

MUNICIPALITY OF MONROEVILLE  
MONROEVILLE, PA

RESOLUTION NO. 02-10

A RESOLUTION OF THE  
MUNICIPALITY OF MONROEVILLE  
ESTABLISHING A 457 DEFERRED  
COMPENSATION PLAN.

WHEREAS, the Employer has employees rendering valuable services; and

WHEREAS, the establishment of an additional 457 deferred compensation plan for such employees serves the interest of the Employer by enabling it to provide reasonable retirement security for it's employees, by providing increased flexibility in its personnel management system, and by assisting in the attraction and retention of competent personnel; and

WHEREAS, the Employer desires that the investment of funds held under its deferred compensation plan be administered by the Parker/Hunter Incorporated-American Funds, and that such funds be held by the Parker/Hunter Trust, a trust established by public employers for the collective investment of funds held under their deferred compensation plans and money purchase retirement plans;

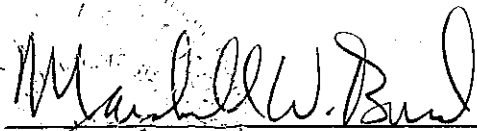
NOW THEREFORE BE IT RESOLVED the Employer hereby executes the Declaration of Trust of the Parker/Hunter Trust, attached hereto as Appendix B.

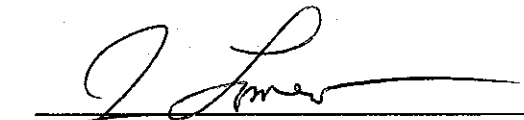
BE IT FURTHER RESOLVED that the Municipal Manager shall be the coordinator for this program and shall receive necessary reports, notices, etc. from the Parker/Hunter Incorporated of the Parker/Hunter Trust, and shall cast, on behalf of the Employer, and required votes under the program. Administrative duties to carry out the plan may be assigned to the appropriate departments.

I, Marshall Bond, Municipal Manager of the Municipality of Monroeville do hereby certify that the foregoing was duly passed and adopted in the Council of the Municipality of Monroeville at a regular meeting thereof assembled this 12 day of February, 2002.

WITNESS:

ATTEST:

  
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Marshall W. Bond  
Municipal Manager

  
\_\_\_\_\_  
James Lomeo  
Mayor

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AMERICAN FUNDS DISTRIBUTORS, INC.  
' 457(b) PLAN and CUSTODIAL AGREEMENT

ARTICLE I - Introduction

This Agreement is intended to establish a Plan and Custodial Account in accordance with ' 457(b) and (g) of the Code and shall be construed accordingly.

This Agreement shall take effect upon its adoption by the Employer.

ARTICLE II - Definitions

As used in this Agreement, the following terms shall have the meaning hereinafter set forth, unless a different meaning is plainly required by the context:

- 2.1 "Application" means the accompanying instrument executed by the Employer whereby the terms and conditions of the Agreement are adopted. The Application is hereby made a part of the Agreement as if set forth herein.
- 2.2 "Agreement" means the American Funds Distributors, Inc. ' 457(b) Plan and Custodial Agreement.
- 2.3 ABeneficiary@ or ABeneficiaries,@ unless preceded by the words APrimary,@ AContingent,@ AOriginal@ or ASubsequent,@ means the person or entity (including a trust or estate) designated on the form described in Section 8.11b, or otherwise entitled to receive the Account after the death of the Owner. APrimary Beneficiary@ means the beneficiary designated by the Owner to receive the Account after the death of the Owner. AContingent Beneficiary@ means the beneficiary designated by the Owner to receive the Account after the death of the Owner, provided that no Primary Beneficiary survives the Owner. AOriginal Beneficiary@ and ASubsequent Beneficiary@ are defined in Section 8.11f of this Agreement.
- 2.4 "Code" means the Internal Revenue Code of 1986, as amended.
- 2.5 "Custodial Account" means the custodial account established under the terms of this Agreement pursuant to Code ' 457(g) to hold Designated Investment Company(ies) shares and/or cash.
- 2.6 "Custodian" means Capital Bank and Trust Company, or any successor thereto.
- 2.7 "Deferred Compensation Contributions" means any employer contributions made at the election of the Participant to this Custodial Account or another plan.
- 2.8 "Designated Investment Company(ies)" means one or more of the regulated investment companies for which Capital Research and Management Company or an affiliate serves as investment adviser.
- 2.9 AElective Deferral@ means any employer contributions made to a plan on behalf of an Employee under Code ' 401(k), ' 403(b), ' 408(k) or ' 408(p) pursuant to a salary reduction agreement.
- 2.10 "Employee" means any employee of the Employer or any independent contractor that is deemed by the Employer to be an Employee for purposes of participation in this Plan.
- 2.11 "Employer" is the state or local government, political subdivision, agency or instrumentality of a state or local government as named in the Application.
- 2.12 AIncludible Compensation@ means the total annual remuneration included in gross income for employment or contracted services received by the Participant from the Employer and reported on his or her tax Forms W-2 or 1099, whichever is applicable. Includible Compensation does not include any amount excludible from gross income under ' 403(b) of the Code, or any other amount excludible from gross income for federal income tax purposes. Includible Compensation shall be determined without regard to any community property laws.
- 2.13 ANormal Retirement Age@ means age 70 or such earlier age elected by the Participant in writing. In no event shall such Normal Retirement Age be earlier than the earliest date on which a Participant may retire under the Employer's basic pension plan (if any) without the Employer's consent and receive immediate retirement benefits without incurring an actuarial or

similar reduction in benefits.

2.14 "Participant" is an Employee who is eligible to be and becomes a Participant in accordance with the provisions of the Plan.

2.15 APer Stirpes,@ ABy Representation,@ ABy Right of Representation,@ AUpon the Principal of Representation,@ shall mean that the property to be distributed shall be divided into as many equal shares as there are living children, if any, of the designated person and deceased children of the designated person who leave descendants then living. Each living child of the designated person is allocated one share, and the share of each deceased child who leaves descendants then living is divided in the same manner.

2.16 AQualified Domestic Relations Order (QDRO)" shall mean a signed domestic relations order issued by a state court which creates, recognizes or assigns to an alternate payee(s) the right to receive all or part of an Employee's interest in his or her Custodial Account, and which meets the requirements of Code ' 414(p). An alternate payee is a spouse, former spouse, child, or other dependent who is treated as a Beneficiary under the Account as a result of the QDRO.

2.17 ASponsor@ means American Funds Distributors, Inc.

2.18 AUnforeseeable Emergency@ means a severe financial hardship for the Participant resulting from a sudden and unexpected illness or accident of the Participant or of a dependent of the Participant, loss of the Participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant.

ARTICLE III - Custodial Account

3.1 Custodial Account. The Employer hereby establishes with the Custodian a Custodial Account consisting of such cash and property acceptable to the Custodian as shall from time to time be paid or delivered to the Custodian, and the earnings and profits thereon. All such money, property, all investments, earnings and profits thereon, less the payments which at the time of reference the Custodian has made are referred to herein as the "Custodial Account." The Custodian, at the request of the Employer, may establish separate sub-accounts for each Participant.

3.2 Exclusive Benefit of Participants. The Custodian shall hold the Custodial Account in custody in accordance with this Agreement for the exclusive benefit of the Participants and their Beneficiaries. The Custodial Account shall be used to pay benefits to Participants and their Beneficiaries, and to pay administrative expenses of the Plan and Custodial Account, but only to the extent directed by the Employer and shall not be used for any other purpose or to the benefit of the Employer except as provided in Section 6.3 below.

ARTICLE IV - Eligibility to Participate

4.1 Participation. Each Employee who is eligible to participate pursuant to the Employer's election in the Application may become a Participant in this Plan on the first day of the month next following commencement of employment as an eligible Employee and enrollment pursuant to Section 4.2 below.

4.2 Deferral Agreement. Each Participant must execute a deferral agreement that is acceptable to the Employer to commence participation in this Plan. Enrollment shall be effective on or after the first day of the month following the date the enrollment form is properly completed by the Participant and accepted by the Employer.

4.3 Employment Rights. Participation in the Plan shall not confer upon a Participant any employment rights, nor shall it interfere with the Employer's right to terminate the employment of any Employee at any time. Nothing contained in this Agreement shall be deemed to constitute an employment contract or agreement between the Participant and the Employer nor shall it be deemed to give a Participant any right to be retained in the employ of, or under contract to, the Employer.

ARTICLE V - Maximum Deferral Amounts

5.1 Annual Limitation on Deferred Compensation. The deferral amount in any Participant's taxable year may not exceed the lesser of

- a. \$7,500, adjusted for the calendar year to reflect increases in cost-of-living in accordance with ' 457(e)(15)

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and '415(d) of the Code, or

b. 33 1/3% of the Participant's Includible Compensation.

5.2 Catch-up Limitation. The maximum deferral amount for each of the Participant's last three taxable years before he or she attains Normal Retirement Age is the lesser of

a. \$15,000, or

b. the sum of the Annual Limitation amount described in Section 5.1 above for the current year, plus that amount of the Annual Limitation that was not used in prior applicable years in which the Participant was eligible to participate in the Plan.

The Catch-up Limitation under this Section 5.2 is available to a Participant only during one three-year period. If the Participant elects to utilize the Catch-up Limitation for any taxable year during the three-year period before Normal Retirement Age and then returns to employment with the Employer after Normal Retirement Age, the Participant will not be eligible to elect to apply the Catch-up Limitation to any subsequent retirement.

5.3 Elective Deferrals under Other Plans. Elective Deferrals made to a '401(k), '403(b), '408(k), '408(p) or '501(c)(18) plan shall reduce the Limitations described in Sections 5.1a, 5.1b and Section 5.2a above.

5.4 Modifying Deferral Agreements. A Participant may modify or terminate deferrals with respect to Compensation not yet earned by executing a new deferral agreement or by written notice of termination. The modification or termination shall be effective for the first pay period commencing with or during the first month following receipt by the Employer of the deferral agreement or written termination. The Employer shall also have the right to unilaterally terminate a Participant's deferrals without prior written notice to the Participant to avoid exceeding the limitations of this Article.

#### ARTICLE VI - Contributions

6.1 Form of Contributions. The Custodian shall receive Employer contributions, in cash or such other property as the Custodian may from time to time deem acceptable.

6.2 Responsibility for Contribution. The Employer shall make contributions in such manner and at such times as shall be appropriate under this Agreement. The Custodian shall not be responsible for the calculation or collection of any contribution required by this Agreement, but shall be responsible only for cash and acceptable property it receives pursuant to this Agreement. The Employer shall transfer all Deferred Compensation Contributions under this Plan to the Custodial Account within a period that is not longer than is reasonable for the proper administration of the accounts of Participants. To comply with this requirement, all Deferred Compensation Contributions under the Plan shall be transferred to the Custodial Account not later than 15 business days after the end of the month in which compensation would otherwise have been paid to the Participant.

6.3 Return of Contributions. In the event the Employer makes a contribution by reason of a mistake of fact, the excess of the amount contributed over the amount that would have been contributed had a mistake of fact not occurred (without earnings attributable to such excess, but after reduction of losses attributable thereto) may be returned to the Employer within one year of such a mistaken contribution, as an Employer shall direct.

#### ARTICLE VII - Investment of Custodial Account.

7.1 Employer Investment Direction. The Employer shall have the right to direct the Custodian with respect to investments of the Custodial Account. Any investment directive shall be made in writing.

7.2 Participant Direction of Investments. Participants may be given the option to direct the investments of their accounts among alternative investment funds established as part of the overall Custodial Account on forms prescribed by the Employer.

7.3 Limitations of Custodian. Pursuant to the Employer's written instructions, the Custodian shall invest and reinvest contributions credited to the Custodial Account(s) in Designated Investment Company shares. The amount of each contribution credited to an Account to be applied to the purchase of Designated Investment Company shares shall be invested by the Custodian at the applicable offering price as described in the Designated Investment Company's prospectus. The Custodian shall have no discretionary investment responsibility and in no event be liable to any person for following investment instructions given in the manner provided herein.

7.4 **Dividend and Capital Gains Distributions.** All dividends and capital gain distributions received on the Designated Investment Company shares held in the Custodial Account(s) shall be reinvested in such shares and shall be credited to the Custodial Account(s). If any distribution on Designated Investment Company shares may be received at the election of the shareholder in additional shares or in cash or other property, the Custodian shall elect to receive it in additional shares.

7.5 **Limitation of Investments.** Upon receipt of proper instructions from the Employer, the Custodian shall sell, redeem, purchase or exchange shares held in the Custodial Account, provided that the shares held in such Account shall be limited to, and any subsequent investments arising within such Account shall be invested solely in, shares of the Designated Investment Companies.

7.6 **Appointment of Additional Custodian/Trustee and Allocation of Responsibilities Thereto.** If the Employer selects specific Plan investments for which the Custodian is not serving as Custodian, then the Employer shall appoint an additional custodian or trustee to serve as custodian or trustee of the other investments. If an additional custodian or trustee is appointed, the Custodian under this Agreement shall have no responsibilities with respect to those assets. The duties of the Custodian shall be limited to the assets held in the Custodial Account, and the Custodian shall have no duties with respect to assets held by any other person including, without limitation, any other Plan custodian or trustee. Likewise, any additional Plan custodian or trustee shall have no duties with respect to assets this Custodian holds in the Custodial Account.

#### ARTICLE VIII - Payment of Benefits

8.1 **Payment of Benefits.** The Custodian shall make payments and distributions from the Custodial Account as directed by the Employer. The Custodian shall be under no obligation to verify the correctness of the instructions given to it by an Employer, its only responsibility and duty with respect to payments and distributions being to follow the directions of an Employer. The Custodian shall have no power or authority to deviate from such directions as an Employer may give to it with respect to payment of money, either as to amount or times of such payments, or as to the persons entitled to such payments.

8.2 **Involuntary In-Service Distribution.** If elected by the Employer in the Application, the Plan may distribute the total amount payable under the Plan to a Participant who is an active Employee of the Employer if the following requirements are met

- a. the total amount payable to the Participant under the Plan does not exceed \$5,000 (or such lesser amount as specified in the Application, if the Employer also elects to apply the Voluntary In-Service Distribution provisions described below),
- b. the Participant has not previously received an in-service distribution of the total amount payable to the Participant under the Plan, and
- c. no amount has been deferred under the Plan with respect to the Participant during the two-year period ending on the date of the in-service distribution.

8.3 **Voluntary In-Service Distribution.** If elected by the Employer in the Application, a Participant who is an active Employee of the Employer shall receive a distribution of the total amount payable to the Participant under the Plan if the following requirements are met

- a. the total amount payable to the Participant does not exceed \$5,000 (or the dollar limit under ' 411(a)(11) of the Code, if greater),
- b. the Participant has not previously received an in-service distribution of the total amount payable to the Participant under the Plan,
- c. no amount has been deferred under the Plan with respect to the Participant during the two-year period ending on the date of the in-service distribution, and
- d. the Participant elects to receive the distribution.

8.4 **Eligibility for Distributions other than In-Service Distributions.** Payments from the Plan to the Participant or Beneficiary(ies) shall only be made upon the following events

- a. the Participant's separation from service for any reason, including death, retirement or disability,

- b. the Participant's Unforeseeable Emergency, or
- c. the Participant's attainment of age 70 2.

8.5 Normal Retirement. The Participant, upon attaining Normal Retirement Age, may retire and commence distributions under this Plan. The amount credited on behalf of a Participant shall be distributed to the Participant or commence to be distributed to the Participant in accordance with the Employer's written instructions to the Custodian. A Participant attaining Normal Retirement Age without separating from service is not eligible to commence receiving payments from the Plan. A Participant may continue to make Deferred Compensation Contributions to the Plan after attaining Normal Retirement Age, but prior to separation from service.

8.6 Delayed Retirement. If the Participant continues employment with the Employer beyond Normal Retirement Age, all benefits payable to the Participant shall be deferred until the Participant actually retires or attains age 70 2, whichever is later.

8.7 Other Separation from Service. If a Participant separates from service, benefits shall be paid in accordance with the payment option selected by the Participant and approved by the Employer. If a Participant separates from service and the value of that Participant's benefits is not greater than \$5,000, in accordance with a consistent policy followed for all Participants, the Employer may or may not require the Participant to receive a single sum payment of the value of the entire amount payable to the Participant under the Plan.

8.8 Election to Defer Payment. A Participant may elect before his or her Normal Retirement Age to make a one-time irrevocable election to defer the commencement of distributions to a later date. An election to defer distributions must be completed at least 30 days prior to the date distributions otherwise would commence. The election must specify the month and year that payments would first commence. The Participant may elect a date not earlier than his or her separation from service nor a date later than that required by the provisions of ' 401(a)(9) and ' 457(d)(2) of the Code.

8.9 Additional Deferral Election. If a Participant has elected, in accordance with Section 8.8 above, to defer the commencement of distributions beyond the first permissible payout date, then the Participant may make an election to further defer commencement of distributions, provided that the election is filed with the Employer before distributions actually begin and the later commencement date meets the required distribution commencement date provisions of ' 401(a)(9) and ' 457(d)(2) of the Code. A Participant may not make more than one such additional deferral election after the first permissible payout date.

For purposes of the preceding paragraph, the first permissible payout date is the earliest date on which payments may begin following separation from service, disregarding payments to a Participant who has an Unforeseeable Emergency or attains age 70 2, or under the in-service distribution provisions of this Article.

8.10 Form of Distribution. The Custodian has no duty to determine a Participant's eligibility for distribution or to commence distribution until receipt of written instructions from the Employer satisfactory to the Custodian. The Employer shall notify the Custodian in writing of any request for distributions and such notice shall set forth the amount and the date distributions shall commence and the requested method of distribution. The form of distribution shall be made in accordance with the Participant's election as approved by the Employer and filed with the Custodian and may be paid in cash or kind, in any one of the following ways

- a. a single sum payment;
- b. payments over the life of the Owner;
- c. payments over the lives of the Owner and his or her designated beneficiary;
- d. payments over a specified period that may not be longer than the Owner's life expectancy; or
- e. payments over a specified period that may not be longer than the joint life and last survivor expectancy of the Owner and his or her designated beneficiary.

### 8.11 Beneficiary Designations.

a. **Participant=s Right to Designate or Change Beneficiary.** The Participant shall have the right to designate or change a beneficiary to receive any benefit from the Account to which such Participant may be entitled in the event of the Participant=s death prior to complete distribution of the Account. If no such designation is in effect at the time of the Participant=s death, the Participant=s beneficiary shall be the Participant=s spouse or, if none, the Participant=s children, equally. If any child does not survive the Participant, then the deceased child's share will be distributed to his/her children (the Participant's grandchildren), equally. If no children or grandchildren survive the Participant, the beneficiary will be the Participant=s estate.

b. **Required Form of Beneficiary Designation.** The Participant may designate or change a Beneficiary only by written notice to the Custodian in a form acceptable to the Custodian, but the Custodian shall have no responsibility to determine the validity of a Beneficiary designation. The designation or change will, upon receipt by the Custodian, take effect as of the date the written notice was executed, whether or not the Participant is living at the time of receipt but without liability as to any payment or other settlement made by the Custodian before receipt of the designation or change. Moreover, the beneficiary designation form shall not be used to elect distribution options for the Participant or Beneficiary and, in this regard, any such elections shall be voidable at the option of the Custodian. Such distribution options shall be selected by the Participant or the Beneficiary on forms provided by and acceptable to the Custodian at the time the Participant reaches his required beginning date or begins to receive distributions, if earlier, or in the case of a Beneficiary after the date of death of the Participant.

c. **Treatment of Trust Beneficiaries as ADesignated Beneficiaries.** If a trust is named as a Beneficiary of Participant=s Account, the beneficiaries of the trust with respect to the trust=s interests in Participant=s Account will be treated as being ADesignated Beneficiaries (as that term is defined in the Code and corresponding regulations) of the Participant solely for purposes of determining the distribution period under Code ' 401(a)(9); provided, however, such treatment as ADesignated Beneficiaries will occur only if, as of the later of the date on which the trust is named as Beneficiary of the Participant, or the Participant=s required beginning date (as defined in Section 8.12a below), and as of all subsequent periods during which the trust is named as a Beneficiary, the following requirements are met:

- i. the trust is a valid trust under state law, or would be but for the fact that there is no corpus;
- ii. the trust is irrevocable;
- iii. the beneficiaries of the trust who are beneficiaries with respect to the trust=s interests in Participant=s Account are identifiable from the trust instrument; and
- iv. the Custodian receives a copy of the trust instrument.

If the trustee of the trust (or its legal representative) certifies in writing, in a form acceptable to the Custodian, that the foregoing requirements have been satisfied, the Custodian may treat such trust beneficiaries as ADesignated Beneficiaries.

d. **Trust Beneficiary Qualifying for Marital Deduction.** If a beneficiary is a trust that is intended to qualify for the federal estate marital deduction under Code ' 2056 (AMarital Trust), upon the Custodian=s receipt of the certification described in Section (c) above, then:

- i. in no event shall the annual amount distributed from such Account to the Marital Trust be less than the greater of (A) all fiduciary accounting income of such Account as determined by the trustee of the Marital Trust under applicable state law or (B) the minimum distribution required under Code ' 401(a)(9);
- ii. the trustee of the Marital Trust (or the trustee=s legal representative) shall be responsible for calculating the amount to be distributed under clause (i) above and shall instruct the Custodian in writing to distribute the amount so calculated;
- iii. the trustee of the Marital Trust may from time to time notify the Custodian in writing to accelerate payment of all or any part of the portion of such Account that remains to be distributed, and may also notify

the Custodian to change the frequency of distributions (but not less often than annually); and

iv. the trustee of the Marital Trust shall be responsible for characterizing the amounts so distributed from the Account as fiduciary accounting income or principal under the applicable state law.

e. Disclaimers. The Employer may direct the Custodian to accept a Beneficiary=s disclaimer with respect to all or a portion of an interest in the Account provided that the disclaimer (i) is in a form acceptable to the Custodian; (ii) identifies the Participant; (iii) describes the interest and the extent of the interest to be disclaimed; (iv) declines, refuses or renounces the interest to be disclaimed; and (v) the disclaimant has not previously accepted any interest in the property to be disclaimed.

The Custodian may accept a trust=s disclaimer made by a trustee on behalf of a trust which is a Beneficiary of the Account and the beneficiary(ies) of the trust (or made by a personal representative of an estate which is a Beneficiary of the Account) provided that the disclaimer satisfies the foregoing requirements and the instrument governing the trust or estate expressly gives the trustee or personal representative the right to disclaim an interest on behalf of the trust or estate and the beneficiary(ies). The Custodian shall not be responsible for determining the validity of the disclaimer under any state or federal law. The Custodian shall not be liable to the disclaimant or any other person or entity for acting or refusing to act in good faith reliance on such a disclaimer.

f. Payments Upon Death of Beneficiary. If a Beneficiary is a natural person and is receiving benefits under Participant=s Account, then upon the death of such Beneficiary prior to the complete distribution of such benefits to him or her, such remaining benefits shall be payable (1) to the successor beneficiary designated by the Participant to receive such remaining benefits in the event of the Beneficiary=s death before complete distribution, or (2) to the Beneficiary=s estate if the Participant fails to name such a successor beneficiary or, to the extent the Participant=s successor beneficiary designation does not make an effective disposition of all remaining benefits under Participant=s Account. If such remaining benefits are thus payable to a successor beneficiary, they shall be paid over a period which does not extend beyond the applicable distribution period for the distribution of Participant=s Account.

If a Beneficiary is a trust, and receiving benefits under Participant=s Account over the life expectancy of a trust beneficiary (or over the remaining life expectancy, if any, of the Participant or of any prior Beneficiary or prior trust beneficiary), then upon the death of such trust beneficiary prior to the complete distribution of such benefits to the trust, such remaining benefits shall be payable to the trust, or directly to the successor trust beneficiary or beneficiaries if so instructed in writing by the trustee, over a period which does not extend beyond the applicable distribution period for the distribution of Participant=s Account.

All distributions shall be consistent with the minimum distribution rules of Code ' 401(a)(9) and the regulations thereunder, and nothing in this section shall prevent any Beneficiary or successor beneficiary from receiving distributions in excess of minimum distributions or over a shorter period that permitted under such minimum distribution rules.

g. Notice of Events. Until the Custodian shall receive from the Employer written notice of any death, birth, marriage, or other event upon which there is a right to receive any benefits from Participant=s Account, the Custodian shall incur no liability for any disbursements or distributions made or omitted to be made in good faith.

h. Good Faith Payment by Custodian. The Custodian shall be relieved of any further liability for making any payment in good faith to any person or entity who claims to be entitled to such payment pursuant to a Beneficiary designation by the Participant, the terms of this Agreement or applicable law. The Custodian shall be entitled to rely without liability, on written notice from the Participant=s executor or Employer as to the identity of the Beneficiaries of the Participant at the time of the Participant=s death.

8.12 Minimum Distribution Requirements. Notwithstanding any provision of this Agreement to the contrary, the distribution of a Participant=s interest shall be made in accordance with the minimum distribution requirements of Code ' 457(d)(2) and the regulations thereunder, including the incidental death benefit provisions of ' 1.401(a)(9)-2 of the proposed Federal Income Tax Regulations, all of which are herein incorporated by reference.

a. Timing of Distributions. Distributions shall commence no later than April 1 of the calendar year following the later of the year in which the Participant attains age 70-2 or retires (the "required beginning date" or ARBD@). For



each succeeding year, a distribution must be made on or before December 31. If the Participant receives distributions prior to the RBD and the Participant dies, distributions will not be considered to have begun. Prior to the RBD, but only on a form acceptable to the Custodian and approved by the Employer, the Participant may elect to have the Account distributed in a form described in Section 8.10 above.

The minimum amount to be distributed each year (commencing with the RBD and each year thereafter) must be at least an amount equal to the quotient obtained by dividing the prior year-end value of the Account, expressed in either dollars or units, by the life expectancy of the Participant or joint life and last survivor expectancy of the Participant and the Participant's designated Beneficiary, whichever is applicable. For determining such life expectancy, the expected return multiples in ' 1.72-9 of the Federal Income Tax Regulations, as amended, shall be used.

b. **Distributions If Participant Dies Before Beginning Distributions.** If the Participant dies before his or her Account is distributed or before such distribution has been completed, then the amount credited to the Account shall be distributed as follows:

- i. by December 31 of the year containing the fifth anniversary of the Participant's death; or
- ii. in equal or substantially equal payments over the life expectancy of the designated Beneficiary if the beneficiary is the Participant's spouse starting by December 31 of the year following the year of the Participant's death, unless the spouse elects to defer commencement until the December 31 of the year the Participant would have attained age 70 2. If, however, the Beneficiary is not the Participant's surviving spouse, then the Beneficiary may elect to have distributions paid over a period not to exceed 15 years starting by December 31 of the year following the year of the Participant's death.

c. **Distributions If Participant Dies After Beginning Distributions.** If the Participant dies on or after distributions have begun, the entire remaining interest must be distributed to the Beneficiary at least as rapidly as the method in effect as of the Participant's date of death.

d. **Requesting Distributions.** The Custodian has no duty to advise the Participant or Beneficiary of the taxability of distributions. Moreover, the Custodian has no duty to commence distributions until written receipt of such instructions from the Employer. The Custodian shall give no force and effect to any election made by the Participant, Beneficiary as to the distribution options allowable to the Participant or Beneficiary(ies), unless such election is made on a form acceptable to the Custodian and approved by the Employer.

e. **Recalculating Life Expectancy.** Any election to recalculate or not recalculate life expectancy shall be irrevocable and shall apply to all subsequent years. The life expectancy of a non-spouse Beneficiary may not be recalculated. Unless otherwise elected by the Participant prior to the commencement of distributions, or, if applicable, by the surviving spouse where the Participant dies before distributions have begun, minimum distributions shall be based on the joint life expectancies of the Participant and the Participant's designated Beneficiary and the Participant's life expectancy and the life expectancy of any Beneficiary who is the spouse of the Participant shall not be recalculated. For purposes of this Section, any amount paid to a child of the Participant will be treated as if it had been paid to the surviving spouse if the amount becomes payable to the surviving spouse when the child reaches the age of majority.

#### ARTICLE IX - Ownership of Securities

All securities in a form necessitating registration may be registered in the name of the Custodian or its nominee, or in such other manner as may be acceptable to the Custodian, and the Employer agrees to hold the Custodian or any such nominee harmless from any liability as a holder of record. The Custodian shall have the power in its reasonable discretion to leave any securities or cash in its custody hereunder, for safekeeping or on deposit with such banks, transfer agents, or other Custodians as the Custodian may select, provided that the entity with custody of the assets shall at all times identify such assets as belonging to the Account, and provided, further, that such entity must be qualified to act as a Custodian under applicable law. Nothing herein shall be construed to restrict the Custodian's authority not to require the issuance of certificates when ownership of unissued shares of a Designated Investment Company is permitted. The Custodian shall hold all assets delivered to it, and all income attributable thereto, separate from its own assets, identify them in its books and records as assets of the Account, and shall invest, disburse, hold and otherwise dispose of such assets, and the proceeds thereof, in accordance with this Agreement.

#### ARTICLE X - Voting Securities

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The Custodian may deliver to the Employer copies of any notices of shareholder meetings, prospectuses, proxies and proxy information and such shareholder reports which are received by the Custodian with respect to Designated Investment Company shares held in the Custodial Account. The Custodian shall not vote any of such shares except in accordance with the written instructions of the Employer.

#### ARTICLE XI - Concerning the Custodian

The Custodian shall be under no duty to take any action other than as herein specified with respect to the Custodial Account unless the Employer shall furnish the Custodian with instructions in proper form and such instructions shall have been specifically agreed to by the Custodian in writing. Unless otherwise expressly mandated by law, the Custodian shall not be required to defend or engage in any suit with respect to the Custodial Account unless the Custodian shall have first agreed in writing to do so and shall have been fully indemnified to the satisfaction of the Custodian. The Custodian may conclusively rely upon and shall be protected in acting upon any written order from the Employer permitted by this Agreement or any other notice, request, consent, certificate or other instrument or paper reasonably believed by it to be genuine and to have properly executed, and, so long as it acts reasonably in good faith, in taking or omitting to take any other action. The Custodian may retain assets in cash or cash balances pending receipt of proper investment instructions and shall not be liable for interest on any such cash or cash balances.

The Custodian shall have no responsibility for determining the amount of any contribution to be made to the Account nor for the collection of such contributions. Any reports or instructions prepared by or on behalf of the Custodian for the Employer shall be solely for the convenience of the Employer. The Employer shall be solely responsible for determining and having the Employer remit to the Custodian the correct amount of contribution.

The Employer shall have the sole authority to enforce this Agreement on behalf of any and all persons having or claiming any interest in the Custodial Account by virtue of this Agreement.

#### ARTICLE XII - Reports of the Custodian

The Custodian shall keep accurate and detailed records of all receipts, investments, disbursements and other transactions required to be performed hereunder. The Custodian shall file with the Employer statements reflecting the receipts, disbursements and other transactions effected by it. Upon the expiration of 30 days after furnishing such statement to the Employer, the Custodian shall be forever released and discharged from all liability (excluding negligence or intentional misconduct) and accountability to anyone with respect to its acts, actions, duties, obligations or responsibilities as shown in or reflected by such statement, except with respect to any such acts or transactions as to which the Employer shall have filed written objections with the Custodian within such 30-day period.

The Employee, the Employer and the Custodian shall furnish to one another such information relevant to this Agreement and Custodial Account as may be required under the Code and any regulations issued or forms adopted by the Treasury Department thereunder.

The Custodian shall file with the Internal Revenue Service such returns and other information concerning the Custodial Account as may be required of it under the Code, and any regulations issued by the Treasury Department, but shall not be required to prepare, file or provide any reports except as may be expressly required in this Agreement.

#### ARTICLE XIII - Amendment and Termination

13.1 Amendment. The Employer, by the establishment of this Account, delegates to the Custodian the power to make any retroactive or prospective modification of, or amendment to, this Agreement which is necessary to conform the Agreement to, or satisfy the conditions of, any law, governmental regulation or ruling, and any prospective amendment which is desirable for the administration of this Agreement, and by doing so shall be deemed to have consented to each such amendment or modification. Notwithstanding the preceding sentence, no amendment shall be made which would have the effect of allowing any part of the Account to be used for any purpose other than for the exclusive benefit of the Participant or Beneficiary nor shall any amendment increase or decrease the duties or liabilities of the Custodian without its consent. The Custodian has no affirmative obligation to amend the Agreement for any purpose.

If the Employer adopts this Agreement as a continuation of a similar prior agreement maintained by the Employer under Code ' 457(b), such prior agreement may be deemed to have been amended in its entirety if the Employer requests such action in writing to the Custodian. Following acceptance of such request, the Custodian shall accept from the prior Custodian the

cash proceeds or designated shares of Designated Investment Company of such prior account and all records pertaining thereto. If the Employer adopts another agreement qualified and maintained under Code ' 457(b), as a continuation of this Agreement, such other agreement may be deemed to have entirely amended this Agreement if the Employer requests such action in writing to the Custodian. Following such request, the Custodian shall deliver to the successor Custodian all assets in the Account.

13.2 Termination. This Agreement shall terminate upon the complete distribution of all Accounts to the Participant, Beneficiaries, or to a successor Custodian under an agreement or program described in Code ' 457(b). The Custodian shall have the right to terminate this Agreement upon 60 days' prior written notice to the Employer. In such event, upon expiration of such period, the Custodian shall distribute the Account to such successor Custodian as the Employer shall designate; provided, however, that if such successor does not provide the Custodian with formal notice of its willingness to accept such assets, or, if the Employer fails to designate a successor Custodian prior to the expiration of such period, then the Custodian shall distribute the Account to the Employer.

ARTICLE XIV - Resignation or Removal of Custodian

The Custodian may resign as the Custodian under the Agreement at any time upon 60 days' notice in writing to the Employer and the Employer may remove the Custodian at any time, upon written notice, provided however, to the extent necessary, the Custodian shall continue to be authorized to complete and settle any outstanding transactions in process prior to the Custodian receiving such notice. Upon such resignation or removal the Employer shall appoint a qualified successor and the Custodian shall file with the Employer a written report as required by Article XII. Should the Custodian resign as the Custodian under the Plan, the Sponsor shall appoint a qualified successor, upon giving 60 days' prior notice in writing to each Employer.

Upon receipt by the Custodian of written acceptance of appointment by a qualified successor to the Custodian (in the case of all resignations or removals pursuant to this Article XIV), the Custodian shall transfer and pay over to such successor the assets of the Account. Following the notice of removal of the Custodian, the Custodian shall act promptly to, and shall have a reasonable period of time in which to settle the accounts prior to transferring the Account assets after receipt by the Custodian of written acceptance of appointment by a qualified successor Custodian. The Custodian is authorized, however, to reserve such sum of money or property as it may deem advisable for payment of all its fees, compensations, costs and expenses, or for payment of any other liabilities constituting a charge on or against the Custodian, with any balance of such reserve remaining after the payment of all such items to be paid over to the successor. The successor to the Custodian shall not be responsible for the acts, or the failures to act, of any predecessor Custodian and shall hold the assets paid over to it under terms similar to those of this Agreement.

If within 30 days after the effective date of the Custodian's resignation or removal a qualified successor to the Custodian has not been appointed or has not accepted such appointment, the Custodian shall either appoint such successor itself or terminate the agreement. Upon such termination the Custodian shall distribute all assets in the Account to the Employer. The Custodian shall not be required to see to the performance of any successor of its duties hereunder.

ARTICLE XV - Miscellaneous

15.1 No Diversion. At no time shall it be possible for any part of the assets of the Custodial Account to be used for or diverted to purposes other than for the exclusive benefit of the Participant or the Beneficiary except as specifically provided for in this Agreement.

15.2 Notices. Any notice from the Custodian to the Employer or any other party pursuant to this Agreement shall be effective if sent by first-class mail to the last address on the Custodian's records. Any notice to the Custodian pursuant to this Agreement shall be by first-class mail.

15.3 Transfers. The Custodian may accept the transfer of cash from a Participant's existing Custodial Account and/or existing annuity contract which are/is established under ' 457(b) of the Code to the Participant's Custodial Account established under this Agreement, unless expressly prohibited by the documents governing such Custodial Accounts and/or such annuity. The former Participant may also transfer cash or assets from this Custodial Account to another Custodial Account and/or annuity contract permitted under ' 457(b) of the Code in which the former Participant has become a participant, if the plan receiving such amounts provides for the acceptance of such transfers.

15.4 Terminology. Any masculine terminology used in the Agreement shall include the feminine.

15.5 Inalienability of Benefits. Notwithstanding anything to the contrary in this Agreement the Participant shall

not have the right to assign, transfer or pledge his or her interest in the Account, and the Participant's interest in the Account shall not be subject to any claims of creditors.

No benefit or interest available hereunder will be subject to assignment or alienation, either voluntarily or involuntarily. The preceding sentence shall also apply to the creation, assignment, or recognition of a right to any benefit payment with respect to a Participant pursuant to a domestic relations order, unless such order is a Qualified Domestic Relations Order.

15.6. Condition of Agreement. The Participant shall look solely to the assets of the Custodial Account for the payment of any benefit to which he is entitled under the agreement.

15.7 Necessity of Qualification. This Agreement is established with the intent that it shall qualify under Code ' 457(b) and any amendments to that section. Notwithstanding any other provisions contained in this Agreement, if the Internal Revenue Service determines that because of some inadequacy in the provisions of this original Agreement, it initially fails to so qualify, all of the assets of the Custodial Account shall be distributed to the Employer or transferred in accordance with Section 15.3 and the Agreement shall be considered to be rescinded and of no force and effect unless such inadequacy is removed by a retroactive amendment. The Sponsor forthwith shall notify the Custodian in writing of any determination with respect to the qualified status of the Agreement. The Employer understands the necessity of seeking independent legal counsel with respect to the effect of establishing this Agreement and further understands that the Agreement has not been approved by the Internal Revenue Service and that, except as set forth in this Agreement, neither the Custodian nor the Sponsor, nor anyone acting on behalf of the Custodian or Sponsor, make any representations as to the tax qualifications or effect thereof.

15.8 Custodian's Acceptance and Fees. The Custodian accepts appointment as Custodian for the Custodial Account(s) established pursuant to the Application and will charge a setup fee in the year that the Account(s) is established, and an annual fee for maintenance of the Account(s) for every year thereafter. The fee with respect to the Employer's Account(s) shall be charged to such Account(s). The Custodian is empowered to redeem Designated Investment Company shares held in the Account(s) and to transfer to itself the proceeds from such redemption and any cash held in the Account(s) in payment of its fees. The Custodian shall receive fees for its services (including fees for legal services rendered to the Custodian) hereunder in such amount as it shall establish from time to time, including, but not limited to, services rendered for the processing of distribution requests and beneficiary claims. In addition, the Custodian shall receive reasonable fees for any unusual or special services rendered. The Employer may reimburse the Account(s) for payment of Custodian=s fees.

15.9 Miscellaneous.

a. Qualified Military Service. Notwithstanding any provision of this Agreement to the contrary, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with Code ' 414(u).

b. Compliance. The parties intend that this Agreement be consistent with all requirements of the Code. Notwithstanding anything to the contrary in this Agreement, if any provision of this Agreement is determined not to comply with any requirements of the Code, such provision shall be enforceable only to the extent it is in compliance with such requirements and shall otherwise be deemed to be inapplicable; provided, further, the Custodian shall perform all duties to be performed by the Custodian pursuant to the Code.

c. The Custodian shall exercise and discharge its powers and duties in the following manner:

- i. by acting solely in the interest of the Participant and Participant's Beneficiaries;
- ii. by acting for the exclusive purpose of providing benefits to the Participant and Participant's Beneficiaries and defraying reasonable expenses of administering the Account;

Except as provided in the Agreement, no part of the principal or income of an Account shall be used for, or diverted to, purposes other than the exclusive benefit of the Participant or Participant's Beneficiaries or for the reasonable expenses of administering the Account until all liabilities for benefits due the Participant or Participant's Beneficiaries have been satisfied.

d. Alternative Distribution to Minors. In the event a distribution is payable to a minor, the Custodian may transfer the proceeds to a Custodian selected by the Custodian under the applicable state=s Uniform Gifts to Minors/Uniform Transfers to Minors Act.

e. Headings. The headings of the paragraphs and sections of this Agreement are inserted for convenience only and shall not be deemed to constitute a part of this Agreement.

f. Binding on Successors. This Agreement shall bind and enure to the benefit of the representatives, successors and assigns of the Employer, the Participants, the Beneficiaries and the Custodian.

15.10 Governing Law. This Agreement shall be governed by, construed in accordance with and administered under the laws of the State of California. Each party agrees that all actions or proceedings instituted by the Custodian, Employer, Participant or Beneficiary or any interested party arising under or growing out of this Agreement shall be brought in the state or federal courts of California. In the event of reasonable doubt respecting the proper course of action to be taken with respect to the Account, the Custodian may, in its sole and absolute discretion, resolve such doubt by judicial determination which shall be binding on all parties who may claim any interest in the Account. A judicial determination may include, but not be limited to, the Custodian petitioning the appropriate court to remain as Custodian over the Account in order to preserve the Account's federal tax deferred status pending the court's resolution of the Account. In the event of any such judicial determination, all court costs, legal expenses, reasonable compensation for the time expended by the Custodian and any other expenses and costs, including reasonable attorney fees, shall be collected by the Custodian from the Account in accordance with Section 15.8 of this Agreement.

Employer Appointment of Agent Under Section 3504 of the Internal Revenue Code (For use by employers or payers)

1. To Director Philadelphia Service Center

Instructions Employer or Payer: Please complete this form and give it to the agent. Agent: Please attach a letter requesting authority to do either all that is required of the employer for wages you pay on the employer's behalf or all that is required of the payer for requirements of backup withholding. (See applicable Revenue Procedures 70-6 or 84-33.) Forward both the letter of request and Form 2678 to the Director of the Internal Revenue Service Center where you file your returns. (See reverse side for addresses.)

Note: Rev. Proc. 70-6 is available in Publication 1271 and Rev. Proc. 84-33 is available in Publication 1272.

2. Employer's or Payer's name Municipality of Monroeville

3. Employer's or Payer's address (Number and street, city, town or post office, State and ZIP code) 2700 Monroeville Boulevard Monroeville, PA 15146-2388

4. Employer identification number 25-6004094

5. Agent's name Capital Guardian Trust Company

6. Agent's address (Number and street, city, town or post office, State and ZIP code) PO Box 4600 Brea CA 92822-4600

7. Agent's employer identification number 33-6266840

8. Effective for (Check the box or boxes that apply) [X] Employment taxes (Rev. Proc. 70-6) [ ] Backup withholding (Rev. Proc. 84-33)

9. If filing under Rev. Proc. 70-6, does this apply to all employees? [ ] Yes [X] No

Under section 3504 of the Internal Revenue Code, please authorize this agent to do all that is required under (Check the one(s) that apply) [ ] Chapter 21 (FICA) [ ] Chapter 22 (Railroad Retirement) [ ] Chapter 24- [ ] Withholding and/or [ ] Backup withholding [X] Chapter 25 (General Provisions) of Subtitle C

10. Effective date of appointment by Signature of employer or payer [Redacted] Date 2/13/02

Title of signing official (Indicate whether the person signing is an owner, partner, member of firm, fiduciary, or a corporate officer.) Municipal Manager

It is understood that the agent and the employer or payer are subject to all provisions of law and regulations (including penalties) which apply to employers or payers.

For Internal Revenue Service Use Only Effective date granted by IRS

For the Paperwork Reduction Act Notice, please see the back of this form.

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**APPLICATION FOR AN AMERICAN FUNDS 457(b) PLAN  
AND CUSTODIAL AGREEMENT**

1. Employer Information (Please note that this Plan and Custody Agreement is available only to eligible employers. An eligible employer is a state or local government, or a political subdivision, agency or instrumentality of a state or local government):

Employer's Name: Municipality of Monroeville  
Address: 2700 Monroeville Boulevard  
City: Monroeville State: PA ZIP: 15146-2388  
Telephone Number: (412) 856-3304 Employer I.D. Number: 25-6004094  
Employer Contact: Marshall Bond  
Telephone Number: (412) 856-3304  
Plan Name: Municipality of Monroeville 457 Plan Year: January through December

2. Eligibility Requirements:

a. Age:  No requirement  Minimum age 18      b. Service:  No requirement  Minimum service \_\_\_\_\_

c. Exclusions (please describe the classification (if any) of employees not eligible for the plan):

3. In-Service Distribution:

- a.  The involuntary in-service distribution provisions of Article 8.2 apply.
- b.  The voluntary in-service distribution provisions of Article 8.3 apply.
- c.  Both the involuntary and the voluntary in-service distribution provisions of Article 8 apply. The involuntary in-service distribution provisions will apply to account balances of less than \$\_\_\_\_\_ (insert an amount less than \$5,000).

4. Account Set Up and Investment Instructions:

a. The Employer hereby instructs the Custodian to establish:

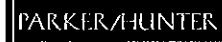
1.  One subaccount for each Participant.  
2.  One omnibus account for the Plan.

b.  The enclosed check for \$\_\_\_\_\_ (payable to Capital Bank and Trust Company) shall be invested in accordance with the attached Investment Designation Form.

c.  Transfer Request. One or more accounts are being established to transfer assets from an existing 457(b) account. Transfers from Nationwide soon to be forthcoming.

1.  Existing American Funds account number(s) \_\_\_\_\_

2.[ ] A Release and Acceptance Agreement is attached.



Frank Burke  
Vice President

Parker/Hunter Incorporated  
600 Grant Street  
Suite 3100  
Pittsburgh, PA 15219  
www.parkerhunter.com

412 / 562-8187  
800 / 441-1514  
Fax 412 / 562-7933  
Home 412 / 366-6720  
burkef@parkerhunter.com

5. Dealer Information. For dealer use only.

We authorize American Funds Service Company to act as our agent for this account.

600 Grant St. Suite 3100

Parker/Hunter

Address of office servicing account  
Agreement)

Dealer name (as it appears on Selling Group

Pittsburgh PA 15219  
City State Zip Code

Same -

Address of home office

Registered representative's name and no.  
(exactly as it appears on firm's registration)

City State Zip Code

BURKE/DIAZ/BISHOP FRG

Registered representative's phone no.

Authorized dealer's signature

412-562-8187

6. Custodian Fee.

12/26/01

The Custodian charges a one-time set up fee to establish the account(s) and an annual fee for maintenance of each Participant's account. Currently each fee is \$10.00 for each Participant's account. The annual maintenance fee will be deducted from each account at the end of the year. The set up fee will be deducted the month following the date the account(s) are initially established unless the fee accompanies this application.

7. Authorization

The Employer named above hereby establishes the American Funds 457(b) Plan, appoints Capital Bank and Trust Company as Custodian of the Accounts and directs that contributions be invested in accordance with the attached investment designation form. The Employer has read the American Funds 457(b) Retirement Plan and Custody Agreement and completed the Application, agrees to the terms and conditions set forth therein and has consulted with legal counsel about the effect of establishing this program. Participant loans are not permitted under the terms of the plan.

Employer: Municipality of Monroeville

By: Marshall W. Bond  
Authorized Signature



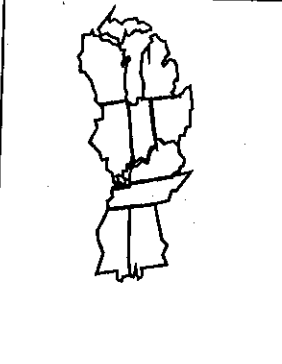

8. Custodian Acceptance.

We accept appointment as Custodian in accordance with the terms of the American Funds 457(b) Plan and Custody Agreement.

Capital Bank and Trust Company



Use the map below to determine to which service center this Application is mailed. (If you live outside of the U.S., please mail to the Western Region Service Center.)

Western Region	West Central Region	East Central Region	Eastern Region
			
<b>American Funds Service Company</b> P.O. Box 4600 Brea, California 92822-4600	<b>American Funds Service Company</b> P.O. Box 659521 San Antonio, Texas 78265-9521	<b>American Funds Service Company</b> P.O. Box 6164 Indianapolis, Indiana 46206-6164	<b>American Funds Service Company</b> P.O. Box 2560 Norfolk, Virginia 23501-2560