement Date if it occurs prior to the end of the second Plan Year beginning on or after the Participant's Settlement Date.

(c) If neither paragraph (a) nor paragraph (b) is applicable, the non-vested balance remaining in the Participant's Employer Contributions Sub-Account shall continue to be held in such Sub-Account and shall not be forfeited until the last day of the five-year period beginning on his Settlement Date, provided that the Participant is not reemployed by an Employer or a Related Company prior to that date.

14.4 Treatment of Forfeited Amounts

Whenever the non-vested balance of a Participant's Employer Contributions Sub-Account is forfeited during a Plan Year in accordance with the provisions of the preceding Section, the amount of such forfeiture, determined as of the last day of the Plan Year in which the forfeiture occurs, shall be applied against the Employer Contribution obligations for the Plan Year of the Employer for which the Participant last performed services as an Employee or against Plan expenses, as directed by the Administrator. Notwithstanding the foregoing, however, should the amount of all such forfeitures for any Plan Year with respect to any Employer exceed the amount of such Employer's Employer Contribution obligation for the Plan Year, the excess amount of such forfeitures shall be held unallocated in a suspense account established with respect to the Employer and shall be applied against Plan expenses and the Employer's Employer Contribution obligations for the following Plan Year.

14.5 Recrediting of Forfeited Amounts

A former Participant who forfeited the non-vested portion of his Employer Contributions Sub-Account in accordance with the provisions of paragraph (a) or (b) of Section 14.3 and who is reemployed by an Employer or a Related Company shall have such forfeited amounts recredited to a new Account in his name, without adjustment for interim gains or losses experienced by the Trust, if he returns to employment with an Employer or a Related Company before the end of the five-year period beginning on the date he received, or is deemed to have received, distribution of his Account. Funds needed in any Plan Year to

recredit the Account of a Participant with the amounts of prior forfeitures in accordance with the preceding sentence shall come first from forfeitures that arise during such Plan Year, and then from Trust income earned in such Plan

Year, to the extent that it has not yet been allocated among Participants' Accounts as provided in Article XI, with each Trust Fund being charged with the amount of such income proportionately, unless his Employer chooses to make an additional Employer Contribution, and shall finally be provided by his Employer by way of a separate Employer Contribution.

A former Participant who received an actual distribution and who returns to employment within the time period described above may elect to repay to the Plan the full amount of such distribution that is attributable to Employer Contributions before the end of the five-year period beginning on the date he is reemployed.

ARTICLE XV
DISTRIBUTIONS

15.1 Distributions to Participants

A Participant whose Settlement Date occurs shall receive distribution of his vested interest in his Account in the form provided under Article XVI beginning as soon as reasonably practicable following his Settlement Date or the date his application for distribution is filed with the Administrator, if later.

15.2 Partial Distributions to Retired or Terminated Participants

A Participant whose Settlement Date has occurred, but who has not reached his Required Beginning Date may elect to receive partial distribution of any portion of his Account at any time prior to his Required Beginning Date in the form provided in Article XVI.

15.3 Distributions to Beneficiaries

If a Participant dies prior to his Benefit Payment Date, his Beneficiary shall receive distribution of the Participant's vested interest in his Account in the form provided under Article XVI beginning as soon as reasonably practicable following the date the Beneficiary's application for distribution is filed with the Administrator. Unless distribution is to be made over the life or over a period certain not greater than the life expectancy of the Beneficiary, distribution of the Participant's entire vested interest shall be made to the Beneficiary no later than the end of the fifth calendar year beginning after the Participant's death. If distribution is to be made over the life or over a period certain no greater than the life expectancy of the Beneficiary, distribution shall commence no later than:

(a) If the Beneficiary is not the Participant's spouse, the end of the first calendar year beginning after the Participant's death; or

(b) If the Beneficiary is the Participant's spouse, the later of (i) the end of the first calendar year beginning after the Participant's death or (ii) the end of the calendar year in which the Participant would have attained age 70 1/2.

If distribution is to be made to a Participant's spouse, it shall be made available within a reasonable period of time after the Participant's death that is no less favorable than the period of time applicable to other distributions. If a Participant dies after the date distribution of his vested interest in his Account begins under this Article, but before his entire vested interest in his Account is distributed, his Beneficiary shall receive distribution of the remainder of the Participant's vested interest in his Account beginning as soon as reasonably practicable following the Participant's date of death in a form that provides for distribution at least

as rapidly as under the form in which the Participant was receiving distribution.

15.4 Cash Outs and Participant Consent

Notwithstanding any other provision of the Plan to the contrary, if a Participant's vested interest in his Account does not exceed $3,500, distribution of such vested interest shall be made to the Participant in a single sum payment or through a direct rollover, as described in Article XVI, as soon as reasonably practicable following his Settlement Date. If a Participant has no vested interest in his Account on his Settlement Date, he shall be deemed to have received distribution of such vested interest on his Settlement Date.

If a Participant's vested interest in his Account exceeds $3,500, distribution shall not commence to such Participant prior to his Normal Retirement Date without the Participant's written consent and, if the Participant is married and his Account is subject to the "automatic annuity" provisions of Article XVI, the written consent of his spouse. Notwithstanding the foregoing, spousal consent shall not be required if distribution is made through the purchase of a Qualified Joint and Survivor Annuity or the spouse cannot be located or spousal consent cannot be obtained for other reasons set forth in Code Section 401(a)(11) and regulations issued thereunder.

If a Participant's Account is subject to the "automatic annuity" provisions of Article XVI, the Participant's vested interest in his Account shall be deemed to exceed $3,500 if the Participant's Benefit Payment Date has occurred with respect to amounts currently held in his Account and as of such Benefit Payment Date his vested interest in his Account exceeded $3,500.

15.5 Required Commencement of Distribution

Notwithstanding any other provision of the Plan to the contrary, distribution of a Participant's vested interest in his Account shall commence to the Participant no later than the earlier of:

(a) unless the Participant elects a later date, 60 days after the close of the Plan Year in which (i) the Participant's Normal Retirement Date occurs, (ii) the tenth anniversary of the year in which he commenced participation in the Plan occurs, or (iii) his Settlement Date occurs, whichever is latest; or

(b) his Required Beginning Date.

Distributions required to commence under this Section shall be made in the form provided under Article XVI and in accordance with Code Section 401(a)(9) and regulations issued thereunder, including the minimum distribution incidental benefit requirements.

15.6 Transition Rules for Required Commencement of Distribution

A Participant who is receiving required distributions under the Plan pursuant to the provisions of Code Section 401(a)(9) as in effect prior to January 1, 1997, and whose Settlement Date has not occurred shall continue to receive distributions hereunder in accordance with the provisions of the Plan in effect prior to January 1, 2001.

15.7 Reemployment of a Participant

If a Participant whose Settlement Date has occurred is reemployed by an Employer or a Related Company, he shall lose his right to any distribution or further distributions from the Trust arising from his prior Settlement Date and his interest in the Trust shall thereafter be treated in the same manner as that of any other Participant whose Settlement Date has not occurred.

15.8 Restrictions on Alienation

Except as provided in Code Section 401(a)(13) (relating to qualified domestic

relations orders), Code Section 401(a)(13)(C) and (D) (relating to offsets ordered or required under a criminal conviction involving the Plan, a civil judgment in connection with a violation or alleged violation of fiduciary responsibilities under ERISA, or a settlement agreement between the Participant and the Department of Labor in connection with a violation or alleged violation of fiduciary responsibilities under ERISA), Section 1.401(a)-13(b)(2) of Treasury regulations (relating to Federal tax levies and judgments), or as otherwise required by law, no benefit under the Plan at any time shall be subject in any manner to anticipation, alienation, assignment (either at law or in equity), encumbrance, garnishment, levy, execution, or other legal or equitable process; and no person shall have power in any manner to anticipate, transfer, assign (either at law or in equity), alienate or subject to attachment, garnishment, levy, execution, or other legal or equitable process, or in any way encumber his benefits under the Plan, or any part thereof, and any attempt to do so shall be void.

15.9 Facility of Payment

If the Administrator finds that any individual to whom an amount is payable hereunder is incapable of attending to his financial affairs because of any mental or physical condition, including the infirmities of advanced age, such amount (unless prior claim therefore shall have been made by a duly qualified guardian or other legal representative) may, in the discretion of the Administrator, be paid to another person for the use or benefit of the individual found incapable of attending to his financial affairs or in satisfaction of legal obligations incurred by or on behalf of such individual. The Trustee shall make such payment only upon receipt of written instructions to such effect from the Administrator. Any such payment shall be charged to the Account from which any such payment would otherwise have been paid to the individual found incapable of attending to his financial affairs and shall be a complete discharge of any liability therefor under the Plan.

15.10 Inability to Locate Payee

If any benefit becomes payable to any person, or to the executor or administrator of any deceased person, and if that person or his executor or administrator does not present himself to the Administrator within a reasonable period after the Administrator mails written notice of his eligibility to receive a distribution hereunder to his last known address and makes such other

diligent effort to locate the person as the Administrator determines, that benefit will be forfeited. However, if the payee later files a claim for that benefit, the benefit will be restored.

15.11 Distribution Pursuant to Qualified Domestic Relations Orders

Notwithstanding any other provision of the Plan to the contrary, if a qualified domestic relations order so provides, distribution may be made to an alternate payee pursuant to a qualified domestic relations order, as defined in Code Section 414(p), regardless of whether the Participant's Settlement Date has occurred or whether the Participant is otherwise entitled to receive a distribution under the Plan.

ARTICLE XVI
FORM OF PAYMENT

16.1 Definitions

For purposes of this Article, the following terms have the following meanings:

The "automatic annuity form" means the form of annuity that will be purchased on behalf of a Participant who has elected to receive distribution through the purchase of an annuity contract that provides for payment over his life (or whose Account includes assets transferred directly from a plan subject to Code

Section 417) unless the Participant elects another form of annuity.

A "qualified election" means an election that is made during the qualified election period. A "qualified election" of a form of payment other than a Qualified Joint and Survivor Annuity or designating a Beneficiary other than the Participant's spouse to receive amounts otherwise payable as a Qualified Preretirement Survivor Annuity must include the written consent of the Participant's spouse, if any. A Participant's spouse will be deemed to have given written consent to the Participant's election if the Participant establishes to the satisfaction of a Plan representative that spousal consent cannot be obtained because the spouse cannot be located or because of other circumstances set forth in Code Section 401(a)(11) and regulations issued thereunder. The spouse's written consent must acknowledge the effect of the Participant's election and must be witnessed by a Plan representative or a notary public. In addition, the spouse's written consent must either (i) specify the form of payment selected instead of a Qualified Joint and Survivor Annuity, if applicable, and that such form may not be changed (except to a Qualified Joint and Survivor Annuity) without written spousal consent and specify any non-spouse Beneficiary designated by the Participant, if applicable, and that such Beneficiary may not be changed without written spousal consent or (ii) acknowledge that the spouse has the right to limit consent as provided in clause (i), but permit the Participant to change the form of payment selected or the designated Beneficiary without the spouse's further consent. Any written consent given or deemed to have been given by a Participant's spouse hereunder shall be irrevocable and shall be effective only with respect to such spouse and not with respect to any subsequent spouse.

The "qualified election period" with respect to the "automatic annuity form" means the 90 day period ending on a Participant's Benefit Payment Date. The "qualified election period" with respect to a Qualified Preretirement Survivor Annuity means the period beginning on the later of (i) the date his Account becomes subject to the automatic annuity provisions of this Article or (ii) the first day of the Plan Year in which the Participant attains age 35 or, if he terminates employment prior to such date, the day he terminates employment with his Employer and all Related Companies. A Participant whose employment has not terminated may make a "qualified election" designating a Beneficiary other than his spouse prior to the Plan Year in which he attains age 35; provided, however, that such election shall cease to be effective as of the first day of the Plan Year in which the Participant attains age 35.

16.2 Normal Form of Payment

Subject to the Qualified Preretirement Survivor Annuity requirements described in this Article, unless a Participant, or his Beneficiary, if the Participant has died, elects an optional form of payment, distribution shall be made to the Participant, or his Beneficiary, as the case may be, in a single sum payment.

16.3 Optional Form of Payment

Prior to the effective date of this amendment and restatement, the Plan provided for distribution in an annuity form of payment. The Plan no longer provides for distribution in this form for Participants hired on and after May 1, 1992.

For Participants hired before May 1, 1992, a Participant, or his Beneficiary, as the case may be, may elect to receive distribution of all or a portion of his Account through the purchase of a single premium, nontransferable annuity contract for such term and in such form as the Participant, or his Beneficiary, if the Participant has died, shall select, subject to the automatic annuity requirements described in this Article; provided, however, that a Participant's Beneficiary may not elect to receive distribution of an annuity payable over the joint lives of the Beneficiary and any other individual. The terms of any annuity contract purchased hereunder and distributed to a Participant or his Beneficiary shall comply with the requirements of the Plan.

16.4 Change of Election

Subject to the automatic annuity requirements of this Article, a Participant or Beneficiary who has elected an optional form of payment may revoke or change his election at any time prior to his Benefit Payment Date by filing his election with the Administrator in the form prescribed by the Administrator.

16.5 Automatic Annuity Requirements

If a Participant elects to receive distribution through the purchase of an annuity contract that provides for payment over his life (or his Account includes assets transferred directly from a plan subject to Code Section 417), distribution shall be made to such Participant through the purchase of an annuity contract that provides for payment in one of the following "automatic annuity forms", unless the Participant elects a different type of annuity.

(a) The "automatic annuity form" for a Participant who is married on his Benefit Payment Date is the 50 percent Qualified Joint and Survivor Annuity.

(b) The "automatic annuity form" for a Participant who is not married on his Benefit Payment Date is the Single Life Annuity.

A Participant's election of an annuity other than the "automatic annuity form" shall not be effective unless it is a "qualified election"; provided, however, that spousal consent shall not be

required if the form of payment elected by the Participant is a Qualified Joint and Survivor Annuity. A Participant who has elected to receive distribution through the purchase of an annuity contract that provides for payment over his life (or whose Account includes assets transferred directly from a plan subject to Code Section 417) may only change his election of a form of payment pursuant to a "qualified election"; provided, however, that spousal consent shall not be required if the form of payment elected by the Participant is a Qualified Joint and Survivor Annuity.

16.6 Qualified Preretirement Survivor Annuity Requirements

If a married Participant who elects to receive distribution through the purchase of an annuity contract that provides for payment over his life (or whose Account includes assets transferred directly from a plan subject to Code Section 417) dies before his Benefit Payment Date, his spouse shall receive distribution of the value of the Participant's vested interest in his Account through the purchase of an annuity contract that provides for payment over the life of the Participant's spouse. A Participant's spouse may elect to receive distribution under any one of the other forms of payment available under this Article instead of in the Qualified Preretirement Survivor Annuity form. A married Participant who has elected to receive distribution through the purchase of an annuity contract that provides for payment over his life (or whose Account includes assets transferred directly from a plan subject to Code Section 417) may only designate a non-spouse Beneficiary to receive distribution of his Account pursuant to a "qualified election".

16.7 Direct Rollover

Notwithstanding any other provision of the Plan to the contrary, in lieu of receiving distribution in a form of payment provided under this Article, a "qualified distributee" may elect in writing, in accordance with rules prescribed by the Administrator, to have a portion or all of any "eligible rollover distribution" paid directly by the Plan to the "eligible retirement plan" designated by the "qualified distributee". Any such payment by the Plan to another "eligible retirement plan" shall be a direct rollover.

Notwithstanding the foregoing, a "qualified distributee" may not elect a direct rollover with respect to an "eligible rollover distribution" if the total value of such distribution is less than $200 or with respect to a portion of an "eligible rollover distribution" if the value of such portion is less than $500. For purposes of this Section, the following terms have the following meanings:

(a) An "eligible retirement plan" means an individual retirement account

described in Code Section 408(a) an individual retirement annuity described in Code Section 408(b) an annuity plan described in Code Section 403(a), or a qualified trust described in Code Section 401(a) that accepts rollovers; provided, however, that, in the case of a direct rollover by a surviving spouse, an eligible retirement plan does not include a qualified trust described in Code Section 401(a).

(b) An "eligible rollover distribution" means any distribution of all or any portion of the balance of a Participant's Account; provided, however, that an eligible rollover distribution does not include the following:

(i) any distribution to the extent such distribution is required under Code Section 401(a)(9).

(ii) the portion of any distribution that consists of the Participant's After-Tax Contributions.

(iii) any distribution that is one of a series of substantially equal periodic payment made not less frequently than annually for the life or life expectancy of the "qualified distributee" or the joint lives or life expectancies of the "qualified distributee" and the "qualified distributee's" designated beneficiary, or for a specified period of ten years or more.

(iv) any hardship withdrawal of Tax-Deferred Contributions made in accordance with the provisions of Article XIII.

(c) A "qualified distributee" means a Participant, his surviving spouse, or his spouse or former spouse who is an alternate payee under a qualified domestic relations order, as defined in Code Section 414(p).

16.8 Notice Regarding Forms of Payment

The Administrator shall provide each Participant with a written explanation of his right to defer distribution until his Normal Retirement Date, or such later date as may be provided in the Plan, his right to make a direct rollover, and the forms of payment available under the Plan, including a written explanation of (i) the terms and conditions of the "automatic annuity form" applicable if the Participant elects to receive distribution through the purchase of an annuity that provides for payment over his life (or if his Account includes assets transferred directly from a plan subject to Code Section 417), (ii) the Participant's right to choose a form of payment other than the "automatic annuity form" or to revoke such choice, and (iii) the rights of the Participant's spouse. The Administrator shall provide such explanation within the 60 day period ending 30 days before the Participant's Benefit Payment Date. Notwithstanding the foregoing, distribution of the Participant's Account may commence fewer than 30 days after such explanation is provided to the Participant if (i) the Administrator clearly informs the Participant of his right to consider his election of whether or not to make a direct rollover or to receive a distribution prior to his Normal Retirement Date and his election of a form of payment for a period of at least 30 days following his receipt of the explanation, (ii) the Participant, after receiving the explanation, affirmatively elects an early distribution with his spouse's written consent, if necessary, and, if the Participant has elected distribution through the purchase of an annuity contract that provides for payment over his life (or his Account includes assets transferred directly from a plan subject to Code Section 417), (iii) the Participant may revoke his election at any time prior to the later of his Benefit Payment Date or the expiration of the seven-day period beginning the day after the

date the explanation is provided to him, and (iv) distribution does not commence to the Participant before such revocation period ends.

In addition, the Administrator shall provide a Participant who has elected distribution through the purchase of an annuity that provides for payment over his life (or whose Account includes assets transferred directly from a plan subject to Code Section 417) with a written explanation of (i) the terms and conditions of the Qualified Preretirement Survivor Annuity, (ii) the

Participant's right to designate a non-spouse Beneficiary to receive distribution of his Account otherwise payable as a Qualified Preretirement Survivor Annuity or to revoke such designation, and (iii) the rights of the Participant's spouse. The Administrator shall provide such explanation within one of the following periods, whichever ends last:

(a) the period beginning with the first day of the Plan Year in which the Participant attains age 32 and ending on the last day of the Plan Year preceding the Plan Year in which the Participant attains age 35;

(b) the period beginning 12 calendar months before the date an individual becomes a Participant and ending 12 calendar months after such date; or

(c) provided the Participant's Account does not include assets transferred directly from a plan subject to Code Section 417, the period beginning 12 calendar months before the date the Participant elects to receive distribution through the purchase of an annuity contract that provides for payment over his life and ending 12 calendar months after such date;

provided, however, that in the case of a Participant who separates from service prior to attaining age 35, the explanation shall be provided to such Participant within the period beginning 12 calendar months before the Participant's separation from service and ending 12 calendar months after his separation from service.

16.9 Reemployment

If a Participant is reemployed by an Employer or a Related Company prior to receiving distribution of the entire balance of his vested interest in his Account, his prior election of a form of payment hereunder shall become ineffective. Notwithstanding the foregoing, if a Participant had elected to receive distribution through the purchase of an annuity contract that provides for payment over his life, the automatic annuity and Qualified Preretirement Survivor Annuity requirements described in this Article shall continue to apply to his entire Account.

16.10 Distribution in the Form of Employer Stock

Notwithstanding any other provision of the Plan to the contrary, to the extent that his Account is invested in Employer stock on the date distribution is to be made to a Participant, the Participant may elect to receive distribution of the fair market value of such Account in the form of Employer stock.

ARTICLE XVII
BENEFICIARIES

17.1 Designation of Beneficiary

An unmarried Participant's Beneficiary shall be the person or persons designated by such Participant in accordance with rules prescribed by the Administrator. A married Participant's Beneficiary shall be his spouse, unless the Participant designates a person or persons other than his spouse as Beneficiary with his spouse's written consent. For purposes of this Section, a Participant shall be treated as unmarried and spousal consent shall not be required if the Participant is not married on his Benefit Payment Date. A Participant's designation of a Beneficiary shall be subject to the Qualified Preretirement Survivor Annuity provisions of Article XVI.

If no Beneficiary has been designated pursuant to the provisions of this Section, or if no Beneficiary survives the Participant and he has no surviving spouse, then the Beneficiary under the Plan shall be the Participant's estate. If a Beneficiary dies after becoming entitled to receive a distribution under the Plan but before distribution is made to him in full, and if the Participant has not designated another Beneficiary to receive the balance of the distribution in that event, the estate of the deceased Beneficiary shall be the Beneficiary as to the balance of the distribution.

17.2 Spousal Consent Requirements

Any written spousal consent given pursuant to this Article must acknowledge the effect of the action taken and must be witnessed by a Plan representative or a notary public. In addition, the spouse's written consent must either (i) specify any non-spouse Beneficiary designated by the Participant and that such Beneficiary may not be changed without written spousal consent or (ii) acknowledge that the spouse has the right to limit consent to a specific Beneficiary, but permit the Participant to change the designated Beneficiary without the spouse's further consent. A Participant's spouse will be deemed to have given written consent to the Participant's designation of Beneficiary if the Participant establishes to the satisfaction of a Plan representative that such consent cannot be obtained because the spouse cannot be located or because of other circumstances set forth in Section 401(a)(11) of the Code and regulations issued thereunder. Any written consent given or deemed to have been given by a Participant's spouse hereunder shall be valid only with respect to the spouse who signs the consent.

ARTICLE XVIII
ADMINISTRATION

18.1 Authority of the Sponsor

The Sponsor, which shall be the administrator for purposes of ERISA and the plan administrator for purposes of the Code, shall be responsible for the administration of the Plan and, in addition to the powers and authorities expressly conferred upon it in the Plan, shall have all such powers and authorities as may be necessary to carry out the provisions of the Plan, including the power and authority to interpret and construe the provisions of the Plan, to make benefit determinations, and to resolve any disputes which arise under the Plan. The Sponsor may employ such attorneys, agents, and accountants as it may deem necessary or advisable to assist in carrying out its duties hereunder. The Sponsor shall be a "named fiduciary" as that term is defined in ERISA Section 402(a)(2). The Sponsor, by action of its board of directors, may:

(a) allocate any of the powers, authority, or responsibilities for the operation and administration of the Plan (other than trustee responsibilities as defined in Section 405(c)(3) of ERISA) among named fiduciaries; and

(b) designate a person or persons other than a named fiduciary to carry out any of such powers, authority, or responsibilities;

except that no allocation by the Sponsor of, or designation by the Sponsor with respect to, any of such powers, authority, or responsibilities to another named fiduciary or a person other than a named fiduciary shall become effective unless such allocation or designation shall first be accepted by such named fiduciary or other person in a writing signed by it and delivered to the Sponsor.

18.2 Discretionary Authority

In carrying out its duties under the Plan, including making benefit determinations, interpreting or construing the provisions of the Plan, and resolving disputes, the Sponsor (or any individual to whom authority has been delegated in accordance with Section 18.1) shall have absolute discretionary authority.

18.3 Action of the Sponsor

Any act authorized, permitted, or required to be taken under the Plan by the Sponsor and which has not been delegated in accordance with Section 18.1, may be taken by a majority of the members of the board of directors of the Sponsor, either by vote at a meeting, or in writing without a meeting, or by the employee or employees of the Sponsor designated by the board of directors to carry out such acts on behalf of the Sponsor. All notices, advice, directions, certifications, approvals, and instructions required or authorized to be given by the Sponsor as under the Plan shall be in writing and signed by either (i) a majority of the members of the

Sponsor's board of directors or by such member or members as may be designated by an instrument in writing, signed by all the members thereof, as having authority to execute such documents on its behalf, or (ii) the employee or employees authorized to act for the Sponsor in accordance with the provisions of this Section.

18.4 Claims Review Procedure

Whenever a claim for benefits under the Plan filed by any person (herein referred to as the "Claimant") is denied, whether in whole or in part, the Sponsor shall transmit a written notice of such decision to the Claimant within 90 days of the date the claim was filed or, if special circumstances require an extension, within 180 days of such date, which notice shall be written in a manner calculated to be understood by the Claimant and shall contain a statement of (i) the specific reasons for the denial of the claim, (ii) specific reference to pertinent Plan provisions on which the denial is based, and (iii) a description of any additional material or information necessary for the Claimant to perfect the claim and an explanation of why such information is necessary. The notice shall also include a statement advising the Claimant that, within 60 days of the date on which he receives such notice, he may obtain review of such decision in accordance with the procedures hereinafter set forth. Within such 60-day period, the Claimant or his authorized representative may request that the claim denial be reviewed by filing with the Sponsor a written request therefor, which request shall contain the following information:

(a) the date on which the Claimant's request was filed with the Sponsor; provided, however, that the date on which the Claimant's request for review was in fact filed with the Sponsor shall control in the event that the date of the actual filing is later than the date stated by the Claimant pursuant to this paragraph;

(b) the specific portions of the denial of his claim which the Claimant requests the Sponsor to review;

(c) a statement by the Claimant setting forth the basis upon which he believes the Sponsor should reverse the previous denial of his claim for benefits and accept his claim as made; and

(d) any written material (offered as exhibits) which the Claimant desires the Sponsor to examine in its consideration of his position as stated pursuant to paragraph (c) of this Section.

Within 60 days of the date determined pursuant to paragraph (a) of this Section or, if special circumstances require an extension, within 120 days of such date, the Sponsor shall conduct a full and fair review of the decision denying the Claimant's claim for benefits and shall render its written decision on review to the Claimant. The Sponsor's decision on review shall be written in a manner calculated to be understood by the Claimant and shall specify the reasons and Plan provisions upon which the Sponsor's decision was based.

18.5 Qualified Domestic Relations Orders

The Sponsor shall establish reasonable procedures to determine the status of domestic relations orders and to administer distributions under domestic relations orders which are deemed to be qualified orders. Such procedures shall be in writing and shall comply with the provisions of Section 414(p) of the Code and regulations issued thereunder.

18.6 Indemnification

In addition to whatever rights of indemnification the Trustee or the members of the Sponsor's board of directors or any employee or employees of the Sponsor to whom any power, authority, or responsibility is delegated pursuant to Section 18.3, may be entitled under the articles of incorporation or

regulations of the Sponsor, under any provision of law, or under any other agreement, the Sponsor shall satisfy any liability actually and reasonably incurred by any such person or persons, including expenses, attorneys' fees, judgments, fines, and amounts paid in settlement (other than amounts paid in settlement not approved by the Sponsor), in connection with any threatened, pending or completed action, suit, or proceeding which is related to the exercising or failure to exercise by such person or persons of any of the powers, authority, responsibilities, or discretion as provided under the Plan, or reasonably believed by such person or persons to be provided hereunder, and any action taken by such person or persons in connection therewith, unless the same is judicially determined to be the result of such person or persons' gross negligence or willful misconduct.

18.7 Actions Binding

Subject to the provisions of Section 18.4, any action taken by the Sponsor which is authorized, permitted, or required under the Plan shall be final and binding upon the Employers, the Trustee, all persons who have or who claim an interest under the Plan, and all third parties dealing with the Employers or the Trustee.

ARTICLE XIX
AMENDMENT AND TERMINATION

19.1 Amendment

Subject to the provisions of Section 19.2, the Sponsor may at any time and from time to time, by action of its board of directors, or such officers of the Sponsor as are authorized by its board of directors, amend the Plan, either prospectively or retroactively. Any such amendment shall be by written instrument executed by the Sponsor.

19.2 Limitation on Amendment

The Sponsor shall make no amendment to the Plan which shall decrease the accrued benefit of any Participant or Beneficiary, except that nothing contained herein shall restrict the right to amend the provisions of the Plan relating to the administration of the Plan and Trust. Moreover, no such amendment shall be made hereunder which shall permit any part of the Trust to revert to an Employer or any Related Company or be used or be diverted to purposes other than the exclusive benefit of Participants and Beneficiaries. The Sponsor shall make no retroactive amendment to the Plan unless such amendment satisfies the requirements of Code Section 401(b) and/or Section 1.401(a)(4)-11(g) of the Treasury regulations, as applicable.

19.3 Termination

The Sponsor reserves the right, by action of its board of directors, to terminate the Plan as to all Employers at any time (the effective date of such termination being hereinafter referred to as the "termination date"). Upon any such termination of the Plan, the following actions shall be taken for the benefit of Participants and Beneficiaries:

(a) As of the termination date, each Investment Fund shall be valued and all Accounts and Sub-Accounts shall be adjusted in the manner provided in Article XI, with any unallocated contributions or forfeitures being allocated as of the termination date in the manner otherwise provided in the Plan. The termination date shall become a Valuation Date for purposes of Article XI. In determining the net worth of the Trust, there shall be included as a liability such amounts as shall be necessary to pay all expenses in connection with the termination of the Trust and the liquidation and distribution of the property of the Trust, as well as other expenses, whether or not accrued, and shall include as an asset all accrued income.

(b) All Accounts shall then be disposed of to or for the benefit of each Participant or Beneficiary in accordance with the provisions of Article XV as if the termination date were his Settlement Date; provided, however, that notwithstanding the provisions of Article XV, if the Plan does not offer an annuity option and if neither his Employer nor a Related Company establishes

or maintains another defined contribution plan (other than an employee stock ownership plan as defined in Code Section 4975(e)(7)), the

Participant's written consent to the commencement of distribution shall not be required regardless of the value of the vested portions of his Account.

(c) Notwithstanding the provisions of paragraph (b) of this Section, no distribution shall be made to a Participant of any portion of the balance of his Tax-Deferred Contributions Sub-Account prior to his separation from service (other than a distribution made in accordance with Article XIII or required in accordance with Code Section 401(a)(9)) unless (i) neither his Employer nor a Related Company establishes or maintains another defined contribution plan (other than an employee stock ownership plan as defined in Code Section 4975(e)(7), a tax credit employee stock ownership plan as defined in Code Section 409, or a simplified employee pension as defined in Code Section 408(k)) either at the time the Plan is terminated or at any time during the period ending 12 months after distribution of all assets from the Plan; provided, however, that this provision shall not apply if fewer than two percent of the Eligible Employees under the Plan were eligible to participate at any time in such other defined contribution plan during the 24-month period beginning 12 months before the Plan termination, and (ii) the distribution the Participant receives is a "lump sum distribution" as defined in Code Section 402(e)(4), without regard to clauses (i), (ii), (iii), and (iv) of sub-paragraph (A), sub-paragraph (B), or sub-paragraph (H) thereof.

Notwithstanding anything to the contrary contained in the Plan, upon any such Plan termination, the vested interest of each Participant and Beneficiary in his Employer Contributions Sub-Account shall be 100 percent; and, if there is a partial termination of the Plan, the vested interest of each Participant and Beneficiary who is affected by the partial termination in his Employer Contributions Sub-Account shall be 100 percent. For purposes of the preceding sentence only, the Plan shall be deemed to terminate automatically if there shall be a complete discontinuance of contributions hereunder by all Employers.

19.4 Reorganization

The merger, consolidation, or liquidation of any Employer with or into any other Employer or a Related Company shall not constitute a termination of the Plan as to such Employer. If an Employer disposes of substantially all of the assets used by the Employer in a trade or business or disposes of a subsidiary and in connection therewith one or more Participants terminates employment but continues in employment with the purchaser of the assets or with such subsidiary, no distribution from the Plan shall be made to any such Participant from his Tax-Deferred Contributions Sub-Account prior to his separation from service (other than a distribution made in accordance with Article XIII or required in accordance with Code Section 401(a)(9)), except that a distribution shall be permitted to be made in such a case, subject to the Participant's consent (to the extent required by law), if (i) the distribution would constitute a "lump sum distribution" as defined in Code Section 402(e)(4), without regard to clauses (i), (ii), (iii), or (iv) of sub-paragraph (A), sub-paragraph (B), or sub-paragraph (H) thereof, (ii) the Employer continues to maintain the Plan after the disposition, (iii) the purchaser does not maintain the Plan after the disposition, and (iv) the distribution is made by the end of the second calendar year after the calendar year in which the disposition occurred.

19.5 Withdrawal of an Employer

An Employer other than the Sponsor may withdraw from the Plan at any time upon notice in writing to the Administrator (the effective date of such withdrawal being hereinafter referred to as the "withdrawal date"), and shall thereupon cease to be an Employer for all purposes of the Plan. An Employer shall be deemed automatically to withdraw from the Plan in the event of its complete discontinuance of contributions, or, subject to Section 19.4 and unless the Sponsor otherwise directs, it ceases to be a Related Company of the Sponsor or any other Employer. Upon the withdrawal of an Employer, the withdrawing

Employer shall determine whether a partial termination has occurred with respect to its Employees. In the event that the withdrawing Employer determines a partial termination has occurred, the action specified in Section 19.3 shall be taken as of the withdrawal date, as on a termination of the Plan, but with respect only to Participants who are employed solely by the withdrawing Employer, and who, upon such withdrawal, are neither transferred to nor continued in employment with any other Employer or a Related Company. The interest of any Participant employed by the withdrawing Employer who is transferred to or continues in employment with any other Employer or a Related Company, and the interest of any Participant employed solely by an Employer or a Related Company other than the withdrawing Employer, shall remain unaffected by such withdrawal; no adjustment to his Accounts shall be made by reason of the withdrawal; and he shall continue as a Participant hereunder subject to the remaining provisions of the Plan.

ARTICLE XX
ADOPTION BY OTHER ENTITIES

20.1 Adoption by Related Companies

A Related Company that is not an Employer may, with the consent of the Sponsor, adopt the Plan and become an Employer hereunder by causing an appropriate written instrument evidencing such adoption to be executed in accordance with the requirements of its organizational authority. Any such instrument shall specify the effective date of the adoption.

20.2 Effective Plan Provisions

An Employer who adopts the Plan shall be bound by the provisions of the Plan in effect at the time of the adoption and as subsequently in effect because of any amendment to the Plan.

ARTICLE XXI
MISCELLANEOUS PROVISIONS

21.1 No Commitment as to Employment

Nothing contained herein shall be construed as a commitment or agreement upon the part of any person to continue his employment with an Employer or Related Company, or as a commitment on the part of any Employer or Related Company to continue the employment, compensation, or benefits of any person for any period.

21.2 Benefits

Nothing in the Plan nor the Trust Agreement shall be construed to confer any right or claim upon any person, firm, or corporation other than the Employers, the Trustee, Participants, and Beneficiaries.

21.3 No Guarantees

The Employers, the Administrator, and the Trustee do not guarantee the Trust from loss or depreciation, nor do they guarantee the payment of any amount which may become due to any person hereunder.

21.4 Expenses

The expenses of administration of the Plan, including the expenses of the Administrator and fees of the Trustee, shall be paid from the Trust as a general charge thereon, unless the Sponsor elects to make payment. Notwithstanding the foregoing, the Sponsor may direct that administrative expenses that are allocable to the Account of a specific Participant shall be paid from that Account and that the costs incident to the management of the assets of an Investment Fund or to the purchase or sale of securities held in an Investment Fund shall be paid by the Trustee from such Investment Fund.

21.5 Precedent

Except as otherwise specifically provided, no action taken in accordance with the Plan shall be construed or relied upon as a precedent for similar action under similar circumstances.

21.6 Duty to Furnish Information

The Employers, the Administrator, and the Trustee shall furnish to any of the others any documents, reports, returns, statements, or other information that the other reasonably deems necessary to perform its duties hereunder or otherwise imposed by law.

21.7 Merger, Consolidation, or Transfer of Plan Assets

The Plan shall not be merged or consolidated with any other plan, nor shall any of its assets or liabilities be transferred to another plan, unless, immediately after such merger, consolidation, or transfer of assets or liabilities, each Participant in the Plan would receive a benefit under the Plan which is at least equal to the benefit he would have received immediately prior to such merger, consolidation, or transfer of assets or liabilities (assuming in each instance that the Plan had then terminated).

21.8 Back Pay Awards

The provisions of this Section shall apply only to an Employee or former Employee who becomes entitled to back pay by an award or agreement of an Employer without regard to mitigation of damages. If a person to whom this Section applies was or would have become an Eligible Employee after such back pay award or agreement has been effected, and if any such person who had not previously elected to make Tax-Deferred Contributions pursuant to Section 4.1 shall within 30 days of the date he receives notice of the provisions of this Section make an election to make Tax-Deferred Contributions in accordance with such Section 4.1 (retroactive to any Enrollment Date as of which he was or has become eligible to do so), then such Participant may elect that any Tax-Deferred Contributions not previously made on his behalf but which, after application of the foregoing provisions of this Section, would have been made under the provisions of Article IV and any After-Tax Contributions which he had not previously made but which, after application of the foregoing provisions of this Section, he would have made under the provisions of Article V, shall be made out of the proceeds of such back pay award or agreement. In addition, if any such Employee or former Employee would have been eligible to participate in the allocation of Employer Contributions under the provisions of Article VI or XXII for any prior Plan Year after such back pay award or agreement has been effected, his Employer shall make an Employer Contribution equal to the amount of the Employer Contribution which would have been allocated to such Participant under the provisions of Article VI or XXII as in effect during each such Plan Year. The amounts of such additional contributions shall be credited to the Account of such Participant. Any additional contributions made pursuant to this Section shall be made in accordance with, and subject to the limitations of the applicable provisions of the Plan.

21.9 Condition on Employer Contributions

Notwithstanding anything to the contrary contained in the Plan or the Trust Agreement, any contribution of an Employer hereunder is conditioned upon the continued qualification of the Plan under Code Section 401(a), the exempt status of the Trust under Code Section 501(a), and the deductibility of the contribution under Code Section 404. Except as otherwise provided in this Section and Section 21.10, however, in no event shall any portion of the property of the Trust ever revert to or otherwise inure to the benefit of an Employer or any Related Company.

21.10 Return of Contributions to an Employer

Notwithstanding any other provision of the Plan or the Trust Agreement to the contrary, in the event any contribution of an Employer made hereunder:

(a) is made under a mistake of fact, or

(b) is disallowed as a deduction under Code Section 404,

such contribution may be returned to the Employer within one year after the payment of the contribution or the disallowance of the deduction to the extent disallowed, whichever is applicable. In the event the Plan does not initially qualify under Code Section 401(a), any contribution of an Employer made hereunder may be returned to the Employer within one year of the date of denial of the initial qualification of the Plan, but only if an application for determination was made within the period of time prescribed under ERISA Section 403(c)(2)(B).

21.11 Validity of Plan

The validity of the Plan shall be determined and the Plan shall be construed and interpreted in accordance with the laws of the state or commonwealth in which the Trustee has its principal place of business or, if the Trustee is an individual or group of individuals, the state or commonwealth in which the Sponsor has its principal place of business, except as preempted by applicable Federal law. The invalidity or illegality of any provision of the Plan shall not affect the legality or validity of any other part thereof.

21.12 Trust Agreement

The Trust Agreement and the Trust maintained thereunder shall be deemed to be a part of the Plan as if fully set forth herein and the provisions of the Trust Agreement are hereby incorporated by reference into the Plan.

21.13 Parties Bound

The Plan shall be binding upon the Employers, all Participants and Beneficiaries hereunder, and, as the case may be, the heirs, executors, administrators, successors, and assigns of each of them.

21.14 Application of Certain Plan Provisions

For purposes of the general administrative provisions and limitations of the Plan, a Participant's Beneficiary or alternate payee under a qualified domestic relations order shall be treated as any other person entitled to receive benefits under the Plan. Upon any termination of the Plan, any such Beneficiary or alternate payee under a qualified domestic relations order who has an interest under the Plan at the time of such termination, which does not cease by reason thereof, shall be deemed to be a Participant for all purposes of the Plan. A Participant's Beneficiary, if the Participant has died, or alternate payee under a qualified domestic relations order shall be treated as a Participant for purposes of directing investments as provided in Article X.

21.15 Merged Plans

In the event another defined contribution plan (the "merged plan") is merged into and made a part of the Plan, each Employee who was eligible to participate in the "merged plan" immediately prior to the merger shall become an Eligible Employee on the date of the merger. In no event shall a Participant's vested interest in his Sub-Account attributable to amounts transferred to the Plan from the "merged plan" (his "transferee Sub-Account") on and after the merger be less than his vested interest in his account under the "merged plan" immediately prior to the merger. Notwithstanding any other provision of the Plan to the contrary, a Participant's service credited for eligibility and vesting purposes under the "merged plan" as of the merger, if any, shall be included as Eligibility and Vesting Service under the Plan to the extent Eligibility and Vesting Service are credited under the Plan. Special provisions applicable to a Participant's "transferee Sub-Account", if any, shall be specifically reflected in the Plan or in an Addendum to the Plan.

21.16 Transferred Funds

If funds from another qualified plan are transferred or merged into the Plan, such funds shall be held and administered in accordance with any restrictions applicable to them under such other plan to the extent required by law and shall be accounted for separately to the extent necessary to accomplish the foregoing.

21.17 Veterans Reemployment Rights

Notwithstanding any other provision of the Plan to the contrary, contributions, benefits, and service credit with respect to qualified military service shall be provided in accordance with Code Section 414(u). The Administrator shall notify the Trustee of any Participant with respect to whom additional contributions are made because of qualified military service.

21.18 Delivery of Cash Amounts

To the extent that the Plan requires the Employers to deliver cash amounts to the Trustee, such delivery may be made through any means acceptable to the Trustee, including wire transfer.

21.19 Written Communications

Any communication among the Employers, the Administrator, and the Trustee that is stipulated under the Plan to be made in writing may be made in any medium that is acceptable to the receiving party and permitted under applicable law. In addition, any communication or disclosure to or from Participants and/or Beneficiaries that is required under the terms of the Plan to be made in writing may be provided in any other medium (electronic, telephonic, or otherwise) that is acceptable to the Administrator and permitted under applicable law.

ARTICLE XXII
TOP-HEAVY PROVISIONS

22.1 Definitions

For purposes of this Article, the following terms shall have the following meanings:

The "compensation" of an employee means compensation as defined in Code Section 415 and regulations issued thereunder. In no event, however, shall the "compensation" of a Participant taken into account under the Plan for any Plan Year exceed $150,000 (subject to adjustment annually as provided in Code Sections 401(a)(17)(B) and 415(d); provided, however, that the dollar increase in effect on January 1 of any calendar year, if any, is effective for Plan Years beginning in such calendar year). If the "compensation" of a Participant is determined over a period of time that contains fewer than 12 calendar months, then the annual "compensation" limitation described above shall be adjusted with respect to that Participant by multiplying the annual "compensation" limitation in effect for the Plan Year by a fraction the numerator of which is the number of full months in the period and the denominator of which is 12; provided, however, that no proration is "required" for a Participant who is covered under the Plan for less than one full Plan Year if the formula for allocations is based on "compensation" for a period of at least 12 months.

The "determination date" with respect to any Plan Year means the last day of the preceding Plan Year, except that the "determination date" with respect to the first Plan Year of the Plan, shall mean the last day of such Plan Year.

A "key employee" means any Employee or former Employee who is a "key employee" pursuant to the provisions of Code Section 416(i)(1) and any Beneficiary of such Employee or former Employee.

A "non-key employee" means any Employee who is not a "key employee".

A "permissive aggregation group" means those plans included in each Employer's "required aggregation group" together with any other plan or plans of the

Employer, so long as the entire group of plans would continue to meet the requirements of Code Sections 401(a)(4) and 410.

A "required aggregation group" means the group of tax-qualified plans maintained by an Employer or a Related Company consisting of each plan in which a "key employee" participates and each other plan that enables a plan in which a "key employee" participates to meet the requirements of Code Section 401(a)(4) or Code Section 410, including any plan that terminated within the five-year period ending on the relevant "determination date".

A "super top-heavy group" with respect to a particular Plan Year means a "required" or "permissive aggregation group" that, as of the "determination date", would qualify as a "top-

heavy group" under the definition in this Section with "90 percent" substituted for "60 percent" each place where "60 percent" appears in the definition.

A "super top-heavy plan" with respect to a particular Plan Year means a plan that, as of the "determination date", would qualify as a "top-heavy plan" under the definition in this Section with "90 percent" substituted for "60 percent" each place where "60 percent" appears in the definition. A plan is also a "super top-heavy plan" if it is part of a "super top-heavy group".

A "top-heavy group" with respect to a particular Plan Year means a "required" or "permissive aggregation group" if the sum, as of the "determination date", of the present value of the cumulative accrued benefits for "key employees" under all defined benefit plans included in such group and the aggregate of the account balances of "key employees" under all defined contribution plans included in such group exceeds 60 percent of a similar sum determined for all employees covered by the plans included in such group.

A "top-heavy plan" with respect to a particular Plan Year means (i), in the case of a defined contribution plan (including any simplified employee pension plan), a plan for which, as of the "determination date", the aggregate of the accounts (within the meaning of Code Section 416(g) and the regulations and rulings thereunder) of "key employees" exceeds 60 percent of the aggregate of the accounts of all participants under the plan, with the accounts valued as of the relevant valuation date and increased for any distribution of an account balance made in the five-year period ending on the "determination date", (ii), in the case of a defined benefit plan, a plan for which, as of the "determination date", the present value of the cumulative accrued benefits payable under the plan (within the meaning of Code Section 416(g) and the regulations and rulings thereunder) to "key employees" exceeds 60 percent of the present value of the cumulative accrued benefits under the plan for all employees, with the present value of accrued benefits for employees (other than "key employees") to be determined under the accrual method uniformly used under all plans maintained by an Employer or, if no such method exists, under the slowest accrual method permitted under the fractional accrual rate of Code Section 411(b)(1)(C) and including the present value of any part of any accrued benefits distributed in the five-year period ending on the "determination date", and (iii) any plan (including any simplified employee pension plan) included in a "required aggregation group" that is a "top-heavy group". For purposes of this paragraph, the accounts and accrued benefits of any employee who has not performed services for an Employer or a Related Company during the five-year period ending on the "determination date" shall be disregarded. For purposes of this paragraph, the present value of cumulative accrued benefits under a defined benefit plan for purposes of top-heavy determinations shall be calculated using the actuarial assumptions otherwise employed under such plan, except that the same actuarial assumptions shall be used for all plans within a "required" or "permissive aggregation group". A Participant's interest in the Plan attributable to any Rollover Contributions, except Rollover Contributions made from a plan maintained by an Employer or a Related Company, shall not be considered in determining whether the Plan is top-heavy. Notwithstanding the foregoing, if a plan is included in a "required" or "permissive aggregation group" that is not a "top-heavy group", such plan shall not be a "top-heavy plan".

The "valuation date" with respect to any "determination date" means the most recent Valuation Date occurring within the 12-month period ending on the "determination date".

22.2 Applicability

Notwithstanding any other provision of the Plan to the contrary, the provisions of this Article shall be applicable during any Plan Year in which the Plan is determined to be a "top-heavy plan" as hereinafter defined. If the Plan is determined to be a "top-heavy plan" and upon a subsequent "determination date" is determined no longer to be a "top-heavy plan", the vesting provisions of Article VI shall again become applicable as of such subsequent "determination date"; provided, however, that if the prior vesting provisions do again become applicable, any Employee with three or more years of Vesting Service may elect in accordance with the provisions of Article VI, to continue to have his vested interest in his Employer Contributions Sub-Account determined in accordance with the vesting schedule specified in Code Section 22.5.

22.3 Minimum Employer Contribution

If the Plan is determined to be a "top-heavy plan" for a Plan Year, the Employer Contributions, other than Matching Contributions, allocated to the Account of each "non-key employee" who is an Eligible Employee and who is employed by an Employer or a Related Company on the last day of such top-heavy Plan Year shall be no less than the lesser of (i) three percent of his "compensation" or (ii) the largest percentage of "compensation" that is allocated as an Employer Contribution and/or Tax-Deferred Contribution for such Plan Year to the Account of any "key employee"; except that, in the event the Plan is part of a "required aggregation group", and the Plan enables a defined benefit plan included in such group to meet the requirements of Code Section 401(a)(4) or 410, the minimum allocation of Employer Contributions to each such "non-key employee" shall be three percent of the "compensation" of such "non-key employee". In lieu of the minimum allocation described in the preceding sentence, the Employer Contributions allocated to the Account of each "non-key employee" who is employed by an Employer or a Related Company on the last day of a top-heavy Plan Year and who is also covered under a top-heavy defined benefit plan maintained by an Employer or a Related Company will be no less than five percent of his "compensation". Any minimum allocation to a "non-key employee" required by this Section shall be made without regard to any social security contribution made on behalf of the non-key employee, his number of hours of service, his level of "compensation", or whether he declined to make elective or mandatory contributions.

Employer Contributions allocated to a Participant's Account in accordance with this Section shall be considered "annual additions" under Article VII for the "limitation year" for which they are made and shall be separately accounted for. Employer Contributions allocated to a Participant's Account shall be allocated upon receipt among the Investment Funds in accordance with the Participant's currently effective investment election.

22.4 Accelerated Vesting

If the Plan is determined to be a top-heavy plan, a Participant's vested interest in his Employer Contributions Sub-Account shall be determined no less rapidly than in accordance with the following vesting schedule:

Year of Vesting Service	Vested Interest
Less than 3	0%
3, but less than 4	33%
4, but less than 5	66%
5 or more	100%

ARTICLE XXIII
EFFECTIVE DATE

23.1 GUST Effective Dates

Unless otherwise specifically provided by the terms of the Plan, this amendment and restatement is effective with respect to each change made to satisfy the provisions of (i) the Uniformed Services Employment and Reemployment Rights Act of 1996 ("USERRA"), (ii) Small Business Job Protection Act of 1996 ("SBJPA"), (iii) the Tax Reform Act of 1997 ("TRA '97"), (iv) any other change in the Code or ERISA, or (v) regulations, rulings, or other published guidance issued under the Code, ERISA, USERRA, SBJPA, or TRA '97 (collectively the "GUST required changes"), the first day of the first period (which may or may not be the first day of a Plan Year) with respect to which such change became required because of such provision (including any day that became such as a result of an election or waiver by an Employee or a waiver or exemption issued under the Code, ERISA, USERRA, SBJPA, or TRA '97), including, but not limited to, the following:

(a) The addition of a new Section to Article XXI entitled "Veterans Reemployment Rights" is effective December 12, 1994.

(b) The following changes are effective for Plan Years beginning after December 31, 1996:

(i) elimination of the family aggregation requirements;

(ii) changes to the definition of "Highly Compensated Employee" in Article I of the Plan;

(iii) changes to the definition of "leased employee" in Article I or II, as applicable;

(iv) changes to the 401(k) discrimination test in Article VII of the Plan and changes to the method of correction where the Plan fails to satisfy the test; and

(v) changes to the 401(m) discrimination test in Article VII of the Plan and changes to the method of correction where the Plan fails to satisfy the test.

(c) Changes to the anti-alienation provisions of Article XV to include the exceptions in Code Section 401(a)(13)(C) and (D) are effective for judgments, orders, and decrees issued and settlement agreements entered into on or after August 5, 1997.

(d) Exclusion of hardship withdrawals of Tax-Deferred Contributions from the definition of "eligible rollover distribution" is effective May 1, 1999.

(f) Elimination of the combined limit on defined benefit and defined contribution plans under Code Section 415(e) is effective the first day of the first "limitation year" beginning on or after January 1, 2000.

* * *

EXECUTED AT _____,

_____, this _____ day of _____,

_____.

DATARAM CORPORATION

By: _____
Title:

LEASE AGREEMENT

PARTIES

THIS AGREEMENT, made this 31 day of January, One Thousand Nine Hundred and Ninety-five, (1995), by and between LEONARD A. GREEN and HARRY SILVER t/a GS DEVELOPERS, 16 West Glenside Road, Glenside, PA 19037 (herein after called "Lessor"), of the one part, and DATARAM CORPORATION, P.O. Box 7528 Princeton, New Jersey 08543 (hereinafter called "Lessee"), of the other part. Lessor represents that it is owner in fee simple title of the demised premises as hereinafter defined.

DEMISED PREMISES, USAGE, TERM AND MINIMUM RENT

WITNESSETH THAT: Lessor does hereby demise and let unto Lessee all that certain premises at 29 Richard Road, Northampton Township in the County of Bucks, Commonwealth of Pennsylvania (hereinafter referred to as the "demised premises") to be used and occupied in the business of assembling circuit boards and related activities for the term of Thirty-six (36) months beginning the 1st day of February, One Thousand Nine Hundred and Ninety Five (1995) and ending the 31st day of January, One Thousand Nine Hundred and Ninety Eight, (1998) for the total minimum rental as hereinafter set forth payable in monthly installments in advance as follows:

(1) For the first year the minimum rental of Twenty Thousand Dollars ($20,000.00), payable in monthly installments of One Thousand Six Hundred Sixty-Six Dollars and Sixty-Seven Cents. ($1,666.67);

(2) Year two, commencing February 1, 1996, the minimum rental of Twenty Four Thousand Dollars ($24,000.00), payable in monthly installments of Two Thousand Dollars
($2,000.00);

(3) Year three, commencing February 1, 1997, the minimum rental of Twenty Eight Thousand Dollars ($28,000.00), payable in monthly installments of Two Thousand Three Hundred Thirty-Three Dollars and Thirty-Three Cents ($2,333.33).

LATE CHARGES

In the event that any monthly rental payments shall become overdue for a period of seven (7) days Lessee shall pay to the Lessor a "late charge" of 5 Cents for each dollar ($1.00) overdue to cover the extra expense involved in handling delinquent payments.

ADDITIONAL RENT, DAMAGES FOR DEFAULT, TAXES, FIRE INSURANCE PREMIUMS. WATE, RENT

Lessee agrees to pay as rent in addition to the minimum rental herein reserved, any sums which may become due by reason of the failure of Lessee to comply with the covenants of this lease and any and all damages, costs and expenses which the Lessor may suffer or incur by reason of any default of the Lessee or failure on his part to comply with the covenants of this lease, and each of them, and also all damages to the demised premises caused by any act of neglect of the Lessee.

Additional Rent. Lessee further agrees to pay as rent in addition to the minimum rental herein reserved:

(a) Taxes. One Seventh (1/7th) of all taxes assessed or imposed upon the land and building which constitute the assessment on the property of which the demised premises is a part. The amount due hereunder on account of such taxes shall be apportioned for that part of the first and last calendar years covered by the term hereof. Lessor shall promptly forward to Lessee all bills received by Lessor for taxes which Lessee is required by the provisions of this lease to pay, and which shall be assessed or levied against Lessor. Lessee shall promptly, within TEN (10) DAYS after receipt of said bill from Lessor, pay the amount specified in said bill to Lessor. Lessee agrees,

however, that any failure on the part of the Lessor to submit to Lessee bills received by Lessor for taxes, shall not be deemed a waiver, abrogation or limitation of Lessee's obligation to pay all taxes imposed on the demised premises as above provided.

(b) Lessee shall pay a prorata share of Lessor's Rent Insurance covering the property at 29 Richard Road, Northampton Township, PA. Annual charge to Lessee shall not exceed $150.00.

(c) ONE HUNDRED PERCENT (100%) of premiums for insurance, obtained by Lessor, against loss by fire and such other hazards, casualties and contingencies as are usually covered by an all risk form of policy. The fire insurance and extended coverage insurance, together with such other insurance as Lessor shall be required to maintain in connection with the demised premises, shall be at all times in an amount equal to the full replacement value of the improvements on the demised premises.

(d) The insurance payable under (c) above shall be One Seventh (1/7th) of the total premiums paid by the Lessor on the property that the premises is a part and shall be prorated during the first and last years of the lease, the fraction shall be the number of months tenant occupies the premises as the numerator and twelve (12) as the denominator.

(e) Water Rent. Lessee further agrees to pay as additional rent, if there is a metered water connection to the said premises, all charges for water consumed upon the demised premises and all charges for repairs to the said meter or meters on the premises, whether such repairs are made necessary by ordinary wear and tear, freezing, hot water, accident or other causes, immediately when the same become due,

(f) Sewer Rent. Lessee further agrees to pay as additional rent, if there is a metered water connection to said premises, all sewer rental or charges for use of sewers, sewage system, and sewage treatment works servicing the demised premises immediately when

the same become due.

PLACE OF PAYMENT

All rent shall be payable without prior notice or demand at the office of Lessor, 16 West Glenside Avenue, Glenside, Pennsylvania 19038, or at such other place as Lessor may from time to time designate by notice in writing.

AFFIRMATIVE COVENANTS OF LESSEE

Lessee covenants and agrees that he will without demand, during the term of this lease or any renewal hereof:

(a) Payment of Rent. Pay the rent and all other charges herein reserved as rent on the days and times and at the place that the same are made payable, and that if Lessor shall at any time or times accept said rent or rent charges after the same shall have become due and payable, such acceptance shall not excuse delay upon subsequent occasions or constitute or be construed as a waiver of any of Lessor's rights.

(b) Cleaning. Repairing etc. Keep the demised premises clean and free from all ashes, dirt and refuse matter, replace all broken glass, windows, doors, etc. in the demised premises. Keep all waste and drainpipes from the demised premises open; repair all damage to plumbing in the demised premises; keep the demised premises in good order and repair, reasonable wear and tear excepted. Lessee agrees to surrender the demised premises in the same condition in which Lessee has herein agreed to keep them. Notwithstanding the foregoing, Lessee is not responsible for repairs to the roof or the structural walls of the building.

(c) Insurance. Lessee, at Lessee's sole cost and expense, shall obtain and maintain in effect at all times during the term of this lease, policies providing the following coverage:

(i) Fire and extended coverage insurance insuring Lessee's fixtures and equipment installed or located on the leased premises. covering all of

the contents of the leased premises in an amount not less than eighty (80%) per cent of the full replacement value of said items, together with insurance against vandalism, malicious mischief. Any and all of the proceeds of such insurance, so long as this lease shall remain in effect, shall be used only to repair and replace the items so insured.

(ii) A comprehensive policy of general liability insurance, naming Lessor and any mortgagee and/or Lessor as additional insureds. protecting Lessor, Lessee and any such mortgagee and/or master Lessor against any liability occasioned by any occurrence on or about any part of the Industrial Park, the leased premises or any appurtenances thereto, or arising from any of the items set forth against which Lessee is required to indemnify Lessor, with such policies to be in the amount of $500,000.00 with respect to any one person, in the amount of $1,000,000.00 with respect to any one accident and in the amount of $50,000.00 with respect to any property damage.

(d) Requirements of Public. Comply with any requirements of any of the constituted public authorities, and with the terms of any State or Federal statute or local ordinance or regulation applicable to Lessee or its use of the demised premises, and save Lessor

harmless from penalties, fines, costs or damages resulting from failure to so.

(e) Fire. Use every reasonable precaution against fire.

(f) Rules and Regulations. Comply with reasonable rules and regulations of Lessor promulgated as hereinafter provided.

(g) Surrender of Possession. Peaceably deliver up and surrender possession of the demised premises to the Lessor at the expiration or sooner termination of this lease, promptly delivering to Lessor at its office all keys for the demised premises.

(h) Notice of Fire etc. Give to Lessor prompt written notice of any accident, fire or damage occurring on or to the demised premises.

(i) Condition of Payment. In the event that all or a portion of the demised premises is at street or pavement level, Lessor shall be responsible for the condition of the pavement and/or curb. Lessee shall be responsible for the condition of cellar doors, awnings and other erections in the pavement during the term of this lease or any renewal hereof, shall keep the pavement free from snow and ice and shall be, and hereby agrees, that Lessee is solely liable for any accidents due or alleged to be due to their defective condition, or to any accumulations of snow and ice, except for condition of the pavement or curb, which is the responsibility of Lessor.

(j) Certificate of Occupancy. Lessee shall apply to the Township of Northampton and secure the necessary occupancy permit. Lessor will cooperate with Lessee by executing whatever documents are reasonably necessary to obtain the Certificate of Occupancy. If Lessee is unable to obtain the Certificate of Occupancy through no fault of Lessee, Lessee shall have the right to terminate this Lease Agreement and receive a return of its security deposit

NEGATIVE COVENANTS OF LESSEE

Lessee covenants and agrees that he will do none of the following things without the consent in writing of Lessor first had and obtained which consent shall not be unreasonably withheld.

(a) Use of Premises. Occupy the demised premises in any other manner or for any other purpose than as above set forth.

(b) Assignment and Subletting. Assign, mortgage or pledge this lease or under-let or sub-lease the demised premises, or any part thereof, or permit any other person, firm or corporation to occupy the demised premises, or any part thereof, nor shall any assignee or sub-lessee assign, mortgage or pledge this lease or such sub-lease without an additional written consent by the Lessor, and without such consent no such assignment, mortgage or pledge shall be valid. If the Lessee becomes insolvent, or makes an assignment for the

benefit of creditors, or if a petition in bankruptcy is filed by or against (and not dismissed within sixty (60) days from filing), the Lessee or a bill in equity or other proceeding for the appointment of a receiver for the Lessee is filed (and not dismissed within sixty (60) days from filing), or if the real or personal property of the Lessee shall be sold or levied upon by any Sheriff, Marshall or Constable, the same shall be a violation of this covenant.

(c) Signs. Place or allow to be placed any stand, booth, sign or showcase upon the doorsteps, vestibules or outside walls or pavements of said premises, or paint, place, erect or cause to

be painted, placed or erected any sign, projection or device on or in any part of the premises. Lessee shall remove any sign, projection or devise painted, placed or erected, if permission has been granted, and restore walls, etc. to their former conditions, at or prior to the expiration of this lease. In case of the breach of this covenant (in addition to all other remedies given to Lessor in case of the breach of any conditions or covenants of this lease) Lessor shall have the privilege of removing said stand, booth, sign, show case, projection or device, and restoring said walls, etc., to their former condition, and Lessee, at Lessor's option, shall be liable to Lessor for any and all expenses so incurred by Lessor.

(d) Alterations. Improvements. Make any alterations, improvements or additions to the demised premises. All alterations, improvements, additions, or fixtures, whether installed before or after the execution of this lease, shall remain upon the premises at the expiration or sooner determination of this lease and become the property of Lessor, unless Lessor shall, prior to the determination of this lease, have given written notice to Lessee to remove the same, in which event Lessee will remove such alterations, improvements and additions and restore the premises to the same good order and condition in which they now are. Should Lessee fail to do so, Lessor may, at Lessor's option, do so, and Lessee agrees to pay, as additional rent, the cost thereof. Lessor specifically grants permission to Lessee to install at Lessee's cost and expense an anti-static floor covering consisting of a special kind of tile over approximately 6500 square feet. Lessee shall not be obligated to remove this floor covering at the termination of this Lease Agreement, providing the floor is in good condition.

(e) Machinery. Use or operate any machinery that, in Lessor's reasonable opinion is harmful to the building or disturbing to other lessees occupying other parts thereof.

(f) Weights. Place any weights in any portion of the demised premises beyond the safe carrying capacity of the structure.

(g) Fire Insurance. Do or suffer to be done, any act, matter or thing objectionable to the fire insurance companies whereby the fire insurance or any other insurance now in force or hereafter to be placed in the demised premises, or any part thereof, or on the building of which the demised premises may be a part, shall become void or suspended, or whereby the same shall be rated as a more hazardous risk than at the date of execution of this lease, or employ any person or persons objectionable to the fire insurance companies or carry or have any benzene or explosive matter of any kind in and about the demised premises. In case of a breach of this covenant (in addition to all other remedies given to Lessor in case of the breach of any of the conditions or covenants of the lease), Lessee agrees to pay to Lessor as additional rent any increase of premiums on insurance carried by Lessor or by other lessees in the building of which the demised premises is a part, on the demised premises, or any part thereof, or on such building, caused in any way by the occupancy or conduct of Lessee.

(h) Wheeled Vehicles. Use or permit to be used on the demised premises any hand trucks, dollies and/or any other wheeled vehicles unless they are equipped with rubber tires.

(i) Waste and Hazardous Materials. That neither Lessee and those claiming or acting by, through or under Lessee shall store, handle, treat, dispose of, discharge, or produce waste in the building. "Waste" is defined as any waste, product, or material which is regulated or monitored by any Federal State or local law, ordinance, or governmental authority, or any

waste, product, or material whose use, storage, handling, treatment, disposal, discharge, or

production is likewise regulated or monitored. Tenant agrees to indemnify Lessor and hold Lessor harmless of and from all reasonable costs and expenses incurred as a direct consequence of any and all claims made against Lessor and its agents resulting from or arising out of any default by Lessee (or any person or entity claiming by, through or under Lessee) in the performance of the obligation contained in this Lease.

LESSOR'S OBLIGATIONS

1. Lessor agrees that it will make any necessary repairs to the roof and maintain the structural walls of the building.

2. Lessor will immediately make the following repairs to the premises:

(a) Repair the ceilings in the office and replace any defective tiles;

(b) Seal all windows for moisture control;

(c) Seal openings in the outer walls;

(d) Repair the overhead doors; as follows: repair any broken doors, seal bottom and sides to prevent weather from entering;

(f) Replace rear entrance door with panic bar exit and key lock entry;

(g) Paint the inside walls and seal outerwalls prior to paint to retard moisture. Lessee to choose colors. Paint and seal outside walls in Spring of 1995. If choice of color requires more than one coat of paint, Lessee will pay for additional coats.

(h) Replace front concrete entrance pad under and in front of the front overhead door;

(i) Repair or replace heater for the office, as required.

LESSOR'S RIGHTS

Lessee covenants and agrees that Lessor shall have the right to do the following things and matters in and about the demised premises.

(a) Inspection of Premises. At all times by itself or its duly authorized agents upon 24 hours notice to Lessee (unless in case of an emergency) to go upon and inspect the demised premises and every part thereof, and/or at its option to make repairs, alterations and additions to the demised premises or the building of which the demised premises is a part.

(b) Rules and Regulations. At any time or times and from time to time to make such rules and regulations as in its judgment may from time to time be necessary for the safety, care and cleanliness of the premises, and for the preservation of good order therein. Such rules and regulations shall, when notice thereof is given to Lessee form a part of this Lease.

(c) Sale or Rent Sign. Prospective Purchasers or Lessees. To display a "For Sale" sign at any time, and a "For Rent" sign not earlier than six (6) months prior to the termination date of the Lease Agreement; and all of said signs shall be placed upon such part of the premises as Lessor may elect and may contain such matter as Lessor shall require. Prospective purchasers or lessees authorized by Lessor may inspect the premises at reasonable hours upon 24 hours notice given to Lessee. If, however, Lessee prohibits or refuses to permit Lessor or its agents or any prospective purchasers or lessees authorized by the Lessor to inspect the demised premises as herein above mentioned, in that event Lessee shall be held responsible for any loss or rent that may be incurred by Lessor, particularly by reason of the fact that Lessee shall have prohibited Lessor or its agents, prospective

purchasers or lessees from inspecting the herein demised premises as herein above set forth.

Lessee agrees to be responsible for and to relieve and hereby relieves the Lessor from all Liability by reason of any injury or damage, whether caused by a condition existing at the inception of this lease or occurring thereafter, to any person or property in the demised premises, whether belonging to the Lessee or any other person, caused by any fire, breakage or leakage in any part or portion of the demised premises, or any part or portion of the building of which the demised premises is a part, or from water, rain or snow that may leak into, issue or flow from any part of the said premises, or the building of which the demised premises is a part, from the drains pipes, plumbing work of the same, or from any place or quarter, unless such breakage, leakage, injury or damage be caused by or result from the negligence of Lessor or its servants or agents.

Lessee also agrees to be responsible for and to relieve and hereby relieves Lessor from all liability by reason of any damage or injury, where caused by a condition existing at the inception of this lease or occurring thereafter, to any person or thing which may arise from or be due to the use, misuse or abuse of all or any of the elevators, hatches, openings, stairways, hallways of any kind whatsoever which may exist or hereafter be erected or constructed on the said premises, or from any kind of injury which may arise from any other cause whatsoever on the said premises or the building of which the demised premises is a part unless such damage, injury, misuse or abuse be caused by or result from the negligence of Lessor, its servants or agents.

EVENT OF DESTRUCTION

(a) Total. In the event that the demised premises is totally destroyed or so damaged by fire or other casualty not occurring through the fault or negligence of the Lessee or those employed by or acting for him, that the same cannot be repaired or restored within a reasonable time, this lease shall absolutely cease and determine, and the rent shall abate for the balance of the term.

(b) Partial. If the damage caused as above be only partial and such that the premises can be restored to their then condition within a reasonable time, the Lessor may, at its option, restore the same with reasonable promptness, reserving the right to enter upon the demised premises for that purpose, or terminate this lease. Lessor shall make such election to restore the premises or terminate this leave by giving notice thereof to Lessee at the demised premises within thirty (30) days from the date Lessor receives notice that the demised premises have been damaged. The Lessor also reserves the right to enter upon the demised premises whenever necessary to repair damage caused by fire or other casualty to the building of which the demised premises is a part, even though the effect of such entry

be to render the demised premises or a part thereof unusable. In either event the rent shall be apportioned and suspended during the time the Lessor is in possession, taking into account the proportion of the demised premises rendered unusable and the duration of the Lessors s possession.

(c) Notwithstanding anything contained in paragraphs (a) and (b) above, if the damage cannot be repaired and the premises restored to their original condition within ninety (90) days from the event of destruction, tenant shall have the right to terminate this Lease Agreement.

(d) Damage for Interruption of Use. Lessor shall not be liable for any damage, compensation or claim by reason of inconvenience or annoyance rising from the necessity of repairing any portion of the building, the interruption in the use of the premises, or the termination of this lease by reason of the destruction of the premises.

MISCELLANEOUS AGREEMENTS AND CONDITIONS

(a) Representation of Condition of Premises. The Lessor has let the demised premises in their present condition and without any representations on the part of the Lessor, its officers, employees, servants and/or agents. It is understood and agreed that Lessor is under no duty to make repairs or alterations at the time of letting or at any time thereafter except as in

herein specifically provided.

(b) Zoning. It is understood and agreed that the Lessor does not warrant or undertake that the Lessee shall be able to obtain a permit under any zoning ordinance or regulation for such use as Lessee intends to make of the said premises. However, if Tenant's use of the premises as stated on Page 1 of this Lease Agreement is not permitted under any zoning ordinance or regulation, Lessee shall have the right to terminate this Lease Agreement

REMEDIES OF LESSOR

If the Lessee

(a) Does not pay in full within seven (7) days when due any and all installments of rent and/or any other charge or payment herein reserved, included, or agreed to be treated or collected as rent and/or any other charge expense, or cost herein agreed to be paid by the Lessee, and/or

(b) Violates and/or fails to perform or otherwise breaks any covenant or agreement herein contained; and fails to cure such breach within ten (10) days after receipt of notice from Lessor; and/or(c) Becomes insolvent, or makes an assignment for the benefit of creditors, or if a petition in bankruptcy is filed by or against the Lessee or a bill in equity or other proceeding for the appointment of a receiver for the Lessee is filed, or if proceedings for reorganization or for composition with creditors under any State or Federal law be instituted by or against Lessee, or if the real or personal property of the Lessee shall be sold or levied upon by any Sheriff, Marshal or Constable, and none of the foregoing matters is dismissed with sixty (60) days after filing, then and in such event or events, there shall be deemed to be a breach of

this lease, and thereupon at the option of the Lessor,

(1) The Lessor, in addition to any other remedies herein contained or as may be permitted by law, may either by force or otherwise, without being liable for prosecution therefore, or for damages, re-enter the said premises and the same have, and again posses and enjoy; and as agent for the Lessee or otherwise, re-let the premises and receive the rents therefore and apply the same, first to the payment of such expenses, reasonable attorney fees and costs as the Landlord may have been put in re-entering and repossessing the same and in making such repairs and alterations as may be necessary; and second to the payment of the rents due hereunder. The Lessee shall remain liable for such rents as may be in arrears and also the rents as may accrue subsequent to the reentry by the Lessor, to the extent of the difference between the rents reserved hereunder and the rents, if any, received by the Lessor during the remainder of the unexpired term thereof, after deducting the aforementioned expenses, fees and costs, the same to be paid as such deficiencies arise and are ascertained each month.

(2) This lease and the term hereby created determine and become absolutely void without any right on the part of the Lessee to save the forfeiture by payment of any sum due or by other performance of any condition, term or covenant broken; hereupon, Lessor shall be- entitled to recover damages for such breach in an amount equal to the amount of rent reserved for the balance of the term of this lease, less the fair rental value of the said demised premises, for the residue of said term.

FURTHER REMEDIES OF LESSOR

In the event of any default as above set forth in "Remedies of Lessor", the Lessor, or anyone acting on Lessor's behalf, at Lessor's option, may lease said premises or any part or part thereof to any person or persons, and on such terms and conditions as may in Lessor's discretion, seem best, and the Lessee shall be liable for any loss of rent for the balance of the then current term.

RIGHTS OF ASSIGNEE OF LESSOR

The right to enter judgment against Lessee and to enforce all of the

other provisions of this lease herein above provided for may at the option of any assignee of this lease, be exercised by any assignee of the Lessor's right, tide and interest in this lease in his, her or their own name, notwithstanding the fact that any or all assignment of the said right, title and interest may not be executed and/or witnessed in accordance with the Act of Assembly of May 28, 1715, lSm.L.99, and all supplements and amendments thereto that have been or may hereafter be passed and Lessee hereby expressly waives the requirements of said Act of Assembly and any and all laws regulating the manner and/or form in which such assignment shall be executed and witnessed.

All of the remedies herein before given to Lessor and all rights and remedies given to it by law and equity shall be cumulative and concurrent. No determination of this lease or the taking or recovering of the premises shall deprive Lessor of any of its remedies or actions against the Lessee for rent due at the time of which, under the terms hereof, would in the future become due as if there had been no determination, or for sums due at the time or which, under the terms hereof, would in the future become due as if there had been no determination, nor shall the bringing of any action for rent or breach of covenant, or the resort to any other remedy herein provided for the recovery of rent be construed as a waiver of the right to obtain possession of the premises.

CONDEMNATION

In the event that the premises demised or any part thereof is taken or condemned for a public or quasi-public use this lease shall, as to the part so taken, terminate as of the date the condemnor, and rent shall abate in proportion to the square feet of lease space taken or condemned or shall cease if the entire premises be so taken. In either event the Lessee waives all claims against the Lessor by reason of the complete or partial taking of the demised premises, and it is agreed that the Lessee shall not be entitled to any notice whatsoever of the partial or complete termination of this lease by reason of the aforesaid. Nothing herein contained shall be construed as a waiver of any rights Lessee may have under the Eminent Domain Code or other law against the condemning authority for removal expenses, business location damages, and/or moving expenses, providing however, that this shall in no way affect or detract from any rights of Lessor against the condemning authority.

SUBORDINATION

This lease and all its terms, covenants and provisions are and each of them is subject and subordinate to any and all mortgages and other encumbrances now or hereafter placed upon the demised premises or upon the land and/or the buildings containing the same; and Lessee expressly agrees that if Lessor's tenancy, control, or right to possession shall terminate

either by expiration, forfeiture or otherwise, then this lease shall, at the option of the party to whose rights this lease has been subordinated, thereupon immediately terminate and the Lessee shall, thereupon, give immediate possession; and Lessee hereby waives any and all claims for damages or otherwise by reason of such termination as aforesaid. Lessor covenants to make a good faith effort to obtain a non-disturbance agreement from Lessor's current mortgagee and any future mortgagee to permit Lessee to continue to occupy the premises as long as it is currently paying the rent and otherwise fulfilling all other obligations under the Lease Agreement.

It is hereby mutually agreed that either party hereto may terminate this Lease at the end of said term by giving to the other party written notice thereof at least one hundred and twenty (120) days prior thereto, but in default of such notice this Lease shall continue upon the same terms and conditions in force immediately prior to the expiration of the term hereof as are herein contained for a further period of thirty (30) days and so on from month to month unless or until terminated by either party hereto, giving the other one hundred and twenty (120) days written notice for removal previous to expiration of the then current term; PROVIDED, however, that should this Lease be continued for a further period under the terms herein above mentioned, any allowance given Lessee on the rent during the original term shall not extend beyond such original term and further provided, however, that if Lessor, prior to the last date hereunder for giving notice of

termination of the then current term, shall have given written notice of its intention to change the terms and conditions of this lease, and Lessee shall not, within ten (10) days of such notice notify Lessor of Lessee's rejection of such changes, which rejection shall constitute Lessee's notice of its intention to vacate the demised premises at the end of the then current term, Lessee shall be considered as Lessee under this Lease as modified by the terms and conditions mentioned in such notice for a further term as above provided, unless said notice shall fix a different term, in which event the term fixed in said notice shall apply. If Lessee shall give notice, as stipulated above, of its intention to vacate the demised premises at the end of the then current term, and shall fail or refuse to so vacate, then it is expressly agreed that Lessor shall have the option either (a) to disregard the notice so given as having no effect, in which case all the terms and conditions of this Lease as modified by Lessor's notice shall continue thereafter with full force precisely as if such notice from Lessee had not been given, or, (b) to regard this Lease as terminated, whereupon the Lessee expressly agrees to vacate said premises within ten (10) days of the date of written notice from Lessor. If either party shall have given notice of termination in accordance with the provisions of this Lease or this Lease shall otherwise by its terms terminate, and Lessee shall fail or refuse to vacate the demised premises at the end of the then current term, then it is expressly agreed that Lessor shall have the option either of (a) disregarding such notice of termination or provision for termination as having no effect, and of regarding this Lease as having been renewed on the same terms and conditions for a further period of one year of (b) of regarding this Lease as terminated, whereupon the Lessee expressly agrees to vacate the premises within ten (10) days of the date of written notice from Lessor. Nothing herein contained shall deprive Lessor of any other rights or remedies afforded by this Lease or by law by reason of Lessee's failure to vacate the demised premises at the expiration of the then current term of this lease.

NOTICES

All notices required to be given by Lessor to Lessee shall be sufficiently given by registered or certified mail at the address for Lessee stated on Page 1 of this Lease Agreement, and notices given by Lessee to Lessor must be given by registered or certified mail, and as against either party the only admissible evidence that notice has been given shall be a registry return receipt signed by the other party or its agent. The date of mailing shall be the valid date of service.

LEASE CONTAINS ALL AGREEMENTS

It is expressly understood and agreed by and between the parties hereto that this lease and the riders attached hereto and forming a part hereof set forth all the promises, agreements, conditions and understandings between Lessor or its Agent and Lessee relative to the demised premises, and that there are no promises, agreements, conditions or understandings, either oral or written, between them other than are herein set forth. It is further understood and agreed that, except as herein otherwise provided, no subsequent alteration, amendment, change or addition to this lease shall be binding upon Lessor or Lessee unless reduced to writing and signed by them.

HEIRS AND ASSIGNEES

All rights and liabilities herein given to, or imposed upon, the respective parties hereto shall extend to and bind the several and respective heirs, executors, administrators, successors and assigns of said parties, and if there shall be more than one Lessee, they shall all be bound jointly and severally by the terms, covenants and agreements herein, and the word "Lessee" shall be deemed and taken to mean each and every person or party mentioned as a Lessee herein, be the same one or more; and if there shall be more than one Lessee, any notice required or permitted by the terms of the lease may be given by or to any one thereof and shall have the same force and effect as if given by or to all thereof. No rights, however, shall inure to the benefit of any assignee of Lessee unless the assignment to such assigns has been approved by Lessor in writing as aforesaid.

SECURITY DEPOSIT

Lessee shall upon execution hereof deposit with the Lessor as security for the performance of all the terms, covenants and conditions of this lease the sum of Two Thousand Dollars ($2,000.00). This deposit is to be retained

by the Lessor until the expiration of this lease and shall be returnable to the Lessee provided that (1) premises have been vacated; (2) Lessor shall have inspected the premises after such vacation; and (3) Lessee shall have complied with all the terms, covenants and conditions of this lease, in which event the deposit so paid hereunder shall be returned to Lessee. It is understood that the said deposit is not to be considered as the last rental due under the lease.

OPTION TO RENEW

Lessee is hereby given the option to review this lease for a further period of one (1) year commencing at the expiration of this lease. Lessee shall exercise this option by giving Lessor at least one hundred and twenty (120) days notice prior to the expiration of the current term. The minimum annual rental shall be the same as is currently in effect or Twenty Eight

Thousand Dollars ($28,000.00) per year payable in monthly installments of Two Thousand Three Hundred Thirty-three Dollars and Thirty-three Cents ($2,333.33).

If Lessee exercises the first option, Lessee is hereby given an additional option to renew this lease for a further period of one year commencing at the expiration of the first option. The minimum rental to remain the same.

HEADINGS NO PART OF LEASE

Any headings preceding the text of the several paragraphs or sub-paragraphs thereof are inserted solely for convenience of reference and shall not constitute a part of this lease nor shall they affect its meaning, construction or effect.

IN WITNESS HEREOF, the parties hereto have executed these presents the day and year first above written and intend to be legally bound thereby.

SEALED AND DELIVERED IN THE
PRESENCE OF: DATARAM CORPORATION

_____ By:_____
Witness Authorized Signature

G. S. DEVELOPERS

_____ By:_____
Witness Partner

AMENDMENT AND EXTENSION TO LEASE AGREEMENT
BETWEEN G. S. DEVELOPERS AND DATARAM CORPORATION

The Lease Agreement dated January 31, 1995, between Leonard A. Green and Barry Silver, t/a G. S. Developers, and Dataram Corporation, as amended, is hereby further amended as follows:

The term of the Lease is hereby extended until January 31, 2000, at which time this Lease shall terminate. Commencing December 1, 1996 until the expiration of the Lease, there shall be added to the demised premises the rear of 27 Richard Road, consisting of approximately 4000 square feet. The minimum monthly rental, as hereinafter set forth, payable in monthly installments in advance, shall be as follows:

1. Beginning December 1, 1996 to January 31, 1997, the mimimum monthly rental shall be $3,550.00;

2. Commencing February 1, 1997 through January 31, 1998, the minimum monthly rental shall be $3,883.33;

3. Commencing February 1, 1998 through January 31, 2000, the minimum monthly rental shall be $4,050.00.

If Lessor is unable to give Lessee possession of the additional demised premises, as herein provided, by reason of the holding over of a previous occupant, or by reason of any cause beyond the control of the Lessor, the Lessor shall not be liable in damages ot the Lessee therefore, and during the period that the Lessor is unable to give possession, all rights and remedies of both parties as to this Amendment to the Lease shall be suspended.

The additional space is being rented in an "as is" condition and tenant shall be responsible to secure a Certificate of Occupancy and make such renovations as it may require. All proposed renovations shall be first submitted to the landlord for the landlord's approval. Landlord will not unreasonably withhold its consent.

All other terms and conditions of the original Lease, except as modified by this amendment, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have hereunto executed these presents this 9th day of October, 1996.

SEALED AND DELIVERED IN THE
PRESENCE OF:

DATARAM CORPORATION

_____ By:_____
Witness Authorized Signature

G. S. DEVELOPERS

_____ By:_____
Witness Partner

SECOND AMENDMENT TO LEASE AGREEMENT
BETWEEN G. S. DEVELOPERS AND DATARAM CORPORATION

The Lease Agreement dated January 31, 1995, between Leonard A. Green and Barry Silver, t/a G. S. Developers, and Dataram Corporation, as amended, is hereby further amended as follows:

The demised premises is hereby expanded to add the front of 27 Richard Road, Ivyland, Montgomery County, PA to the rear portion, which the lessee is presently renting. The leased premises now consists of all of 27 and 29 Richard Road.

The present tenant's lease has been terminated and has been directed to vacate the premises on or before March 20, 1997. Lessee shall take possession immediately upon the present tenant moving out of the premises. The minimum monthly rental, which lessee agrees to pay, shall be $1,550.00 per month for the additional space, commencing from the day of possession to the end of the current Lease (the rental to be apportioned if possession is not taken at beginning of a month). The new monthly minimum rental after possession shall be $5,600 for the total space occupied by Dataram.

If Lessor is unable to give Lessee possession of the additional demised premises, as herein provided, by reason of the holding over of the current occupant, or by reason of any cause beyond the control of the Lessor, the Lessor shall not be liable in damages to the Lessee therefore, and during the period that the Lessor is unable to give possession, all rights and remedies

of both parties as to the Amendment to the Lease shall be suspended.

The additional space is being rented in an "as is" condition and tenant shall be responsible to secure a Certificate of Occupancy and make such renovations as it may require. All proposed renovations shall be first submitted to the landlord for the landlord's approval. Landlord will not unreasonably withhold its consent.

In exchange for Lessor's permitting the Lessee to install air conditioning and other equipment on the roof of the leased premises, to the extent that the Lessees or their agents cause damage to the roof in the installation of such equipment and in the maintenance thereof, Lessee will be responsible for the cost of such repairs and Lessor's responsibility to maintain the roof is modified accordingly.

Lessee agrees to install carry pads or similar product on the roof from the edge of the roof to the various units that Lessee shall maintain on the roof to create a walkway to and around the said installation.

The security deposit shall in increased from $2,000.00 to $5,600.00.

The option to renew is hereby amended to read as follows:

Lessee is hereby given the option to renew this lease for a further period of one (1) year commencing at the expiration of this lease. Lessee shall exercise this option by giving Lessor at least one hundred and twenty (120) days notice prior to the expiration of the current term. The minimum annual rental shall be Seventy-Two Thousnad Dollars ($72,000.00) per year payable in monthly installments of Six Thousand Dollars ($6,000.00).

All other terms and conditions of the original Lease, except as modified by this amendment, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have hereunto executed these presents this 26th day of Februray, 1997.

SEALED AND DELIVERED IN THE
PRESENCE OF:

DATARAM CORPORATION

_____ By:_____
Witness Authorized Signature

G. S. DEVELOPERS

_____ By:_____
Witness Partner

THIRD AMENDMENT TO LEASE AGREEMENT
BETWEEN G. S. DEVELOPERS AND DATARAM CORPORATION

The Lease Agreement dated January 31, 1995, between G.S Developers, and Dataram Corporation, as amended, is hereby further amended as follows:

The demised premise is hereby expanded to add 25 Richards Road Ivyland, Montgomery County Pennsylvania. The leased premise now consists of all 25,27 and 29 Richards Road.

The lessee shall take possession immediately. The minimum rental which lessee agrees to pay is $3000.00 per month for the additional space commencing from clay of May 1, 1998 possession to the end of the current lease to Januazy 3l, 2000. The new aggregate monthly minimum rental shall be $9000.00 for the total spare occupied by Dataram.

The additional spare is being rented in an "as is" condition and lessee shall be responsible for securing a certificate of occupancy and to make such renovations as it may require. All proposed renovations shall be first submitted to the landlord for landlord's approval. Landlord will not unreasonably withhold its consent.

All other terms and conditions of the original Lease, except as modified by this Amendment shall remain in full force and effort.

IN WITNESS WHEREOF, the parties have hereunto executed these presents this 1st day of May 1998.

SEALED AND DELIVERED IN THE
PRESENCE OF:

DATARAM CORPORATION

_____ By:_____
Witness Authorized Signature

G. S. DEVELOPERS

_____ By:_____
Witness Partner

FOURTH AMENDMENT TO LEASE AGREEMENT
BETWEEN G. S. DEVELOPERS AND DATARAM CORPORATION

The Lease Agreement dated January 31,1995 and the Amendments thereto between G.S. Developers and Dataram Corporation is hereby further amended as follows:

The demised premises is hereby expanded to add 23 Richard Road, Ivyland, Bucks County, Pennsylvania. The leased premises will now consist of 23, 25, 27 and 29 Richard Road, Ivyland, Bucks County, Pennsylvania.

The Lessee shall take possession April 1, 2000 and the minimum monthly rental which Lessee agrees to pay for the additional space is Three Thousand Five Hundred Dollars ($3,500.00) per month from April 1, 2000 until January 31, 2002. The new aggregate annual minimum rental shall be One Hundred Sixty Two Thousand Dollars ($162,000.00) for the total space occupied by Dataram.

The additional space is being rented in an "As Is" condition and Lessee shall be responsible for securing a Certificate of Occupancy and to make such renovations or improvements as it may require. All proposed renovations shall be first submitted to Landlord for Landlord's approval, which approval will not be unreasonably be withheld.

The security deposit is to be increased to Twelve Thousand Five Hundred Dollars ($12,500.00). The option to renew is hereby amended to read as follows:

G.S. Developers will give Dataram Corporation an option to renew for two more years at a minimum monthly rental of Fourteen Thousand Dollars ($14,000.00) per month at an aggregate minimum annual rental of One Hundred Sixty Eight Thousand Dollars ($168,000.00) for premises 23, 25, 27 and 29 Richard Road, Ivyland, Bucks County, PA, from February 1, 2002 to January 31, 2004.

All other terms and conditions of the original lease and the amendments thereto, except as expressly modified by this amendment, shall remain in full force and effect and are incorporated herein by reference as if the same were more fully set forth at length.

IN WITNESS WHEREOF, the parties have hereunto executed these presents this 21st day of March, 2000.

SEALED AND DELIVERED IN THE
PRESENCE OF:

DATARAM CORPORATION

_____ By:_____
Witness Authorized Signature

G. S. DEVELOPERS

_____ By:_____
Witness Partner

FIFTH AMENDMENT TO LEASE AGREEMENT
BETWEEN G.S. DEVELOPERS AND DATARAM CORPORATION

The Lease Agreement dated January 31,1995 and the Amendments thereto between G.S. Developers and Dataram Corporation is hereby further amended as follows:

The minimum annual rental for the period of February 1, 2002 through January 31, 2003, shall be One Hundred Seventy Six Thousand Dollars ($176,000.00), payable in monthly increments of Fourteen Thousand Six Hundred Sixty Six Dollars and Sixty Six Cents ($14,666.66).

The aggregate minimum rental for the period of February 1, 2003 through January 31, 2004, shall be One Hundred Eighty Four Thousand Dollars ($184,000.00), payable in monthly increments of Fifteen Thousand Three Hundred Thirty Three Dollars and Thirty Three Cents ($15,333.33).

The aggregate minimum rental for the period of February 1, 2004 through January 31, 2005, shall be One Hundred Ninety Two Thousand Dollars ($192,000.00), payable in monthly increments of Sixteen Thousand Dollars ($16,000.00).

The aggregate minimum rental for the period of February 1, 2005 through January 31, 2006, shall be Two Hundred Thousand Dollars ($200,000.00), payable in monthly increments of Sixteen Thousand Six Hundred Sixty Six Dollars and Sixty Six Cents ($16,666.66).

Lessor hereby grants to Lessee an option to renew for an additional two (2) years at an aggregate minimum rental of Two Hundred Eight Thousand Dollars ($208,000.00), payable in monthly increments of Seventeen Thousand Three Hundred Thirty Three Dollars and Thirty Three Cents ($17,333.33).

For the period of February 1, 2006 through January 31, 2008, Lessee shall exercise the option to renew by giving Lessor written notice at least ninety (90) days prior to February 1, 2006 and in default of such notice this option shall become null and void.

All other terms and conditions of the original lease and any amendments thereto, except as expressly modified hereby, shall remain in full force and effect and are incorporated herein by reference as if the same were more fully set forth herein at length.

IN WITNESS WHEREOF, the parties have hereunto executed these presents this 4 day of April, 2000.

SEALED AND DELIVERED IN THE

PRESENCE OF:

DATARAM CORPORATION

_____ By:_____
Witness Authorized Signature

G. S. DEVELOPERS

_____ By:_____
Witness Partner

Summary of Lease Terms and Conditions for Facilities in Denmark

Lessor : Faellesforeningen for Danmarks Brugsforeninger.

Lessee: Dataram International (lease assumed upon acquisition of certain assets of Memory Card Technology A/S in March, 2001).

Property Leased: Single building totaling 8,293 square meters located at Sonderhoj 22, 8260 Viby J, Denmark.

Lease Term: July 1, 1999 thru June 30, 2009.

Rent: Initially 5,239,000 DKK (approximately $710,000) per year increasing annually by a minimum of 1.5% and a maximum of 4.5%. The percentage increase is tied to the Danish price index subject to the minimum and maximum rate of increase.

Other significant terms and conditions:

1. Property taxes, structural maintenance and insurance are the responsibility of the landlord. Grounds keeping and routine premises cleaning and maintenance are the responsibility of the tenant.

2. Tenant has right to sublet all or part of the premises.

3. Upon lease termination, tenant must restore building to original condition.

Originalen stemp1et
med kr. 17,932.-
H.J. SAHLERTZ
Stempelpapirfilial

LEJJLKONTRAKT
"SONDIERHOJ"
8260 Viby J.

Udlejer:

Fae11esforeningen for Danmarks Brugsforeninger
c/o FDB Ejendomme
Roskildevej 65
2920 Albertslund

Lejer:

Memory Card Technology MS
Sonderhaj 22
8260 Viby J

INDROLDSFORTEONELSE

Section 1 Parteine og det lejede
Section 2 Lejema1ets omfang
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Section 4 Lejema1ets ikrafttraeden og ophor
Section 5 Lejeydelsens storrelse og betaling m.v.
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Section 16 Ansvar
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Section 15 Afleverung ved ophor
Section 19 Fremleje
Section 20 Afsdelse
Section 21 Mervaerdiafgift
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Section 23 Saen1ige aiftaler
Section 24 Forholdet til lejeloven

Bilag:

1 Dispositionsfarsiag af den 28. oktober 1998 (udvidelse).
lA Telatisk besIaivelse aLden 28. oktobcr 1998 (udvidebse).
2 Bilag, den angiver udviklingen s.f nettolejen
3 Budget for f~l1esregnskab
4 Budget varme- vand- og elregnskab
5 Skiltemanual

Section 1. Parterne og det iejede

Mellern

Faellesforenungen for Danmarks Brugsforeninger
c/o FDB Ejendomime
Roskildevej 65
2620 Albertslund

sam udlejer og

Memory Card Technology A/S
Senderhaj 22
8260 Viby J

som lejer, er der d.d. indgaet folgende

LEJEKONTRAKT

vedrorende erhver-vslakaler, beliggende Sonderhoj 22, 8260 Viby J.

Section 2. Lejemalets omfang

2.1 Det lejede omfatter anslaet, efter udvidelsen pA Ca. 2800,00 in2, jalt ca. 8.280,00 in2, jvf. dispositionsforsiag af 25. aictober 1998 (bilag 1), telaiisk beskrivelse af den 28. oktober 1998 (bilag lA), beliggende S0nderh0j 22, 8260 Viby J.

2.2. Efter erhvervsejendominens endelige opferelse foretages en endelig apmiling af landinspekt0r p~ udlejers for~niedning og for udlejers regning. Den endelige arealopgzrelse er bindende for begge patter.

2.3 Lejer hat sarninen onu~dets 0vrige lejere brugsret til oinr~4ets dl enhver tid h~rende f~1lesareaIer, der skal anvendes til det, do er anlagt til eller vii 'olive anlagt til.

2.4 Lejer har saxnmen med omrA.dets ~vrige lejere dispositionsiet over oinr&dets til enliver tid h0rende parkeringsarealer.

2.5 Udlejer hat til enhver tid ret til at fordele det ledige parkeringsareal mellem ejendoinineris lejere med udgangspunkt i en af udlejer fa.stsat fordelingsn.~gIe e~fier n~rmere aftale med lejerforeningen.

Section 3. LejemAlets anvendelse

3.1 Det lejede skal benyttes til lettere produktion saint til adininist-ation og m~ ikke uden udiejers skrifthige samtykke anvendes til andet formAl, det v~re sig helt eller delvist. Lejer er bekendt med., og respekterer, indholdet af lokalpian 465.

3.2 Lejers virksonihed mA ikke medf0re wi0dig generende stej elki i 0vr gt v~re til Ufl0-dig gene for de 0'vrige lejere eller de ornkringliggende kvarterer

3.3 Deporiering affarlige eller forurenende staffer m~ ikke ske p~, i eller ved det lejede.

3.4 Uanset lej-elovens Section 30, stk. 3 hat udlejer ret til udleje af andre lokaler i omr~det di en tilsvarende branche eller selv at benytte 1oka~erne til drift af en sAdan,

Section 4. Lejem~x1ets ikrafttr~den og oplier

4.1 Lejem~1et tager sin begyndelse den 1. juli 1999, og vedvarer indtil det skrftligt opsiges af~n afparterne til oph.~r med 6 m~.neders skriftligt varsel til fraflytning til den i. i en inn~ned.

4.2 Lejexn~1et ~r dog gensidigt uopsigeligt i 10 it fra indflytningsdatoen, hvorefter det kan -opsiges med avenn~vnte varsel. -

4.3 Udlejer har ret til skrifthigt at fremryk..ke eiler udakyde ilcrafttr~de1sestidspun1ctet indtil 3 m~neder, sAfremt meddelelse heroin tilstilles lejer senest 3 rn~neder f~r det forventede ikrs.fttr~de1sestidspunkt.

4.4 Udlejer tager forbehold med hensyn til farsinkelser i arbejdets udfzrelse som f0lge af Icrig, strejke eller lock-out, us~dvanlige naturbegivenheder, ildsvide eller ligende og son' f~1ge af offentlige pi1~g, farekomst af farurening eller ~nd af oldtidsminder i un-dergiunden.

4.5 Udlejer er berettiget til at andre overtagelsesdagen son' felge af de n~vnte forbehold med lige sA mange arbejdsdage, sam den p~g~1dende forsin.kelse hat udskudt f~rdigg~re1sen af det lejede. I mangel af enighed heroin, overlades til et anerkendt r~dgivende ingeni0rfi.rrna, soin udpeges i forening afudlejer og lejer, bindende for parterne, at afg0re forsinkelsestiden.

4.6 Eventuelle mindre mangler ved f~rdigg0re1sen, der ikke hindrer lejers egen i.ndretning og klargsring s.f det lejede, uciskyder jicke lejemAlets start. Udlejer forpligter sig i givet fald til at aThj~lpe manglerne hurtigst mudigt saint at udvise st0rst muligt hensyn til lejers drift s.f det lejede og p~frre ham mindst innulig gene og ulempe herved.

4.7 I ti1f~lde af udakydelse af lejeinAlets ikrafttr~den betales ved lejemilets begyndelse forholdsm~ssig leje i perioden indtil n~ste lejetermin.

Section 5. Lejeydelsens sterreL~e og betahn~ m.v.

5.1 Den Arlige begyndelsesleje pr. in2 er aftait til kr. 632,13, svarende til en ~.r1ig leje p~ icr. 5.239.000,00 med till~g afnxoms.

5.2 Den Arlige leje betales forud, f0rste gang den 1. juli 1999 perioden den 1. juli 1999 til 30. september 1999. 1{erefter er1~gges lejexa kvartalsvis forud mcd 1/4 kvartalsvis forud,hver den Ijanuar, 1. april, 1.juli og 1. aictober.

5.3 Be1~bene er exci. moms, hvorfor lejen till~gges moms, jalt Ia. 1.309.750,00, hvorved den samlede begyndelsesleje udg0r Ia. 6.548.150,00.

5.4 Det er meilem parterne aftalt, at sAvel lejer som udlejer fraskriver sig retten t.il at kr~ve det lejede reguleret under henvisning til det lejedes verdi i S Ar.

5.5 Den Arlige begyndelsesleje fasts~ttes endeligt ved den opmAling, der foretages i hen-hold til Section 2 efter lejemAlets begyndelse.

Section 6. Regulerin.g af lejen

6.1 Det er innellem pai~erne aftalt, atlejen pr. den 1. januar 2001 stiger med icr. 500.000,00 med ti11~g afmnorns.

6.1 Den til erxhver tid g~1dende grundleje forh0jes ~n gang ~.r1igt med den procentuelle stignung i nettoprisindekset af den til enhver tid g~dende ~..rs1eje. Lejen forhejes efier forann~vnte retoingslinier hver den 1j anuar, f0rste gang den 1. j anuar 2001.

6.2 Der tages i.idgangspunkt i nettoprisindelcset pr. den 1, i kvartalet f0r reguleringen.

6.3 F~rste gang lejen reguleres efter n~rv~rende Section, vii stigningen udg0re 100% s.f den procentuelle sti~iing i nettoprisundekset fra 1. oktober 1998 til 1. oktober 2000.

6.4 Uanset Section 6.3 kan den til enhver tid g~tdende leje ingensinde reguleres med inindre en 1,5% og max. 4,5'Vo s.f den til eriliver tid g~1dende ~.r1ige leje.

6.5 SAfremt det omliandlede prisindeks oph0rer med at 'olive udregnet, er parterne enige orn at anvende et andet prisindeks, som rairider mest on' det her omhandlede prismdeks. Alternativt foretages en forh~j else af farudg~ende &rs leje svatende til gennem-snittet af tid1iger~ beregnede prisindekssti~iinger/nilninnurnsstigninger, idet udlejer -med hensyn til fremtidige reguleringer - ikice m& stifles ringere, end hvis beregningen afnettoprisindekset fortsat havde v~ret g~1dende.

6.6 Det bemn~rkes udtrykkeligt, at lejeri ingensinde kan blive lavere end den ved n~rv~erende kontraicts indgAeise fastsatte leje med ti11~g af eventuelle lovlige lejeforhBjelser, jf. dog erhvervslejelovens kap. II.

6.7 Lejers opm~rksomEed henledes pA bilag 2, der angiver, hvor1ede~ lejen vii udvilde sig i en 12-&rig periode.

6.5 Uanset aftalt uapsigelighed er udlejer tillige berettiget til at forheje lejen i overensstenimelse med den til enhver tid g~1dende 1eje1ovgivn~ng, if dog erhvervslejelovenS kap II.

Section 7 Depositum

7.1. Sam almindeligt depositum betaler lejer 14 dage f0r ibrugta~iing af udvidelsen pA ca 2.800,00 m2 et bel0b start Icr. 1.461.187,50 med ti11~g afrnoms, sAledes at det indbetalte depositum jalt udg~r icr. 2.619.500,00 med ti11~g af moms, svarende til 6 mAneders aictuel leje med ti11~g af moms.

7.2 Depositumn henst&r sam sikicerhed for enhver forpligtelse, som lejer matte pAdrage sig overfor udlejer i forbiridelse med n~rv~rende lejekontrakt. Bel0bet frigives f0rst efter, at der ved lejemAlets oph~r er foretaget afregning paxtemne imnellem vedr~rende deres s1u~ne11emv~reride, Sel~bet forrentes jicke.

7.3 Det stillede depositum reguleres, n~r der sker lejestigninger, sAledes at det til enhver tid svarer til 6 mAneders aictuel leje mci. moms. Reguleringen berigtiges kontant ved p ~.krav.

Section 8. Driftsregnskab

8.1 Driftsregnskabet omfatter~

8.1.1. Regnskab for skatter og afgifter m.v., Section 8a
8.1.2 Regnskab for udend~rs f~11esarealer, Section 8b
8.1.3 Regnskab for affaldsordni.n.g, Section 8c
8.1.4. Regnskab for indend0rs frilesarealer, Section Sd
8.1.5 Regnskab for de udgifter, der afholdes s.f udlejer, men sam padignes de enkelte lejere s~rski1t, Section Se.
8.1.6 Regnskab for forsikringer, Section Sf.

Section 8a Skatter o~ afgifter og andre udgifter til det offentlige

8a.1 Skatter og afgifier s.f enhver art, henmder d~knungsafgift a~ farbrugsafgifter, der ikke apg~res s~rski1t i henhold til Section 3d, forsikring-sudgifter, afgift far eftersyn, eventuelt bidrag til vej og parkeringsan1~g, icloak, bidrag tiI andre 1ed.ningsanI~g, sAvel an1~gs-sam vedligeholdelses- og rensningsbidrag, og det hvad enten ydelsen skal er1~gges tLl det offent-lige eller privat, betales i 1~enho1d til s~rski1t regnskab herover hvert Ar.

8a.2 Tilsvarende g~lder enhver udgift, der pA1~gges ejendammen s.f det offentlige til specielle formAl, scm for ekseinpel 1aigsfarsikrun. gsbidrag, bidrag til brandv~sen, civilforsvar eller lignende eller til effektuering aS myndighedeines krav om undreming af beskyttelsesrum, anskaffelse af materiel eller andre udgifter til civilforsvarsforan.staltninger.

8a.3 Udgifterne hertil, der ikice op1z~ves s~rski1t af udlejer i henhold til ~ Sd fordeles mel-km saintlige lejemAl efter den fastlagte fordelingsnorm., der er 1ejem~Iets bruttaetageareal i forhold til det samledebruttoetageareal i hele "S0nderh0j".

Section 8b. Udoifter dl f~ile~ udend~rs arealer o - andre an1~ f~Ues for hele ornr&det

8b.1. Udgifter til service, vedligehold og renhold, herunder sneiydning, gr~ss1~.nung, tr~-, buske- og blomsterpleje og lignende s.f f~lles udend~rsatea1er, tarve, parkeringsarea-ler, omr~.dets private veje, f~l1es udend~rs skiltning i henhold iii skiltemanual, jfr. Section 14, fjernelse s.f grafitti saint f~11es udend0rs belysning af omr&det afnaldes af lejerne.

8b.2. Udgifter til varznemester/vicev~Tt og teknikrum for f~Uesan1~g afholdes s.f lejerne.

8b.3. Udlejer kan etablere en vagtordning, hvortil udgifterne refunderes af lejer. Lejer er ~ort opm~rksom pA, at en sAd.an ordning p.t. eksisterer.

8b.4. De i Section 8b, stk. 1-3 n~vnte udgifter fordeles mellem saintlige lejennM eft~r den fastlagte fordelinganorrn, der er de enkelte lejemAls bruttoetageareal i forhold til det samlede bruttoetageareal i hele "Sonderhoj".

Section 8c. TJdgifter til affa!ldsordning

8c.1. Lejer foruds~ttes selv at etablere og bekoste egen renovatuonsordning, herunder en ordning for flernelse af affald og tam emballage, for s&vidt de ikice er omfattet af dagrenovationsordnlngen

8c2. Udlejer kari, efter dr0ftelse i kjerforeningen, forest~ etablermg aS en ordn.ing til f~11es bortskaffelse s.f affald og torn emballage, sotn lejerne i onir~det herefter er pligtige at deltage i.

8c3. Torn emballage, som ikke heinist~ir i lejers 1ejem~1, skal fiernes omg&~nde eller anbringes i de af udlejer anviste lokaliteter hertil?

8c.4. Udgifterne i forbindelse med en files renovation- og affaldsordning fordeles mellem samtlige lejemAl efter den fastlagte fordelingsnorm, der er de enkelte 1ejem~is bruttoetageareal i forhold til det sarniede brurtoetageareal i he1e'~S~nderh.0j". Dog kan ud1e~ jer vedr~rende ud~ifterne under ~ 8c fasts~tte en s~r1ig forde1ingsn~gle, i det omfang det kan dokumenteres, at den enkelte lejers renovationsbehov afiger fra gennemsnittet.

Section 8d. Ud~ifter til indend0rs f~eUesarea1er

8d. I Udgifter til vedligehold ag renhold af k~1deirgange, indend0rsbelysning ag liguende af fliesatealer, i de bygninger, der hat flere lejere; atholdes s.f og fordeles efter s~rskilt regnskab pA lejerne af de pAg~ldende bygninger. Udgifterne er 0vrige lejere i omr&det uvedkommende.

Section 8e. Udgifter lii lovpligtige serviceydelser nn.v.

8e.1 Udlejer st~r for og afholder udgiften ved lovpligtig service og vedligehold af elevatoret.

8e.2. Udlejer st&r for og afholder udgiften ved de lovpligtige energisynsordninger sam ELO ag lignende saint service af varrneanI~g.

8e.3 Daekningsafgift og lignende, der opkr~ves aficorrununen i forhold til virksomhedstype, afholdes afudlejer med innindre den opkr~ves direkte has lejer.

8e.4 De i Section 8e, pict. 1-3 n~vnte udgifter refundexes aflejer og op~n~ves individuelt has den enkelte lejer, cia udgifterne kan individua.1i~eres. old o II en de

Section 8 f. Forsikringsforhold og lignende

8f.1 Udlejer hat tegnet s~dvs.nlig bygnings- ag brandforsikring for komplekset.

8f2. Koritrakter og udgifter hertil indg~r under Section Se, stk. 1 sam en del s.f omrAdets f~llesanliggende og udgifterne, bortset fra s~rudgifter sam n~vnt i Section Sf, stk. 3, fordeles mellem saintlige lejem&1 efter den fastlagte fordelingsnorm, der er d.c enkelte lejemAls bruttoetageareal i forhold til det sainlede bruttoetageareal i bele cLS0nderh0j~s.

8f3. S~.frernt driften af en virksomhed mAtte foranledige en eksl~aordin~r forh~jelse aS forsikringspr~mier eller afgifter til det offentlige, er lejer pligti~ fuldt ud at afliolde disse forhal elser.

8f.4. ?r~mie far glasforsikring tegnes og betales af lejer. -

Section 9. Varme, k0Ling, vand mv,

9.1 LejemAkt har selvst~ndige varme-, vand og elmAlere.

9.2 Vanneforbruget i det lejede betales aflejer direkte til v~rk i herihold til s~rskilt mAler. Lejer er pligtig til selv at tilmelde sig offentlig forsynungsvirksomhed..

9.3. Vand- ogvandafledningsafgift i dot lejede betales aflojer direkte til v~rk i henhold til sa3rskilt m~1er. Lejer er pi.igtig til selv at tilinelde sig offentlig forsyningsvirksainnhed.

9.4. Elforbinug i dot lejede b~tales s.f lejer dfrekte til vx~rk I henhold til s~rski1t mader. Lejer or pligtig til selv at tilmelde sig uffentlig for~yningsvirksomhod.

Section 10 Generelt vedr0rende driftsregnskab og varine~ vand- Q~ elregn,skab

10.1 Regnskabet efter Sections 8, 8a-8f og 9 aI1~gges inden 4 niAneder efter regnskabsperiodens ud1~b, og eventuel. ~fterbetaling'ti1bagebeta1ing finder sted samtidig med f0rstkom-n'ende lej ebetaling herefter.

10.2. Omkostningerne til administration saint udarbejdelse af re~xskaber debiteres regnskabet. Der foretages revision af en af udlejer valgt statsautoriseret revisor.

10.3. Om udlejers forpligtelse til at fore1~gge budgetter for dxiftsudgifter og regnskab herfar, jf. Sections g, 81-Sf for Lejerfareningen henvises til Section 11, stlc. 11.4

10.4. Lejors betalingsforpligtelse i henhold til regnskabet er pligtig pengeydelse i lejeforholdot, og udlejer er berettigot til, sarninen med 1ejeopkr~.vningen, at opkr~ve ot a conta bek~b til d~kni.ng afdisse

omkostninger i ~aenho1d til budget.

10.5. Til d~kning afde i derine paragraf omhandlede udgifler saint de under Sections 8, 8a-8f og 9 n~vnte udgifler, betalor lojer, sammon med lejon, et afudlejer fastsat irligt a'conto bidrag, der ftag~r i den endeligt opgjorte udgift for vedicotumende regnskabsAr. dot ~.r1ige a'conto bidrag kan saintidig med reguleringen af den endelige afgift i henhold ti] n~rv~rende patagraf forh0jes til dotte bel0b. Den.idover kan a'conto bidraget reguleres, hvis der sker st~rre udsving i de 1~bende skatte- og afgiftsbetalinger.

10.6. Forh0jelser af do i n~rv~rende paragraf n~vnte afgifter opkr~ves mod virkning fra forh.0jelsons iIaafttr~de1sesdato, uden at udlejer skal afgive varsel heron' forinden.

10.7. Dri lsregnskabet gAr fra den 1.januar til 31. december.

10.8. Der henvises til bilag 3, for s&vidt ang~r Section 10.7.

10.9 Lejer er gjart apm~rksoin p~ at dot vedh~ftede budget ikke n~dvendigvis indeholder alle udgifter til f~11es drift.

Section 11. LejerforeniTh.g

11.1 - Udlejer foranlediger, at der otableres en lejerforening. Lejerforeningen er etableret Se-nest ved udgangen s.f 1998.

11.2 Lejer er forpligtet til at v~re medlem aS lejerforeningen.

11.3 Ved underskrift af et ek~emp1ar af foreningens vedt~gter er lejer forpligtet overfor forenungen i overensstemmelse med vedt~gternes j.ndhold. Lejerforeningens udgifter er udlejer uvedkomnmende.

11.4 Udlejer foranledigor, at dispositioner for ornz~det og budgetter for omrAdets f~1.1es anliggender s~ve1 som re~iskaber, for~1~gges Lojerfoineningen, s&ledes at der med Lejorforeningen sker en dr~fte1se s.f kvalitetsniveau og aide servtcekontrakter,
der indgas hi varetagelse afom.r~.dets f~lles opretholdolse.

Section 12. Vedligehotde1~e

12.1 Al indvendig vedligeholdelse aS det lej ede pahviler lejer.

12.2 Lejers vedligeholdelsespligt omfatter herunder fomn.yelse af maling, v~gbek1~dning, hvidtning, gu1vbel~gning mv., vedligeholdelse og udskiftning af l&se, inwgler, beslag, ruder, vandhaner, cisterne, haner, wc-sk~1e med s~de, vaskekummer, elektriske installatianer og arrnaturer af enlhver art, rensning af vandlAse med afl~b fra vask og wc, saint rensning og vodligeholdelse af alle ~vrige instaflationer i de lejede lokaler.

12.3 Al ved.hgeholdelse, rep aration og fornyelse af installationer m.v. (hvad enten de er anbragt md- eller udvend.ig), der er etableret pA lejers bekostriing eller foranlednin~, p~hviler lejer.

12.4 Lejer kan ikke kr~eve nedslag i lejen oiler nogen farm for erstatning for den tid, vedligeholdelses-, reparations- eller oinnbygningsarbejder, jf. nedenfar, foretages i lokalerne.

12.5 Udlejer kan forlange at lejer lader de ham pAhvi.lende vedligeholdelses- og istands~ttelsesarbelder afh~rv~rkslignende karakter udf~re straks n~.r manglen er konstateret, i det omfang manglende udf~re1se er til skade eller i-isiko for udlejers ejendom

12.6 Opfylder lejer ikke uden aps~ttelse de ham p~hvilende vedligeholdelses- eller istands~tte1sesarbejder efier dertil at v~re skriftligt apfordret afudlejer, kan udlejer lade axbejdet udf0re p~ lejers bekostoing, og den derved foranledigede udgift ben'agtes sam pligtig ydelse i lejeforholdet.

12.7 LTdlejer bar den udvendige bygningsvedligeholdelse.

Section 13. Telefon, antenner og lignende

13.1 I benhold til teknisk beslaivelse s.f den 28. oktober 1998 (bilag lA) for udvidelsen af 1ejem~iet har udlejer ved lejennAlets ikrafttr~den mstalleret visse n~rmere ibyggepinOgranunet angivue basiselementer for telefon- og antennean1~g i lejemAlet.

13.2 I overenssternmelse med lejelovens region kan lejer supplere med telefon- og s~dvanlige radio- og fjernantennean1~g.

SAdanne supplerende anl~g er for lejers egen risiko, og kan af udlejer fonlanges fiernet ved lejem~1ets oph~r.

Section 14. Skılltning

14.1 Lejer han ret til skiltning pA d0re og facader. Lejers sicrifihige op1~g td skiltningen skal dog pA forh~nd sknifUigt godkendes af udlejer, og v~re i overensstenlmelSe med do af udlejeren til enhver tid fa.stss.tte generelle retningslin.ier.

14.2 Lejer or pligtig at deltage i f~lles skiltning, jf. skilternanual (bilag 5).

14.3 Udgiftenne til den skiltaung og evenituelle myndighedsgodkendelse heraf, sam lejer hat adgang till hen2hold til pkt. 14.1, p~hvi1er icier.

14.4 Udgifter til den f~Ues skiltning, der udf0res pA omrAdet i overensstexurnelse med skiltemanualen, forest~s af udlejer og udgifterne hertil debiteres denleller de lejere, son' skiltet alene vedmrer. For skiltning, der vedr0rer samtlige omrAdets lejere opkr~ves kr.

10,000,00 med allaeg af moms fra hver leger. Belobet forfalder til betaling ved lefers mdflything.

14.5 Udlejer forest~.r sem en del af vedligeholdelsen af udend~rsfacj1jteteme, at den skih~ rung, der er gennernf0rt for ornr~det i henhald til skiltenianualen hele tiden fremtr~der p~n og velvedligeholdt, jf. i ~vrigt udgiftafordelingen i Section Sb. saint Section 11.

Section 15. AEndring af det lejede

15.1 IJanset den tillagte uapsigelighed hat udlej er med 3 rn&neders varsel ret til at foretage s~danne ~ndringer af bygnings- eller insta1latiansm~ssige karakter, sam han, efter aftale med 1ejeren~ sk~nner hensigtsm~ssig afhensyn til de krav, der til enhver tid mThe stifles til et bygningskompleks af den her ornhandlede art eller til 0konomiske k,rav, der tjener den bed.st mulige udnyttelse afkomplekset.

15.2 Udlejer forpligter sig i givet fald til at udvise st0rst muligt herisyn til 1ejer~s drift s.f det lejede og p&frre ham mindst mulig gene og ulenipe her/ed saint fremme arbejdet mest muligt.

15.3 Lejer kan ikke kr~ve nedslag i lejen eller ~ogen form for er.statning for eventuelle ge-ner eli-er ul.ernper, der matte blive ham p&f0rt i anledn.ing s.f farandringer eller ombyg-nmger, s~fremt disse ikice forhindrer den almindelige anvendelse af 1ejern~Jet.

15.4 Lejer kari - ikke uden udlejers skriftlige sarntykke - faretage ~ndringer i de lejede lo-ka1it~ter, hvorved der gores indgi'eb i bygnirigens bestanddele. Udlejer kan betinge sin goclkerxdeise aS, at kjer bringer det lejede tiilbage til dets oprindelige stand eller beti.nge si.g, at dot ombyggede ti1h~rer ejendominen. Udlejer er forpligtet til, sarotidig med god-kendelsen, at meddele, hvorvidt udlejer stiller krav til lejer orn reetablering ved fraflyt-rung.

15.5 PAbud fra offentlige myndigheder, efter at lokalorne er kontraktrn~ssigt afleveret med hensyn til de lejede lokalers indretning eller benyttelse, skal ikke p~f~re udlejer ansvar eller udgift overfor lejer eller det offentlige, jf. dog Section 17.2 i n.~rv~rende lojekontrakt. Lejer skal friholde udlejer for ethvert ansvar og onhver udgifi overfor det offentlige etler private, sam ha.r forbindelse med lokalernes fremtidige benyttelse.

15.6 SAfremt der afoffentlige myndigheder stilles krav am forandringer

soui vi1k~r for godkendelse af det lejede til virksornhedens fortsatte drift, er lejer berettiget ul at lade s~danne foranstaitninger udfzre. Forinden farandringen u.df~res, skal do stillede krav skriftligt inneddeles udlejeur uted plan over ag eventtielt beskrivelse af, hvorledes forandringen er proj ekteret gennemf0rt.

15.7 . Udlejer forbeholder sig ret til at stile ~ndringsforslag til projektet eller hvis forandnngen vii v~re til v~sentlig ulernpe for andre lejere eller bygriingskompiekset son' heihed, at h~ve 1ejein~1et.

15.8 I dot omfang de afudlejeren iv~rksatte ~ndrunger, der er en f.0lge afkrav/pAbud fra offentlig myndighed, hat karakter s.f forbedring og vedx0rer lejers lejem~l eller outrAdets f~11es areaIer/f~11es faciliteter, er udlejer berettiget til, uden hensyn til tillagt uopsigelighed, at forh0j&lejen i overenssternmelse med do heroin i lejelovgivningefl g~1dende regler, idet lejeforh~je1sen
fordeles efter stgrrelsen afdet lejede areal.

Section 16 . Ansvar

16.1 Lejer skal p~ eniwer rn~d~ omg~.s det lejede forsvarligt, ligesom han er ~nsvarlig for den skade~ scm ved vanr0gt eller fors0xtxmelse forvoldes pA det lejede.

16.2 Skader, $orvoldt p~ ejendommen sam f0tge af s~ejker og lock-oi.~ter mod virksotnheden, er lejers an svar.

Section 17. LejemAlets stand ved overtagelse

17.1 S~ve1 det allerede lejede ateal scm udvidelsen er overdraget/overdrages ved lejemAlets begyndelse til lejer i renoveret og nyopf0rt stand uden mangler af nogen art med saintlige installatianer i god og brugbar stand, f~rdigt indrettet til lejer og i 0vrgt i OVer-ensstemrnelse med dispasitionsfarsiag s.f den 28. oktaber 1998 (bilag 1) og tekuisk beskrivelse af den 28. oktober 1998 (bilag IA) for udvidelsen.

Arealet pA ca. 100,00 in2, beliggende pA 2. sad i tilbygningen, afleveres uapteret, jf. teknisk beskrivelse af den 28. aktober 1998,

17.2 Ijdlejer foranlediger inyndighedernes godkeridelse og siIaer, at de nedvendige godkendelser foreligger for sAvidt ang~in lejemAlets indretnung og anvendelse, if. Section 3 i n~rv~rende lejekontrakt.

17.3 I forbin.delse med lejeinnAlets overdragelse afholdes en overdragelsesforretni.ng, og der -udarbejdes eventuel mangelliste.

17.4 De under uverdragelsesfarretningen konstaterede uv~sent1ige mangler, afhj~1pes af udlejer snarest.

17.5 Lejers eventuefle indsigelser mod rnangellisten skal skriftligt meddeles udlejer senest 8 dage efter modtagelsen af mangellisten eller senest 4 uger efter overdragelsesforretni.ngen, idet lejernAlet i modsat Laid anses overdraget i kontraktm~ssig stand, og accepteret
af lej er.

Det pr~ciseres, at der her er tale ozn en overdragelsesforretniinig mellem lejer og udlejer, reguleret s.f lejelovens besteinunielser heroin.

17.6 Udlejer kan forlange, at lejer deltager i en atleveringsforretning vedr0rende byggeriet med denude entrepren~rer, der hat forestAet opf0relsen for udlejer, og sAledes at den foran fastsatte reklamationsfrist I~ber i 4 tiger fra lejers bevislige modtagelsen afinan-
geislisten.

Det pr~ciseres at der her er tale out en afleveringsforretning rnellem entreprenar O~ bygherre (udlejer) i henhold til de mellem entrepren~r og byghetre indgAede aftaler, iigesom det pr~ciseres, at overdragelsesforretningen inellem lejer og udlejer reguleres af lejelovens besterninnelser heron'.

Section 18. Aflevering ved opher

18.1 Ved lejemAlets oph0r skal det samlede lejemAl nyistandsat som ved overtagelsen. Dette kan pA grundlag s.f en konicret vurdering og genneingang s.f de enkelte lokaler betyde nymaling s.f v~gge~ lofter og tr~v~rk i farver, der pA forhAnd er godkendt s.f udlejer, og med sanitlige installationer i god og brugbar stand, Gulvene skal afleveres i velvedtigeholdt og absohit god stand.

18.2 IDe ved 1jem~Iets oph0r pA ejendonunen opf~rte bygninger og disses innur- og nagelfaste tilbeh0r ag installatiaxier af enliver art.forbliver udlejers ejendoinn.

18.3 Lejer hat dog ret til at fjerne al les0re og inventar saint tekniske installat.ianer bekostet af lejer, sXsom kontolm0bler, rekianieskilte, mnaskin- og inventardele, ag sam ikice h0-ret til ejendammen., mod at bringe det lejede tilbage til dets opri.ndelig stand.

18.4 S&fremt udlejer kr~ver det, skal foraridringer i lejem&lets indretning tilbagef0res inden fraflytningsdagen, med mindre udlejer skriftligt ved gadicendelsen her godkendt ~ndringerne uderi forbehold om reetablering.

18.5 Lejer skal ved fraf1y~ing fierne ad egen opsat skiltning og foretage retablering.

18.6 Lejer er pligtig til at aflevere samtlige n0gler til 1~se i dare og lignende, heru.nder ogS~ s~danne lAse, som lejer selv har installeret.

18.7 Det er innellem partemneaftalt, at fristen i lejelaven.s Section 98, stk. 2 far1~nges til 4 uger, regnet fra det faktiske fraflytningstid.spunkt, sam af lejeren farinden skriftligt er rneddelt udlejeren.

Section 19. Fremleje

19.1 Lejer har ret til heit eller delvist at fremleje til en tilsvarende anvendelse ag til en person, et fu-rna eller et ~e1ska~, mod hvem udlejer ikkekan rette nogen berettiget person-jig eller 0konornisk undvendig, og mod at lejer indest~r for lejens rettidige betaling saint at indbetaling sker fra lejer til udlejer.

19.2 Lejer er pligtig at fremsende kopi af en eventuel fremlejekontrakt til udlejer.

Section 20. Afstaelse

20.1 Lejer hat, i overensstemmeise med regleme i lejelovens Section 74A, ret til at afst~ det lejede samlet til en tiisvarende anvendelse og til en af udlejer godkendt lejet.

20.2 Lejer er, inden afstAelsen, forpligtet til at frezn.l~gge dokumnentation for den nye lejers kvalifikationer og 0konomiske forhold.

Section 21. Mervaerdiafgift

21.1. Udlejer er i averensstexnmelse med bekendtg~relse nr. 773 af 16. september 1992 am ~ndring af merwerdiafgiftslaven frivilligt registreret for udlejnung af fast ejendom.

21.2 Som f0lge heraf vii leje, depasitum og andre ydelser i henihold iii n~rv~rende kontrakt v~re at ti1 1~gge xnerv~rdiafgift i o'verensstemmelse med de til enhver tid g~1dende regler.

Section 22. Andre bestemmelser

22.1. Forhejelse af alie former for pengeydelset i henhold til n~rv~rende kontrakt trader i ki~aft fra det tidspunkt~ hvorpA de i henbold dl kontraktens regler kan. beregnes uden yderligere varsel er n~dvendigt.

22.2. Safremnt udlejer f~r et tilgodehavende if0lge n~rv~rende konfrakt forrentes dette i hen-hold 'ii lejelovens Section 93, stic. 2.

22.3. S~.fremt d~r faretages 1ovm~ssige undgreb, der bevi.rker, at udlejer ikice has lejer kan f~ belt eller delvist ref'mderet de i denne kontrakt amliandlede bel&b, skal udlejer v~re berettiget til at h~ye der~ i' Section 3 n~vn!e lej&Iilsvarende

22.4. Lejer er berettiget til, ved egen foranstaitning, at lade sig eget eksemplar af lejekan-trakten tinglyse p~ ejendammen ag s~1edes, at tinglysningen respekterer de pA ejen-dainnmen tinglyste servitutter, byrder og panteh~fte1ser. Tinglysnung af n~rv~rende kontrakt sker med respeict af fremtidige panteh~fte1ser og tinglysning af servitut~tif-tende dekiarationer pA ejendorniiien.

22.5. Lejer er forpligtet til at aflyse leje.kontrakten ved ~afly~ing, dog tjener lejers skriftlige apsigelse afilejemAlet udlejer sorn tilstr~kkelig fuldniagt til, efter lejeforhaldets oph0r, at lade lejekontrakten aflyse allene pA sin beg~ring. Eventuelle aflysnungsomkostfliflger inodregnes i depositum

Section 23. Saerlige aftaler

23.1. Den nuv~rende l,ejekontrakt af den 21. juli 1997 er g~1dende indtil n~rv~rende leje-kontrakt tr~der i kraft

Section 24. Forholdet til lejeloven

24.1. For lejem&let g~1det i ~vrigt lejelovens ab.nindelige regler for sAvidt disse ikice er fraveget i denne kontrakt.

24.2. Udgift til steinnpling af n~rv~reiide kontrakt betales aflejer.

Albertslund., den 2, 1998 Viby J, den 1998

Soni udlejer:
f/~~[1esforeniflgefl for DanmBrk Brugsforeninger

S~RL1G LEJEREGULERINGSKLATJSTJL

Indeksregu.lering

1. Den anf0rte leje fnrh~jes een gang ~r1igt med stigningeii i nettapristallet for oktaber af den til enhver lid g~1dende &rlige leje. Lejen forheje~ efter forann~vnte re~'ingslinier hver den 1. januar, f.0rste gang den 1. januar 2001.

2. Endvidere kan lejen forh0jes med alle i den td enhver tid g~Idende lejelovgivning hjernlede 1ejeforb~je1se.

3. I henliald til lay orn regulering i erhvervslejem&1, Section 9, stk 4 er udviklingen i lejen, under foruds~tnmg af en udvikling i nettapristallet pA henholdsvis 1,5%, 3% og 4,5%, beregnet af den til enhver tid g~1dende ~.r1ige leje, over en 12-Arig periode son' nedenfar anf0rt. De an.f~rte stigningstakster skal ikke forst~.s som en rainme for indeksreguleringen.

Stigning:	1,5	3,0	4,5
Arlig lejept. 1.juli 1999	kr. 5.239.000,00	kr. 5.239.000,00	kr. 5.239.000,00
Arlig leje pr. 1.juli 2000	kr. 5,311.585,00	kr. 5.396.170,00	kr. 5,474.755.00
Arlig leje pr. 1.juli 2001	kr. 5.977.112,55	kr. 6.058.055,10	kr. 6.138,997,65
Arlig leje Pr. 1.juli 2002	kr. 6.156.425,93	kr. 6.239.796,15	kr. 6.323.161,58
Arlig leje pr. 1.juli 2003	kr. 6.341.118,70	kr. 6.426,990,66	kr. 6.512.862,61
Axlig leje pr. 1.juli 2004	kr. 6.531.352,27	kr. 6.619.800,38	kr. 6.708.248,49

Arlig leje pr. 1.juli 2005 kr. 6,727.292,83 kr. 6.818.394,39 kr. 6.909,495,94
Arlig leje pr. 1.juli 2006 kr. 6.929.111,62 kr. 7.022.946,22 kr. 7,116.780,82
Arlig leje pr. 1.juli 2007 kr. 7.136,984,97 kr. 7,233.634,60 kr. 7.330.284,24
Arlig leje pr. 1.juli 2008 kr. 7.351.094,52 kr. 7.450.643,64 kr. 7.550.192,77
Arlig leje pr. 1.juli 2009 kr. 7.571.621,35 kr. 7.674,162,95 kr. 7.776.698,55
Arlig leje pr. 1.juli 20l0 kr. 7.798,776,17 kr. 7.904.387,84 kr. 8.009,999,51
Arlig leje pr. 1.juli 2011 kr. 8.032.739,46 kr. 8.141.519,48 kr. 8.250.299,49
Arlig leje pr. 1.juli 2012 kr. 8,273.721,64 kr. 8.385.765,06 kr. 8.497.808,48
Arlig leje pr. 1.juli 20l3 kr. 8.521.933,29 kr. 8.637.338,01 kr. 8.152.742,73

Oveim~vnte bel0b er exci. moms.

Der g~res udfrykkeligt oprn~rksom pA, at ovenn~vnte kalkul.atioD. alene er baseret pA den afta.Ite stigningstakt, og at der herudover kan opkr~ves stigninger i lejen, soinn udlejer innAtte v~re berettiget til i overenSSte1flmel~ med lejelovgivnuiigens regler.

di~&g 3
kin. 820.000,00
EjendooISskatt~r
D ~knings afgifl~
- - 50.000,00
Forsikring
- 17.600,00
B~andv~rnSinspektlon 0! brandudstyr
- 2S.580,00
Skadedyrsbek~mp8ISe, insekter, mus & rotter
- 77,00000
Vagtordxung

F~1Ies renovation
F~lle~ vandforbNg incl.afgifter
F~11es el incL afgifter - 9600,00

R~ng0ring af indvendig f~1ksarealer
Vinduespolering ~
Ved1i~eho1delS~ a! el~in~ta1l&tiO~et og andre installationer * -
Vedligeholdelse af d0rautflmatdC ~
Service- & vedligeboldelse af elevalorer'
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ELO

Udsmykn'ng af f~L1es~aler
Lyskfldc
Sm~znskaffd.~ein - 8.000,00
Ren- og vedligeholdelse af f~lles udenoms~r~Jer - 176.000,00
SnerydniI'~
Vicev~rt, mci. leje afv~rk~td mv. 360,000,00
Honorar, udsrbejd~lSe af f~I1esregnskab - 50.000,00
Ia1~ til fordeling exci. moms ir 1.586.78d,00

Udgif~ernc fordeles henholdsvis ij~dividuelt saint efier areal.
!jendornmerLs samlede~~t~.l i inn2 udg~r ca. 40.000,00
lidgift pr. m~ exci. yfloms 39,92
Lejen1~Aet3 areal i m~ udg~r 8.280,00
Lejers ~riige, budgettet~dV artdei exoL moms u&g0r 1cr.
330.530,00

~) Udgifteu~ atholdes dire~te af lejer, idet [ejem&let o~ifatter ecu hygning, o~ lejer dam-for ikke har Lndvendige f~l1esatea1eT med andre lejere.
~) fl~kningsaf~f~ p&lignes individuelt.

Lejer em gjort opni~rksorfl p&, at dzt yedh~ftede budget ikke 0dvefldIg~~1s indeholdeT alle udgifter til dat f~I1es djftsreglkskab.

Mellem

F~llesforeningen af D anmarks Brugsforeninger
cia FDB Ejendomme
iRoskildev ej 65
2620 Albert shind
sam udlejer 0g.

Memory Card Technology AJS
Ssnderhej 22
8260 Viby J

sam lejer, er der d.d. indg~.et ~1gende

ALLONGE nr.1
til den indgAede 1ejekon~akt af henholdsvis den 25. november og 2. december 1998 vedr0rende erhvervslejemAlet, beliggende
S~nderh0j 22, 8260 Viby J.
Ad. Section 2. Lejem~1ets omfang
2.1 1 henbold til lejeicorx~akten er der efter ejendoinrnens endelige opf0rsel foretaget opm~.ling aflandinspekt0rfirrnaet bogh & krabbe aps. Opnn~..1ingen er bindende for beggo parter.

2.2 Det lejedes areal udg0r i lienhold til oprnAlungafden 20. august 1999, jf. bilag 1:
K~1dez 702,00 in2
S ~ 2.770,00 m2
1. sal 2.469,00 m~
2.sal 2.3 52,00 m~
lalt 8.293,00 in2

Ad. Section 5. Lejeydelsens stsrrelse og betaling my.
5.1 Den ~.r1ige leje reguleres efter opniAling af arealet. Lejein~1ets samlede areal udg0r, jf, ovenn~vnte, 8.293,00 in2.'
Den Arlige lej e udg0r herefter;
8.293,00 in2 6.kr. 632,73 1cr. 5.247.230,00

5.2 Lejen til1~gges moms, i alt icr. 1.311.807,50, hyorved den samlede Ar1ig~ leje udg~r icr.
5.3 6.559,037,50.
5.3 Lejers opm~rksomhed heriledes pA bilag 2, der angiver, hvorledes lejen vii ~idvi1de sig i en
12-~.rig periode.

7.1 Som almindeligt deposit'Gm~ betaler lejer, ve.d underskrifi af n~i-v~rende allonge nr. 1, icr.
4.115,00 med tiU~g-~frnor12s, oiler i alt icr, 5.143,75, s~ledes at det sain.lede depasitum udg~r Ia. 2.623.615,00 med till~g af moms, eller i alt 3.279.518,75, svarende til 6 m&neders aktuel leje med ti1~g af moms.

7.2 Dot samlede depositum henst~r sam sikkerhed for onhver forpligtelse, sam lejer m&tte pAdrage sig overfor ud1e~er i farbi.ndelse med lejekontrakten med til.b.0rende allonger.

Be1.Gbet frigives f0rst efter, at der ved lejernAlets oph~r er foretaget afregning parterne irnellem vedr0rende deres s1u~ne11emv~rende. Belabet forrentes ikke.

7.3 Det stillede depositum reguleres, nAr der sker lejestigninger, sMedes at det til etihver tid svarer til 6 m~.neders aktuel leje med ti1l~g af moms Reguiering berigtiges kontant ved p~icrav.
Ad. Section 22. Andre bestemmelser
22.1 1 0vrlgt ratihaberes saintlige punkter og bestemnielser i lejekonfrakten.
Iidgiften til stempling af n~rv~rende allonge betales af lejer.
A.lbertslund, ii 1999 Viby I, den 1(5 1999

sam lejer:
f~Memory Card Technology A/S

tandinspekt0rfirmaet
b0gh & krabbe aps
rosensgade 36
postboks 273, 8100 ~rhus C
tlf. 86126388 fax.86125070
e-mail: bk-land@plf.dk

J.nr.~ 993095

Rev.: A

Arealopgorelse
Bnxttoetageareal, udlejningsareal

Matr.nr.: 5v Viby By, Viby
Beliggende; Tilbygning, S0nderh0j 28, Viby J
Lejere: Memory Card Technology

Arealberegningen vedr~rer den sarniede bygning mci. nyopf.~rt tilbygning.

~ygningens bi-uttoetageareal er beregnet i henhold til bestemrnelserne i Bekendtg~re1se nr. 311 af 27. juni 1983 p~. gruridlag af opmiling er de enkelte etager
somkoritroi afforeliggende tegriingsrnatenale.

Det er forudsat, at bygningen udlejes samlet, hvoi-for er ikice er foretaget nogen
sondring meilem suppleinentsruzn og udenomsrum, ligesom der ikice beregnes arealer
aff~IIes adgangsarea]er.

Bruttoetage.arealet udgBr;

eliggend
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emory Card Technology

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emory Card Technology

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emory Card Technology

2469
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emory Card Technology

2352
alt, in2

8293

Kanaler og andre gennemgAende rum er Icon medregnet for den etage, hvor gulvet er beliggende Det foruds~ttes herved, at der ikke er indstebt d~k i kanalerne ved etageadskillelser.

Arhus C, d. 2O-0~-I 999.

L ndinspektoriirrnaet BBgh & Rrabbe

Annette B0gh
landinspekt0r

SI~RLIG RIEGIJLERIYGSKLAXJSUL

Indeksregulerung

1. Den anierte leje forh0jes 6n gang &rligt med sti~iingen i nettopristallet for aktober, dog miii. 1,5%og max, 4,5% af den til enhver tid g~1dende ~x1ige leje. Lejen forh0jes efter forann~vnte re~ingslinier hver den 1. jaYluar, f0rste gang den 1. januar 2001.

2. Endvidere kan lejen forh0jes med alle i den til enhver tid g~ldende lejelovgivning hjemtede 1ejeforh.~j elser.

3. I henhald til by om regulering i erhvervs1ejem~J, Section 9, stk. 4 er udvildingen i lejen, under foruds~tning af en udvikling i nettopristallet p& henholdsvis 1,5%, 3% og 4,5%, bere~et af den til enhver tid g~1dende Arlige leje, over en 12-brig periode som nedenfor anf.~rt. De anforte stiguingstakster skal ikice forst&s sam en ramme for indeksregLlleringen.

Stignng:
Axlig leje pr.
A.rlig leje pr.
Arlig leje pr.
Arlig leje pr.
Arlig lej e pr.
Aug leje pr.
Arlig leje pr.
Arlig leje pr.
Arlig leje pr.
Arlig leje Pr.
Ai-lig leje pr.
Arlig Ide pr.
Arlig leje pr.
Arlig leje pr.
Artig leje pr.
l.juli 1999
1. januar 2000
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I. januar 2004
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1. januar 2006
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1. januar 2011

1. janual 20 12
1. januar 2013
2. Ia.
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1,5%
5.247,230,00
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5.825.938,45
5.913.327,53
6.002.027,44
6.092.057,85
6.183.438,72
6.276.190,30
&370.333,15
6,465.888,15
6.562.876,41
6,661.319,62
6.761.239,42
6.862,658,01
6,965.597,88
ki.
icr.
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icr.
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icr.
3, %

5.247.230,00 icr.
5.247.230,00 kr.
5.904.646,90 icr.
6.081.786,31 icr.
6.264.239,90 icr.
6.452.167,09 icr.
6.645.732,11 icr.
6.845.104,07 Ia.
7.050.457,19 icr.
7.261.970,9 1 Ia.
7.479.830,03 icr.
7.704.224,94 1cr.
7.935.351,68 icr.
8,173.412,23 Ia.
8.418.614,60 1cr.
4,5%

5.247.230,00
5.247.230,00
5 .983.355,35
6.252.606,34
6.533.973,63
6.828.002,44

1, 135.262,55
7.456,349,36
7.791.885,09
8. 142.5 19,91
8.508.933,31
8. 89 1.83 5,3 1
9.291,967,90
9.710,106,45
10.147,061,24

Ovenn~vnte bel0b er exci. moms.

Der gores udtxykkeligt opm~rksom pA, at ovenn~Vnte kalkulation alene er baseret pA
den aftalte stigningstakst, og at der herudover kan op1a~ves stigninget i lejen, ~om
udlejer mAtte v~re berettiget til i overensstemmelsc med lejelovgivningens regler.

DAfEA

Memory Card Technology AJS
AU. Bjame Krog
S0nderh0j 22
8260 VlbyJ
0 ~ A ~
12. februar 2001
lyg / 86756315 Iyg~dltCfl dk

~IV .0003 02 .5

Lejem~Iet beliggende S0nderhej 22, 8260 Viby J

Under henvisning til den indg~.ede lejekontrakt far ovenmevnte 1ejem~l vii lejen v~ere
at regulere Pr 0101.2001 med deii procentuelie stigning i nettoprisindekset, clog
minimum 1,5% ag maximum 4,5%.
Ncttoprisindekset for okt 1999 udg~r:
N~ttopriSifldekSet for okt 2000 udg0r
Stigning i point
Stigrilngen i pristallet udg0r ((333,5 324,0) x 100)! 324,0)
324,0
3 33,5
9,5
2,932%
For Deres lejem~1 udg0r stigningen 2,932%

Arlig leje pm 01.012001
Senest. varsiet leje
Stigning 2,932 % af lejen ki. 5.967.230,00
Ny ~irIig leje fra 01.01.2001

svarende til km 1.535.548,77 pr. kvartal.

Lejeregulering for perioden 01.01.2001 - 01.04.2001 udg~r

..1 forbindelse med Iejereguleringen reguleres eventuel forudbetalt leje henhald ol
lcjekontrakten.
kr. 5.967.230,00
- - 174.965,08 km 6.142.195,08
kr. 43,741,27

ag/diet depositum

Deres depasituni skal svare til 6,0 m!jnedeis laje. Regulering ~ depasitum opkr~eveS
p/i f0lgende in~de:

km 87.482,54
01,04.2001 med

Den nye leje tilhge med regulering af depositum og eventLiel forudhetalt leje opkr~ves
ferste gang pr. 01.04.2001.

Samtlige beleb er exci. moms.

Meilern

F~llesforeningen for Daxunarl.cs Bn~gsforeninger
v/FDa Ejendomme
Roskildevej 65
2620 Albertslund

sorn 'udlejer og

Mernery Card Technology A/S
S0nderh~j 22
8260 Viby J

sam lejer or der d.d. indg&et f0lgende

ALLONGE rir. 2

hi den iridgAede lojokantraikt afhenholdsvis den 2. december 1998 og 25. november
1998 med tilh0rende allonge nr. I afhexiholdsvis den 23. november 1999 og 13. september 1999 vedr~rende erhvervslejern~let, beliggende S~nderh0j 22, 8260 Viby J.

Aptering af 2. sal

Den mellem parterne aftalte aptering af 2. sal udf~res i honholdtil vedlagte dokumentfortegnelse mod tiih~rende bilag af den 16. december 1999, udgave ni. 02,
udarbejdet afSahls Tegnestue A/S. Apteringen er tilendebragt senest den 1. april 2000.

Section 5. Lejeydelsens st0rrelse og betaling mv..

Det er inellem parterne aftalt, at ovenn~vnte modfzrer en ~.rlig lejeforh~je1se p~ ki.
220.000,00 med ti1l~g af moms. Lejeforh~jelsen den 1, april 2000.

Den ~r1ige leje udg~r hereftor pr. den 1. april 2000 kt. 5.467230,00 med tilkeg af
mains.

Section 7. Depositurn

Soin f0lgo af avenn~vnte forh0jes deposinim pr. den 1. april 2000 med icr. 110000,00
med ti11~g af moms. Depositum farh~jes pr. den 1. april 2000.

Dot sarniede depositum udg0r herefter pr. don 1. april 2000 kr, 2.733.615,00 med
ti11~g af moms.

Ad. Section 22. Andre bestemmelser

I ~vrigt ratihaberes sai-ntlige punkter og besternrnelser i lejekontrakten.

Albertslund, de~ /~, 2000

sorn udlej or:
f7F~I !e.s forening for Dai~marks Brugsforoninger

Birker0d, den ~ /~ 2000

soin lejer:
f/Memory

Til orientering vii kopi af dette brev blive frernseridt liii Gori-issen,
Federspiel,
Kierkegarrd -Advakatfirna.

Har De sp~rgsm~iI til ovenmevni~e rcguier~ng, er Dc ve~kon~rnen til at
kontakte
undertegnede.

Med venhg hilseri

DATEA
Kunde 1 s tion

5 n,,vemb~r 1998

EMPLOYMENT AGREEMENT

AGREEMENT, dated as of the 1st day of May, 1997, between Dataram Corporation (the "Company"), a New Jersey corporation, and Robert V. Tarantino (the "Executive").

W I T N E S S E T H:

WHEREAS, the Executive presently serves as the President and Chief Executive Officer of the Company, and

WHEREAS, the Company desires to continue to employ the Executive on the terms and conditions set forth in this Agreement, and

WHEREAS, the Executive is willing to accept continued employment with the Company on such terms and conditions; now, therefore,

IN CONSIDERATION of the premises and the mutual covenants herein contained, the parties hereto hereby agree as follows:

SECTION 1. TERM OF EMPLOYMENT.

The Company will employ the Executive, and the Executive hereby accepts employment by the Company, on the terms and conditions contained in this Agreement for the period commencing upon May 1, 1997 and ending April 30, 2002. If not terminated as of April 30, 2002, the term of the Executive's employment under this Agreement (the "Term") will continue thereafter on a year to year basis, subject to the respective rights of the Executive and the Company to terminate the Term pursuant to Section 5 below.

SECTION 2. DUTIES.

2.1 Positions. During the Term, the Executive shall serve as the company's President and Chief Executive Officer, with such additions to the scope of the duties of his employment within the Company's field of operations or those of the Company's subsidiaries or affiliated corporations as the Board of Directors and the Executive may agree.

2.2 Time. The Executive shall devote the majority of his time, energy and skill during regular business hours to the affairs of the Company and its subsidiaries and affiliated corporations and to the promotion of their interests, provided that the Executive may serve as a director of such business and not-for-profit corporations, and as a principal of business and other ventures, as the Board of Directors shall permit in its discretion.

SECTION 3. CURRENT COMPENSATION.

3.1 Base Compensation. During the Term, the Company shall pay the Executive a salary at the rate of $252,000 per annum, payable in equal installments in accordance with the Company's normal practices for payment of executives. The Executive's salary shall be reviewed by the Board of Directors of the Company annually on its anniversary date commencing as of May 1998. Any increases

in salary shall be at the sole discretion of the Board of Directors.

3.2 Bonus Compensation. The Executive will also be entitled to bonus compensation based upon a formula which shall be reviewed and approved by the Board of Directors annually on its anniversary date commencing as of May 1997.

3.3 Reimbursement for Expenses. During the Term, the Company will reimburse the Executive for all documented expenses properly incurred by the Executive in the performance of the Executive's duties under this Agreement.

3.4 Stock Options. Based upon performance, the Company will consider the Executive for additional options under any Stock Option Plan in effect for the benefit of executives of the Company. All such options as may be granted shall be evidenced by written Option Agreements.

3.5 Other Benefits. In addition to the benefits specified in Sections 3.1 through 3.4, during the Term the Executive will be entitled to participate in any present and future life insurance, disability insurance, health insurance, pension, retirement and similar plans adopted by the Company for the general and overall benefit of its employees or its principal executives.

SECTION 4. NONASSIGNABILITY OF BENEFITS.

No benefit under the Agreement shall be subject in any manner to anticipation, alienation, sale, transfer or assignment by the

Executive, his beneficiaries or his estate, nor shall any benefit in any manner by liable for or subject to attachments or legal process for or against the Executive, his beneficiaries or his estate.

SECTION 5. TERMINATION OF AGREEMENT.

5.1 Termination Generally. This Agreement, and all liabilities and obligations of the Company to the Executive under this Agreement, shall cease and terminate upon the earliest of the events specified below, provided that such termination shall not effect the right of the Executive or his estate or beneficiaries to receive any salary or bonus accrued but unpaid, and shall not affect any vested rights which the Executive may have at the time of his death pursuant to any insurance or other death benefit plans or any other plans, policies or arrangements of the Company or any of its subsidiaries or affiliated corporations:

(a) Expiration of the Term (including any continuation thereof) upon written notice of non-renewal by the Company to the Executive or by the Executive to the Company at least three months prior to any expiration date;

(b) the disability of the Executive, to such an extent that he shall be unable to perform the functions of his office for a continuous period of 6 months or such longer period as the Board of Directors shall

determine;

(c) the death of the Executive, subject to Section

5.3;

(d) the date of termination for cause as discussed in Section 5.2

5.2 Termination for Cause. Anything herein to the contrary notwithstanding, the Company may terminate the Term and all of the company's then remaining obligations hereunder by termination for cause. Termination by the Company for "cause" shall mean termination by action of the Company's Board of Directors because of the Executive's willful disregard of his obligations as Chief Executive Officer which he should reasonably have expected to have a material adverse effect upon the Company.

5.3 Death. If the Executive dies during the Term, the Executive's estate shall be entitled to receive the base compensation provided in Section 3.1 at the then current rate to the last day of the 6th month after his death occurs together with the POP bonus for any fiscal year which concludes during that 6 month period. If a fiscal year does not conclude during such 6 months, the Executive's estate shall be entitled to a bonus for the year of his death prorated according to the number of months in such year through the 6th month of the Executive's death.

5.4 Termination by Executive. The Executive may terminate this Agreement upon three months notice.

5.5 Post-Termination Compensation in the Event of a Change of Control. Anything herein to the contrary notwithstanding, if

within one year of a change in control of the Company in a transaction or occurrence, or a related series of transactions or occurrences, resulting from a material change in ownership of Common Stock and evidenced by cessation in service as directors of a majority of those persons theretofore serving as members of the Board, a notice of termination is given to the Executive in breach of this Agreement or a notice of non-renewal is given pursuant to 5.1(a) to the Executive or given by the Executive then the Company will pay the Executive the greater of (1) damages for breach of this Agreement if a breach has occurred or (2) one year's base salary at the then current rate together with one year's bonus determined by averaging the Executive's bonus for each of the three fiscal years preceding the year of termination. Such greater amount shall be considered to be a severance payment and shall relieve the Executive and the Company of all obligations hereunder except the Executive's covenants in Section 6, 7 and 8.

SECTION 6. CONFIDENTIALITY.

During the Term of this Agreement and for three years thereafter Executive will not disclose information concerning the Company's affairs, including undisclosed financial information, products, the identity of suppliers and the identity of customers, which a reasonable man would consider confidential and as to which the Executive has obtained specific knowledge during the Term of this Agreement and which is otherwise unknown to the public.

SECTION 7. ASSIGNMENT AND DISCLOSURE OF INVENTIONS.

7.1 For purposes of this Agreement, the term "Restricted

Inventions" means all inventions, discoveries, improvements or modifications to inventions or discoveries, whether patentable or not, which are conceived of, reduced to practice, or both conceived of and reduced to practice, by the Executive at any time during the Term of the Agreement and which are used or useful by the Company in any of its lines of business.

7.2 The Executive will disclose any Restricted Invention promptly to the Company and the Executive hereby assigns the Company all rights to any Restricted Invention. The Executive will sign all documents necessary for the Company to apply for and obtain domestic and foreign patents for Restricted Inventions. The obligations of the Executive to sign such documents will continue beyond the Term of the Agreement with respect to Restricted Inventions, discoveries and improvements, whether patentable or not, conceived or made by the Executive during the Term of the Agreement.

SECTION 8. COMPETITION AND POST EMPLOYMENT RESTRICTED.

During the Term of this Agreement and for two years after the period during which the Company is making payments to the Executive pursuant to the terms of this Agreement, without the prior written consent of the Company in each case, the Executive will not directly or indirectly: (a) make any public statement or

disclosures inconsistent with his duties to advance the business and interests of the Company, (b) engage in research, scientific investigation, employment or consulting as an officer, director, employee, consultant or individual in any capacity whatsoever in any enterprise (whether or not for profit) in substantial competition with, the business of the Company, its successors or affiliates; or (c) solicit employees of the Company in connection with any business, whether or not in competition with the Company.

SECTION 9. SEVERABILITY.

If any provision of this Agreement shall, for any reason, by adjudged by any court of competent jurisdiction to be invalid or unenforceable, such judgment shall not affect, impair or invalidate the remainder of this Agreement but shall be confined in its operation to the provision of this agreement directly involved in the controversy in which such judgment shall have been rendered.

SECTION 10. SUCCESSORS AND ASSIGNS.

This Agreement shall be binding upon and inure to the benefit of the Company, its successors and assigns and shall be binding upon and inure to the benefit of the Executive and his heirs, executors, administrators, legal representatives and assigns.

SECTION 11. NOTICES.

All notices, requests, demands and other communications hereunder must be in writing and shall be deemed to have been duly given if mailed by first class certified mail, return receipt requested, postage prepaid, addressed as follows:

(a) to the Executive:

Robert V. Tarantino
57 Southfield Road
Cranbury, New Jersey 08512

(b) to the Company:

Dataram Corporation
P. O. Box 7528
Princeton, New Jersey 08550

with a copy to:

Thomas J. Bitar, Esq.
Dillon, Bitar & Luther
53 Maple Avenue
Morristown, New Jersey 07960

Either party by notice in writing mailed to the other as hereunder provided may change the address to which future notices to such party shall be mailed.

SECTION 12. MISCELLANEOUS.

This Agreement shall be construed and enforced in accordance with, and governed by, the laws of the State of New Jersey. This Agreement embodies the entire agreement and understanding between the Company and the Executive and supersedes all prior agreements and understandings relating to the subject matter hereof except for written obligation relating to the stock option and benefit plan.

This Agreement may not be modified or amended or any term or provision thereof waived or discharged except in writing signed by the party against whom such amendment, modification, waiver or discharge is sought to be enforced. The headings of this Agreement are for the purpose of reference only and shall not limit or otherwise affect the meaning thereof.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this agreement as of the day and year first above written.

DATARAM CORPORATION

MARK E. MADDOCKS
By:_____
MARK E. MADDOCKS,
Vice President of Finance

ROBERT V. TARANTINO

_____
ROBERT V. TARANTINO

SERVICE CONTRACT

By and between Dataram International Aps
S0nderh0j 22
8260 VibyJ
CVRNo. []
(hereinafter referred to as "the Company")
of the one Party and Lars Marcher
Rislundvej 13
8240 Risskov
(hereinafter referred to as
"the PRESIDENT AND COO")

of the other Party the following agreement has been made on this day:

Article 1

REPORTING LINE AND AREAS OF RESPONSIBILITY

The PRESIDENT AND Chief Operating Officer (COO) shall be responsible for the following areas:

- - Together with the other member(s) of the management team set financial goals and determine strategies for the Company;

- - In accordance with the set goals to establish guidelines for the operations of the Company;

- - To ensure optimum follow-up on the operations of the Company;

- - Set goals for the revenue and profitability of the Company and ensure that they are reached;

The PRESIDENT AND COO reports to the CEO of Dataram Corporation.

The PRESIDENT AND COO has been registered with the Danish Commerce and Companies Agency.

In connection with the conclusion of significant contracts and in connection with important decisions the CEO of Dataram Corporation shall always be consulted.

Article 2

OFFICES DURING THE TERM OF THE SERVICE CONTRACT

2.1
The PRESIDENT AND COO undertakes to devote the whole of his skills and energies to the duties accepted by him under this Contract.

2.2
The normal daily working hours are the opening hours of the Company applicable from time to time provided however that extra workloads in connection with travels abroad and other work shall not be compensated separately but included in the gross pay agreed upon under Article 4.

2.3
For as long as he holds the position as PRESIDENT AND COO of the Company, the PRESIDENT AND COO shall not without the written consent of the Company in each individual case be entitled to be the owner of or an active or silent partner in any other business or to accept any other employment, whether paid or unpaid.

Article 3

SECRECY

3.1
The PRESIDENT AND COO shall observe secrecy with regard to all matters, which come to his notice in connection with the performance of his duties as PRESIDENT AND COO unless such matters by their nature must be communicated to third parties.

The PRESIDENT AND COO shall be obliged to know and observe the internal rules on inside information applicable from time to time.

3.2
The said duty of secrecy shall persist upon the PRESIDENT AND COO's resignation from his position with the Company.

3.3
On his resignation, not withstanding the reason for such resignation, the PRESIDENT AND COO shall surrender to the Company any and all notes, memos and records taken or made by him during his term of service with the Company and other written material or computerized data and all and any copies or counterparts hereof, including instructions, price lists, contracts, agreements etc. without any exceptions whatsoever which relate to the Company and its business.

No lien can be exercised on any material belonging to the Company, irrespective of the reason for the PRESIDENT AND COO's resignation and notwithstanding that the PRESIDENT AND COO may have a claim against the Company.

Article 4

PAY

4.1
The annual pay shall amount to DKK1,500,O00.00, which shall be payable in monthly arrears of DKKI25,000.00.

4.2
The PRESIDENT AND COO's pay shall be subject to discussion with a view to adjustment every year in connection with the result of the annual accounts, the first time 1 May 2002.

4.3
Bonus, is to begin in Fiscal 2002, based on a Fiscal Year from May 1 to April 30 shall be paid in the following amounts computed as stated below, based on the profit (EBIT) of the annual budget:

Achievement of between 90% and 99% of the annual budget -

Achievement of between 100% and 109% of the annual budget -

If the budget is exceeded by 10% or more an amount equal to

DKK325,000.00

DKK390,000.00

DKK470,000.00

The said annual bonus shall be paid not later than in June after the CFO of Dataram Corporation approval of the annual accounts.

If resigning during the course of a financial year, the PRESIDENT AND COO shall receive a bonus, which in terms of time is proportional.

4.4
The PRESIDENT AND COO shall participate in the Company's pension scheme according to which an amount to be contributed towards the scheme shall be deducted from the gross pay. In addition, the PRESIDENT AND COO shall be free to take out further pension schemes of his own.

Article 5

FREE CAR AND TELEPHONE

5.1
The Company shall place a free motorcar at the disposal of the PRESIDENT AND COO in accordance with the Company's company car policy. The price shall not exceed a maximum of DKK35O,000.00.

5.3
At the request of the Company, the PRESIDENT AND COO shall on resignation be obliged to return the motorcar to the Company in return for a monthly indemnification, which shall be paid in monthly arrears until expiry of the period under notice in which the PRESIDENT AND COO is entitled to pay. The PRESIDENT AND COO shall not be entitled to exercise any lien on the motorcar for any claim he may have against the Company.

Article 6

TRAVELS, COURSES, ETC.

6.1
The expenses defrayed by the PRESIDENT AND COO in connection with travels and entertainment in the interest of the Company shall be reimbursed by the Company according to vouchers submitted and in accordance with directions drawn up by the Dataram Corporation. The Company shall also reimburse the costs (annual membership fees etc.) of the use of credit card.

6.2
At the request of the Company, the PRESIDENT AND COO is obliged to participate in courses and the like in Denmark and abroad with a view to updating his knowledge.

6.3.
The Company shall pay the costs of taking out a D&O/personal liability insurance for the CEO.

Article 7

HOLIDAYS

7.1
The PRESIDENT AND COO is not covered by the Danish Holidays Act, but shall in every full calendar year be entitled to the holidays from time to time following from the Danish Holidays Act.

7.2
The PRESIDENT AND COO shall plan his holidays giving due consideration to the interests of the Company and shall submit his holiday plans to the CEO of Dataram Corporation. The holiday plan shall be submitted at reasonable notice.

7.3
The PRESIDENT AND COO shall be entitled to holidays with pay.

Article 8

NON-COMPETITION

8.1
If this Contract is terminated by reason of a material breach committed by the PRESIDENT AND COO towards the Company or if the PRESIDENT AND COO gives notice to quit, the PRESIDENT AND COO shall for a period of one year after termination of the Contract not be entitled to be directly or indirectly financially interested in any business which competes directly with the business carried out by the Company, Dataram Corporation or affiliated companies of either, at the time without the written consent of Dataram

Corporation.

8.2
The PRESIDENT AND COO shall neither be entitled to accept employment with or work for any such business, including as a director, commissioner or consultant.

8.3
This undertaking not to compete shall apply throughout the PRESIDENT AND COO's geographical area of work (worldwide).

8.4
For the purposes of this Non-Competition clause the date of termination of the Contract shall mean the date until which the PRESIDENT AND COO is paid by the Company notwithstanding that he may stop functioning at an earlier date.

8.5
The PRESIDENT AND COO acknowledges that he holds a particularly fiduciary position within the Company and has access to the Company's business secrets in a manner, which implies that the PRESIDENT AND COO can validly submit to the aforesaid Non-Competition clause.

8.6
If the PRESIDENT AND COO violates the aforesaid Non-Competition clause, the Company is entitled to demand that the PRESIDENT AND COO, in addition to compensation according to the general rules of Danish law, pays liquidated damages in the amount DKK300,000.00 for each violation of the Non-Competition clause.

In addition, the Company is entitled to demand that the unlawful activity is ended, if required by way of an injunction. The injunction can be granted without provision of security. Payment of liquidated damages shall not be deemed to relieve the PRESIDENT AND COO from the duty to observe the Non-Competition clause.

Article 9

TERMINATION AND EXPIRY

9.1
The Service Contract shall expire without notice by the end of the month in which the PRESIDENT AND COO attains the age of 60.

The Service Contract may be terminated by the Company at eighteen months' written notice for the Contract to expire on the last day of any month and by the PRESIDENT AND COO at twelve months' written notice for the Contract to expire on the last day of any month.

9.2
If the PRESIDENT AND COO dies during the term of this Contract, the pay for the current month as well as 17 months' post-service pay, corresponding to the pay in Article 5, shall be paid to the PRESIDENT AND COO's widow, cohabitant or children of less than 18 years of age.

Article 10

BREACH OF CONTRACT

If either of the Parties commits a material breach of its duties under this Contract, the other Party shall be entitled to rescind the Contract without notice or to give notice of termination for the Contract to expire at a discretionary point in time. If the termination is due to breach on his part, the PRESIDENT AND COO shall only be entitled to receive pay until the date of resignation.

The Party in breach shall be obliged to compensate any loss suffered by the other Party by reason of the breach. Material breach shall mean i.a. acts in contravention of Articles 1, 2 and 3.

Article 11

ARBITRATION

11.1
Any dispute arising out of or in connection with the employment established under this Contract between the Company and the PRESIDENT AND COO shall, if the Parties fail to reach an agreement by way of negotiation, be settled by arbitration in accordance with the following rules; and the award shall be final, binding and enforceable:

In the event of a dispute either of the Parties shall be entitled to request appointment of an arbitration tribunal.

The Party requesting that a matter be settled by arbitration shall appoint its arbitrator and by registered letter request the other Party to appoint its arbitrator within 14 days. The letter shall also give a brief description of the matter(s) to be settled by arbitration. If the other Party has not appointed its arbitrator within the said time-limit, the said arbitrator shall be appointed by the President of the Western Division of the Danish High Court.

The arbitrators appointed by the Parties shall jointly appoint an umpire who shall be a professional judge.

In the event of failure to reach an agreement on the appointment of the umpire, the appointed arbitrators shall jointly approach the President of the Western Division of the Danish High Court requesting him, following a prior discussion with the Parties, to appoint an umpire who shall be the chairman of arbitration tribunal.

The arbitration tribunal shall proceed in accordance with the normal rules on arbitration proceedings and shall i.a. be entitled to demand that security is provided for the fees of the arbitration tribunal and for other costs and expenses of the case.

Irrespective of which Party is requesting appointment of the arbitration tribunal, all costs and expenses

hereof shall be paid by the Company.

Article 12

SIGNATURES AND COUNTERPARTS

This Contract shall be signed in two counterparts, and either Party shall receive one signed counterpart.

[DATARAM LOGO]

DATARAM CORPORATION

2002 ANNUAL REPORT

Financial Highlights and Table of Contents

(Dollar figures in thousands, except per share amounts)

Fiscal Year	2002	2001	2000	1999
Revenues	$ 81,190	$ 130,577	$109,152	$ 75,853
Net earnings (loss)	(8,101)	8,595	7,846	5,635
Net earnings(loss)per common and common share equivalent (diluted)	(.95)	.88	.81	.60
Working capital	13,513	20,533	22,711	17,438
Stockholders' equity	29,828	38,043	26,894	20,019

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[PICTURE OF ROBERT TARANTINO]

To Our Shareholders

The last fiscal year has been a challenging year for business in general and especially so for the information technology industry. Our fiscal year 2002 began with industry-wide issues of excess inventory and manufacturing capacity, which drove memory prices down to historical lows at a pace that left little time for operational fine-tuning. The impact of volatile memory prices was exacerbated by reduced demand. As a result, our earnings were negatively affected and we incurred our first quarterly loss in twenty-four quarters.

We quickly reacted to the deteriorating market conditions by accelerating our plans for a global restructuring following the acquisition of Memory Card Technology's assets. This action, which occurred in the first quarter of fiscal 2002, reduced operating expenses by approximately $4 million, annually, and resulted in a quick return to positive cash earnings.

To further strengthen our financial position, we capitalized on the prevailing low interest rate environment by renegotiating our credit facility and eliminating $13.7 million in term debt and capital lease obligations in our fiscal third quarter. This initiative resulted in a projected savings of an additional $600,000 in annual interest costs.

During our fiscal fourth quarter, signs of a memory market recovery were beginning to emerge. However, this trend proved brief and, as the much anticipated economic recovery fell short of expectations, weak demand continued to pressure memory prices. Our fiscal fourth quarter financial results were disappointing. We have taken action to further streamline the Company's operations by integrating and centralizing our worldwide manufacturing and engineering management as well as other administrative functions. This consolidation, which was announced in late June of the current fiscal year, is expected to save an additional $2.5 million per year.

Throughout fiscal year 2002, we continued to introduce new memory products to the market, many of which were first to market offerings featuring leading-edge configurations which exceeded the capacity of products available from the original equipment manufacturers. We received the Computer Memory Tests Labs Award, for the highest number of Intel advanced memory qualifications, for the second year in a row. We continued to work to maintain our competitive position of being the best choice in memory by offering the latest technologies at competitive price points, supported by world-class service and support. These value-added qualities have sustained our success throughout our 36-year history.

The affects of the slowing economy over the last fifteen months have had an onerous affect on the memory market in general. We have confronted the many challenges presented during this period by maintaining our lead in memory solutions; fine-tuning our operations to adapt to changing economic conditions and integrating our newly acquired assets with the focus on achieving profitable growth.

Our product offering, which traditionally had been gigabyte-class memory for high-performance network servers, was broadened to include compatible memory for PCs, workstations and laptops with the acquisition of Memory Card Technology's assets. The acquisition also expanded our sales resources throughout the world, especially in Europe and the Pacific Rim.

During the fourth quarter we experienced an increase in our OEM program business. We believe this area has growth potential as customers expand their outsourcing strategies and consolidate their suppliers with global capabilities.

Notwithstanding the lingering economic uncertainty, Dataram is financially secure, operationally efficient and fully equipped to expand our markets and customer base. We have streamlined our operations, saving an estimated $7.1 million, annually, while preserving our key resources. We approach the new fiscal year with confidence in our future.

On behalf of the Board of Directors, I would like to thank our shareholders for their continued support and our employees for their hard work and dedication. Their focused effort to achieving their best is a requisite to our continued success. We look forward to a prosperous fiscal year.

July 23, 2002

Robert V. Tarantino
Chairman of the Board of Directors,
President and Chief Executive Officer

Company Profile

The Best Choice in Memory

Dataram is a worldwide leader in the design, development and manufacture of memory products. Our products are sold worldwide to OEMs, distributors, value-added resellers, corporate accounts, government and military agencies. Dataram memory powers the Internet, corporate data centers, medical imaging devices, petroleum exploration, national labs server farms, small businesses and personal computers. These systems run a wide range of industrial and consumer applications from transactions processing, decision support systems, telecommunications, design engineering and simulations. Our products support the continuing development of the Internet, its backbone and infrastructure, allowing our partners to fully exploit the possibilities of new mainstream digital technologies.

Today, technology continues its rapid evolution. Processors, buses, and memory run at blazing speeds delivering unprecedented system performance. As the Linux operating system continues to mature more memory is utilized. UNIX powerhouses Solaris, HP-UX and AIX evolve into more scalable, powerful and reliable offerings utilizing more memory and fueling tremendous performance gains.
Dataram is the best choice in memory. Being at the forefront of design, manufacturing and marketing, Dataram delivers the fastest, highest density and most cost effective memory solutions available. Our products are scalable from the most economical PC's to the most advanced enterprise servers. Many products debut well ahead of independent competitors and occasionally before the OEM. Our rich reserve of technological and engineering expertise propels the reliability, compatibility and quality that have made Dataram a trusted brand in the industry.

Our Mission

Our mission is to meet and surpass our customers' expectations by providing a total performance package with leading-edge product design and development, delivery just as agreed, reliability and compatibility guaranteed, competitive price performance, and the industries best customer service and support.

Market Responsiveness

Our understanding of the market has enabled us to create a sales model that gives us an important competitive advantage in the memory industry. This foundation positions us uniquely throughout the world to provide our customers with exceptional personalized service and support.

Dataram focuses on key channel partners in our three global regions. In the Asia Pacific region, we are well positioned in strategic countries to execute

our plans and increase our market share. In EMEA (Europe/Middle East/Africa) we continue our growth, penetrating new markets and countries from our expanded European sales offices. In the U.S. market, Dataram continues to focus on its traditional customer base, key channel partners and selected major end users customers as well as working diligently developing new relationships with embedded systems, industrial specialty, contract electronics and network infrastructure manufacturers to provide standard and custom memory solutions.

Product Offerings and Innovations

Dataram provides memory for HP/Compaq, Dell, Fujitsu-Siemens, IBM, Intel, SGI, Sun Microsystems and Toshiba computers. Server, workstation, desktop, notebook, motherboard and custom products comprise the types of memory products offered. As a CMTL Server and Desktop Certified Manufacturer, Dataram achieved the highest number of memory certifications for Intel motherboards over the past year. CMTL (CMT Labs) is the only independent test laboratory approved by Intel for system level validations. Dataram guarantees reliability, compatibility, prompt secure delivery, competitive pricing and provides a lifetime warranty. We consider these parameters the minimum for providing the best possible service to customers.

Timely, new product development and innovation are keys to our success. Dataram takes pride in being first-to-market with new strategic memory solutions that keep pace with today's intense computing environments. At the cornerstone of Sun Microsystems offerings, Dataram was first-to-market with an 8GB upgrade for the Sun Fire 280R and Sun Blade 1000/2000 series. For HP/Compaq DDR based workstations, we were first to offer a high-density 1GB upgrade, and in the rack mount 1U server arena, Dataram was first-to-market with a high-density low-profile monolithic 1GB registered module. We introduced several new Compaq ProLiant and Alpha server memories notably the DRQ380/2GB and DRQES45/4GB upgrades. For IBM servers, the DRIM80/8GB and DRIH80/2GB upgrade for the P-series 660 and 620 servers have been widely received. Our DTM line for Intel servers is complete with Chipkill supported modules from 256MB to 1GB. Dataram continues to offer the only cost effective 1GB unbuffered module for Intel's successful 845D chipset.

Manufacturing Flexibility-Global Reach

A key component of our value advantage is consistently being the best in product quality, customer service and responsiveness. Dataram manufactures a vast range of memory. Utilizing advanced packaging technologies, densities up to two gigabytes on a single module are a reality and are shipping in quantity. Around the globe, our customers' needs are met by our ability to ship from distribution centers located on three continents. These centers are stocked from our state of the art high volume ISO9001 certified manufacturing facilities located in the U.S. and Denmark.

Our Difference

Dataram has the sales infrastructure, global network, professional competence and strategic focus to ensure that value is added at every link of the chain. Our financial stability, knowledge of our markets and understanding of our partners' needs ensures that we remain the best choice in memory.

Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

Dataram is a developer, manufacturer and marketer of memory products for entry- to enterprise-level servers, workstations and notebooks from Dell, Fujitsu/Siemens, HP/Compaq, IBM, SGI, Sun, Toshiba and Intel platforms.

The Company's memory products are sold worldwide to original equipment manufacturers, distributors, value-added resellers and end users. The Company

has manufacturing facilities in Denmark and the United States with sales offices in the United States, Europe, and the Asia Pacific region.

The Company is an independent memory manufacturer specializing in high capacity memory and competes with several other large independent memory manufacturers as well as the original equipment manufacturers mentioned above. The primary raw material used in producing memory boards are dynamic random access memory (DRAM) chips. The purchase cost of DRAM chips typically represents approximately 80% of the total cost of a finished memory board. Consequently, average selling prices for computer memory boards are significantly dependent on the pricing and availability of DRAM chips.

Results of Operations

The following table sets forth consolidated operating data expressed as a percentage of revenues for the periods indicated.

Years Ended April 30,	2002	2001	2000
Revenues	100.0%	100.0%	100.0%
Cost of sales	69.9	74.7	75.0
Gross profit	30.1	25.3	25.0
Engineering and development	2.3	1.3	1.3
Selling, general and administrative	26.5	13.5	12.5
Restructuring charges	1.5	-	-
Intangible asset amortization expense	7.2	0.2	-
Earnings (loss) from operations	(7.4)	10.3	11.2
Other income (expense), net	(1.1)	0.6	0.4
Earnings (loss) before income tax expense	(8.5)	10.9	11.6
Income tax expense	1.4	4.3	4.4
Net earnings (loss)	(9.9)	6.6	7.2

Fiscal 2002 Compared With Fiscal 2001

In fiscal 2002, the Company continued to be adversely effected by the worldwide retrenchment in computer sales. Capital spending on new information technology equipment remained soft in light of the general economic uncertainty. In part, the Company was able to offset this trend by the sale of upgrades for existing equipment. The Company was also affected by the continuing worldwide decline in DRAM prices. DRAM costs represent approximately 80% of the cost of the Company's final product. Generally, competitive pressures require the Company to pass through these decreases to its customers. Consequently, average selling prices fell by approximately 75% from the previous fiscal year. Revenues in fiscal 2002 totaled $81.2 million, a decrease of 38% from fiscal 2001 revenues of $130.6 million, primarily as a result of the change in selling prices. The change in selling prices was partially offset by an increase in unit volume that occurred as a result of the Company's acquisition of certain assets of MCT in March of fiscal 2001. Unit volume measured as gigabytes shipped in fiscal 2002 increased by approximately 69% over fiscal 2001 levels.

Cost of sales decreased $40.9 million in fiscal 2002 to $56.7 million from fiscal 2001 cost of sales of $97.6 million. The decrease is mainly attributable to the decrease in revenue. Cost of sales as a percentage of revenue decreased by 4.8% in fiscal 2002 from fiscal 2001. The decrease in percentage is primarily attributable to product mix.

Engineering and development costs amounted to $1.8 million in fiscal 2002 compared to $1.7 million in fiscal 2001. The Company maintains its commitment to the timely introduction of new memory products.

Selling, general and administrative costs were $21.5 million in fiscal 2002 versus $17.6 million in fiscal 2001. Fiscal 2002 expenses include $10.5 million of expense from the Company's acquired operations, compared to $1.4 million in fiscal 2001. During the first quarter of fiscal 2002 the Company initiated a world-wide restructuring of its operations, which resulted in a 25% reduction of workforce and other cost efficiencies. The restructuring resulted in a one time charge of $1.2 million primarily for severance.

The Company further streamlined its operations and eliminated redundancies during the first quarter of fiscal 2003. The restructuring resulted in a workforce reduction of approximately 24%, and is expected to generate approximately $2.5 million of additional savings in fiscal 2003.

During fiscal 2002 the Company conducted an evaluation of its goodwill and intangible assets. The evaluation of the carrying value of the Company's goodwill resulted in no change in value. The evaluation of intangible assets resulted on a one-time non-cash charge of $5.3 million. As a result, the Company will no longer incur future intangible asset amortization charges.

Other income (expense), net for fiscal year 2002 totaled ($916,000) of net interest expense versus $855,000 of net interest income in fiscal 2001. Fiscal 2002 interest income (expense), net consisted of $291,000 of interest income, offset by ($1,207,000) of interest expense. During fiscal 2002 the Company elected to prepay certain capital lease obligations, which resulted in an incremental interest charge of $141,000. The Company also terminated early its interest rate swap agreement, which resulted in a one-time interest charge of $259,000. fiscal 2001 other income (expense), net consisted of interest income of $1,038,000 offset by ($183,000) of interest expense. Interest income in fiscal 2001 was due to higher cash balances.

Fiscal 2001 Compared With Fiscal 2000

Revenues in fiscal 2001 were $130.6 million, an increase of 20% from fiscal 2000 revenues of $109.2 million. Fiscal 2001 included approximately $4.4 million of revenues from the Company's acquired operations. Fiscal 2001 was a year characterized by a significant change in market conditions. For the first half of the year, demand for the Company's products continued to accelerate driven by increased capital spending for internet and corporate infrastructure. DRAMS became slightly more expensive than they had been in the prior fiscal year and the Company's average selling prices increased as well. In the second half of the year, largely as a result of the widely publicized slowdown in technology and telecommunications spending, DRAMS declined significantly in price resulting in a decline in average selling prices of the Company's products of approximately 35% from the first half of the year. The conditions of economic slowdown, decreased capital spending and declining selling prices continued into fiscal 2002.

Cost of sales increased $15.7 million in fiscal 2001 to $97.6 million from fiscal 2000 cost of sales of $81.9 million. Cost of sales as a percentage of revenue decreased by 0.3% in fiscal 2001 from fiscal 2000.

Engineering and development costs amounted to $1.7 million in fiscal 2001 compared to $1.4 million in fiscal 2000. The Company has maintained its commitment to the timely introduction of new memory products as new computers were introduced.

Selling, general and administrative expenses were $17.6 million in fiscal 2001 versus $13.7 million in fiscal 2000. Fiscal 2001 expenses included approximately $1.4 million of expenses from the Company's acquired

operations.

Goodwill and intangible asset amortization expense was $300,000 in fiscal 2001 versus nil in fiscal 2000. Fiscal 2001 expense was a result of the acquisition. Annual expected future goodwill and intangible asset amortization is $2.6 million.

Other income, net totaled $855,000 and $491,000 in fiscal 2001 and 2000, respectively. Other income, net in fiscal 2001 consists of interest income of $1,038,000 and interest expense of $183,000. Fiscal 2000 other income, net consists of interest income of $533,000 and interest expense of $42,000.

Liquidity and Capital Resources

The Company's cash and working capital position remains strong. Working capital at the end of fiscal 2002 amounted to $13.5 million, including cash and cash equivalents of $3.7 million, compared to working capital of $20.5 million, including cash and cash equivalents of $10.2 million in fiscal 2001. Current assets at year end were 2.6 times current liabilities compared to 2.5 at the end of fiscal 2001.

Inventories at the end of fiscal 2002 were $5.4 million compared to fiscal 2001 year end inventories of $5.9 million. The decrease in inventories is mainly attributable to the decrease in the price of DRAM.

Capital expenditures, net of dispositions were $358 thousand in fiscal 2002 compared to $2.2 million in fiscal 2001. Capital expenditures in both years were primarily for manufacturing equipment, leasehold improvements and management information systems upgrades. At the end of fiscal 2002, contractual commitments for capital purchases were zero. Fiscal 2003 capital expenditures are expected to be approximately at the same levels as fiscal 2002 expenditures.

On June 15, 1999, the Company announced an open market repurchase plan providing for the repurchase of up to 500,000 shares of the Company's common stock. As of April 30, 2002, the total number of shares authorized for purchase under the program is 197,750 shares. Approximately $650,000 of common stock was repurchased in fiscal 2002. Management expects that the Company will continue to repurchase shares in fiscal 2003.

During fiscal 2001, the Company entered into a credit facility with its bank, which provided for a $10 million term loan and a $15 million revolving credit line. The Company's prior $12 million revolving credit facility was closed. The $10 million term loan was repaid during this year's fiscal 2002. In January, 2002 the Company amended and restated its credit facility with its bank. The agreement contains certain restrictive covenants, specifically, a fixed charge coverage ratio, a quick ratio and a total liabilities to tangible net worth ratio with which the Company was in compliance with at year-end. As of April 30, 2002, $3.8 million was outstanding on the $15 million revolving credit line and $11.2 million was available for borrowing. Management believes that the Company's operating cash flows and availability under borrowings will be sufficient to meet short term liquidity needs as the Company does not expect any unforeseen demands beyond general operating requirements for cash. Management further believes that its working capital together with internally generated funds from its operations and its bank line of credit are adequate to finance the Company's long term operating needs and future capital requirements.

Future minimum lease payments under noncancellable operating leases (with initial or remaining lease terms in excess of one year) as of April 30, 2002 are as follows:

	Operating leases
Year ending April 30:	
2003	$ 1,312
2004	1,108
2005	1,127
2006	1,113
2007	855
Thereafter	2,214
	7,729

Inflation has not had a significant impact on the Company's revenue and operations.

New Accounting Pronouncements

In June 2001, the FASB issued SFAS No. 143, "Accounting for Retirement Obligations" (SFAS 143). SFAS 143 establishes accounting standards for the recognition and measurement of an asset retirement obligation and its associated asset retirement cost. It also provides accounting guidance for legal obligations associated with the retirement of tangible long-lived assets. SFAS 143 is effective for fiscal years beginning after June 15, 2002, with early adoption permitted. The Company currently is evaluating the provisions of SFAS 143, but expects that the provisions will not have a material impact on its operations and financial position upon adoption.

In October 2001, the FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" (SFAS 144). SFAS 144 supersedes SFAS 121, but retains its fundamental provisions for the (a) recognition and measurement of impairment of long-lived assets to be held and used, and (b) measurement of long-lived assets to be disposed of by sale. SFAS 144 also supersedes the accounting / reporting provisions of APB No. 30 for segments of a business to be disposed of, but retains the requirement to report discontinued operations separately from continuing operations and extends that reporting to a component of an entity that either has been disposed of or is classified as held for sale. SFAS 144 became effective for us on May 1, 2002. The Company does not expect the adoption of this statement to have a material impact on its financial statements.

In April 2002, the FASB issued SFAS No. 145, "Rescission of FASB No. 4, 44 and 64, Amendment of FASB Statement No. 13, and Technical Corrections" (SFAS 145). SFAS 145 updates, clarifies and simplifies existing accounting pronouncements. SFAS 145 rescinds Statement No.4, which required all gains and losses from extinguishment of debt to be aggregated and, if material, classified as an extraordinary item, net of related income tax effect. As a result, the criteria in APB No. 30 will now be used to classify those gains and losses because Statement No. 4 has been rescinded. Statement No. 44 was issued to establish accounting requirements for the effects of transition to provisions of the Motor Carrier Act of 1980. Because the transition has been completed, Statement No. 44 is no longer necessary.

SFAS 145 amends Statement No. 13 to require that certain lease modifications that have economic effects similar to sale-leaseback transactions be accounted for in the same manner as sale-leaseback transactions. This amendment is consistent with FASB's goal of requiring similar accounting treatment for transactions that have similar economic effects. SFAS 145 also makes technical corrections to existing pronouncements. While those corrections are not substantive in nature, in some instances, they may change accounting practice. We are required to adopt SFAS 145, effective for fiscal 2003. We do not expect the adoption of SFAS 145 to have a material impact on our consolidated financial statements.

Critical Accounting Policies

The Company's accounting policies are described in note 1 to the Consolidated Financial Statements

Quantitative and Qualitative Disclosure About Market Risk

The Company does not invest in market risk sensitive instruments. The Company's investments during the past fiscal year have consisted of overnight deposits with banks. The average principal sum invested was approximately $8.3 million and the weighted average effective interest rate for these investments was approximately 3.5%. The Company's rate of return on its investment portfolio changes with short-term interest rates, although such changes will not effect the value of its portfolio. The Company's objectives in connection with its investment strategy is to maintain the security of its cash reserves without taking market risk with principal.

The Company purchases and sells primarily in U.S. dollars. The Company sells

in foreign currency to a limited number of customers and as such incurs some foreign currency risk. At any given time, approximately 15 to 20 percent of the Company's accounts receivable are denominated in currencies other than U.S. dollars. The Company also incurs expenses in these same currencies, primarily payroll and facilities costs which hedge these assets. At present, the Company does not purchase forward contracts as hedging instruments, but intends to do so as circumstances warrant.

Common Stock Information

The Common Stock of the Company is traded on the NASDAQ National Market with the symbol "DRAM". The following table sets forth, for the periods indicated, the high and low prices for the Common Stock.

	2002		2001	
	High	Low	High	Low
First Quarter	$13.88	$ 8.38	$47.50	$17.00
Second Quarter	9.50	5.25	35.00	14.50
Third Quarter	10.20	5.29	22.88	9.75
Fourth Quarter	8.79	6.01	17.50	7.63

At April 30, 2002 there were approximately 7,000 shareholders.

The Company has never paid a dividend and does not at present have an intention to pay a dividend in the foreseeable future.

DATARAM CORPORATION AND SUBSIDIARIES
Consolidated Balance Sheets
April 30, 2002 and 2001
(In thousands, except share and per share amounts)

	2002	2001
Assets		
Current assets:		
Cash and cash equivalents	$ 3,656	$10,236
Trade receivables, less allowance for doubtful accounts and sales returns of $320 and $450 in 2002 and 2001	12,177	17,641
Inventories:		
Raw materials	3,118	2,841
Work in process	182	236
Finished goods	2,135	2,848
	5,435	5,925
Deferred income taxes	76	502
Other current assets	456	386
Total current assets	21,800	34,690
Property and equipment:		
Land	875	875
Machinery and equipment	17,151	17,714
	18,026	18,589
Less accumulated depreciation and amortization	8,816	5,363
Net property and equipment	9,210	13,226

Goodwill, less accumulated amortization of $210 in 2001	11,144	9,957
Intangible assets, less accumulated amortization of $90 in 2001	-	7,043
Other assets	408	365
	$42,562	$65,281
Liabilities and Stockholders' Equity		
Current liabilities:		
Current installments of long-term debt	$ -	$ 2,000
Current installments of obligations under capital leases	-	978
Accounts payable	6,600	7,219
Accrued liabilities	1,687	3,960
Total current liabilities	8,287	14,157
Deferred income taxes	647	948
Long term debt, excluding current installments	3,800	8,000
Obligations under capital leases, excluding current installments	-	4,133
Total liabilities	12,734	27,238
Stockholders' equity:		
Common stock, par value $1.00 per share. Authorized 54,000,000 shares; issued and outstanding 8,493,819 in 2002 and 8,492,219 in 2001	8,494	8,492
Additional paid-in capital	4,405	4,065
Retained earnings	16,830	25,403
Accumulated other comprehensive income- foreign currency translation adjustment	99	83
Total stockholders' equity	29,828	38,043
Commitments and contingencies		
	$42,562	$65,281

See accompanying notes to consolidated financial statements.

DATARAM CORPORATION AND SUBSIDIARIES
Consolidated Statements of Operations
Years ended April 30, 2002, 2001 and 2000
(In thousands, except per share amounts)

	2002	2001	2000
Revenues	$ 81,190	$130,577	$109,152
Costs and expenses:			
Cost of sales	56,737	97,588	81,877
Engineering and development	1,839	1,673	1,391
Selling, general and administrative	21,532	17,600	13,701
Restructuring charges	1,200	-	-
Intangible asset amortization			

Expense	5,856	300	-
	87,164	117,161	96,969
Earnings (loss) from operations	(5,974)	13,416	12,183
Other income (expense):			
Interest income	291	1,038	533
Interest expense	(1,207)	(183)	(42)
	(916)	855	491
Earnings(loss)before income tax expense	(6,890)	14,271	12,674
Income tax expense	1,211	5,676	4,828
Net earnings (loss)	$(8,101)	$ 8,595	$ 7,846
Net earnings(loss) per common share:			
Basic	$ (.95)	$ 1.01	$ .99
Diluted	$ (.95)	$ .88	$ .81

See accompanying notes to consolidated financial statements.

DATARAM CORPORATION AND SUBSIDIARIES
Consolidated Statements of Cash Flows
Years ended April 30, 2002, 2001 and 2000
(In thousands)

	2002	2001	2000
Cash flows from operating activities:			
Net earnings (loss)	$(8,101)	$8,595	$7,846
Adjustments to reconcile net earnings (loss) to net cash provided by operating activities:			
Depreciation and amortization	10,450	1,785	1,307
Bad debt expense (recovery)	(65)	163	58
Deferred income tax expense(benefit)	125	33	(138)
Changes in assets and liabilities:			
(net of effect from the acquisition of business):			
(Increase) decrease in trade and other receivables	5,529	6,578	(4,283)
(Increase) decrease in inventories	490	1,858	(1,361)
Increase in other current assets	(291)	(230)	(50)
Increase in other assets	(43)	(348)	(8)
Increase (decrease) in accounts payable	(619)	(4,144)	5,193
Increase (decrease)in accrued liabilities	(2,256)	(518)	787
Net cash provided by operating activities	5,219	13,772	9,351
Cash flows from investing activities:			
Additions to property and equipment, net	(358)	(2,184)	(2,823)
Acquisition of business, net of cash acquired	-	(27,326)	-

Net cash used in investing activities	(358)	(29,510)	(2,823)
Cash flows from financing activities:			
Proceeds (payments) of term loan	(10,000)	10,000	-
Borrowings under revolving line Of credit	3,800	-	-
Principal payments under capital lease obligations	(5,111)	(147)	-
Purchase and subsequent cancellation of shares of common stock	(650)	(1,027)	(3,205)
Proceeds from sale of common shares under stock option plan (including tax benefits)	520	3,498	2,234
Net cash provided by (used in) financing activities	(11,441)	12,324	(971)
Net increase (decrease) in cash and cash equivalents	(6,580)	(3,414)	5,557
Cash and cash equivalents at beginning of year	10,236	13,650	8,093
Cash and cash equivalents at end of year	$ 3,656	$ 10,236	$ 13,650

Supplemental disclosures of cash flow information:

Cash paid during the year for:			
Interest	$ 1,177	$ 106	$ 40
Income taxes	$ 1,772	$ 2,885	$ 2,950

See accompanying notes to consolidated financial statements.

DATARAM CORPORATION AND SUBSIDIARIES
Consolidated Statements of Stockholders' Equity and Comprehensive Income(loss)
Years ended April 30, 2002, 2001 and 2000
(In thousands, except share amounts)

	Common stock	Additional paid-in capital	Retained earnings	Accumulated comprehens. income	Total stock-holders' equity
Balance at April 30, 1999	$ 5,237	$ -	$14,782	$ -	$20,019
Three-for-two common stock split	2,640	(263)	(2,377)	-	-
Issuance of 740,100 shares under stock option plans including income tax benefit of $1,280	740	1,494	-	-	2,234
Purchase and subsequent cancellation of 339,104 shares	(339)	(250)	(2,616)	-	(3,205)
Net earnings	-	-	7,846	-	7,846
Balance at April 30, 2000	8,278	981	17,635	-	26,894

Issuance of 301,216 shares under stock option plans, including income tax benefit of $2,690	301	3,197	-	-	3,498
Purchase and subsequent cancellation of 87,400 shares	(87)	(113)	(827)	-	(1,027)
Comprehensive Income:					
Foreign exchange translation adjustment, net of tax	-	-	-	83	83
Net earnings	-	-	8,595	-	8,595
Total comprehensive income					8,678
Balance at April 30, 2001	8,492	4,065	25,403	83	38,043
Issuance of 98,550 shares under stock option plans, including income tax benefit of $191	99	421	-	-	520
Purchase and subsequent cancellation of 96,950 shares	(97)	(81)	(472)	-	(650)
Comprehensive Income:					
Foreign exchange translation adjustment, net of tax	-	-	-	16	16
Net loss	-	-	(8,101)	-	(8,101)
Total comprehensive loss					(8,085)
Balance at April 30, 2002	$ 8,494	$ 4,405	$16,830	$ 99	$29,828

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

(1) Significant Accounting Policies

Description of Business

Dataram Corporation is a worldwide provider of server, workstation and PC memory. The Company offers a specialized line of gigabyte-class memory for entry to enterprise-level servers and workstations as well as desktop, notebook and flash memory.

Principles of Consolidation

The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America and include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany transactions and balances have been eliminated. The Company's foreign subsidiaries' functional currency is the U.S. dollar as all revenues are received in U.S. dollars and a majority of expenditures are made in U.S. dollars. The Company and its foreign subsidiaries report in U.S. dollars. For subsidiaries that maintain their accounts in currencies other than the U.S. dollar, the Company uses the current method of translation whereby the statements of earnings are translated using the average exchange rate and the assets and liabilities are translated using the year-end exchange rate. Foreign currency translation gains or losses are recorded as a separate component of accumulated other comprehensive income or loss. Foreign currency transaction gains or losses, if any, are included in the consolidated statements of operations. There were none in fiscal 2002, 2001 or 2000.

Cash and Cash Equivalents

Cash and cash equivalents consist of unrestricted cash, money market accounts and commercial paper purchased with original maturities of three months or less.

Inventory

Inventories are stated at the lower of cost or market, with cost determined by the first-in, first-out method.

Property and Equipment

Property and equipment is recorded at cost. Depreciation is generally computed on the straight-line basis. Depreciation and amortization rates are based on the estimated useful lives or lease terms for capital leases, whichever is shorter, which range from three to five years for machinery and equipment. When property or equipment is retired or otherwise disposed of, related costs and accumulated depreciation are removed from the accounts.

Repair and maintenance costs are charged to operations as incurred.

Goodwill and Acquired Intangible Assets

In July 2001, the FASB issued Statement of Financial Accounting Standards (SFAS) No. 141, Business Combinations, and SFAS No. 142, Goodwill and Other Intangible Assets. Statement 141 requires that the purchase method of accounting be used for all business combinations initiated after June 30, 2001 as well as all purchase method business combinations completed after June 30, 2001. SFAS 141 also specifies criteria intangible assets acquired in a purchase method business combination must meet to be recognized and reported apart from goodwill, noting that any purchase price allocable to an assembled workforce may not be accounted for separately. SFAS 142 requires that goodwill and intangible assets with indefinite useful lives no longer be amortized, but instead tested for impairment at least annually in accordance with the provisions of SFAS 142. SFAS 142 also requires that intangible assets with definite useful lives be amortized over their respective estimated useful lives to their estimated residual values, and reviewed for impairment in accordance with SFAS No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be disposed of. The Company adopted the provisions of SFAS 141 upon issuance. The Company has elected to adopt the provisions of SFAS 142 as of May 1, 2001, as allowed by the Statement.

SFAS 141 requires, upon adoption of SFAS 142, that the Company evaluate its existing intangible assets and goodwill that were acquired in a prior purchase business combination, and to make any necessary reclassifications in order to conform to the new criteria in SFAS 141 for recognition apart from goodwill. Effective May 1, 2001, approximately $1.2 million assigned to the value of the MCT workforce has been reclassified to goodwill (see note 3). Since the Company has adopted SFAS 142, the Company reassessed, as of May 1, 2001 the useful lives and residual values of all intangible assets acquired in purchase business combinations, and did not make any amortization period or carrying value adjustments. In addition, to the extent an intangible asset is identified as having an indefinite useful life, the Company is required to test the intangible asset for impairment in accordance with the provisions of SFAS 142 in the first interim period. There are no indefinite life intangible assets.

In connection with the transitional goodwill impairment evaluation, SFAS 142 requires that the Company perform an assessment of whether there is an indication that goodwill is impaired as of the date of adoption. To accomplish this the Company must identify its reporting units and determine the carrying value of each reporting unit by assigning the assets and liabilities, including the existing goodwill and intangible assets, to those reporting units as of the date of adoption. The Company then has up to six months from the date of adoption to determine the fair value of each reporting unit and compare it to the reporting unit's carrying amount. To the extent a reporting unit's carrying amount exceeds its fair value, an

indication exists that the reporting unit's goodwill may be impaired and the Company must perform the second step of the transitional impairment test. In the second step, the Company must compare the implied fair value of the reporting unit's goodwill, determined by allocating the reporting unit's fair value to all of it assets (recognized and unrecognized) and liabilities in a manner similar to a purchase price allocation in accordance with SFAS 141, to its carrying amount, both of which would be measured as of the date of adoption. This second step is required to be completed as soon as possible, but no later than the end of the year of adoption. Any transitional impairment loss will be recognized as the cumulative effect of a change in accounting principle in the Company's statement of earnings. The Company completed this task in its second quarter ended October 31, 2001 and concluded that the estimated fair value of its acquired business (MCT), which is the reporting unit as defined by SFAS 142, as of May 1, 2001, exceeded its carrying amount and therefore no indication of an impairment of the goodwill on the MCT transaction existed upon the adoption of the statement. Goodwill will be tested for impairment under the provisions of SFAS 142 annually at the end of each fiscal year. See note 3 for additional information on goodwill and acquired intangible assets.

Long-Lived Assets

Long-lived assets consist of property and equipment, and identifiable intangible assets.

The Company reviews long-lived assets for impairment whenever events or changes in business circumstances occur that indicate that the carrying amount of the assets may not be recoverable. Impairments are recognized when the expected future undiscounted cash flows derived from such assets are less than their carrying value. For such cases, losses are recognized for the difference between the fair value and the carrying amount. The Company considers various valuation factors, principally discounted cash flows, to assess the fair values of long-lived assets.
Intangible assets are being amortized using the straight-line method over 3-10 years.

Revenue Recognition

Revenue from product sales is recognized when the related goods are shipped to the customer. Estimated warranty costs are accrued upon product shipment.

Product Development and Related Engineering

The Company expenses product development and related engineering costs as incurred. Engineering effort is directed to the development of new or improved products as well as ongoing support for existing products.

Income Taxes

The Company utilizes the asset and liability method of accounting for income taxes in accordance with the provisions of Statement of Financial Accounting Standards (SFAS) No. 109, "Accounting for Income Taxes". Under the asset and liability method of SFAS No. 109, deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. Under SFAS No. 109, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in earnings in the period that the tax rate changes.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentration of credit risk consist primarily of cash and cash equivalents. The Company maintains its cash and cash equivalents in financial institutions and brokerage accounts. To the extent that such deposits exceed the maximum insurance levels, they are uninsured. The Company performs ongoing evaluations of its customers' financial condition, as well as general economic conditions and, generally, requires no collateral from its

customers.

Net Earnings/(Loss) Per Share

Net Earnings/(Loss) Per Share is presented in accordance with SFAS No. 128, "Earnings Per Share". Basic net earnings/(loss) per share is calculated by dividing net earnings/(loss) by the weighted average number of common shares outstanding during the period. Diluted net earnings per share in 2001 and 2000 was calculated in a manner consistent with basic net earnings per share except that the weighted average number of common shares outstanding also includes the dilutive effect of stock options outstanding (using the treasury stock method). During 2002, the Company excluded the dilutive effect of stock options in the calculation of diluted net loss per share, because to do so would be anti-dilutive. As such, the numerator and denominator used in computing basic and diluted net loss per share are equal.

The following presents a reconciliation of the numerator and denominator used in computing Basic and Diluted net earnings per share for fiscal 2001 and 2000.

(Earnings in thousands)

	Year ended April 30, 2001		
	Earnings (numerator)	Shares (denominator)	Per share amount
Basic net earnings per share - -net earnings and weighted average common shares outstanding	$ 8,595	8,498,000	$ 1.01
Effect of dilutive securities - -stock options	-	1,309,000	
Diluted net earnings per share - -net earnings, weighted average common shares outstanding and effect of stock options	$ 8,595	9,807,000	$ .88

	Year ended April 30, 2000		
	Earnings (numerator)	Shares (denominator)	Per share amount
Basic net earnings per share - -net earnings and weighted average common shares outstanding	$ 7,846	7,953,000	$ .99
Effect of dilutive securities - -stock options	-	1,773,000	
Diluted net earnings per share - -net earnings, weighted average common shares outstanding and effect of stock options	$ 7,846	9,726,000	$ .81

Diluted net earnings (loss) per common share does not include the effect of options to purchase 1,797,800 shares of common stock for the year ended April 30, 2002 because they are anti-dilutive.

Basic and diluted net earnings per common share does not include the effect of options to purchase 153,000 shares of common stock for the year ended April 30, 2001 because they are anti-dilutive. For the year ended April 30, 2000, there were no shares that were anti-dilutive.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value of Financial Instruments

The fair value of financial instruments is determined by reference to market data and other valuation techniques as appropriate. The Company believes that there is no material difference between the fair value and the reported amounts of financial instruments in the consolidated balance sheets.

Stock Based Compensation

Stock based compensation is recognized using the intrinsic value method in accordance with the provisions of Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" ("APB 25"), and related interpretations. For disclosure purposes, net earnings(loss) and net earnings(loss) per common share data included in note 8 are provided in accordance with SFAS No. 123, "Accounting for Stock-based Compensation" ("SFAS 123"), as if the fair value method had been applied.

(2) Acquisition

On March 23, 2001, the Company acquired certain assets, principally including inventory, accounts receivable and equipment of Memory Card Technology A/S ("MCT"), a corporation in suspension of payments under Danish bankruptcy law. MCT designs and manufactures memory from its facility in Denmark and has sales offices in Europe, Latin America and the Pacific Rim. The Company purchased the assets from MCT for total consideration of approximately $32,006 of which approximately $28,581 was paid in cash plus the assumption of certain payables and accrued expenses, certain direct transaction cost and certain MCT employee rationalization costs all of which total approximately $3,425. The net assets acquired by the Company were recorded at their respective fair values under the purchase method of accounting. Accordingly, the excess of the purchase price over the fair value of identifiable net tangible and identifiable intangible assets acquired in the amount of $10,167 represents goodwill, which is being amortized over a period of 10 years. The fair value of identifiable intangible assets acquired include both workforce of $5,931 and customer base of $1,202 which are being amortized over 3 and 5 years, respectively. The results of operations of MCT for the period from the acquisition date, March 23, 2001 through April 30, 2001 have been included in the consolidated results of operations of the Company.

The total consideration of the acquisition has been allocated to the fair value of the assets and liabilities of MCT as follows:

Cash	$ 1,255
Accounts receivable and other current assets	8,141
Inventory	3,131
Property, plant and equipment	7,437
Intangible assets	7,133
Goodwill	10,167
Capital lease obligations	(5,258)
Total	$ 32,006

The pro forma results of operations for the Company as if the acquisition had been consummated at May 1, 1999 is as follows (calculated before the effects of adoption of SFAS 141 and 142):

	Fiscal year ended April 30, 2001	Fiscal year ended April 30, 2000
Revenue	$ 226,073	$ 228,557
Net Loss	(47,976)	(13,615)
Basic and diluted loss per share	$ (5.65)	$ (1.71)

The pro forma results have been prepared for comparative purposes and do not purport to be indicative of what would have occurred had the acquisition been made at the beginning of the Company's previous fiscal years ended April 30, 2001 and 2000 or the results that may occur in the future.

(3) Goodwill and Intangible Assets

As of May 1, 2001, the date of adoption, the Company had unamortized goodwill in the amount of $11,144,000 (which includes $1,187,000 of acquired workforce which was previously classified as an intangible asset prior to the adoption of Statement 142) and unamortized identifiable intangible assets (acquired customer base) in the amount of $5,856,000, all of which have been subject to the transition provisions of Statements 141 and 142. Amortization expense related to goodwill (including value assigned to the workforce) was $255,000 for the period from the March 23, 2001, the date of acquisition, through the year ended April 30, 2001. The Company's proforma basic and diluted earnings per share for fiscal 2001 as if the Company adopted Statement 142 at the beginning of fiscal 2001 would have been $1.04 and $0.90 per share respectively versus $1.01 and $0.88 per share respectively as previously reported, had this amortization expense not been reported during the year ended April 30, 2001. Pro forma net earnings and pro forma basic and diluted earnings per share for fiscal 2000 would have been the same as previously reported, as the Company had no goodwill or intangible assets during that fiscal year.

The Company evaluated the carrying value of both its intangible assets and goodwill as of May 1, 2001 and concluded that such assets had not been impaired. Due to the pressure on the Company's worldwide operations during fiscal 2002 caused by continued economic weakness and its associated impact on capital spending coupled with the overall decline in pricing for DRAMs and its associated impact on the Company's selling prices, the Company was required to perform another impairment analysis for both the intangible assets and the acquired goodwill. That analysis was performed in the third quarter ended January 31, 2002. The Company evaluated the carrying value of goodwill as of that date and concluded that the asset had not been impaired. The Company also evaluated the carrying value of its intangible assets (acquired customer base) and concluded that it was in fact impaired. The Company's integration activities have included: narrowing its combined product offerings to certain strategic platforms; redefining its targeted customer base; and directing the efforts of its acquired sales force to sell memory products only for those identified platforms through the targeted customer base. As a result, the Company's customer base has changed and the future cash flows expected to be generated by the acquired customer base, as it existed at the date of acquisition no longer supported any carrying value for those assets. Accordingly, the Company has fully amortized its intangible assets in fiscal 2002.

(4) Restructuring

In fiscal 2002, the Company initiated a restructuring of its operations, which resulted in a workforce reduction of approximately 25% or approximately 69 people in primarily the sales and marketing functions at the Company. As a result, the Company recorded a restructuring charge of approximately $1,200,000, which primarily relates to severance payments. As of April 30, 2002, the Company had paid out approximately $1,157,000 of the charges with the balance expected to be paid within the next three months.

(5) Long-Term Debt

On March 31, 2001, the Company drew $10,000 against its existing credit facility to fund a portion of the purchase price of the MCT acquisition. On April 16, 2001, the Company entered into a new $10,000 term note ("term note") and a $15,000 revolving credit line ("credit line") with a commercial bank (together, referred to as the "credit facility"), which expires on April 16, 2004. The credit facility contains financial covenants as defined in the agreement for which the Company was in compliance with at April 30, 2002. The proceeds from the term note were used to repay the existing obligation under the original credit facility. The term note was due in twenty quarterly installments of $500 until March 31, 2006. The term note bore interest, which was payable monthly in arrears, at the LIBOR rate for 90 day maturities plus 1.9% computed on the basis of a 360 day year for the actual number of days elapsed. In January 2002, the Company amended and restated its credit facility. In doing so, the Company repaid the term note in its entirety. As of April 30, 2002, the amount available for borrowing under the credit line was $11,200, all of which can be drawn down.

In an effort to limit its interest expense and cash flow exposure, the Company entered into an interest rate swap agreement on and for the duration of the Company's $10,000 variable rate term note. The swap agreement fixed the interest rate at 7.16% for the entire loan balance. In accordance with the provisions in SFAS 133, the Company designated this swap as a cash flow hedge and recorded the fair value of the instruments on the balance sheet at that date, with a corresponding adjustment to accumulated other comprehensive income. On January 6, 2002, the Company repaid its term loan and terminated its interest rate swap agreement. The early termination of the interest rate swap agreement resulted in a charge of approximately $259, which was recorded as interest expense in the consolidated statements of operations for the year ended April 30, 2002.

(6) Income Taxes

Income tax expense(benefit)for the years ended April 30 consists of the following:

(In thousands)	2002	2001	2000
Current:			
Federal	$ 870	$ 4,822	$ 4,184
Foreign	103	-	-
State	113	821	782
	1,086	5,643	4,966
Deferred:			
Federal	(8)	144	(120)
Foreign	134	(134)	-
State	(1)	23	(18)
	125	33	(138)
Total income tax expense	$ 1,211	$ 5,676	$ 4,828

The actual income tax expense differs from "expected" tax expense (computed by applying the U. S. corporate tax rate of 35% to earnings before income taxes) as follows:

	2002	2001	2000
Computed "expected" tax expense(benefit)	$(2,411)	$ 4,995	$ 4,309
Foreign tax losses for which no benefit provided	-	247	-
State income taxes(net of Federal income tax benefit)	74	557	504
Difference in federal			

graduated rates	(21)	-	-
Difference in foreign income tax	451	-	-
Foreign taxes	103	-	-
Foreign permanent differences	598	-	-
Change in valuation allowances	2,400	-	-
Other	17	(123)	15
	$ 1,211	$ 5,676	$ 4,828

The fiscal 2002 tax provision was calculated based on domestic earnings before income tax expense of approximately $2,100 and foreign losses before income tax expense of approximately $9,000.

The fiscal 2001 tax provision was calculated based on domestic earnings before income tax expense of approximately $15,000 and foreign losses before income tax expense of approximately $1,000.

The tax effect of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are presented below:

(In thousands)	2002	2001
Deferred tax assets:		
Compensated absences, principally due to accrual for financial reporting purposes	$ 79	$ 115
Accounts receivable, principally due to allowance for doubtful accounts and sales returns	119	22
Property and equipment, principally due to differences in depreciation	1,004	219
Inventory, principally due to reserve for obsolescence	86	78
Foreign net operating losses	1,700	134
Total gross deferred tax assets	$2,988	$ 568
Less valuation allowance	(2,400)	-
Net deferred tax asset	588	568
Deferred tax liabilities:		
Investment in wholly-owned subsidiary, principally due to unremitted earnings of DISC	(663)	(664)
Other	(496)	(350)
Total gross deferred tax liabilities	(1,159)	(1,014)
Net deferred tax liabilities	$(571)	$(446)

A valuation allowance has been provided in 2002 of $2,400 on the deferred tax assets (primarily foreign net operating losses) since management believes that it is more likely than not that such assets will not be realized through the reversal of existing deferred tax liabilities, future taxable income, or certain tax planning strategies. The Company has foreign net operating loss carryforwards of approximately $9,000, which can be used to offset foreign income through 2007.

(7) Stock Splits

On November 10, 1999, the Company's Board of Directors announced a three-for-two stock split effected in the form of a dividend for shareholders of record at the close business on November 24, 1999 and payable December 15, 1999. The

stock split was charged to additional paid-in capital and retained earnings at par value. Share amounts in the notes to the consolidated financial statements, weighted average shares outstanding and net earnings per share have been retroactively adjusted to reflect the stock split.

(8) Stock Option Plans

The Company has an 1992 incentive and nonstatutory stock option plan for the purpose of permitting certain key employees to acquire equity in the Company and to promote the growth and profitability of the Company by attracting and retaining key employees. In general, the plan allows granting of up to 2,850,000 shares, adjusted for stock splits, of the Company's common stock at an option price to be no less than the fair market value of the stock on the date such options are granted. The holder of the option may purchase 20% of the common stock with respect to which the option has been granted on or after the first anniversary of the date of the grant and an additional 20% of such shares on or after each of the four succeeding anniversary dates. At April 30, 2002, 954,750 of the outstanding options are exercisable.

The Company also has a 2001 incentive and nonstatutory stock option plan for the purpose of permitting certain key employees and outside directors to acquire equity in the Company and to promote the growth and profitability of the Company by attracting and retaining key employees. In general, the plan allows granting of up to 1,800,000 shares of the Company's common stock at an option price to be no less than the fair market value of the Company's common stock on the date such options are granted. The holder of the option may purchase 25% of the common stock with respect to which the option has been granted on or after the first anniversary of the date of the grant and an additional 25% of such shares on or after each of the three succeeding anniversary dates. At April 30, 2002, none of the outstanding options are exercisable.

The status of the plans for the three years ended April 30, 2002, is as follows:

	Options Outstanding		
	Shares	Exercise price per share	Weighted average exercise price
Balance April 30, 1999	2,145,000	$ 1.708- 3.604	$ 1.757
Granted	240,000	4.833-12.583	6.936
Exercised	(758,650)	1.708- 3.604	2.387
Cancelled	(24,000)	3.604- 4.833	4.219
Balance April 30, 2000	1,602,350	1.708-12.583	3.374
Granted	198,000	11.380-24.250	22.122
Exercised	(239,700)	1.708-6.000	2.767
Cancelled	(19,200)	2.313-3.604	2.797
Balance April 30, 2001	1,541,450	1.708-24.250	5.626
Granted	192,900	6.610-10.000	8.316
Exercised	(38,300)	1.708-6.000	4.458
Cancelled	(253,000)	1.708-6.000	12.652
Balance April 30, 2002	1,443,050	$ 1.708-24.250	$ 4.785

The Company also granted non-qualified options to acquire 150,000 shares of common stock to certain employees in connection with the acquisition of certain assets of MCT. These options are exercisable at a price of $9.875 per share which represents the fair value at the date of grant and expire ten years after the date of grant. Of each option, 20% are exercisable on or after the first anniversary of the date of the grant and an additional 20% on

or after each of the four succeeding anniversary dates. At April 30,2002, 30,000 of the outstanding options are exercisable.

The Company also periodically grants nonqualified stock options to nonemployee directors of the Company. These options are granted for the purpose of retaining the services of directors who are not employees of the Company and to provide additional incentive for such directors to work to further the best interests of the Company and its shareholders. The options granted to these nonemployee directors are exercisable at a price representing the fair value at the date of grant, and expire five years after date of grant. Of each option, 25% is first exercisable on or after the date of the grant and an additional 25% on each of three succeeding anniversary dates. At April 30, 2002, 164,750 of the outstanding options are exercisable.

The status of the nonemployee director options for the three years ended April 30, 2002, is as follows:

	Options Outstanding		
	Shares	Exercise price per share	Weighted average exercise price
Balance April 30, 1999	450,000	$ 2.313-2.813	$ 2.713
Granted	-	-	-
Exercised	(162,500)	2.313-2.813	2.605
Cancelled	-	-	-
Balance April 30, 2000	287,500	2.313-2.813	2.773
Granted	-	-	-
Exercised	(62,500)	2.813	2.813
Cancelled	-	-	-
Balance April 30, 2001	225,000	2.313-2.813	2.763
Granted	40,000	7.980	7.980
Exercised	(60,250)	2.313-2.813	2.626
Cancelled	-	-	-
Balance April 30, 2002	204,750	$ 2.313-2.813	$ 2.813

The following table summarizes information about stock options outstanding at April 30, 2002:

Options outstanding				Options exercisable		
Range of exercise price	Number out-standing at April 30, 2002	Weighted average remaining contractual life	Weighted average exercise price	Number exercis-able at April 30, 2002	Weighted average exercise price	
$1.708- 2.813	1,019,750	3.71	$ 2.62	917,750	$ 2.60	
3.250- 3.604	242,550	5.67	3.50	164,550	3.49	
4.833- 7.980	255,700	9.01	7.37	18,000	5.46	
9.875-11.380	213,800	8.94	10.11	36,000	10.13	
24.250	66,000	8.25	24.25	13,200	24.25	
$1.708-24.250	1,797,800	5.52	$ 4.21	1,149,500	$ 3.26	

The Company applies APB Opinion 25 in accounting for its Plans and, accordingly, compensation cost for stock options is measured as the excess, if any, of the quoted market price at the date of the grant over the amount

an employee must pay to acquire the stock. Because the Company grants options at a price equal to the market price of the stock at the date of grant, no compensation is recorded. Had the Company determined compensation cost based on the fair value at the grant date consistent with the provisions of SFAS No. 123, the Company's net earnings(loss)would have been reduced to the pro forma amounts indicated below:

(In thousands, except per share amounts)

	April 30,		
	2002	2001	2000
Net earnings(loss):			
As reported	$(8,101)	$ 8,595	$ 7,846
Pro forma	$(9,292)	$ 7,905	$ 7,503
Net earnings(loss) per common share			
Basic:			
As reported	$ (.95)	$ 1.01	$ .99
Pro forma	$ (1.10)	$ .93	$ .94
Diluted:			
As reported	$ (.95)	$ .88	$ .81
Pro forma	$ (1.10)	$ .81	$ .77

The weighted average fair value of the stock options granted during the years ended 2002, 2001 and 2000 was $5.62, $14.72, and $2.80, respectively, on the date of grant using the Black Scholes option pricing model with the following assumptions: for 2002 - expected dividend yield 0.0%, risk free interest rate of 5.0%, expected volatility of 63%, and an expected life of 7.5 years; for 2001 - expected dividend yield 0.0%, risk free interest rate of 6.0%, expected volatility of 99%, and an expected life of 7.5 years; for 2000 - expected dividend yield 0.0%, risk free interest rate of 6.5%, expected volatility of 43%, and an expected life of 7.5 years.

(9) Accrued Liabilities

Accrued liabilities consist of the following at April 30:

	2002	2001
Payroll, including vacation	$ 830	$ 937
Commissions and bonuses	157	1,000
Acquisition costs	-	1,079
Royalties	-	39
Other	700	905
	$ 1,687	$ 3,960

(10) Commitments

Leases

The Company and its subsidiaries occupy various facilities and operate various equipment under operating lease arrangements. Rent charged to operations pursuant to such operating leases amounted to approximately $1,375 in 2002, $678 in 2001 and $689 in 2000. The Company prepaid all of its preexisting capital lease obligations during fiscal 2002 for approximately $5,111.

Future minimum lease payments under noncancellable operating leases (with initial or remaining lease terms in excess of one year)as of April 30, 2002 are as follows:

Year ending April 30:	Operating Leases
2003	$ 1,312
2004	1,108
2005	1,127
2006	1,113
2007	855
Thereafter	2,214
Total minimum lease payments	$ 7,729

License Agreements

The Company has entered into certain licensing agreements with varying terms and conditions. The Company is obligated to pay royalties on certain of these agreements.

Legal Proceedings

The Company is involved in various other claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material effect on the Company's consolidated financial position, results of operations or liquidity.

(11) Employee Benefit Plan

The Company has a defined contribution plan (the Plan) which is available to all qualified employees. Employees may elect to contribute a portion of their compensation to the Plan, subject to certain limitations. The Company contributes a percentage of the employee's contribution, subject to a maximum of 6 percent of the employee's eligible compensation, based on the employee's years of service. The Company's matching contributions aggregated approximately $210, $289 and $258 in 2002, 2001 and 2000, respectively.

(12) Revenues by Geographic Location

The Company operates in one business segment and develops, manufactures and markets a variety of memory systems for use with servers, workstations, desktop and notebook computers which are manufactured by various companies. Revenues and total assets for 2001, 2000 and 1999 by geographic region is as follows:

(in thousands)

	United States	Europe	Other	Consolidated
April 30, 2002				
Revenues	$ 39,296	$ 27,131	$14,763	$ 81,190
Total assets	$ 14,671	$ 25,658	$ 2,233	$ 42,562
Long lived assets	$ 5,103	$ 15,071	$ 180	$ 20,354
April 30, 2001				
Revenues	$ 93,557	$ 24,273	$12,747	$ 130,577
Total assets	$ 24,041	$ 35,536	$ 5,704	$ 65,281
Long lived assets	$ 6,214	$ 20,962	$ 3,050	$ 30,226
April 30, 2000				
Revenues	$ 85,832	$ 14,865	$8,455	$ 109,152
Total assets	$ 39,693	$ 448	$ -	$ 40,141
Long lived assets	$ 5,007	$ -	$ -	$ 5,007

(13) Quarterly Financial Data (Unaudited)
(In thousands, except per share amounts)

Quarter Ended

Fiscal 2002	Quarter Ended July 31	October 31	January 31	April 30
Revenues	$22,570	$19,173	$19,646	$19,801
Gross profit	6,945	7,121	7,099	3,287
Net earnings(loss)	(1,761)	160	(4,783)	(1,717)
Net earnings (loss)per diluted Common and common equivalent share	(.21)	.02	(.51)	(.20)

Fiscal 2001	Quarter Ended July 31	October 31	January 31	April 30
Revenues	$37,996	$39,866	$26,829	$25,886
Gross profit	9,135	9,111	6,991	7,752
Net earnings	2,879	3,051	2,030	635
Net earnings per diluted common and common equivalent share	.29	.31	.21	.07

Earnings per share is calculated independently for each quarter and therefore does not equal the total for the year.

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Dataram Corporation:

We have audited the accompanying consolidated balance sheets of Dataram Corporation and subsidiaries as of April 30, 2002 and 2001, and the related consolidated statements of operations, stockholders' equity and comprehensive income (loss), and cash flows for each of the years in the three-year period ended April 30, 2002. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Dataram Corporation and subsidiaries as of April 30, 2002 and 2001, and the results of their operations and their cash flows for each of the years in the three-year period ended April 30, 2002, in conformity with accounting principles generally accepted in the United States of America.

As discussed in note 1 to the consolidated financial statements, the Company adopted the provisions of Statement of Financial Accounting Standards ("SFAS") No. 141, "Business Combinations," for all business combinations consummated after June 30, 2001 and the provisions of SFAS No. 142, "Goodwill and Other Intangible Assets" effective May 1, 2001.

KPMG LLP

Short Hills, New Jersey
June 5, 2002

Selected Financial Data

(Not covered by independent auditors' report)
(In thousands, except per share amounts)

Years Ended April 30,	2002	2001	2000	1999	1998
Revenues	$ 81,190	$ 130,577	$ 109,152	$ 75,853	$ 77,286
Net earnings	(8,101)	8,595	7,846	5,635	3,722
Basic earnings per share	(.95)	1.01	.99	.69	.42
Diluted earnings per share	(.95)	.88	.81	.60	.40
Current assets	21,800	34,690	35,127	23,874	21,022
Total assets	42,562	65,281	40,151	27,374	24,464
Current liabilities	8,287	14,157	12,416	6,436	6,483
Long-term debt	3,800	10,000	-	-	-
Total stockholders' equity	29,828	38,043	26,894	20,019	16,968
Cash dividends	-	-	-	-	

Earnings per share data has been adjusted to reflect the three-for-two stock split for shareholders of record on November 24, 1999.

DIRECTORS AND CORPORATE OFFICERS

Directors

Robert V. Tarantino
Chairman of the Board of Directors,
President and Chief Executive Officer
of Dataram Corporation

Richard Holzman*
Private Investor

Thomas A. Majewski*
Principal, Walden Inc.

Bernard L. Riley*
Private Investor

Roger Cady*
Principal, Arcadia Associates

*Member of audit committee

Corporate Officers

Robert V. Tarantino
President and Chief Executive Officer

Lars Marcher
Executive Vice President,
and Chief Operating Officer

Mark E. Maddocks
Vice President, Finance and

Chief Financial Officer

Jeffrey H. Duncan
Vice President of Manufacturing
and Engineering

Hugh F. Tucker
Vice President, Sales

Mark R. Bresky
Vice President, Information Technology

Thomas J. Bitar
Secretary
Member, Dillon, Bitar & Luther, L.L.C.

Corporate Headquarters

Dataram Corporation
186 Princeton Road (Route 571)
West Windsor, NJ 08550
609-799-0071

Auditors

KPMG LLP
Short Hills, NJ

General Counsel

Dillon, Bitar & Luther, L.L.C.
Morristown, NJ

Transfer Agent and Registrar

First Union National Bank
Customer Information Center
1525 West W.T. Harris Boulevard
Building 3C3
Charlotte, NC 28288

Stock Listing

Dataram's common stock is listed on
the NASDAQ with the trading symbol DRAM.

Annual Meeting

The annual meeting of shareholders
will be held on Wednesday, September 18,
2002, at 2:00 p.m. at Dataram's
corporate headquarters at:
186 Princeton Road (Route 571)
West Windsor, NJ 08550

Form 10-K

A copy of the Company's annual report
on Form 10-K filed with the Securities
& Exchange Commission is available
without charge to shareholders.

Address requests to:

Vice President, Finance
Dataram Corporation
186 Princeton Road (Route 571)
West Windsor, NJ 08550

Corporate Headquarters
Dataram Corporation
186 Princeton Road (Route 571)
West Windsor, NJ 08550
Toll Free: 800-DATARAM
Phone: 609-799-0071
Fax: 609-799-6734
www.dataram.com

Independent Accountants' Consent

The Board of Directors
Dataram Corporation:

We consent to incorporation by reference in the Registration Statement (No. 33-56282) on Form S-8 of Dataram Corporation and subsidiaries of our reports dated June 5, 2002, relating to the consolidated balance sheets of Dataram Corporation and subsidiaries as of April 30, 2002 and 2001, and the related consolidated statements of operations, stockholders' equity and comprehensive income (loss), and cash flows for each of the years in the three-year period ended April 30, 2002, and the related financial statement schedule which reports appear in the April 30, 2002 annual report on Form 10-K of Dataram Corporation.

KPMG LLP

Short Hills, New Jersey
July 26, 2002

DATARAM

PRESS RELEASE

Dataram Contact: Investor Contact:

Mark Maddocks, Vice President-Finance, CFO Joe Zappulla, Wall Street Investor Relations Corp.
609-799-0071 212-714-2445
info@dataram.com JZappulla@WallStreetIR.com

DATARAM REPORTS FOURTH QUARTER FINANCIAL RESULTS

PRINCETON, N.J. June 5, 2002 - Dataram Corporation (NASDAQ: DRAM) today reported its financial results for its fiscal fourth quarter ended April 30, 2002. Revenues for the fourth quarter totaled $19.8 million compared to $19.6 million for the previous sequential quarter and $25.9 million for the fourth quarter of the previous fiscal year. The Company incurred a net loss before non-cash items of $442,000 or $0.05 per share, compared to net earnings before non-cash items in the prior comparable quarter of $1.3 million or $0.13 per diluted share. The net loss in this fiscal year's fourth quarter was $1.7 million or $0.20 per share compared to a net loss in the prior quarter of $4.8 million or $0.57 per share and net earnings of $635,000 or $0.07 per share in the fourth quarter of the previous fiscal year.

(In 000's, except per share amounts)	Third Quarter	Fourth Quarter		Full Year	
	FY2002	FY2002	FY2001	FY2002	FY2001
Revenues	$19,646	$19,801	$25,886	$81,190	$130,577
Net earnings (loss) before non-cash items	$ 1,565	$ (442)	$ 1,264	$ 2,349	$ 10,380
Per share	$ 0.17	$ (0.05)	$ 0.13	$ 0.25	$ 1.06
Shares outstanding	9,334	8,490	9,585	9,366	9,807
Amortization of intangible assets	$ 5,263	--	$ 300	$ 5,856	$ 300
Depreciation	$ 1,085	$ 1,275	$ 329	$ 4,594	$ 1,485
Net earnings (loss)	$(4,783)	$(1,717)	$ 635	$(8,101)	$ 8,595
Net earnings (loss) per share	$ (0.57)	$ (0.20)	$ 0.07	$ (0.95)	$ 0.88
Shares outstanding	8,454	8,490	9,585	8,487	9,807

Robert Tarantino, Dataram's chairman and chief executive officer, commented, "We did not see any evidence that information technology infrastructure spending improved in our fiscal fourth quarter. Corporate IT spending remained soft in light of the general economic uncertainty. While we are disappointed with the results of the fiscal fourth quarter, we achieved certain goals that should have a positive impact on our future performance. During the quarter, the company entered into global purchasing agreements with three major international corporations to provide memory for their varied applications. Additionally, we entered into an agreement with a major contract manufacturer, which allows us to fulfill their program requirements for memory. The integration of our worldwide sales team and the refinement of our product offerings have been successfully accomplished. We are now

entering the final phase of our global organizational plans, which requires us to consolidate the company's information systems. As we enter into this phase of the integration, we expect to achieve further efficiencies and cost savings this fiscal year. As the economy rebounds, our expanded capabilities to service the memory needs of new and existing customers will provide us with the impetus to expand our market share and grow profitably."

Mr. Tarantino continued, "Dataram's value lies in our ability to utilize our worldwide sales team's capability to market compatible workstation, PC and server memory, as well as in utilizing our manufacturing expertise and assets to service the memory needs of OEM customers worldwide. Our mission is to maximize shareholder value by growing profitability. To that end we have responded to a broad information technology slump by reducing costs, with plans in place to establish further operational efficiencies that will support expansion going forward, while preserving our key resources. Although we cannot control the macro-economic influences that have plagued our market over the last year, we will continue to position Dataram for sustained profitability and, as the market regains its positive momentum, long term growth.

Mr. Maddocks added, "Dataram's balance sheet remains strong. The company's decision in the fiscal third quarter to reduce its debt and restructure its credit line to take advantage of the low interest rate environment has further strengthened its financial position. With $3.7 million in cash and a current ratio of 2.6, the company remains highly liquid and well positioned to meet the needs of the upcoming fiscal year."

Dataram will conduct a conference call at 11:00 a.m. (EDT) today to present its fourth quarter financial results and to respond to investor questions. Interested shareholders may participate in the call by dialing 800-621-5170 and providing the following reservation number: 20646840. It is recommended that participants call 10 minutes before the conference call is scheduled to begin. The conference call can also be accessed over the Internet through Vcall at www.vcall.com. A replay of the call will be available approximately one hour after the completion of the conference call through Vcall and for 24 hours by dialing 800-633-8284 and entering the reservation number listed above.

ABOUT DATARAM CORPORATION

Dataram Corporation, celebrating its 36th year in the computer industry, is a leading provider of computer memory. The Company offers a specialized line of gigabyte-class memory for entry- to enterprise-level servers, workstations and notebooks from Dell, Fujitsu/Siemens, HP/Compaq, IBM, SGI, Sun, Toshiba and Intel platforms. Additionally, the Company manufactures memory for original equipment manufacturers and channel assemblers. Further information is available on the Internet at www.dataram.com.

Financial Tables Follow

DATARAM CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)
(Unaudited)

	Quarter Ended		Year Ended	
	4/30/2002	4/30/2001	4/30/2002	4/30/2001
Revenues	$ 19,801	$ 25,886	$ 81,190	$ 130,577
Costs and expenses:				
Cost of sales	16,514	18,134	56,737	97,588
Engineering and development	393	500	1,839	1,673
Selling, general and administrative	4,973	5,467	21,532	17,600
Intangible asset amortization	0	300	5,856	300

Restructuring charges	0	0	1,200	0
	21,880	24,401	87,164	117,161
Earnings (loss) from operations	(2,079)	1,485	(5,974)	13,416
Interest income (expense), net	(91)	17	(916)	855
Earnings (loss) before income taxes	(2,170)	1,502	(6,890)	14,271
Income tax provision (benefit)	(453)	867	1,211	5,676
Net earnings (loss)	$ (1,717)	$ 635	$ (8,101)	$ 8,595
Net earnings (loss) per share:				
Basic	$ (0.20)	$ .07	$ (.95)	$ 1.01
Diluted	$ (0.20)	$ .07	$ (.95)	$ .88
Average number of shares outstanding:				
Basic	8,490	8,489	8,487	8,498
Diluted	8,490	9,585	8,487	9,807

DATARAM CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)
(Unaudited)

	April 30, 2002	April 30, 2001
ASSETS		
Current assets:		
Cash and cash equivalents	$ 3,656	$ 10,236
Trade receivables, net	11,478	17,641
Inventories	5,435	5,925
Other current assets	1,231	888
Total current assets	21,800	34,690
Property and equipment, net	9,210	13,226
Goodwill	11,144	9,957
Intangible assets, net	0	7,043
Other assets	408	365
	$ 42,562	$ 65,281
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	$ 0	$ 2,000
Current portion of capital lease obligations	0	978
Accounts payable	6,599	7,219
Accrued liabilities	1,688	3,960
Total current liabilities	8,287	14,157

Deferred income taxes	647	948
Long-term debt	3,800	8,000
Long-term capital lease obligations	0	4,133
Stockholders' equity	29,828	38,043
	$ 42,562	$ 65,281

The information provided in this press release may include forward-looking statements relating to future events, such as the development of new products, the commencement of production, or the future financial performance of the Company. Actual results may differ from such projections and are subject to certain risks including, without limitation, risks arising from: changes in the price of memory chips, changes in the demand for memory systems, increased competition in the memory systems industry, delays in developing and commercializing new products and other factors described in the Company's most recent Annual Report on Form 10-K, filed with the Securities and Exchange Commission, which can be reviewed at http://www.sec.gov.

DATARAM

PRESS RELEASE

Dataram Contact: Investor Contact:

Mark Maddocks, Vice President-Finance, CFO Joe Zappulla, Wall Street Investor Relations Corp.
609-799-0071 212-714-2445
info@dataram.com JZappulla@WallStreetIR.com

DATARAM RESTRUCTURES OPERATIONS

Measures Implemented by Company Expected to Save $2.5 Million Annually

PRINCETON, N.J. June 24, 2002 - Dataram Corporation (NASDAQ: DRAM) today reported that it has initiated a restructuring of its operations that is expected to reduce its annual operating costs by approximately $2.5 million. The restructuring has resulted in a workforce reduction of approximately 24% worldwide. The action was the result of the decision to centralize specific operational functions and to adjust the Company's cost structure to reflect current market conditions. The Company intends to record a pre-tax charge in the first quarter of the current fiscal year of approximately $700,000 as a result of this action, which will be partially offset by the associated reduction in operating costs.

Robert Tarantino, Dataram's president and CEO, commented, "Over the last fourteen months, we have completed the refinement of our product offerings and the integration of our worldwide sales team. With the current action, we have integrated and centralized our worldwide manufacturing and engineering management as well as other administrative functions, further streamlining our company and eliminating operational redundancies."

Mr. Tarantino concluded, "As we have previously stated, our mission is to maximize shareholder value by growing profitability. While corporate IT spending remains soft in light of the general economic uncertainty, the actions we have taken have further reduced our costs while preserving our key resources, namely our global sales team and our manufacturing expertise and assets. We are committed to remaining highly cost efficient while preserving our competitive advantages and our ability to respond immediately to an increase in demand."

ABOUT DATARAM CORPORATION

Dataram Corporation is a leading provider of computer memory. The Company offers a specialized line of gigabyte-class memory for entry- to enterprise-level servers, workstations and notebooks from Dell, Fujitsu/Siemens, HP/Compaq, IBM, SGI, Sun, Toshiba and Intel platforms. Additionally, the Company manufactures memory for original equipment manufacturers and channel assemblers. Further information is available on the Internet at www.dataram.com.

The information provided in this press release may include forward-looking statements relating to future events, such as the development of new products, the commencement of production, or the future financial performance of the Company. Actual results may differ from such projections and are subject to certain risks including, without limitation, risks arising from: changes in the price of memory chips, changes in the demand for memory systems, increased competition in the memory systems industry, delays in developing and commercializing new products and other factors described in the Company's most recent Annual Report on Form 10-K, filed with the Securities and Exchange Commission, which can be reviewed at http://www.sec.gov.