

YOUNG LIFE 401(K) PLAN

(amended and restated effective January 1, 2001)

**Employer ID No. 84-0385934
Plan No.: 004**

SUMMARY PLAN DESCRIPTION

PLAN ADMINISTRATION

Name of Plan: Young Life 401(k) Plan

Type of Plan: 401(k) Profit Sharing

Plan Number: 004

Plan Sponsor: Young Life
420 North Cascade Avenue
P.O. Box 520
Colorado Springs, Colorado 80903

Employer Identification Number: 84-0385934

Other Adopting Employers: 3E Ministries
Dale House Project

Plan Year: January 1 - December 31

Plan Administrator: Pension Committee
420 North Cascade Avenue
P.O. Box 520
Colorado Springs, Colorado 80903
(719) 381-1800

Day-to-day Contact Person: Leslie Sexton
(719) 381-1959

Trustee: Fidelity Trust Company
82 Devonshire Street
Boston, MA 02109

Agent for Service of Legal Process: Paul W. Sherrill
420 North Cascade Avenue
Colorado Springs, Colorado 80903

Legal process may also be served on the trustee.

INTRODUCTION

The Young Life 401(k) Plan (the "Plan") was established effective January 1, 1998 by Young Life (the "Company") for the sole and exclusive benefit of its eligible employees. The Plan has been amended and restated to add a company matching contribution that is intended to satisfy the requirements of a "design-based" safe harbor method for satisfying the non-discrimination tests that apply to Participant Contributions and to Company Matching Contributions. The amendment and restatement is effective January 1, 2001. The plan, which is a 401(k) profit sharing plan, is designed to help eligible employees provide for their future financial security through personal savings and Company matching contributions.

The plan consists of two formal legal documents. One is the plan document. The other is the trust agreement. The plan and trust are intended to be "qualified" under the Internal Revenue Code. From time to time, the Internal Revenue Service ("IRS") may require that certain changes be made to the plan or trust agreement. You will be advised if any such changes significantly affect information in this booklet.

This booklet (your "Summary Plan Description" or "SPD") is provided to explain how the plan works. It describes your benefits and rights as well as your obligations under the plan. It is important for you to understand that because this SPD is only a summary, it cannot cover all the details of the plan or how the rules will apply to every person in every situation. All of the specific rules governing the plan are contained in the plan document and the trust agreement. You, your beneficiaries and your lawyer (or other legal representative) may examine the plan document, the trust agreement and other documents relating to the plan during regular business hours or by appointment at a mutually convenient time in the office of the plan administrator. You may obtain a copy of the plan and trust agreement; you must pay the charges for photocopying.

Every effort has been made to accurately describe the complicated provisions of the plan. If there is any conflict between this SPD and the plan document or trust agreement, the official plan documents will always be followed in the actual determination of your benefits.

If you have any questions about the plan or trust agreement, you should contact the plan administrator. The name, address and telephone number of the plan administrator and other important information about the plan and its administration are shown on the previous page.

ELIGIBILITY AND SERVICE CREDITING

Eligibility

All employees (other than ineligible employees) are eligible to participate in the plan on the first day of the month after they begin work for the Company. The following are ineligible employees, who are not eligible to participate:

- Leased employees (generally, those individuals who are employed by an agency and are working for the Company).
- Non-resident aliens who do not receive pay from the Company that is taxable in the United States.
- Collectively bargained employees.

An ineligible employee who becomes an eligible employee may participate on the first day of the month after he/she becomes an eligible employee.

Independent contractors are not eligible to participate, even if they are later reclassified as employees as the result of a final decision or a settlement in a court or administrative proceeding.

Becoming a Plan Participant

In order to become a participant, you must enroll in the plan by choosing to contribute. You may enroll in the plan as of the first day of any month after you become eligible. To do this, you must complete the forms required by the plan administrator and submit them to the plan administrator by the 15th day of the month in which you wish contributions to begin.

PLAN CONTRIBUTIONS

Pay Used in Calculating Contributions

Participant Contributions. For purposes of calculating your contributions to the plan, your “Pay” is your gross cash pay for each pay period, before any deductions.

Matching Contributions. For purposes of calculating the Company’s matching contribution, your “Pay” is your taxable wages reported on your Form W-2 for the year plus your before-tax contributions to this Plan, the Company’s tax sheltered annuity plan (the 403(b) plan), and the Company’s flexible spending plan (the section 125 cafeteria plan) and excluding reimbursements or other expense allowances, fringe benefits (cash or non cash), moving expenses, deferred compensation and welfare benefits. If you are a minister and you receive a minister’s housing allowance, your “Pay” for this purpose does not include your minister’s housing allowance. Pay includes only amounts earned while you are eligible to make Participant Contributions. Under federal law, the maximum amount of Pay that may be used to calculate Company Matching Contributions is limited to \$150,000, as indexed each year for changes in the cost of living. For 2006, the limit is \$220,000. For 2007, the limit is \$225,000.

Participant Contributions

You can contribute from 1% to 15% of your Pay in whole percentages or in a stated dollar amount. To make Participant Contributions, you must authorize the Company to reduce your Pay each pay period by a specified whole percentage or dollar amount and to contribute such amount to the plan on your behalf. Because you do not receive the money, these contributions will **not** be subject to federal income tax nor, in most states, to state income tax, in the year in which they are made. Thus, you delay paying income taxes on this money until it is actually paid out of the plan. Your Participant Contributions **will** be subject to social security taxes in the year you make the contribution. However, if you are a minister, your Participant Contributions may be excludable from your net earnings from self-employment for purposes of figuring your self-employment tax; ministers should check with their tax advisers concerning this matter.

Catch-Up Contributions

An additional type of contribution permitted under the Plan is called a Catch-Up Contribution. You are eligible to make Catch-Up Contributions if you are age 50 or older (or will attain age 50 by the last day of the Plan Year). Catch-Up Contributions are not subject to federal income tax and, in most states, state income tax, in the year in which they are made, but are subject to Social Security (“FICA”) taxes. However, Catch-Up Contributions are **not** subject to the limitations imposed on contributions. If you are eligible to make Catch-Up Contributions, the law permits you to make Catch-Up Contributions to the Plan each Plan Year even if that contribution would exceed the limits that otherwise apply to Salary Deferral Contributions and other contributions to the Plan. The maximum Catch-Up Contribution for 2006 is \$5,000 and will remain at \$5,000 in 2007. If you are eligible to make Catch-Up Contributions for the 2007 Plan Year, you could make a maximum Salary Deferral Contribution of \$15,500 and a maximum Catch-Up Contribution of \$5,000, for a total pre-tax contribution to the Plan of \$20,500 for the 2007 Plan Year. Catch-Up Contributions are not matched.

Changes in Participant Contributions

Generally, you may begin or resume making contributions, change the amount your contributions or discontinue making contributions as of any pay period. To begin, discontinue, resume or change the rate of your contributions, you must submit a Contribution Election Form by the 15th day of the month that you desire to make the change effective.

Company Matching Contributions

Beginning January 1, 2001, the Company will match a portion of your Participant Contributions. The Company's Matching Contribution is equal to 100% of your Participant Contributions up to 4% of Pay. The maximum matching contribution is 4% of Pay.

Example: Assume that your Pay is \$30,000 (and have no minister's housing allowance) and contribute 4% to the Plan for the year (\$1,200). Your Company Matching Contribution is \$1,200.

Example: Assume that your Pay is \$30,000 (and have no minister's housing allowance) and contribute 6% to the Plan for the year (\$1,800). Your Company Matching Contribution is \$1,200 (4% of \$30,000).

Example: Assume that your Pay is \$30,000 (and have no minister's housing allowance) and contribute 3% to the Plan for the year (\$900). Your Company Matching Contribution is \$900 (3% of \$30,000).

Example: Assume that you are a minister, that your compensation is \$40,000, that \$10,000 of the \$40,000 is your minister's housing allowance, and that you contribute 4% of \$40,000 or \$1,600 to the Plan for the year. Your contribution is 5.33% of \$30,000. Your Company Matching Contribution is 4% of \$30,000 (your Pay for the year) or \$1,200.

Limitations on Contributions

In general, you may elect to contribute, from each paycheck, any percentage of your Pay from 1% - 15% (in whole percentages) or you may elect to contribute a specified dollar amount from each paycheck.

There are several exceptions to the above limitation:

1. Under federal law, the amount you can save on a before-tax basis in any calendar year is limited to a specific dollar amount. This limit was originally \$7,000 per year; however, it is indexed for increases in the cost of living. For 2006, the limit is \$15,000. For 2007, the limit is \$15,500. You will be notified if and when the annual dollar limitation is changed for future years.

The dollar limit applies to your before-tax contributions under this plan as well as any other 401(k) savings plan(s) in which you may participate in the same calendar year. If your total before-tax contributions exceed the dollar limit applicable to a calendar year, then in order to avoid paying a penalty tax, you should notify the plan administrator as soon as possible following the end of the plan year so that the excess may be returned to you by April 15 of the following year. (Note: This dollar limit does **not** apply to rollover contributions (as discussed below).)

2. Federal law also limits the total amount that can be added to your account(s) under this plan and the Pension Plan combined to the lesser of 100% of your taxable income from the Company or a specified dollar amount that is adjusted from time to time for inflation. For 2006, the dollar amount is \$44,000. For 2007, the dollar amount is \$45,000. This limit is based on your "total compensation" **plus** any before-tax contributions you make to this plan, the tax sheltered annuity plan, and the flexible spending plan. If you are a minister and you receive a minister's housing allowance, your "total compensation" does not include your minister's housing allowance. You will be advised on an individual basis if you are affected by this limit.

Rollover Contributions

If you previously worked for another employer, you may have accumulated benefits under another employer-sponsored qualified pension or profit sharing plan. Under certain circumstances, you may be able to put such benefits into this plan by making a “rollover contribution.”

Most distributions from qualified plans can be rolled over except, in general, payments made over a single life expectancy or joint life expectancies, installments for a period of 10 years or more, and the minimum amount required to be distributed each year after you reach age 70½ or, if later, the date you stop working for the Company. Your distribution can be directly rolled over to this plan from your prior employer's plan by, for example, asking your prior employer's plan to make the check payable to the trustee of this plan, or, if your distribution check was made payable to you, you can deposit the check in this Plan within 60 days after you received the check. You can also deposit an amount equal to the amount that was withheld from your distribution from your prior employer's plan. See “Rollovers and Income Tax Withholding,” below for more information concerning rollovers and withholding.

In addition, if you deposited your distribution in an individual retirement account that contains **only** funds received from one or more employer-sponsored plans (a “Rollover IRA”), you can have your benefits (plus the earnings) distributed from the Rollover IRA and deposit them in this plan within 60 days of the date you receive them from your Rollover IRA.

The plan administrator must approve all rollover contributions. If you have benefits from another employer's plan or in a Rollover IRA and you want to put these funds into this plan, contact the plan administrator to obtain the necessary forms and to determine whether your funds may be deposited in this plan.

MAINTENANCE AND INVESTMENT OF YOUR ACCOUNTS

Maintenance of Accounts

All contributions to the plan are held in the trust fund established for the assets of the plan. Up to two separate accounts may be maintained on your behalf. They are as follows:

Participant Contributions Account - Generally this account reflects Participant Contributions you make under this plan and the earnings or losses on such contributions.

Company Matching Contributions Account. This account reflects the Company Matching Contributions that are made on your behalf and the earnings or losses on such contributions.

Rollover Contributions Account - This account reflects any benefits that were rolled over to the plan and the earnings or losses on such amounts.

Although separate account balance records are maintained, funds in the separate accounts are commingled with the funds of other participants for investment purposes. Account balances are merely bookkeeping entries showing your share of the assets in the trust fund.

Participant accounts are updated on a daily basis to reflect all contributions, distributions, withdrawals and earnings or losses due to investment experience. You will receive a statement of your accounts as soon as practicable after the last day of each calendar quarter.

Investment of Accounts

The plan has been designed to permit you to direct the investment of your account(s) and is intended to qualify under Section 404(c) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and the regulations promulgated by the Department of Labor under ERISA Section 404(c). If you direct the investment of your accounts, the plan's fiduciaries may be relieved of liability for losses that are the direct and necessary result of your investment directions.

The trustee will maintain several investment funds in which you may elect to invest your account balances. These funds vary in the degree of risk involved and the potential for growth. You may invest your account balances, in any whole percentage, in any one or more of the available funds. You will be advised when funds are added or deleted. The available investment funds are listed on Appendix A. When you become eligible to participate, you will receive additional information concerning the various funds.

You may change your investment elections on any day by changing how your future contributions are invested and/or by transferring your existing account balances. All investment elections and changes in investment elections are made by completing an Investment Election Form and submitting it to the plan administrator. Your changes will be processed by the Plan's trustee as soon as administratively practicable.

If you do not make any investment elections, the trustee will invest your accounts in the investment designated on the Investment Election Form as the "automatic" investment fund.

How you choose to invest your account(s) in the plan is an important decision that you should consider carefully. **The Company cannot advise you concerning how to invest your account(s) nor can it take responsibility for the performance of any investment option that you choose.**

VESTING

You are always fully or 100% vested in your Participant Contributions Account, Company Matching Contributions Account, and Rollover Contributions Account, if any.

IN-SERVICE WITHDRAWALS AND LOANS

General

Although the primary purpose of the plan is to help you accumulate funds for your financial security after you retire, the Company recognizes that in some instances it may be in your best interests to permit you to withdraw or borrow some or all of the funds in your accounts (other than funds that are subject to a Qualified Domestic Relations Order, as discussed below). Accordingly, while you are employed by the Company, the plan permits withdrawals and loans in certain specific circumstances, as outlined below.

Requests for withdrawals will be processed as they are received. The checks will be sent as soon as administratively practicable after the request is received.

In-Service Withdrawals

Withdrawals After Age 65 - Once you have attained age 65 (the plan's normal retirement age), you may withdraw any or all of the amounts in any of your accounts. The plan administrator may establish limits on the number of withdrawals you may make in any calendar year. Your withdrawals are subject to income tax and income tax withholding at the rate of 20% unless you have the withdrawal directly transferred to an IRA. See "Rollovers and Income Tax Withholding," below for more information about withholding and rollovers.

Withdrawals After Age 59½ - After you have reached age 59½, you may withdraw all or any portion of the balance in any of your accounts. The plan administrator may establish limits on the number of withdrawals you may make in any calendar year. Your withdrawals are subject to income tax and income tax withholding at the rate of 20% unless you have the withdrawal directly transferred to an IRA. See "Rollovers and Income Tax Withholding," below for more information about withholding and rollovers.

Withdrawals of Rollover Contributions – You may withdraw any or all of the amount in your Rollover Contributions account at any time. The plan administrator may establish limits on the number of withdrawals you may make in any calendar year. Your withdrawals are subject to income tax and income tax withholding at the rate of 20%, and, if you are younger than age 59½, your withdrawals may be subject to a 10% penalty tax, unless you have the withdrawal directly transferred to an IRA. See, "Rollovers and Income Tax Withholding" below for more information about withholding and rollover.

Hardship Withdrawals - Prior to age 65 or 59½, if you are still with the Company, you may withdraw some or all of your accounts **only** in the event of certain financial hardships (as specified by the IRS and described below) and **only** after you have received all loans available to you under this plan (as discussed below) and the Pension Plan. You may make hardship withdrawals from your accounts as follows:

- ✓ your Participant Contributions (but **not the earnings** on your Participant Contributions)
- ✓ your Company Matching Contributions (but **not the earnings** on your Company Matching Contributions)
- ✓ your Rollover Contributions (including the earnings on your Rollover Contributions).

The maximum amount you may withdraw is the amount of your financial need (plus any taxes that you must pay on the amount withdrawn). See "Rollovers and Income Tax Withholding," below.

In order to qualify for a hardship distribution, you must have one of the following types of financial needs:

- extraordinary medical expenses incurred by you, your spouse or your dependents that are **not** paid by your health insurance;

- expenses (**excluding** mortgage payments) related to the purchase of your primary residence;
- tuition and related educational fees for the next 12 months of post-secondary education for you, your spouse or dependents; and
- funds required to prevent you from being evicted from your principal residence or from losing your principal residence due to mortgage foreclosure.

If you receive a hardship distribution, you will not be permitted to make any contributions to the plan for at least 6 months following the date of the hardship distribution.

Loans

You may be able to borrow from your vested account(s) except for amounts that are subject to a qualified domestic relations order. You may borrow from your vested account(s) if you are employed by the Company. Beneficiaries and alternate payees may not borrow from the Plan. The minimum loan amount is \$1,000. You may have only one loan outstanding at a time, and you may not receive a new loan until any existing loan has been repaid in full. The trustee charges a \$50.00 loan application fee, which you may pay by check or have deducted from your account(s) in the plan.

All loans are subject to the following rules and conditions:

- There are limits on the maximum amount that you can borrow from this plan. First, the total amount of outstanding loans is limited to 50% of your account balances in this plan. Second, the total amount you may borrow is \$50,000 **minus** the highest outstanding balance of any other plan loans made to you from this plan and any other plan of the Company in the 12 months immediately before the date of your new loan.
- Your loan will be secured by an equal amount of your account balances, which remains in the plan.
- The Company will establish a reasonable rate of interest by contacting a bank of its choice to ascertain the appropriate rate as of the date the loan documents are prepared.
- All loans from the plan must be repaid within sixty months; however, if you use the loan proceeds to purchase your principal residence, the maximum term is 120 months. The loan term may not extend beyond the date you are required to begin taking distributions (see, "Required Distributions," below).
- Generally, all loans must be repaid in substantially equal payments through payroll deduction from each paycheck if you are receiving a paycheck from the Company. If you are not receiving a paycheck (for example because you are on an unpaid leave of absence or have been temporarily laid off), you must make arrangements to make your loan payments on a timely basis. You may pre-pay a loan in full after it has been outstanding for at least one month with a certified or cashier's check. You may not make a partial prepayment.
- When you terminate employment with the Company, you may reamortize your loan within sixty days after your termination to provide for level payments of principal and interest made at least quarterly. The reamortized loan will have the same term as the original loan. You are

responsible for making the loan payments. If you fail to make a payment on time, your loan will be in default and will be subject to the provisions described below.

- If you do not reamortize your loan when you terminate employment or if you die with an outstanding loan, your outstanding loan will become due and payable in full upon your death, or other termination of employment. You (or your personal representative) can pay the outstanding balance in full with a certified or cashier's check. If the loan is not repaid in full by the last day of the calendar quarter in which your employment terminated, the entire outstanding balance will be treated as a taxable distribution to you.
- All loans will be in default if any payment (including payments for a reamortized loan) is not made on its due date. You have a grace period that lasts until the last day of the calendar quarter following the calendar quarter in which the default occurred to make the defaulted payment. If you do not cure a default within the grace period, you will be considered to have received a taxable distribution from the plan equal to the entire outstanding balance of your loan on the last day of the grace period. Your account(s) in the plan may be applied as payment of your loan as soon as they are distributable under the terms of the plan.

Generally, a loan that meets all of the above-described conditions will not be considered to be a taxable distribution from the plan. However, if a loan exceeds the above-described dollar or percentage limits or if a loan is not repaid with timely repayments within sixty months, **some or all of such loan will be treated as taxable income to you.**

PAYMENT OF BENEFITS FOLLOWING TERMINATION OF EMPLOYMENT

What Amount Is Payable

When your employment terminates, you will be entitled to receive 100% of the amounts in your Participant Contributions Account, Company Matching Contributions Account, and Rollover Contributions Account, if any. Generally, the amount distributable will be calculated at the time of the distribution. The amount to be distributed will be reduced by any amounts pledged as security for a loan from the plan and any amounts subject to a Qualified Domestic Relations Order, as discussed below under "General Information."

Form and Time of Payment

If your vested account balances total \$1,000 or less as of the date your employment terminates, your vested account balances will automatically be paid to you in a lump sum payment as soon as practical.

If your vested account balances total more than \$1,000 as of the date your employment terminates, you may elect to receive your benefits at any time following your termination of employment. However, under federal law, you are required to begin payments when you reach age 70½, which is your "Required Beginning Date." See, "Required Distributions," below.

The forms of payment available are a lump sum or a series of installments. If you elect installment payments, there are two limitations that will apply. First, the maximum period of time over which payments can be spread is the joint life expectancy of you and your designated beneficiary. Second, if your designated beneficiary is anyone other than your spouse, the installment schedule must be designed to pay at least 50% of your vested account balances to you, based on your and your beneficiary's life expectancies. You will be advised if any adjustments need to be made in the installment schedule that you elect in order to comply with these limits.

If you have an outstanding loan, you may not receive the portion of your account(s) that has been pledged as security for the loan until the loan has been repaid in full or is treated as a taxable distribution.

REQUIRED DISTRIBUTIONS

Under federal law, your benefits must be paid to you in a lump sum or installments must commence no later than April 1 of the calendar year following the later of (1) the calendar year in which you turn age 70½ or (2) the calendar year in which you terminate employment (your “required beginning date”). If you elect installment payments, a minimum amount must be distributed to you each calendar year. The required minimum amount is based on your life expectancy or the joint life expectancies of you and your designated beneficiary. The rules governing the calculation of the minimum amount will be explained to you near your required beginning date.

ROLLOVERS AND INCOME TAX WITHHOLDING

In general, the amount that is distributed from the plan is included in your taxable income for the year of the distribution. However, if your distribution is an “eligible rollover distribution” (discussed below) you can postpone paying income tax on your distribution by making a “rollover” to a “traditional” individual retirement account (“IRA”) or another employer plan that accepts rollovers. A “traditional” IRA does not include a Roth IRA, SIMPLE IRA, or an education IRA; you cannot make a rollover to a Roth IRA, SIMPLE IRA, or an education IRA. You can instruct the trustee to make a “direct rollover” of your distribution to an IRA of your choosing or to your new employer’s qualified plan (if the plan accepts direct rollovers). If you wish to make a direct rollover, you must provide the trustee with the name of the IRA trustee or custodian (or the name of the employer plan and the trustee for the employer plan) and other information the trustee will need to make the direct rollover. The trustee will either transfer the funds to the IRA or employer plan or will give you a check payable to the IRA trustee or custodian or the trustee for the employer plan. If you make a direct rollover of all or any part of your distribution, you will not pay tax on the part of the distribution that was rolled over until the amount is paid to you from the IRA or employer plan.

Instead of making a direct rollover, you can have your distribution paid to you. The trustee is required by federal law to withhold federal income tax at the rate of 20% from any eligible rollover distribution that is paid to you or that is not directly rolled over. You may roll over the amount paid to you to an IRA or employer plan within 60 days after you receive it. The amount rolled over will not be subject to tax until it is paid to you from the IRA or the employer plan. You can also roll over an amount equal to the 20% that was withheld. If you do not roll over an amount equal to the 20% withholding, that amount will be subject to income tax and, if you are younger than 59½ at the time of the distribution, it may be subject to the 10% penalty tax.

Eligible Rollover Distributions

Most distributions from the plan may be rolled over. However, a few distributions may not be rolled over, including the following:

- installments paid over a life or lives or over a single life expectancy or joint life expectancies;
- installments paid over a period of 10 years or longer;
- the amount that the plan must distribute to you after you reach age 70½ or your retirement, whichever is later;
- hardship withdrawals or distributions, or
- amounts that have already been subject to federal income tax (such as defaulted loans that were repaid).

The plan is required to withhold 20% from amounts paid to you only if the amount can be rolled over.

You will receive more information about direct rollovers and withholding when you become eligible to receive a distribution.

BENEFICIARIES AND DEATH BENEFITS

Designating Beneficiaries

When you become a plan participant, you must complete a Beneficiary Designation Form to indicate to whom you want your account(s) paid if you die before all of your benefits are paid to you. Generally, you may designate one or more beneficiaries, and you may designate contingent beneficiaries (*i.e.*, if your primary beneficiary dies before you do or before all of your benefits are paid to the beneficiary, your benefits will be paid to the contingent beneficiary).

If you are married on the date of your death, your spouse is **automatically** your sole primary beneficiary **unless**, prior to your death, your spouse consented in writing to your designation of another beneficiary. (You can name whomever you want as contingent beneficiary(ies), without your spouse's consent.) To be valid, your spouse's consent must have been witnessed by a notary public and filed with the plan administrator at the same time as your beneficiary designation. If you designate your spouse as your beneficiary and are later divorced, your beneficiary designation will become invalid on the date of your divorce. If you still wish your benefits to be paid to your former spouse, you must submit another Beneficiary Designation Form, signed after the date of your divorce.

If no beneficiary designation is on file with the plan administrator at the time of your death, your benefits will be paid to your surviving spouse, if any; otherwise, to your estate.

Form and Time of Payment to Your Beneficiary

Generally, your vested account balances will be paid to your beneficiary in a lump sum as soon as practical after the beneficiary requests the payment. The lump sum must be paid within five years after your death unless your spouse is your beneficiary, in which case he or she can elect to wait until the end of the calendar year in which you would have attained age 70½ to receive your benefits. Alternatively, your beneficiary may elect to have your benefits paid in a series of installments, beginning by the end of the calendar year following the year in which you died and continuing over a period not longer than his or her life expectancy. If your beneficiary is your spouse, he or she will be subject to the direct rollover and withholding rules described above. Your spouse can make a rollover, or instruct the trustee to make a direct rollover, only to an IRA.

TAXATION OF BENEFITS

Taxability of Benefits

How your benefits will be taxed when they are paid depends on several factors, including the tax laws in effect at the time of payment, the form of payment elected and your age at the time of distribution. In general, all of your benefits under the plan will be taxable as ordinary income when they are distributed. If your benefits are paid in a lump sum, you or your beneficiary may be eligible for certain special tax treatment, such as forward income averaging. Alternatively, you may be able to further defer the taxation of certain funds by rolling them over into an IRA or another employer's qualified plan. In addition to federal and state income taxes, a 10% penalty tax applies to certain distributions received before you attain age 59½.

You or your beneficiary should seek competent tax advice when you are deciding when and how to receive your benefits.

Withholding

If the distribution can be rolled over, the trustee must withhold federal income tax at the rate of 20% unless you or your surviving spouse directs the trustee to make a direct rollover of the distribution. See, "Rollovers and Income Tax Withholding," above. The trustee is required to withhold federal income tax from all taxable distributions that cannot be rolled over **unless** you or your beneficiary elect that there be no withholding. You or your beneficiary will be furnished with notices and election forms before the distributions are made.

CLAIMING BENEFITS

Applications for Benefits

When you know your employment will be terminating or whenever it is time for your benefits to be paid, you should contact the plan administrator. In the event of your death, your beneficiary should contact the plan administrator. The address and telephone number of the plan administrator are shown on page 1. If you or your beneficiary are entitled to a benefit, the plan administrator will furnish information and forms concerning the payment of your benefits. You or your beneficiary must provide such documentation as the plan administrator may require to support your claim for benefits.

Notice of Denial

If you or your beneficiary apply for a benefit under the plan and the claim is denied in full or in part, the plan administrator will notify you or your beneficiary in writing within 90 days (or within 180 days if you are notified that additional time is needed to make a decision). This notice of denial will set forth the reasons for the denial, refer to the specific plan provisions on which the denial is based, describe additional materials that may be required to perfect your claim and explain the claim review procedures. If no response to the initial claim is received within 90 days, you or your beneficiary may consider the claim to have been denied.

Right to Appeal

If all or part of a claim is denied, you or your beneficiary may request a review of your denied claim. The request for review (your "appeal") must be made in writing and must be submitted to the plan administrator within 90 days after the denial. If you do not file a written appeal within 90 days after the denial, the decision of the plan administrator will become final. To help you prepare the appeal, you or your beneficiary (and/or your representative) have the right to review pertinent documents regarding the claim and its denial and you may submit issues and comments in writing as part of your appeal.

The plan administrator will furnish you or your beneficiary with the decision regarding the appeal within 60 days (or within 120 days, if you are notified of the need for additional time because of special circumstances). The plan administrator's decision regarding the appeal will be final.

CIRCUMSTANCES THAT MAY AFFECT YOUR PLAN BENEFITS

The plan is designed to provide you with a source of income during your retirement. As a “qualified” plan under federal law, your vested rights to your benefits are protected in a number of ways. However, there are certain circumstances under which your benefits may be forfeited, delayed or decreased, as follows:

- If you fail to repay a loan from the plan when the loan is due, the portion your account equal to the outstanding loan obligation (including unpaid interest and costs) may be applied by the trustee to satisfy the indebtedness.
- Some or all of your benefits may be lost to the extent that they are required to be paid to your spouse, former spouse, child, or other dependent pursuant to a judgment, decree or order made pursuant to a state domestic relations law. For more information about domestic relations orders, see the section entitled “Qualified Domestic Relations Orders” below.
- Benefits may also be reduced by adverse investment experience of your investments, by any taxes assessed against or payable by the trust fund, and by administrative costs.

TOP-HEAVY PROVISIONS

Under federal law, a plan is considered “top-heavy” if the account balances of certain officers, highly-paid employees and owners (the “key employees”) exceed 60% of all the account balances under the plan. In any plan year in which a plan is top-heavy, each non-key employee who is employed on the last day of the plan year must receive a minimum Company contribution.

The plan is not currently considered to be top-heavy and is not expected to become top-heavy. You will be advised if the plan ever becomes top-heavy and the effect, if any, on you.

GENERAL INFORMATION

Federal Pension Benefit Insurance - Plan Not Covered

As you may know, the benefits under defined benefit plans may be insured by the Pension Benefit Guaranty Corporation (the "PBGC"). However, because this plan is a defined contribution, individual account plan, the PBGC does not insure this plan.

Assignment of Benefits

You cannot assign, pledge, sell, encumber or otherwise alienate your benefits under this plan. However, under an exception to this general rule, any amount borrowed from the plan trust must be secured by a pledge of an equal amount of your remaining interest in the trust fund.

Another exception to this general rule provides that all or a portion of your accounts may be paid to your spouse, former spouse, children or other dependents pursuant to a judgment, decree or order that is a "qualified domestic relations order" issued pursuant to a state domestic relations law. (See below.)

Qualified Domestic Relations Orders

A domestic relations order is any judgment or decree that has been made pursuant to state domestic relations laws (including community property laws). Such orders relate to provisions for child support, alimony payments or marital property rights to a spouse, former spouse, child or other dependent. In general, such orders are made pursuant to divorce proceedings.

A "qualified domestic relations order" or "QDRO" is any domestic relations order that recognizes the existence of or creates or assigns the right to another person, namely a spouse, former spouse, child or other dependent (an "alternate payee"), to receive all or a portion of the benefits payable to a plan participant. A QDRO must specify certain information, including your name and address and the amount or percentage of your benefits to be paid by the plan to the alternate payee.

Upon receipt of a domestic relations order, the plan administrator will notify both you and the alternate payee that such order has been received and explain the plan's procedures for determining whether the order is a QDRO. The plan administrator will then instruct the trustee to separately account for all amounts affected by the order. While a QDRO is pending, you will not be permitted to borrow or to make withdrawals from the plan.

After the plan administrator has determined that a domestic relations order addressed to the plan is a QDRO, the amount payable to the alternate payee will be paid to the alternate payee in a lump sum as soon as practical. Installment distributions are not available to alternate payees nor may an alternate payee have an account balance in the plan.

If you have any questions about QDRO's or the payment of benefits under a domestic relations order, contact the plan administrator.

Terms and Conditions of Employment

Neither the establishment of the plan nor your participation in the plan is a contract of employment. Every employee, whether or not a participant, is subject to discharge just as though the plan had never been adopted.

Plan Changes and Termination

The Company reserves the right to amend, suspend or terminate the plan and trust for any reason. Upon termination of the plan the plan administrator will notify the trustee. The trustee will then update all of the accounts of the participants. After the allocations have been completed, each participant may elect to have his or her account(s) distributed or transferred to another of the Company's qualified plans, if any.

Payments To Minors, Etc

A benefit payable to a minor, an incompetent person or other person incapable of acting on his or her own behalf will be paid to the person's guardian or to the party providing or reasonably appearing to provide for the care of such person.

Controlling Law

The plan will be enforced generally according to the laws of Colorado to the extent that those laws have not been preempted by federal law. The determination of whether you are married will be made according to the laws of the state where you live.

Statement of ERISA Rights

As a participant in the Young Life 401(k) Plan, you are entitled to certain rights and protections under ERISA. ERISA provides that all plan participants are entitled to:

- (a) Examine, without charge, at the plan administrator's office, and at other specified locations, such as work sites and union halls, all plan documents, including collective bargaining agreements and insurance contracts, and copies of all documents filed by the plan with the U.S. Department of Labor, such as detailed annual reports and plan descriptions.
- (b) Obtain copies of all plan documents and other plan information upon written request to the plan administrator. The administrator may make a reasonable charge for the copies.
- (c) Receive a summary of the plan's annual financial report. The plan administrator is required by law to furnish each participant with a copy of this summary annual report.
- (d) Obtain a statement of your right to receive a benefit at normal retirement age and if so, what your benefits would be at normal retirement age if you stop working now. If you do not have a right to a benefit, the statement will tell you how many more years you have to work to get a right to a benefit. This statement must be requested in writing and is not required to be given more than once a year. The plan must provide the statement free of charge.

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the plan. The people who operate the plan, called "fiduciaries," have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries.

No one, including the Company or any other person, may fire you or otherwise discriminate against you for the purpose of preventing you from obtaining a benefit or exercising your rights under ERISA. Your employment may always be terminated for other reasons, however.

If your claim for a benefit is denied in whole or in part you must receive a written explanation of the reason for the denial. You have the right to have the plan administrator review and reconsider your claim.

Under ERISA, there are steps you can take to enforce your rights. For instance, if you request materials from the plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the plan administrator to provide the materials and pay you up to \$100 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court. If it should happen that plan fiduciaries misuse the plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have used to pay these costs and fees. If you lose, the court may order you to pay these costs and fees if, for example, it finds your claim to be frivolous.

If you have any questions about your plan, you should contact the plan administrator. If you have any questions about this statement or about your rights under ERISA, you should contact the nearest office of the Pension and Welfare Benefits Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, U.S. Department of Labor, Pension and Welfare Benefits Administration, 200 Constitution Ave., N.W., Washington, D.C. 20210.

This booklet has been prepared in accordance with regulations of the United States Department of Labor and the Internal Revenue Service.

APPENDIX A

**Investment Funds
January 1, 2001**

[LIST THE INVESTMENT FUNDS, INCLUDING THE SPONSOR OF EACH FUND, ANY LOADS OR OTHER INVESTMENT FEES, AND A BRIEF DESCRIPTION OF EACH FUND]

You can obtain the following additional information about the investment funds:

- A description of the annual operating expenses, such as investment management fees, administrative fees, and transaction costs.
- Copies of prospectuses, financial statements and reports, and any other information if such information is provided to the plan administrator.
- A list of the assets in the fund's portfolio, the portion of the fund that each asset comprises.
- If any asset is a fixed rate investment contract issued by a bank, savings and loan association, or insurance company, the name of the issuer of the contract, the rate of return, and the term of the contract.
- The value of the shares or units of the fund and the past and current investment performance (net of expenses).
- The value of the shares or units of the investment alternatives in which you have invested.

You can contact [NAME, ADDRESS, AND TELEPHONE NUMBER] to obtain information about the investment funds, including the information listed above.