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June 24, 2011

SONG CHIN - BENDIB

~~Mike Murphy~~

San Leandro Unified School District
14735 Juniper Street
San Leandro, CA 94579

RECEIVED
JUL 18 2011
DIVISION OF BUSINESS SERVICES

RECEIVED
JUL 07 2011
HARRIS & ASSOCIATES

Dear Mike Murphy,

Attached please find two limited amendments to your APPLE plan. These amendments must be adopted this year. Please sign and returned the attached amendments to Keenan Financial Services **no later than December 1, 2011.**

Summary of Amendments

The first amendment reflects recent changes in the Internal Revenue Code passed as part of the Pension Protection Act of 2006 (PPA). Under the PPA, participants in qualified plans, 403(b) plans and governmental 457(b) plans may directly roll distributions over from those plans to Roth IRAs. Previously, investors wishing to do a Roth rollover, needed to first roll distributions over to a traditional IRA and then to a Roth IRA. This plan amendment makes the rollover process easier for those wishing to roll distributions over to a Roth IRA.

The second amendment is necessitated by a provision in the Heroes Earnings Assistance and Relief Tax Act of 2008 (HEART Act), which provides enhanced benefits under tax-qualified plans for participants performing military service and their beneficiaries. The HEART requires plan sponsors to treat differential pay to participants on active military duty as compensation for purposes of determining contributions and benefits under qualified plans. Differential pay is the pay an employer gives to an active military service member that is equal to the difference between the service member's military pay and what he or she was being paid by the employer prior to active service. Prior to passage of the HEART Act, the Internal Revenue Service (IRS) viewed differential pay as supplemental income instead of wages, and employers had the *option* of treating these amounts as eligible retirement plan compensation. Under the HEART Act, employers *must* treat these amounts as eligible retirement plan compensation. This amendment brings the plan into compliance with the new law.

If you have any questions regarding your APPLE plan documents or the attached amendment, please contact me at (310) 212 – 0363, extension 3613.

Sincerely,

Charlotte Murray

Charlotte Murray
Senior Technical Analyst

Please sign and return to
Keenan and Associates

ACCUMULATION PROGRAM
FOR PART-TIME AND LIMITED SERVICE EMPLOYEES
("APPLE PLAN")

AMENDMENT

Pursuant to Section 8.1 of the Accumulation Program for Part-Time and Limited Service Employees (the "Plan"), the Employer named below hereby adopts this Amendment to the Plan to comply with the Pension Protection Act of 2006 and the Heroes Earnings Assistance and Relief Tax Act of 2008 ("HEART Act"). This Amendment is an interim or "good faith" amendment that has not been reviewed by the IRS, is not part of the pre-approved plan, and does not affect the Employer's reliance on the pre-approved plan. This Amendment shall be Appendix C to the Plan.

APPENDIX C

1.1 Direct Rollover to Roth IRA.

Effective for distributions made after December 31, 2010, a Participant may elect to roll over an eligible rollover distribution as defined in Section 5.7 B. of the Plan to a Roth IRA described in Code section 408A(b).

1.2 Differential Military Pay Treated As Wages.

Effective January 1, 2012, for purposes of section 415 of the Code, Compensation shall include payments to an individual who does not currently perform services for the Employer by reason of qualified military service (within the meaning of Code section 414(u)(1)) to the extent that those payments do not exceed the amounts the individual would have received if the individual had continued to perform services for the Employer rather than entering military service.

This Section 1.2 replaces Section 4.2 of the Post-EGTRRA Amendment.

IN WITNESS WHEREOF, the Employer has caused this Amendment to the Plan to be signed by its duly authorized representative this _____day of _____ _____, 2011.

San Leandro Unified School District

By:_____

Its:_____
[Title]

Please return a copy of this signed Amendment to Keenan & Associates.