

**AMENDMENT NO. 2 TO THE
LANS 401(k) SAVINGS PLAN
(AS ADOPTED EFFECTIVE AS OF JUNE 1, 2006)**

THIS AMENDMENT made and entered into this _____ day of April, 2008 by Los Alamos National Security, LLC (the “Company”);

WITNESSETH

WHEREAS, the Company previously adopted the LANS 401(k) Savings Plan (the “Plan”) for certain of its eligible employees, effective as of June 1, 2006, which Plan was subsequently amended by the adoption of Amendment No. 1; and

WHEREAS, the Company desires to amend the Plan concerning the definition of Eligible Employee, rules concerning the determination of a Participant’s Beneficiary, and Compensation that is included in the definition of Considered Compensation as provided herein;

NOW, THEREFORE, BE IT RESOLVED, the Plan is hereby amended effective as of the dates indicated below:

1.

Section 2.08(b) (concerning the determination of the Participant’s Beneficiary if the Participant does not name a Beneficiary or if the designation of the Beneficiary is no longer effective) is hereby amended effective for deaths occurring on or after July 1, 2008, by adding the following new subsection 2.08(b) and redesignating the subsequent subsections:

“(b) a domestic partner of the Participant as identified in a valid registration with the Employer in accordance with its human resource procedures (for deaths occurring on or after July 1, 2008).”

2.

Section 2.13 (definition of Considered Compensation) is hereby amended effective as of June 1, 2006 to clarify that “pay in lieu of notice” in the event of a Severance from Employment is included in Considered Compensation, and that certain other forms of compensation are excluded from Considered Compensation by substituting the following for the existing Section 2.13:

“2.13

CONSIDERED COMPENSATION

Considered Compensation means a Participant’s:

- (a) base salary; or
- (b) in the case of any hourly-paid Eligible Employee, the amount of any base wages;

including any shift differentials or overtime which is paid by the Employer to the Eligible Employee for services performed while he or she is an Eligible Employee during the course of a Plan Year and pay in lieu of notice in the event of a Severance from Employment. By way of example, and not by way of limitation, Considered Compensation does not include bonuses, incentive compensation, lump sum merit increases, severance pay, lump sum cash out of unused vacation, whether due to Severance from Employment or otherwise, or other special circumstances.

Effective as of January 1, 2008, Compensation that is included in Considered Compensation which is received after an Employee's Severance from Employment with the Employer, but prior to the last day of the Limitation Year in which the Severance from Employment occurs (or if later, the date that is two and one-half months following the date of the Employee's Severance from Employment), is includible to the extent allowable under IRS Regulation 1.415(c)-2(e)(3).

Considered Compensation shall only include salary or wages earned under Contract Number DE-AC52-06NA25396 between LANS and the Department of Energy/National Nuclear Security Administration related to the operation of the Los Alamos National Laboratory and shall be determined before reducing such salary or wages by elections pursuant to Code section 125, 132(f)(4), 402(e)(3), 402(h)(1)(B), 402(k) or 457(b). Amounts under Code section 125 include any amounts not available to a Participant in cash in lieu of group health coverage because the participant is unable to certify that he or she has other health coverage. Such an amount will be treated as an amount under Code section 125 only if the Employer does not request or collect information regarding the Participant's other health coverage as part of the enrollment process for the health plan.

Except as provided by law, compensation for a Plan Year to an Eligible Employee shall be excluded to the extent that it exceeds the annual compensation limit (for that Plan Year or such other consecutive 12-month period over which compensation is otherwise determined under the Plan) as set forth in Code section 401(a)(17)(A), as adjusted for cost of living increases in accordance with Code section 401(a)(17)(B). Notwithstanding the foregoing, for the short Plan Year beginning June 1, 2006, the annual compensation limit is an amount equal to the otherwise applicable annual compensation limit multiplied by a fraction, the numerator of which is the number of months in the short Plan Year, and the denominator of which is twelve (12). ”

3.

Section 2.15 (definition of Eligible Employee) is hereby amended by substituting the following Section 2.15(b) for the existing provisions effective as of May 1, 2008:

- “(b) Notwithstanding Subsection (a), an individual described below shall not become an Eligible Employee, if the Employee is an:
 - (i) Employee who accepts employment with the Employer under the terms of Total Compensation Package 2 (TCP 2); or

- (ii) Employee classified by the Employer, in its sole discretion as a “Student Employee”, museum host or Laboratory Director Emeritus; or
- (iii) individual who is not classified by the Employer, in its sole discretion, as a common law employee of the Employer (including but not limited to an individual classified by the Employer as an independent contractor, a Leased Employee, an independent consultant or non-employee consultant); or
- (iv) individual who is classified by the Employer, in its sole discretion, as an employee of an entity other than the Employer; or
- (v) Employee whose employment is governed by the terms of a collective bargaining agreement, unless the Employer is a party to the agreement and the agreement provides for coverage of the Employee under this Plan; or
- (vi) For periods prior to May 1, 2008, an Employee (other than an Employee who accepts employment in the classification of Laboratory Associate or Retired Laboratory Fellow) who is scheduled to work not more than 832 hours in a 12-month period; provided that in the event the Employee earns 1,000 or more hours of service (as defined in DOL Regulation 2530.200b-2) in a Plan Year or during the Employee’s first 12 months of service for the Employer, such Employee shall be an Eligible Employee if he or she otherwise satisfies the requirements of this Section 2.15. For the avoidance of doubt, the Plan provision in this Section 2.15(vi) concerning a minimum number of hours of service requirement for certain Employees shall not be effective beginning May 1, 2008 and thereafter the exclusions from the definition of Eligible Employee shall be those described in Section 2.15(b)(i)-(v).

An individual described in clause (iii) or (iv) above shall not meet the definition of Eligible Employee, and will be ineligible to participate in the Plan, even if the classification is subsequently determined to be erroneous or is retroactively revised. For example, for purposes of the preceding sentence, an individual will be treated as “not classified as an Eligible Employee” for any period if the payments to that individual by the Employer for services are not initially treated by the Employer as subject to the federal tax withholding and tax reporting obligations that apply to payments of “wages” to employees under Code section 3121(d).”

4.

The Plan is hereby amended by deleting Subsection 2.15(c) effective as of May 1, 2008.

5.

Article 2 is hereby amended by adding a new Section 2.41 (definition of “Student Employee”) and redesignating the subsequent Sections. Section 2.41 reads as follows:

“2.41

STUDENT EMPLOYEE

Student Employee means an Employee who has not completed a bachelor's degree or equivalent at an accredited college or university and who is classified by the Employer as a student employee in the Employer's human resource information system or any of the payroll categories used to designate student status. For the avoidance of doubt, Employees who are graduate research assistants or are enrolled in a post-bachelor's degree program while performing services for the Employer shall not be considered Student Employees.”

6.

Section 8.02 is hereby amended effective as of July 1, 2008 by the addition of the following:

“(d) Effective as of July 1, 2008 “\$5,000” shall be substituted for “\$2,000”.”

7.

Except as herein amended, the Plan shall remain in full force and effect.

IN WITNESS WHEREOF, the Company has caused this Amendment No. 2 to be executed by its duly authorized officer this ____ day of _____, 2008.

LOS ALAMOS NATIONAL SECURITY, LLC

By: _____

Title: _____