

Municipal Retirement Trust

MASTER PLAN AND TRUST

CHAPTER IV

MONEY PURCHASE PENSION PLAN

Amended October 13, 2017

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CHAPTER IV
MONEY PURCHASE PENSION PLAN

ARTICLE I

DEFINITIONS

The specific definitions and terms set forth in this Article I are exclusively applicable to this Chapter IV of the Master Plan and Trust in addition to any definitions set forth in Chapter I, which are applicable to each Chapter of the Master Plan and Trust.

- 1.01 "Accrued Benefit" or "Account" shall mean the fair market value of a Participant's individual account.
- 1.02 "Authorized Leave of Absence" shall mean any leave of absence that is expressly authorized and granted by the Employer for reasons including, but not limited to, accident, sickness, pregnancy or temporary disability, education, training, jury duty or such other reasons as may necessitate authorized leave from active employment.
- 1.03 "Board" shall mean the governing body of the Employer as specified in **Part I-1** of the Joinder Agreement.
- 1.04 "Break in Service" shall mean the date, which is the earlier of the following dates:
- (1) the date when an Employee ceases to be employed by the Employer for any reason, including but not limited to quit, discharge, retirement or death, or
 - (2) the date when an Employee ceases making any contributions required as a condition of participation hereunder, provided however, that no Break in Service shall be deemed to occur in the case of an Authorized Leave of Absence as provided in Section 1.02 of Chapter IV of the Master Plan and Trust.

Notwithstanding the preceding, in the case of any Employee who becomes absent from service because such Employee has entered the military, naval or merchant marine service of the United States, who has re-employment rights under a law relating to such service and who is reemployed by the Employer within the requirements of such law, no Break in Service shall be deemed to have occurred on account of such absence.

- 1.05 "Chief Administrative Officer" shall mean the person designated by the Employer with the primary responsibility for the execution of the administrative affairs for the Plan.
- 1.06 "Compensation" shall include any differential wage payments under Section 3401(h) of the Code and otherwise have the meaning provided in subsections (a), (b) or (c) below, with the applicable subsection being specified in **Part I-2** of the Joinder Agreement. In any event, Compensation shall be limited on an annual basis to the amount specified for government plans pursuant to Code Section 401 (a) (17), as adjusted under Code Section 415(d). Compensation specified in the Joinder Agreement shall mean either:

- (a) Those items specified in Treas. Reg. §1.415(c)-2(b)(1) or (b)(2) and excludes all those items listed in Treas. Reg. §1.415(c)-2(c);
- (b) Wages within the meaning of Code section 3401(a) (for purposes of income tax withholding at the source), plus amounts that would be included in wages but for an election under Code section 125(a), 132(f)(4), 402(e)(3), 402(h)(1)(B), 401(k), or 457(b). However, any rules that limit the remuneration included in wages based on the nature or location of the employment or the services performed are disregarded for this purpose; or
- (c) Amounts that are Compensation under subsection (b) of this section 1.06, plus all other payments of Compensation to an Employee by the Employer (in the course of the Employer's trade or business) for which the Employer is required to furnish the Employee a written statement under Code sections 6041(d), 6051(a)(3), and 6052.

1.07 "Continuous Service" shall mean the period of an Employee's unbroken service with the Employer prior to retirement and shall represent the period or periods beginning with the Employee's date of employment (or re-employment date) and ending with the date when said Employee incurs a Break in Service. Continuous Service shall include such other periods of employment, if any, as are specified in **Part I-3** of the Joinder Agreement. Continuous Service shall exclude periods of employment prior to the original Effective Date of the Plan if specified in **Part I-3** of the Joinder Agreement.

Continuous Service shall also include any period of qualified military service as determined under the requirements of Chapter 43 of Title 38, United States Code, provided that the Participant returns to employment following such period of qualified military service, and the Participant makes payment to the Plan in an amount equal to the Participant contributions, if required, that would otherwise have been paid to the Plan during such period of qualified military service for pension benefits derived from Participant contributions. The amount of Participant contributions shall be based upon an estimate of the Compensation that would have been paid to the Participant during such period of qualified military service as determined by the average Compensation paid to the Participant during the twelve (12) months immediately preceding the period of qualified military service. The amount of Participant contributions calculated must be paid into the Plan before the end of the period that begins on the date of re-employment and ends on the earlier of the date that ends the period that has a duration of three (3) times the period of qualified military service or the date that is five (5) years after the date of re-employment.

1.08 "Effective Date" shall mean the date upon which the provisions of this agreement become effective, as specified in **Part I-4** of the Joinder Agreement.

1.09 "Employee" shall mean any person who is regularly employed by the Employer, excluding, however, any other class of employees excluded from participation hereunder in **Part I-5** of the Joinder Agreement.

1.10 "Employer" shall mean the employer adopting this Plan, as named in **Part I-6** of the Joinder Agreement.

1.11 "Entry Date" shall mean the date(s) when an Employee who has satisfied the eligibility requirements of section 2.01 of Chapter IV of the Master Plan and Trust can commence participation in the Plan and shall be specified in **Part I-7** of the Joinder Agreement.

- 1.12 "Investment Fund" shall mean the fund which is part of the Trust Fund and which consists of all monies, which are not applied under Contracts, established for the purpose of providing retirement benefits for Participants in accordance with Article IV of Chapter IV of the Master Plan and Trust.
- 1.13 "Joinder Agreement" shall mean the document adopted by the Employer, which sets forth specific definitions, benefits or provisions as elected by the Employer and which, together with the Master Plan and Trust, constitutes the participating Plan.
- 1.14 "Normal Retirement Age" or "Normal Retirement Date" shall mean the date when a Participant satisfies the age and/or service requirements set forth in **Part I-8** of the Joinder Agreement.
- 1.15 "Participant" shall mean an Employee who has met the eligibility requirements to participate in the Plan as provided in Section 2.01 of Chapter IV of the Master Plan and Trust, and who has not for any reason ceased to be a Participant hereunder.
- 1.16 "Plan" shall mean the terms as set forth herein, together with the terms contained in either the (i) Joinder Agreement adopted by the Employer; or (ii) the pension ordinance and/or resolution adopted by the Employer. The name of the Plan shall be specified in **Part I-9** of the Joinder Agreement or in the pension ordinance and/or resolution.
- 1.17 "Plan Administrator" shall mean the committee appointed by the Employer for the purpose of supervising and administering the provisions of the Plan. In the event the Employer does not appoint a Plan Administrator, the Plan Administrator shall be the governing body of the Employer.
- 1.18 "Plan Year" shall mean the calendar year or such other twelve-month (12) period as may be specified in **Part I-10** of the Joinder Agreement.
- 1.19 "Service" shall mean employment as an Employee with the Employer (except as otherwise expressly provided herein).
- 1.20 "Valuation Date" shall mean the annual valuation date, which shall occur on the last day of the Plan Year, and each interim valuation date upon which the assets of the Plan are valued, as selected by the Plan Administrator or the Trustee.
- 1.21 "Year of Continuous Service" shall mean twelve (12) completed months of Continuous Service; fractional years shall be credited on the basis that one month shall equal one-twelfth (1/12) of a year, with partial months rounded to the nearest month. For purposes of aggregating discrete periods of Continuous Service twelve (12) months shall be considered one year. Any fractional year which remains after the aggregation of such periods of service shall be disregarded.

ARTICLE II

ELIGIBILITY AND PARTICIPATION

- 2.01 Eligibility Requirements - Each Employee shall become a Participant in this Plan on the Entry Date which coincides with or immediately follows the date when such Employee satisfies the eligibility requirements specified in **Part II-1** of the Joinder Agreement.
- 2.02 Enrollment - The Employer shall notify each Employee eligible to participate hereunder in sufficient time for the Employee to authorize any mandatory contributions, which may be required as a condition of participation hereunder.
- 2.03 Re-Employment - Upon the re-employment of any person who had previously been employed by the Employer and who has incurred a Break in Service, the rules specified in **Part II-2** of the Joinder Agreement shall apply in determining such person's participation in the Plan.
- 2.04 Change in Status - In the event a Participant who remains in the service of the Employer ceases to be an Employee eligible for participation hereunder, as provided in Sections 1.15 and Section 2.01 of Chapter IV of the Master Plan and Trust, or who ceases or fails to make any contributions which may be required as a condition of participation hereunder, no further contributions by the Employer for the Participant shall be made until the Participant again qualifies under such participation requirements, but the Participant's Account shall continue to share in the earnings and losses of the Investment Fund until either the resumption of such Participant's active participation or until the Participant incurs a Break in Service.
- 2.05 Leave of Absence - During any leave of absence that is not an Authorized Leave of Absence a Participant shall be deemed an inactive Participant and shall not be given credit for Years of Continuous Service for vesting, nor shall any additional Employer contributions be credited to the Participant's Account, but such Account shall continue to share in the gains and losses of the Investment Fund as provided in Article V herein. If the Participant is not re-employed by the expiration of such leave of absence, the Participant's termination of employment shall be deemed to have occurred on the date on which such Participant's leave of absence commenced.
- 2.06 Recordkeeping - The Employer shall furnish the Plan Administrator with such information as will aid the Plan Administrator in the administration of this Plan. Such information shall include all pertinent data on Employees for purposes of determining their eligibility to participate in this Plan initially and subsequently.

ARTICLE III

CONTRIBUTIONS AND ALLOCATIONS

- 3.01 Employer Contributions - For each Plan Year, the Employer shall make a contribution or contributions to the Trust Fund in the amount specified in **Part III-1** of the Joinder Agreement, which contribution shall be reduced, however, by any amounts forfeited pursuant to Section 8.06 of Chapter IV of the Master Plan and Trust.
- 3.02 Mandatory Employee Contributions - If employee contributions are required as a condition of participation hereunder in **Part III-2(A)** of the Joinder Agreement, each Participant shall be required to file a written designation authorizing Employee contributions in the amount specified in **Part III-2(A)** of the Joinder Agreement, which contribution shall be collected by means of monthly payroll deductions. Notwithstanding any other provisions of the Plan, a Participant shall at all times be one hundred percent (100%) vested in the fair market value of such Participant's mandatory Employee contributions. If specified in the Joinder Agreement, Participant contributions shall be picked up by the Employer and treated as Employer contributions pursuant to Code section 414(h)(2).
- 3.03 Voluntary Employee Contributions - Each Participant shall be permitted to make voluntary contributions in accordance with this section if the Employer so elects under **Part III-2(B)** of the Joinder Agreement.

Section 415(c) Limit. Notwithstanding any other provision in this Plan, Participant contributions or other Annual Additions (within the meaning of Code section 415(c)(2)) with respect to a Participant shall not exceed the lesser of \$40,000 (as adjusted pursuant to Code section 415(d)) or 100 percent of the Participant's Compensation for the respective Plan year.

- (a) Amount of Voluntary Contributions - A Participant may voluntarily contribute to the Plan an amount not in excess of ten percent (10%) of such Participant's aggregate Compensation since becoming a Participant, less any amount the Participant has contributed since becoming a Participant in this Plan or under any other qualified Plan maintained by the Employer. All contributions by Participants shall be paid to or withheld by the Employer, which shall transmit said contributions to the Trustees. All contributions by Participants shall be credited as of the date received by the Trustees.
- (b) Separate Accounting - Any portion of a Participant's Account, which is attributable to such Participant's voluntary contributions shall be accounted for separately from any portion of said Account which is attributable to Employer contributions.
- (c) Withdrawal - A Participant may elect to withdraw part or all of any amount in the Participant's Account which is attributable to said Participant's voluntary contributions prior to the date when said Participant would otherwise become eligible to receive a distribution under the Plan equal to the lesser of: (i) the then value of said portion of the Participant's Account; or (ii) any amount not in excess of such Participant's total contributions less the aggregate of such Participant's previous withdrawals made under this section. Distributions of such withdrawals may be

made in cash or property, or partly in each, provided that property shall be distributed at its fair market value as determined by the Trustee.

- (d) Distribution of Employee Contributions - Upon reaching a date when a Participant is entitled to receive a distribution, a Participant shall be entitled to receive the portion of such Participant's Accrued Benefit which is attributable to the Participant's voluntary contributions in a single lump sum, provided the Participant so elects (by a written Election filed with the Plan Administrator). In the absence of such an Election, said benefits shall be payable in the same manner (and, in the event of the Participant's death, to the same Beneficiary or Beneficiaries) as is the remainder of the Participant's Accrued Benefit, except as shall otherwise be determined by the Employer.
- (e) Vesting - Notwithstanding any other provision of this Plan, a Participant's voluntary contributions shall be one hundred percent (100%) vested at all times, and the fair market value of such contributions, together with any net gains or losses arising from interest earnings or capital appreciation or loss, shall be distributed to the Participant or Beneficiaries of the Participant as of the date coincident with the time this Plan otherwise provides for distribution of benefits to Participants or their Beneficiaries.
- (f) Amendments - No amendment shall affect any Employee's rights in regard to voluntary contributions made by the Employee, nor shall such rights be subject to forfeiture.

3.04 Limitations on Contributions - Notwithstanding anything contained herein to the contrary, the Annual Addition to a Participant's Account for any limitation year shall not exceed the lesser of the dollar amount pursuant to Code section 415(c) (1) (A) for a Plan Year or the percentage of the Participant's Compensation determined pursuant to Code Section 415(c) (1) (B) for the Plan Year, subject to the following:

- (a) "Annual Addition" shall mean, for purposes of this Section 3.04 of Chapter IV of the Master Plan and Trust, the sum of Employer contributions, Employee contributions and forfeitures.
- (b) For purposes of applying the limitations of this Section 3.04 of Chapter IV of the Master Plan and Trust, all defined contribution plans of the Employer shall be treated as one defined contribution plan, and all defined benefit plans of the Employer shall be treated as one defined benefit plan.
- (c) For limitation years beginning before January 1, 2000, if the Participant is at any time a Participant in both a defined contribution plan and a defined benefit plan maintained by the Employer, the sum of the defined benefit plan fraction and the defined contribution plan fraction shall not exceed one (1.0).
 - (1) The defined benefit plan fraction for a Plan Year shall be a fraction the numerator of which is the projected annual benefit of the Participant as of the close of the year, and the denominator of which is the lesser of 1.25 times the amount under Code Section 415(b)(1)(A) as adjusted pursuant to Code Section 415(d), or 1.4 times the amount determined under Code Section

415(b)(1)(B) with respect to the Participant's Compensation for the applicable Plan Year.

- (2) The defined contribution plan fraction for a Plan Year shall be a fraction the numerator of which is the sum of the Annual Additions to the Participant's Account as of the close of the year, and the denominator of which is the sum of the lesser of the amounts determined for each year of service with the Employer which shall be 1.25 times the amount determined pursuant to Code Section 415(c)(1)(A) for each year, or 1.4 times twenty-five percent (25%) of the Participant's Compensation for each year.
- (d) For limitation years beginning after December 31, 1999, the 1.0 rule contained in subsection (c) shall no longer apply to this Section 3.04 of Chapter IV of the Master Plan and Trust.
- (e) If the limitations contained in this Section 3.04 are exceeded for a Plan Year, beginning before July 1, 2007 and where excess Annual Additions may result from contributions based on estimated annual Compensation, the allocation of forfeitures or a reasonable error in determining the amount of elective deferrals under Code section 402(g)(3), then the Annual Addition for such year under this Plan shall be reduced first by limiting or refunding Employee contributions together with earnings thereon, then by limiting or refunding Employee contributions to any other plan maintained by the Employer, then by allocating excess Employer contributions to a suspense account and treated as forfeitures pursuant to Section 3.07 of Chapter IV of the Master Plan and Trust.
- (f) If the Employer is or becomes a member of a Controlled Group (as defined in Code Section 414), such group of employers shall be treated as a single employer in the application of the provisions of this section.
- (g) Compensation for purposes of applying the limitations in this section shall be specified in the Joinder Agreement and shall be as defined in either Treas. Reg. §1.415(c)-2(d)(2), §1.415(c)-2 (d)(3) or §1.415(c)-2 (d)(4). For purposes of the above limitations, the "limitation year" shall be the same as the Plan Year, unless such period is otherwise defined in a written resolution adopted by the Employer.

3.05 Non-Reversion of Employer Contributions

- (a) It is the intention of the Employer that contributions made to the Plan shall never inure to the benefit of the Employer and are made for the sole purpose of providing benefits to the Participants and their Beneficiaries and to defray the reasonable expenses of administering the Plan. Except as provided in Chapter I of the Master Plan and Trust and subsection (b) of this section 3.05 of Chapter IV of the Master Plan and Trust, no funds contributed to the Plan by the Employer shall ever revert to or be used or enjoyed by the Employer.
- (b) Contributions made by the Employer to the Plan by reason of a mistake in fact may be returned to the Employer within one year after the payment of the contribution. Any amount returned to the Employer by reason of this subsection (b) shall not include any earnings attributable to the excess contribution and shall be reduced by any losses attributable thereto.

3.06 Rollovers From Qualified Plans

- (a) With the consent of the Plan Administrator, amounts may be transferred from other qualified plans, provided that the trust from which such funds are transferred permits the transfer to be made and, in the opinion of legal counsel for the Trust, the transfer will not jeopardize the tax-exempt status of the Plan or Trust or create adverse tax consequences for the Employer. The amounts transferred shall be set up in a separate account herein referred to as a "Participant's Rollover Account." Such Account shall be fully vested at all times and shall not be subject to forfeiture for any reason.
- (b) Amounts in a Participant's Rollover Account shall be held by the Trustee pursuant to the provisions of this Plan, and such amounts shall not be subject to forfeiture for any reason and may not be withdrawn by or distributed to the Participant, in whole or in part, except as provided in Paragraph (c) of this section.
- (c) At Normal Retirement Date, or such other date when the Participant or Beneficiary shall be entitled to receive benefits, the fair market value of the Participant's Rollover Account shall be used to provide additional benefits to the Participant in the form selected under Article VII of Chapter IV of the Master Plan and Trust.
- (d) The Participant's Rollover Account shall be invested as part of the general Investment Fund and shall share in any income earned thereon, any investment gains and losses attributable thereto, less any expenses, pursuant to the terms of this Plan.
- (e) For purposes of this section the term "amounts transferred from another qualified plan" shall mean: (i) amounts transferred to this Plan directly from another qualified plan; (ii) lump sum distributions received by any Employee from another qualified plan which are eligible for tax-free rollover treatment and which are transferred by the Employee to this Plan within sixty (60) days following receipt thereof; (iii) amounts transferred to this Plan from a conduit individual retirement account provided that the conduit individual retirement account has no assets other than assets which were previously distributed to the Employee by another qualified plan as a lump sum distribution which were eligible for tax-free rollover treatment and which were deposited by such conduit individual retirement account within sixty (60) days of receipt thereof; (iv) amounts distributed to the Employee from a conduit individual retirement account meeting the requirement of clause (iii) above and transferred by the Employee to this Plan within sixty (60) days of receipt thereof from such conduit individual retirement account; and (v) amounts transferred to this Plan from 403 (b) and 457 plans.

Prior to accepting any transfers to which this section applies, the Plan Administrator may require the Employee to establish that the amounts to be transferred to this Plan meet the requirements of this section 3.06 of Chapter IV of the Master Plan and Trust and may also require the Employee to provide an opinion of counsel satisfactory to the Employer that the amounts to be transferred meet the requirements of this Section 3.06 of Chapter IV of the Master Plan and Trust.

- 3.07 Forfeitures - Any forfeitures arising from the operation of section 8.06 of Chapter IV of the Master Plan and Trust shall be considered a credit to the Employer and may be used as specified in **Part VIII-2** of the Joinder Agreement.

ARTICLE IV

ALLOCATION AND INVESTMENT OF CONTRIBUTIONS

- 4.01 Separate Accounting - The Plan Administrator shall establish and maintain a separate Account for each Participant. The Participant shall be informed of the total value of said Account at least once a year. The Participant's Account shall consist of the following sub-accounts, if applicable:
- (a) an Employer Contribution Account, to which shall be credited contributions made by the Employer, and any earnings attributable thereto;
 - (b) an Employee Contribution Account, to which shall be credited contributions made by Employees, and any earnings attributable thereto; and
 - (c) a Rollover Account, to which shall be credited any rollover contributions made on behalf of any Participant pursuant to Section 3.06 of Chapter IV of the Master Plan and Trust, and any earnings attributable thereto.
- 4.02 Allocation of Contributions - Each Participant's contributions shall be credited to the Participant's individual Account hereunder. In addition, the contributions of the Employer with respect to any Plan Year shall be allocated to the Accounts of "Eligible Participants" as such term is defined in **Part IV-I** of the Joinder Agreement. Any contribution made in respect of any Plan Year by the Employer shall be deemed to have been made as of the Valuation Date occurring at the end of the Plan Year with respect to which such contribution was made.
- 4.03 Investment of Contributions - The Trustee shall receive, hold, invest and reinvest all contributions and assets of the Investment Fund. The purchase of Contract(s) shall be considered a form of investment by the Investment Fund only if purchased in the name of the Trustee or if transferred or assigned to the Trustee to be held as a part of the assets of the Plan. Investments in any other form of property such as securities, real estate mortgages, or notes shall be limited to property of a character which is consistent with Section 503 of the Internal Revenue Code as it applies to investments under qualified plans. Such investments shall be made from contributions and monies directed to the Investment Fund.
- 4.04 Investment Fund - Any contribution by the Employer not invested under Contracts shall be deemed to be in the Investment Fund. Such contributions and monies in this Fund shall be used for the purpose of providing benefits for Participants and Beneficiaries according to the terms of the Plan.

ARTICLE V

VALUATION OF ASSETS

- 5.01 Maintenance of Individual Accounts - An individual Account may be maintained on behalf of each Participant and shall be credited or debited (as the case may be) with the allocable share of such Participant in the Investment Fund as the Employer so elects under **Part V-I** of the Joinder Agreement.
- 5.02 Valuation of Investment Fund - The Plan Administrator, together with the Trustee, shall determine as of each Valuation Date the net value of the Investment Fund and the amount of net income or net loss. In determining such value, the Plan Administrator shall value such assets at their fair market value as of the close of business on each Valuation Date and the appreciation or depreciation in the value of the Investment Fund since the prior Valuation Date plus any net income (exclusive of contributions and forfeitures) or net loss and expenses incurred.
- 5.03 Crediting of Investment Results - As of any Valuation Date, the earnings and accretions of the Investment Fund attributable to investment of fund assets, reduced by losses experienced (whether or not realized) and expenses incurred since the preceding Valuation Date shall be credited or debited to the Accounts of the Participants and Beneficiaries who had unpaid balances in their Accounts as of such Valuation Date in proportion to the balances in such Accounts as of the prior Valuation Date, after reducing such prior Valuation Date balances by the amounts withdrawn by or distributed to the Participant or Beneficiary since such Valuation Date, if any.
- 5.04 Crediting of Contributions and Forfeitures - As of each Valuation Date, after such crediting of the valuation results to each Account, contributions shall be allocated to each Account pursuant to Section 4.02 of Chapter IV of the Master Plan and Trust. Any forfeitures that arise in a given Plan Year shall be used pursuant to the provisions of Section 8.06 of Chapter IV of the Master Plan and Trust.
- 5.05 Communication to Participants - The total value of a Participant's Account shall be determined as of each Plan Year end; provided, however, that neither the maintenance of Accounts nor the allocations of contributions to Accounts shall operate to vest in any Participant any right or interest in or to any assets of the Trust except as the Plan specifically provides.

ARTICLE VI

BENEFITS

- 6.01 Normal Retirement - Each Participant who shall retire at Normal Retirement Date shall be fully vested and shall have a non-forfeitable right to the value of such Participant's Account. At the direction of the Plan Administrator, the Trustee shall then distribute the value of the Participant's Account in accordance with Article VII hereof.
- 6.02 Late Retirement - If a Participant continues in active employment following the Normal Retirement Date, such Participant shall continue to participate under this Master Plan and Trust. In the event of such participation, the Participant shall continue to be eligible to share in the allocation of Employer contributions until actual retirement, provided the Participant meets the requirements of Section 4.02 of Chapter IV of the Master Plan and Trust. Such Participant's Late Retirement benefit shall then be valued and distributed in accordance with the provisions of Article VII hereof.
- 6.03 Early Retirement - If the Employer elects to provide an early retirement benefit in **Part VI-1** of the Joinder Agreement, such benefit shall be provided in accordance with the terms and provisions of this section. If a Participant retires on an Early Retirement Date (as defined in **Part VI-1(B)** of the Joinder Agreement), such Participant's Account shall be fully vested and the Participant shall have a non-forfeitable right to the value of said Account.
- 6.04 Disability - If the Employer elects to provide a Disability benefit under **Part VI-2(A)** of the Joinder Agreement, such benefit shall be provided in accordance with the terms and provisions of this section. If a physician selected by the Plan Administrator certifies to the Employer that a Participant has incurred a Total and Permanent Disability, as defined in **Part VI-2(B)** of the Joinder Agreement, such Participant's Account shall become fully vested and said Participant shall be deemed to have retired on the date of termination of employment due to such disability or such later date as elected by the Participant. Disability retirement benefits shall then be valued and distributed in accordance with Article VII hereof. Provided, however, that no Participant shall be deemed to be eligible for disability benefits hereunder if such Participant's incapacity results from an intentionally self-inflicted injury, or if such disability is incurred due to service in the armed services of any country.
- 6.05 Death - If the Employer elects to provide a death benefit in **Part VI-3** of the Joinder Agreement, such benefit shall be provided in accordance with the terms and provisions of this section. If a Participant shall die prior to the commencement of any benefit otherwise provided under this Article, the Participant's Account shall become fully vested and the Trustee shall then distribute the value of the death benefit to the Beneficiary of the Participant in accordance with the provisions of Article VII.

Notwithstanding the preceding, if an Employer elects not to provide a death benefit under **Part VI-3** of the Joinder Agreement, any amount credited to a Participant's Account which is attributable to Employee contributions (whether mandatory, voluntary, or rollover contributions) shall be refunded to the Participant's Beneficiary upon the Participant's death. Further provided, that any Participant who dies while actively employed by the Employer on or after the date when such Participant could have retired on an Early or Normal Retirement Date due to satisfaction of the requirements set forth in Sections 6.01 and 6.03

hereof, shall be fully vested, and the value of the Participant's Account shall be payable to his Beneficiary.

- 6.06 Designation of Beneficiary – If the Plan provides for a death benefit, each Participant shall be given the opportunity to designate a Beneficiary in the original Election to participate. From time to time the Participant may file with the Employer a new or revised designation on such form as the Employer shall provide. In the absence of a designated Beneficiary, or in the case where a Beneficiary predeceases a Participant, the estate of the Participant shall be deemed to be the designated Beneficiary. The Plan Administrator may require such proper proof of death and such evidence of the right of any person to receive payment of the value of the Participant's Account as the Plan Administrator may deem desirable. The Plan Administrator's determination of the death benefit of a Participant and of the right of any person to receive such a distribution shall be conclusive and binding.

ARTICLE VII

PAYMENT OF BENEFITS

- 7.01 Payment of Benefits - Upon a Participant's entitlement to payment of retirement benefits under either Section 6.01, 6.02, 6.03 and 6.04 of Chapter IV of the Master Plan and Trust, the Participant shall file with the Employer a written Election on such form or forms and subject to such conditions as the Plan Administrator shall provide. The Election shall specify (1) whether the Participant wishes payment of benefits to be made as of such entitlement or to be deferred to the extent provided in Section 7.03 of Chapter IV of the Master Plan and Trust and (2) which of the methods provided below for payment of benefits such Participant would prefer.

Subject to the provisions of Section 6.06 of Chapter IV of the Master Plan and Trust, the Employer shall follow a Participant's Beneficiary designation in the case of a distribution on account of the Participant's death. Payments to a Participant's Beneficiary shall be made or commence as soon as practicable after a Participant's death, unless otherwise elected by the Beneficiary.

Unless a Participant elects earlier commencement of benefits, payment of benefits under this Plan shall be made or commence within sixty (60) days after the later of (a) the end of the Plan Year in which the Participant attains Normal Retirement Age, or (b) the end of the Plan Year in which such Participant's employment with the Employer terminates.

The Plan Administrator may direct the Trustee to distribute the amounts due from a Participant's Account in any one or more of the methods elected in **Part VII-I** of the Joinder Agreement.

- 7.02 Distribution Date and Amount - For purposes of determining the amount of a Participant's benefit distribution, such Participant's Account shall be valued as of the Valuation Date that coincides with or immediately precedes the date on which any of the following events occurs:

- (a) the Participant retires under the provisions of Sections 6.01, 6.02, 6.03 or 6.04 of Chapter IV of the Master Plan and Trust;
- (b) the Participant dies; or
- (c) the Participant terminates employment pursuant to the provisions of Section 8.01 of Chapter IV of the Master Plan and Trust.

In addition, the value of Participant's Account shall be credited with any Employer and/or Employee contributions pursuant to Section 4.02 made for the Plan Year following such Valuation Date in which termination of employment occurs, subject to the terms of the Plan.

In the event that the distribution of Participant's Account does not commence prior to any subsequent Valuation Date, the Participant's Account will share in the interest earnings or losses of the Investment Fund up to the Valuation Date, which immediately precedes payment.

7.03 Required Distributions

- (a) Notwithstanding any other provision of this Plan, the entire interest of each Participant under this Plan who becomes entitled to benefits prior to death shall be distributed either:
 - (1) not later than the Required Beginning Date, or
 - (2) over a period beginning not later than the Required Beginning Date and extending over the life of such Participant or over the lives of such Participant and a designated Beneficiary (or over a period not extending beyond the life expectancy of such Participant or the joint life expectancy of such Participant and a designated Beneficiary).

If a Participant who is entitled to benefits under this Plan dies prior to the date when the Participant's entire interest has been distributed to the Participant, but after distribution of the Participant's benefits has begun in accordance with paragraph (2) above, the remaining portion of such benefit shall be distributed at least as rapidly as under the method of distribution being used under paragraph (2) as of the date of such Participant's death.

- (b) If a Participant who is entitled to benefits under this Plan dies before distribution of benefits has begun, the entire interest of such Employee shall be distributed within five (5) years of the death of such Employee, unless the following sentence is applicable. If any portion of the Employee's interest is payable to (or for the benefit of) a designated Beneficiary, such portion shall be distributed over the life of such designated Beneficiary (or over a period not extending beyond the life expectancy of such Beneficiary), and such distributions begin not later than one (1) year after the date of the Employee's death or such later date as provided by regulations issued by the Secretary of the Treasury, then for purposes of the five-year rule set forth in the preceding sentence, the benefit payable to the Beneficiary shall be treated as distributed on the date on which such distributions begin. Provided, however, that notwithstanding the preceding sentence, if the designated Beneficiary is the surviving spouse of the Participant, then the date on which distributions are required to begin shall not be earlier than the date upon which the Employee would have attained age seventy and one-half (70 1/2) and further provided, if the surviving spouse dies before the distributions to such spouse begin, this subparagraph shall be applied as if the surviving spouse were the Employee.
- (c) For purposes of this section, the following definitions and procedures shall apply:
 - (1) "Required Beginning Date" shall mean April 1 of the calendar year following the later of the calendar year in which the Employee attains age seventy and one-half (70 1/2), or the calendar year in which the Employee retires.
 - (2) The phrase "designated Beneficiary" shall mean any individual designated by the Employee under this Plan according to its rules.
 - (3) Any amount paid to a child shall be treated as if it had been paid to the surviving spouse if such amount will become payable to the surviving spouse

upon such child's reaching majority (or other designated event permitted under regulations issued by the Secretary of the Treasury).

- (4) For purposes of this section, the life expectancy of an Employee and/or the Employee's spouse (other than in the case of a life annuity) may be re-determined but not more frequently than annually.

7.04 Direct Rollovers

- (a) This section applies to distributions made on or after December 31, 2001. Notwithstanding any provision of the Plan to the contrary that would otherwise limit a Distributee's Election under this section, a Distributee may elect, at the time and in the manner prescribed by the Plan Administrator, to have any portion of an Eligible Rollover Distribution that is equal to at least five hundred dollars (\$500) paid directly to an Eligible Retirement Plan specified by the Distributee in a Direct Rollover.
- (b) For purposes of this section 7.04 and section 8.04, the following definitions shall apply:
 - (1) "Eligible Rollover Distribution" is any distribution of all or any portion of the balance to the credit of the Distributee, except that an Eligible Rollover Distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Distributee or the joint lives (or joint life expectancies) of the Distributee and the Distributee's designated Beneficiary, or for a specified period of ten years or more; and any distribution to the extent such distribution is required under Code Section 401 (a)(9).

For purposes of the Direct Rollover provisions in this section of this Plan, a portion of a distribution shall not fail to be an Eligible Rollover Distribution merely because the portion consists of after-tax employee contributions that are not includible in gross income. However, such portion may be paid only to an individual retirement account described in section 408A(b) or section 408(a) or annuity described in Section 408(b) of the Code, or to a qualified defined contribution plan described in Section 401(a) or 403(a) of the Code that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

- (2) "Eligible Retirement Plan" is a qualified trust described in Code section 401(a), an individual retirement account described in Code Section 408A(b) or 408(a), an individual retirement annuity described in Code Section 408(b), an annuity plan described in Code Section 403(a), an annuity contract described in Code Section 403(b) or an eligible plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to accept such distribution and to separately account for amounts transferred into such plan from this Plan.

- (3) "Distributee" includes an Employee or former Employee. In addition, the Employee's or former Employee's surviving spouse and the Employee's or former Employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Code Section 414(p), are Distributees with regard to the interest of the spouse or former spouse. Effective for the Plan Year beginning in 2010, "Distributee" shall also include a non-spouse Beneficiary.
- (4) "Direct Rollover" is a direct trustee-to-trustee transfer by the Plan to the Eligible Retirement Plan so specified.

ARTICLE VIII

TERMINATION OF EMPLOYMENT AND VESTING

8.01 Vesting Upon Termination of Employment

- (a) In the event that any Participant shall incur a Break in Service prior to Normal Retirement Age at a time when the Participant is not entitled to any retirement, death or disability benefits under Article VI of this Plan, the Participant shall be entitled to receive a percentage of the balance of the amount in the Participant's Account attributable to Employer contributions determined by multiplying the amount in the Participant's Employer Contribution Account by the applicable vesting percentage determined on the vesting schedule elected in **Part VIII-I** of the Joinder Agreement.
- (b) A Participant shall be one hundred percent (100%) vested in the fair market value of the Participant's Employee Contribution Account and Rollover Contribution Account at all times under the Plan.
- (c) Any amounts not vested on the date on which a Participant incurs a Break-in-Service shall be forfeited subject to the provisions of Section 8.06 of Chapter IV of the Master Plan and Trust.

8.02 Vesting at Normal Retirement Age - Notwithstanding any other provision of this Plan, a Participant shall become one hundred percent (100%) vested in the Participant's Account upon attainment of Normal Retirement Age, or upon attainment of eligibility to retire on an Early Retirement Date, as provided under section 6.03 of Chapter IV of the Master Plan and Trust (if the Employer has elected to provide early retirement benefits under **Part VI-I** of the Joinder Agreement).

8.03 Amendment to Plan - Notwithstanding the preceding, a Participant's vested percentage as of the Effective Date shall in no case be less than it was on the day preceding the Effective Date.

8.04 Distribution of Vested Benefits - Distribution of a Participant's vested interest, as provided under section 7.01 of Chapter IV of the Master Plan and Trust, shall be determined as follows, subject, however, to the rules governing valuation of such benefit provided in section 7.02 of Chapter IV of the Master Plan and Trust:

- (a) In the absence of a directive from the Participant to pay a distribution directly to an Eligible Retirement Plan in a Direct Rollover or to receive the distribution directly, subject to subsection 8.04 (b) hereof, the Employer in its sole discretion, may distribute such benefit if a Participant's vested interest is less than or equal to five thousand dollars (\$5,000.00);
- (b) In the event of a mandatory distribution greater than one thousand dollars (\$1,000) in accordance with the provisions of this section, if the Participant does not elect to have such distribution paid directly to an Eligible Retirement Plan specified by the Participant in a Direct Rollover or to receive the distribution directly, then the Plan Administrator will pay the distribution in a Direct Rollover to an individual retirement plan designated by the Plan Administrator;

- (c) If the vested interest exceeds five thousand dollars (\$5,000.00), the Employer may, in its sole discretion, take steps necessary to defer payment to the Participant until the later of (i) the date when the Participant attains Normal Retirement Age, or the date upon which the Participant could have elected to receive an early retirement benefit (if any under section 6.03 of Chapter IV of the Master Plan and Trust), if the Participant had satisfied any service requirements under such section prior to the termination of employment; or (ii) the date when said Participant terminates employment with the Employer. Alternatively, the Employer may authorize payment on a date intervening between the Participant's date of termination and attainment of Normal Retirement Age; provided, however, that this provision shall be administered on the basis of uniform and non-discriminatory rules with respect to all Participants. If a Participant's benefit is deferred hereunder, the Employer may elect to purchase a deferred annuity Contract with such amount; or
- (d) In the event of the death of a vested terminated Participant prior to the benefit deferral date, the then value of the terminated Participant's Account (or Contract, as the case may be) shall be payable to the Participant's Beneficiary.

8.05 Leave of Absence - If a Participant shall not return to the employment of the Employer within the specified period of Authorized Leave of Absence, the Participant shall be deemed to have terminated employment as of the date the leave of absence commenced for purposes of determining the Participant's vested interest under the provisions of Section 8.01 of Chapter IV of the Master Plan and Trust. Notwithstanding any contrary provision in this Plan, effective January 1, 2007, the Beneficiary of a Participant on a leave of absence to perform military service with re-employment rights described in Code Section 414(u), where the Participant cannot return to employment on account of his or her death, shall be entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) that would be provided under the Plan had the Participant died as an active Employee, in accordance with Code Section 401(a)(37).

8.06 Forfeitures - Any values attributable to Employer contributions in excess of the terminated Participant's vested interest shall be forfeited, and the aggregate of such forfeitures occurring in any Plan Year shall be used as elected by the Employer in **Part VIII-2** of the Joinder Agreement.

ARTICLE IX

ADMINISTRATION

- 9.01 Plan Administrator - The Plan Administrator shall have the power and authority to do all acts and to execute, acknowledge and deliver all instruments necessary to implement and effectuate the purpose of this Plan. The Plan Administrator may delegate authority to act on its behalf to any persons it deems appropriate. If a Plan Administrator is not appointed, the Board, as the governing body of the Employer, shall be the Plan Administrator.
- 9.02 Authority and Duties of the Plan Administrator - The Plan Administrator shall have full power and authority to do whatever shall, in its judgment, be reasonably necessary for the proper administration and operation of the Plan. The interpretation or construction placed upon any term or provision of the Plan by the Plan Administrator or any action of the Plan Administrator taken in good faith shall, upon the Board's review and approval thereof, be final and conclusive upon all parties hereto, whether Employees, Participants or other persons concerned. By way of specification and not limitation and except as specifically limited hereafter, the Plan Administrator is authorized:
- (a) to construe its Plan;
 - (b) to determine all questions affecting the eligibility of any Employee to participate herein;
 - (c) to compute the amount and source of any benefit payable hereunder to any Participant or Beneficiary;
 - (d) to authorize any and all disbursements;
 - (e) to prescribe any procedure to be followed by any Participant or other person in filing any application or Election;
 - (f) to prepare and distribute, in such manner as may be required by law or as the Plan Administrator deems appropriate, information explaining the Plan;
 - (g) to require from the Employer or any Participant such information as shall be necessary for the proper administration of the Plan; and
 - (h) to appoint and retain any individual to assist in the administration of the Plan, including such legal, clerical, accounting and actuarial services as may be required by any applicable law or laws.

The Plan Administrator shall have no power to add to, subtract from or modify the terms of the Plan or change or add to any benefits provided by the Plan, or to waive or fail to apply any requirements of eligibility for benefits under the Plan. Further, the Plan Administrator shall have no power to adopt, amend, or terminate the Plan, to select or appoint any Trustee or to determine or require any contributions to the Plan, said powers being exclusively reserved to the Board.

- 9.03 Plan Administrator Costs - The Plan Administrator shall serve without compensation for services unless otherwise agreed by the Board in writing. All reasonable expenses incident to the functioning of the Plan Administrator, including, but not limited to, fees of accountants, counsel, actuaries and other specialists, and other costs of administering the Plan, may be paid from the Plan upon approval by the Board to the extent permitted under applicable law and not otherwise paid by the Employer.
- 9.04 Hold Harmless - No member of the Board, the Plan Administrator, the Enrolled Actuary, nor any other person involved in the administration of the Plan shall be liable to any person on account of any act or failure to act which is taken or omitted to be taken in good faith in performing their respective duties under the terms of this Plan. To the extent permitted by law, the Employer shall, and hereby does agree to, indemnify-and hold harmless the Plan Administrator and each successor and each of any such individual's heirs, executors and administrators, and the delegates and appointees (other than any person, bank, firm or corporation which is independent of the Employer and which renders services to the Plan for a fee) from any and all liability and expenses, including counsel fees, reasonably incurred in any action, suit or proceeding to which such individual is or may be made a party by reason of being or having been a member, delegate or appointee of the Plan Administrator, except in matters involving criminal liability, intentional or willful misconduct. If the Employer purchases insurance to cover claims of a nature described above, then there shall be no right of indemnification except to the extent of any deductible amount under the insurance coverage or to the extent of the amount the claims exceed the insured amount.
- 9.05 Approval of Benefits - The Plan Administrator shall review and approve or deny any application for retirement benefits within thirty (30) days following receipt thereof or within such longer time as may be necessary under the circumstances. Any denial of an application for retirement benefits shall be in writing and shall specify the reason for such denial.
- 9.06 Appeal Procedure - Any person whose application for retirement benefits is denied, who questions the amount of benefit paid, who believes a benefit should have commenced which did not so commence or who has some other claim arising under the Plan ("Claimant"), shall first seek a resolution of such claim under the procedure hereinafter set forth.
- (a) Any Claimant shall file a Notice of the claim with the Plan Administrator. Such Notice shall fully describe the nature of the claim. The Plan Administrator shall review the claim and make an initial determination approving or denying the claim.
- (b) If the claim is denied in whole or in part, the Plan Administrator shall, within ninety (90) days (or such other period as may be established by applicable law) from the time the application is received, mail Notice of such denial to the Claimant. Such ninety (90) day period may be extended by the Plan Administrator if special circumstances so require for up to ninety (90) additional days by the Plan Administrator's delivering Notice of such extension to the Claimant within the first ninety (90) day period. Any Notice hereunder shall be written in a manner calculated to be understood by the Claimant and, if a Notice of denial, shall set forth (i) the specific Plan provisions on which the denial is based, (ii) an explanation of additional material or information, if any, necessary to perfect such claim and a statement of why such material or information is necessary, and (iii) an explanation of the review procedure.

- (c) Upon receipt of Notice denying the claim, the Claimant shall have the right to request a full and fair review by the Board of the initial determination. Such request for review must be made by Notice to the Board within sixty (60) days of receipt of such Notice of denial. During such review, the Claimant or a duly authorized representative shall have the right to review any pertinent documents and to submit any issues or comments in writing. The Board shall, within sixty (60) days after receipt of the Notice requesting such review, (or in special circumstances, such as where the Board in its sole discretion holds a hearing, within one hundred twenty (120) days of receipt of such Notice), submit its decision in writing to the person or persons whose claim has been denied. The decision shall be final, conclusive and binding on all parties, shall be written in a manner calculated to be understood by the Claimant and shall contain specific references to the pertinent Plan provisions on which the decision is based.
- (d) Any Notice of a claim questioning the amount of a benefit in pay status shall be filed within ninety (90) days following the date of the first payment which would be adjusted if the claim is granted unless the Plan Administrator allows a later filing for good cause shown.
- (e) A Claimant who does not submit a Notice of a claim or a Notice requesting a review of a denial of a claim within the time limitations specified above shall be deemed to have waived such claim or right to review.
- (f) Nothing contained herein is intended to abridge any right of a Claimant to appeal any final decision hereunder to a court of competent jurisdiction under 2 Pa. C.S.A. Section 752. No decision hereunder is a final decision from which such an appeal may be taken until the entire appeal procedure of this section 9.06 of Chapter IV of the Master Plan and Trust has been exhausted.

ARTICLE X

THE TRUST FUND

- 10.01 Operation of the Trust and Investment Funds - The Trust Fund shall be held, managed, and administered pursuant to the terms of Article III Chapter I of the Master Plan and Trust, subject to the provisions of the laws of the Commonwealth.

The Plan's Investment Fund, held within the Trust Fund, shall be used to pay benefits as provided in this Plan and, to the extent not paid directly by the Employer, to pay the expenses of administering the Plan pursuant to authorization by the Employer.

The Employer intends the Plan to be permanent and for the exclusive benefit of its Employees. It expects to make the contributions to the Investment Fund required under the Plan. The Employer shall not be liable in any manner for any insufficiency in the Investment Fund or the Trust Fund; benefits are payable only from the Investment Fund, and only to the extent that there are monies available therein. The Investment Fund will consist of all funds held by the Employer under the Plan, including contributions made pursuant to the provisions hereof and the investments, reinvestments and proceeds thereof. The Trust Fund shall be held, managed, and administered pursuant to the terms of the Master Plan and Trust.

- 10.02 Powers and Duties of the Employer - With respect to the Investment Fund, the Employer shall have the following powers, rights and duties in addition to those vested in it elsewhere in the Plan or by law, unless such duties are delegated to the Trustee.

- (a) To consent to the investment of the assets of this Plan with assets of other eligible, participating plans through such a medium as hereby specifically authorized. Any assets of the Plan which may be so added to such collective trusts shall be subject to all of the provisions of the applicable declaration of trust, as amended from time to time, which declaration, if required by its terms or by applicable law, is hereby adopted as part of this Plan, to the extent of the participation in such collective or commingled Trust Fund by the Plan;
- (b) To consent to any payment or distribution required or advisable to carry out the provisions of this Plan;
- (c) To compromise, contest, arbitrate, enforce or abandon claims and demands with respect to this Plan;
- (d) To retain any funds or property subject to any dispute without liability for the payment of interest thereon, and to decline to make payment or delivery thereof until final adjudication is made by a court of competent jurisdiction;
- (e) To pay, and to deduct from and charge against the Investment Fund, any taxes which may be imposed thereon, whether with respect to the income, property or transfer thereof, or upon or with respect to the interest of any person therein, which the Trust Fund is required to pay; to contest, in its discretion, the validity or amount of any tax, assessment, claim or demand which may be levied or made against or in respect

of the Investment Fund, the income, property or transfer thereof, or in any matter or thing connected therewith; and

- (f) With respect to the Investment Fund, the Employer shall have all of the powers, rights, and privileges conferred upon trustees by the Pennsylvania Fiduciaries Investment Act, or as the same may be subsequently modified or amended, and the power to do all acts, take all proceedings and execute all rights and privileges, although not specifically mentioned herein, as the Employer may deem necessary to administer this Plan.

- 10.03 Common Investments - The Employer shall not be required to make separate investments for individual Participants or to maintain separate investments for each Participant's Account, but may invest contributions and any profits or gains therefrom in common investments.
- 10.04 Compensation and Expenses of Appointed Trustee - If a trustee is appointed, the trustee shall be entitled to such reasonable compensation as shall from time to time be agreed upon by the Employer and the trustee, unless such compensation is prohibited by law. Such compensation, and all expenses reasonably incurred by the trustee in carrying out its functions, shall constitute a charge upon the Employer or the Investment Fund, which may be executed at any time after thirty (30) days written notice to the Employer. The Employer shall be under no obligation to pay such costs and expenses, and, in the event of its failure to do so, the trustee shall be entitled to pay the same, or to be reimbursed for the payment thereof, from the Investment Fund.
- 10.05 Periodic Accounting - The Plan's Investment Fund (within the Trust Fund) shall be evaluated annually, or at more frequent intervals, by the Trustee and a written accounting rendered as of each fiscal year end of the Investment Fund, and as of the effective date of any removal or resignation of the Trustee, and such additional dates as requested by the Employer, showing the condition of the Investment Fund and all receipts, disbursements and other transactions effected by the Trustee during the period covered by the accounting, based on fair market values prevailing as of such date.
- 10.06 Value of the Investment Fund - All determinations as to the value of the assets of the Investment Fund, and as to the amount of the liabilities thereof, shall be made by the Employer or Trustee, whose decisions shall be final and conclusive and binding on all parties hereto, the Participants and Beneficiaries and their estates. In making any such determination, the Employer or Trustee shall be entitled to seek and rely upon the opinion of or any information furnished by reputable brokers, appraisers and other experts, and shall also be entitled to rely upon reports as to sales and quotations, both on security exchanges and otherwise as contained in reputable newspapers and financial publications.

ARTICLE XI

AMENDMENT AND TERMINATION

- 11.01 Amendment of the Joinder Agreement - The Employer shall have the right to amend its Joinder Agreement at any time. Any such amendment by the Employer shall be made by execution of a revised Joinder Agreement executed on behalf of the Employer by a duly authorized official and by transmitting said Joinder Agreement to the Administrator for acceptance hereunder. However, where local or State law so requires, no such amendment shall be executed unless adopted by resolution or ordinance on the part of the Employer. Upon execution and filing of such amendment with the Administrator, the Plan and the Joinder Agreement of the Employer shall be deemed to have been amended in the manner therein set forth and the Employer and all Participants and Beneficiaries thereunder shall be bound thereby.
- 11.02 Restriction on Amendments - Notwithstanding the preceding, the right of the Employer to amend the Joinder Agreement shall be subject to the following restrictions:
- (a) No amendment shall deprive any Participant or any Beneficiary of a deceased Participant of any of the benefits to which each is entitled under this Plan with respect to contributions previously made.
 - (b) No amendment shall provide for the use of funds or assets held under this Plan other than for the benefit of Employees and no funds contributed to this Plan or assets of this Plan shall, except as provided in section 11.05 of Chapter IV of the Master Plan and Trust, ever revert to or be used or enjoyed by the Employer.
 - (c) No amendment to the Joinder Agreement which provides for a benefit modification shall be made unless the cost estimate described in section 12.03 of Chapter IV of the Master Plan and Trust has been prepared and presented to the Board in accordance with the Act.
- 11.03 Automatic Termination of Contributions - Subject to the provisions of the Act governing financially distressed municipalities, the liability of the Employer to make contributions to the Investment Fund shall automatically terminate upon liquidation or dissolution of the Employer, upon its adjudication as a bankrupt or upon the making of a general assignment for the benefit of its creditors.
- 11.04 Distribution Upon Termination - In the event of the termination of the Plan, all amounts of vested benefits accrued by the affected Participants as of the date of such termination, to the extent funded on such date, shall be non-forfeitable hereunder. In the event of termination of this Plan, the Employer shall direct either:
- (a) that the Trustee continue to hold the vested Accrued Benefits of Participants in the Trust Fund in accordance with the provisions of the Plan (other than those provisions related to forfeitures) without regard to such termination until all funds have been distributed in accordance with the provisions; or
 - (b) that the Plan Administrator immediately distribute to each Participant an amount equal to the vested Accrued Benefit to the date.

If there are insufficient assets in the Trust Fund to provide for all vested Accrued Benefits as of the date of Plan termination, priority shall first be given to the distribution of any amounts attributable to mandatory or voluntary Employee contributions before assets are applied to the distribution of any vested benefits attributable to other sources hereunder.

All other assets attributable to the terminated Plan shall be distributed and disposed of in accordance with the provisions of applicable law and the terms of any instrument adopted by the Employer which affects such termination.

- 11.05 Residual Assets - If all liabilities to vested Participants and any others entitled to receive a benefit under the terms of the Plan have been satisfied and there remain any residual assets in the Investment Fund, such residual assets remaining shall be returned to the Employer insofar as such return does not contravene any provision of law, and any remaining balance, in excess of Employer contributions, shall be returned to the Commonwealth.
- 11.06 Exclusive Benefit Rule - In the event of the discontinuance and termination of this Plan as provided herein, the Employer shall dispose of the Investment Fund in accordance with the terms of the Plan and applicable law; at no time prior to the satisfaction of all liabilities under the Plan shall any part of the corpus or income of the Investment Fund, after deducting any administrative or other expenses properly chargeable to the Trust Fund, be used for or diverted to purposes other than for the exclusive benefit of the Participants in the Plan, their Beneficiaries or their estates.

ARTICLE XII

PROVISIONS TO COMPLY WITH THE MUNICIPAL PENSION PLAN FUNDING STANDARD AND RECOVERY ACT OF 1984

- 12.01 Reporting Requirements - The Chief Administrative Officer shall complete or cause to be completed form PC-203A biennially for filing with the Public Employee Retirement Commission.

Such biennial report shall be made as of the beginning of each Plan Year occurring in an odd-numbered calendar year, beginning with the year 1985 and shall be prepared and certified pursuant to the terms of the Act.

- 12.02 Administration Expenses - The expenses attributable to the preparation of any form or allocation report or experience investigation required by the Act or any other expense which is permissible under the terms of the Act and which are directly associated with administering the Plan shall be an allowable administrative expense payable from the assets of the Pension Fund. Such allowable expenses shall include but not be-limited to the following:

- (a) investment costs associated with obtaining authorized investments and investment management fees;
- (b) accounting expenses;
- (c) premiums for insurance coverage on fund assets;
- (d) reasonable and necessary counsel fees incurred for advice or to defend the fund; and
- (e) legitimate travel and education expense for pension plan officials; provided, however, that the municipal officials of the Employer, in their fiduciary role, shall monitor the services provided to the Plan to ensure that the expenses are necessary, reasonable and benefit the pension plan and, further provided, that the Plan Administrator shall document all such expenses item by item, and where necessary, hour by hour.

- 12.03 Funding Requirements - The Chief Administrative Officer shall annually determine the financial requirements of the Plan and shall determine the minimum obligation of the Employer with respect to funding the Plan for any given Plan Year. The Chief Administrative Officer shall submit the financial requirements of the Plan and the minimum obligation of the Employer to the governing body of the Employer annually and shall certify the accuracy of such calculations and their conformance with the Act.

- 12.04 Benefit Modifications - Prior to the adoption of any benefit plan modification by the Employer, the Chief Administrative Officer of the Plan shall provide to the Employer a cost estimate of the proposed benefit plan modification. Such estimate shall be prepared by a qualified person as defined in the Act, which estimate shall disclose to the Employer the impact of the proposed benefit plan modification on the future financial requirements of the Plan and the future minimum obligation of the Employer with respect to the Plan.

ARTICLE XIII

MISCELLANEOUS

- 13.01 Employment Rights - No Employee of the Employer nor anyone else shall have any rights whatsoever against the Employer or the Plan Administrator as a result of this Plan except those expressly granted hereunder. Participation in this Plan shall not give any right to any Employee to be retained in the employ of the Employer, nor shall interfere with the right of the Employer to discharge any Employee and to deal with such Employee without regard to the effect such treatment might have upon participation in this Plan.
- 13.02 Meaning of Certain Words - For purposes of this Plan, the masculine gender shall include the feminine gender and the singular shall include the plural, and vice versa, in all cases wherever the person or context shall plainly so require. Headings of Articles and sections are inserted only for convenience of reference and are not to be considered in the construction of the Plan.
- 13.03 Information to Be Furnished By the Employer - The Employer shall furnish to the Plan Administrator (and where applicable, the Trustee) information in the Employer's possession as the Plan Administrator and the Trustee shall require from time to time to perform their duties under the Plan.
- 13.04 Severability of Provisions - Should any provisions of this Plan be held illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining provisions of this Plan, and this Plan shall be construed and enforced as if said illegal and invalid provisions had never been included herein.
- 13.05 Incapacity of Participant - If any Participant shall be physically or mentally incapable of receiving or acknowledging receipt of any payment of pension benefits hereunder, the Plan Administrator, upon the receipt of satisfactory evidence that such Participant is so incapacitated and that another person or institution is maintaining the Participant and that no guardian or committee has been appointed for the Participant, may provide for such payment of pension benefits hereunder to such person or institution so maintaining the Participant, and any such payments so made shall be deemed for every purpose to have been made to such Participant.
- 13.06 Investment Fund for Sole Benefit of Participants - The income and principal of the Investment Fund are for the sole use and benefit of the Participants covered hereunder, and to the extent permitted by law, shall be free, clear and discharged from and are not to be in any way liable for debts, contracts or agreements, now contracted or which may hereafter be contracted, and from all claims and liabilities now or hereafter incurred by any Participant or Beneficiary.
- 13.07 Benefits for a Deceased Participant - If any benefit shall be payable under the Plan to or on behalf of a Participant who has died, if the Plan provides that the payment of such benefits shall be made to the Participant's estate, and if no administration of such Participant's estate is pending in the court of proper jurisdiction, then the Plan Administrator, at its sole option, may pay such benefits to the surviving spouse of such deceased Participant, or, if there is no surviving spouse, to such Participant's then living issue, per stirpes; provided, however, that nothing contained herein shall prevent the Plan Administrator from insisting upon the

commencement of estate administration proceedings and the delivery of any such benefits to a duly appointed executor or administrator.

- 13.08 Assets of the Trust Fund - Nothing contained herein shall be deemed to give any Participant or Beneficiary any interest in any specific property of the Investment or Trust Fund or any right except to receive such distributions as are expressly provided for under this Plan.
- 13.09 Personal Liability - Subject to the provisions of the Act and unless otherwise specifically required by other applicable laws, no past, present or future officer or agent of the Employer or Plan Administrator shall be personally liable to any Participant, Beneficiary or other person under any provision of this Plan.