

ATTACHMENT TO RESOLUTION NO. 15-97

WEST MIFFLIN SAMTARY SEWER MUMCIPAL AUTHORITY

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EMPLOYEES PENSION PLAN

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Effective: August 21, 1996

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TABLE OF CONTENTS

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Preamble

ARTICLE I	Definitions
ARTICLE II	Eligibility
ARTICLE III	Contributions
ARTICLE IV	Retirement Benefits
ARTICLE V	Payment of Benefits
ARTICLE VI	Disability Retirement
ARTICLE VII	Termination of Employment
ARTICLE VIII	Death Benefits
ARTICLE IX	Administration
ARTICLE X	The Pension Fund
ARTICLE XI	Amendment
ARTICLE XII	Provisions to Comply With the Municipal Pension Plan Funding Standard and Recovery Act of 1984
ARTICLE XIII	Miscellaneous Provisions

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PREAMBLE

WHEREAS, the Borough of West Mifflin, Allegheny County, Pennsylvania, established the "Borough of West Mifflin Non-Uniformed Employees' Pension Plan" ("Prior Plan"), for the benefit of its employees and their beneficiaries effective December 1, 1963; and

WHEREAS, the Prior Plan has been amended thereafter from time to time pursuant to the various Ordinances including but not limited to the following:

Ordinance No.	550	January 20, 1965
Ordinance No.	576	March 1, 1966
Ordinance No.	670	July 15, 1969
Ordinance No.	672	August 19, 1969
Ordinance No.	682	January 13, 1970

Ordinance No.	748	August 21, 1973
Ordinance No.	812	May 8, 1977
Ordinance No.	825	January 17, 1978
Ordinance No.	842	August 7, 1979
Ordinance No.	861	September 2, 1980
Ordinance No.	897	March 15, 1983
Ordinance No.	933	September 1, 1987
Ordinance No.	949	November 15, 1988
Ordinance No.	1039	December 28, 1994; and

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WHEREAS, the West Mifflin Sanitary Sewer Municipal Authority ("Authority") was created and certain employees of the Borough of West Mifflin who are Participants in the Prior Plan have been transferred to be employees of the Authority; and

WHEREAS, the Authority Board of Directors wants to provide for the continuous accrual of retirement benefits for those employees by sponsoring the West Mifflin Sanitary Sewer Municipal Authority Employee's Pension Plan ("Plan") as the spin-off from the Prior Plan on behalf of those employees; and

WHEREAS, the Board of Directors intends that the Plan shall continue to meet the requirements for government plans under the Internal Revenue Code of 1986 as amended, and the applicable laws, including amendments thereto, of the Commonwealth of Pennsylvania;

NOW, THEREFORE, the Plan now known as the "West Mifflin Sanitary Sewer Municipal Authority Employees' Pension Plan" is hereby set forth in its entirety, effective August 21, 1996, as follows:

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ARTICLE I

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DEFINITIONS

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The following words and phrases as used herein shall have the meanings set forth in this Article, unless a different meaning is plainly required by the context:

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1.01 "Accrued Benefit" shall mean, as of any given computation date, a Participant's monthly normal retirement benefit determined in accordance with section 4.01, which amount shall be based upon the Participant's Credited Service determined as of such computation date and which shall represent the monthly benefit which would be payable in the Normal Form as of the Participant's attainment of Normal Retirement Age, provided that the Participant shall satisfy all requirements pursuant to the terms of the Plan for entitlement to receive such benefit. In no event, however, shall the Accrued Benefit exceed the maximum limitation, determined as of the date of computation, provided under section 4.09. All Accrued Benefits are subject to all applicable limitations, reductions, offsets and actuarial adjustments provided by the Plan prior to the actual payment thereof.

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1.02 "Accumulated Contributions" shall mean the total amount of Employee contributions contributed by a Participant to this Plan or its predecessor by way of payroll deduction or otherwise, plus interest credited at the rate of seven percent (7%) per annum. Interest shall be credited annually in the form of a compound interest rate from the mid-point of the Plan Year or part thereof in which deposit into the Pension Fund shall occur until the first day of the month in which a distribution of Accumulated Contributions under section 7.02 or 8.02 shall be paid, or the payment of benefits shall commence.

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1.03 "Act" shall mean the Municipal Pension Plan Funding Standard and Recovery Act which was enacted as Act 205 or 1984, as amended, 53 P.S. Sec. 895.101 et seq.

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1.04 "Actuarial Equivalent" shall mean two forms of payment of equal actuarial present value on a specified date. The actuarial present value shall be determined by use of the UP-1984 Mortality Table and six and one-half (6.5%) interest unless otherwise expressly provided herein.

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1.05 "Actuary" shall mean the person, partnership, association or corporation which at any given time is serving as Actuary; provided that such Actuary must be an "Approved Actuary" as defined in the

Act.

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1.06 "Anniversary Year" shall mean January 1 of a given Plan Year.

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1.07 "Authorized Leave of Absence" shall mean any leave of absence granted in writing 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. Any period of disability during which a Participant shall be receiving disability payments from a program sponsored by the Employer other than under this Plan and during which a Participant shall continue to pay Employee contributions under section 3.01 hereof shall be an Authorized Leave of Absence under the Plan. Authorized Leave of Absence shall also include a period of time for active service with the armed forces of the United States of America provided that such service shall commence after the Participant has completed at least six (6) months of Credited Service and the Participant shall return to Employment within the applicable time prescribed by law following separation from such military service.

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1.08 "Beneficiary" shall mean the person or persons validly designated in writing by a Participant to receive such benefits as may be due hereunder upon the death of the Participant. A designation shall become effective only upon the Participant's death and shall be valid only if delivered prior to such Participant's death to the Plan Administrator in such form as the Plan Administrator shall specify. In the event that there is no validly designated Beneficiary that survives the Participant or that is legally able to take the benefits provided as Beneficiary then the Beneficiary shall be the surviving spouse, or if there is no surviving spouse, the issue, per stirpes, or if there is no surviving issue, the estate of the Participant; but if no personal representative has been appointed, to those persons who would be entitled to the estate under the intestacy laws of the Commonwealth of Pennsylvania if the Participant had died intestate and a resident of Pennsylvania.

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1.09 "Board" shall mean the Board of Directors of the West Mifflin Sanitary Sewer Municipal Authority, Allegheny County, Pennsylvania.

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1.10 "Chief Administrative Officer" shall mean the person designated by the Board, who has the primary responsibility for the execution of the administrative affairs for the Plan.

1.11 "Code" shall mean the Internal Revenue Code of 1986, as amended.

1.12 "Commonwealth" shall mean the Commonwealth of Pennsylvania.

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1.13 "Compensation" shall mean the total remuneration paid to an Employee by the Employer for active services rendered in Employment and shall exclude extra or additional forms of remuneration including but not necessarily limited to amounts paid as allowance or reimbursement for expenses, or payments made to an Employee welfare or benefit plan on behalf of the Employee. Compensation shall be limited on an annual basis for the purposes of this Plan to the amount specified for government plans in accordance with Code Section 401(a)(17), as adjusted under Code Section 415(d).

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1.14 "Credited Service" shall mean a Participant's total Years of Service accumulated as an Employee in Employment. Credited Service shall include each period of active Employment and each period of time during which an Employee is on an Authorized Leave of Absence. Credited Service shall not include any period of time during which an Employee failed or refused to make required contributions pursuant to section 3.01. Credited Service shall also include a Participant's total Years of Service accumulated as an Employee in the Employment of the Borough of West Mifflin with the eligibility to participate in the Borough of West Mifflin Non-Uniformed Employees' Pension Plan, provided, however that there can be no duplicate accrual of Credited Services for purposes of either Pension Fund.

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1.15 "Deferred Vested Participant" shall mean any Participant who has separated from Employment prior to attainment of Normal Retirement Age for reasons other than death or Total and Permanent Disability and who is eligible to receive a vested retirement benefit pursuant to section 7.03 to commence at a later date.

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1.16 "Disability Date" shall mean the date when a Participant is determined by the Plan Administrator to be incapacitated due to Total and Permanent Disability, or the date when the Participant's

Employment terminates due to such Total and Permanent Disability, if later.

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1.17 “Early Retirement Age” shall mean the date a Participant attains sixty (60) years of age and completes at least fifteen (15) years of Credited Service.

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1.18 “Effective Date” shall mean August 21, 1996, the effective date of this Plan as a spin-off plan from the Borough of West Mifflin Non-Uniformed Employees’ Pension Plan.

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1.19 “Employee” shall mean any individual employed by the Employer as a regular full-time Employee who is entitled to receive a regular stated salary or wage, excluding any pension, retainer or fee under contract. Any individual covered under another retirement plan or program sponsored by the Employer shall be excluded as an Employee under this Plan.

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1.20 “Employer” shall mean the West Mifflin Sanitary Sewer Municipal Authority, Allegheny County, Pennsylvania.

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1.21 “Employment” shall mean any period of time during which an Employee renders services for the Employer for which the Employee is directly or indirectly compensated or entitled to receive compensation for the performance of duties as an Employee, including any period of Authorized Leave of Absence. Employment shall exclude any period of time during which services are performed as an independent contractor paid on a contractual or fee basis.

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1.22 “Minimum Municipal Obligation” shall mean the minimum obligation of the Employer as determined by the Actuary pursuant to the provisions of the Act.

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1.23 “Normal Form” shall mean the usual and customary form of payment of a Normal Retirement Benefit as further described in section 5.01 hereof.

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1.24 “Normal Retirement Age” shall mean the date of a Participant attains sixty-five (65) years of age and completes at least fifteen (15) years of Credited Service.

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1.25 “Notice” or “Election” shall mean a written document prepared in the form specified by the Plan Administrator. If such notice or election is to be provided by the Employer or the Plan Administrator, it shall be mailed in a properly addressed envelope, postage prepaid, to the last known address of the person entitled thereto, on or before the last day of the specified notice or election period. If such notice or election is to be provided to the Employer or the Plan Administrator, it must be received by the recipient on or before the last day of the specified notice or election period.

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1.26 “Participant” shall mean any Employee who has commenced participation in this Plan in accordance with Article II, and has not for any reason ceased to participate hereunder.

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1.27 “Pension Fund” shall mean the assets of the Plan, which shall be accounted for separately from the assets of any other plans maintained by the Employer, whether actually held separately or commingled with the assets of another plan, and which shall be administered under the supervision of the Employer in accordance with the terms of the Plan and applicable law.

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1.28 “Pension Plan Committee” or ‘Committee’ shall mean the committee appointed by the Board pursuant to the provisions of section 9.02 who shall be responsible for the administration of the Plan.

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1.29 “Plan” shall mean the West Mifflin Sanitary Sewer Municipal Authority Employees’ Pension Plan as herein set forth and as it may be amended from time to time hereafter.

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1.30 “Plan Administrator” shall mean the person or persons appointed by the Board for the he Purpose of supervising and administering the Plan. In the event no person is so appointed, the Plan Administrator shall be the Board.

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1.31 “Plan Year” shall mean the consecutive twelve (12) month period beginning on January 1 and Ending on December 31 of each year.

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1.32 “Total and Permanent Disability” shall mean a condition of physical or mental impairment which renders a Participant unable to perform a duty of gainful employment for which the Participant is

suited by training, education or experience, which is expected to last until the death of the Participant, and which qualifies the Participant for receipt of federal Social Security disability benefits. Total and Permanent Disability shall be determined by the Plan Administrator based upon such evidence provided by a medical examination by a physician acceptable to the Plan Administrator as the Plan Administrator shall deem appropriate in its sole discretion.

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1.33 "Year of Service" shall mean each completed twelve (12) month continuous period of Employment. Years of Service shall include full years and any fractional parts of a year based upon the number of completed days.

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ARTICLE II

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ELIGIBILITY

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2.01 Eligibility for Participation - Each Employee who was a Participant in the Borough of West Mifflin Non-Uniformed Employees' Pension Plan on the day prior to the Effective Date shall continue to be a Participant on and after the Effective Date, subject to the terms and conditions of the Plan as set forth herein. Each such Participant shall be credited with continuous service for all purposes under the Plan from their original date of participation in the Borough of West Mifflin Non-Uniformed Employees' Pension Plan recognizing all service earned under that plan to the Effective Date of this Plan plus service accrued under this Plan. Each other person shall become a Participant in the Plan as of the first day of the month coincident with or next following the date that the Employee completes three (3) months of service in Employment provided that all prerequisites to participation in this Plan have been fulfilled, including but not limited to, completion of all necessary forms authorizing payroll deduction of Employee contributions and any other forms required by the Plan Administrator.

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2.02 Participation Requirements - Each Participant hereunder shall be required to make contributions to the Plan, as provided in section 3.01 hereof, and shall execute and complete any enrollment or application forms as required by the Plan Administrator authorizing payroll deduction of such contributions. No Employee shall be eligible to participate hereunder until any and all such forms are completed and delivered to the Plan Administrator.

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2.03 Designation of Beneficiary - Each Employee who becomes a Participant hereunder shall provide a written notice which designates the Beneficiary or Beneficiaries to the Plan Administrator at the time participation commences. The Participant's Election of any such Beneficiary or Beneficiaries may be rescinded or changed, without the consent of the Beneficiary or Beneficiaries, at any time provided the Participant provides the Plan Administrator with written Notice of the changed designation and such election is not contrary to applicable law.

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2.04 Re-employment - Each person who shall have previously been an Employee in Employment shall only be eligible to participate hereunder as a new Employee under section 2.01 hereof.

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2.05 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, or who ceases or fails to make any contributions which are required as a condition of participation hereunder, no further benefit accruals shall occur until the Participant again qualifies under such participation requirements. Such a requalified Participant shall immediately commence the accrual of additional benefits hereunder upon becoming eligible to participate unless such person received a distribution of Accumulated Contributions, in which case the person shall be treated as a new Employee in accord with section 2.01 hereof and shall not receive any credit for prior Credited Service unless such person shall repay to the fund the amount of such distributions with interest credited at the same rate and in the same manner as described in section 1.02 from the date of distribution to the date of repayment.

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2.06 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 give credit for years of Credited Service, nor shall any benefits accrue hereunder. If the Employee is not reemployed by the expiration of the leave of absence, participation in the Plan shall cease on the date on which the leave of absence commenced.

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2.07 Recordkeeping - The Employer shall furnish the Administrator with such information as will aid the Administrator in the administration of the Plan. Such information shall include all pertinent data on Employees for purposes of determining their eligibility to participate in this plan initially and subsequently.

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ARTICLE III

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CONTRIBUTIONS

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3.01 Employee Contributions - As a condition of participation in the Plan, each Participant shall contribute to the Plan by payroll deduction. Each Participant whose Employment is governed by the terms of a Collective Bargaining Agreement between the Employer and General Warehousemen and Employees Union Local 636 shall contribute an amount equal to forty dollars (\$40.00) per month. Each Employee must have executed the appropriate documents authorizing the Employer to deduct the contributions from the pay of the Employee. Such contributions may be required until such time as the Employer, consistent with any provisions of applicable law, shall increase, reduce or eliminate the requirement. A Participant who is on an Authorized Leave of Absence other than for disability may have the obligation to contribute hereunder waived during the period of such Authorized Leave of Absence provided such waiver is set forth in the writing granting the Authorized Leave of Absence.

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3.02 Employer Contributions - The Actuary, in accordance with the Act, shall determine the Minimum Municipal Obligation of the Employer. The Employer shall pay into the Pension Fund, by annual appropriation or otherwise, the contributions necessary to satisfy the Minimum Municipal Obligation.

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3.03 State Aid - General municipal pension system State Aid, or any other amount of State Aid received by the Employer from the Commonwealth in accordance with the Act, may be deposited into the Pension Fund governed by this Plan and shall be used to reduce the amount of the Minimum Municipal Obligation of the Employer.

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3.04 Gifts - To the extent permitted by law, the Plan Administrator may accept gifts, outright or in trust, for deposit into the Pension Fund. The application of such gifts shall be governed by the rules of the Plan and such directions prescribed by the donor as are not inconsistent with the rules of the Plan and applicable law.

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3.05 No Reversion to the Employer - At no time shall it be possible for the Plan assets to be used for, or diverted to, any purpose other than for the exclusive benefit of the Participants and their Beneficiaries, except that contributions made by the Employer maybe returned to the Employer if the contribution was made due to a mistake of fact and the contribution is returned within one (1) year of the mistaken payment of the contribution, of the Plan is terminated, as provided in Article XI.

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ARTICLE IV

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RETIREMENT BENEFITS

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- 4.01 Normal Retirement - A Participant who retires upon attainment of Normal Retirement Age shall be entitled to receive a monthly retirement benefit paid in the Normal Form commencing on the first day of the month coincident with or next following the date of retirement. The monthly retirement benefit shall be in an amount equal to forty dollars (\$40.00) multiplied by the Participant's years of Credited Service.

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- 4.02 Early Retirement - A Participant who terminates Employment after attaining Early Retirement Age but prior to attainment of Normal Retirement Age with eligibility for Early Retirement shall be entitled to choose to receive a monthly retirement benefit in an amount equal to the Participant's Accrued Benefit at the date of termination of Employment paid in the Normal Form commencing on the first day of the month coincident with or next following the date on which attainment of Normal Retirement Age would have occurred if the Participant had continued in Employment until such date, or a monthly retirement benefit commencing on the first day of any month prior to the date on which attainment of Normal Retirement Age would occur if the Participant continued in Employment until such date in an amount equal to the Participant's Accrued Benefit at the date of termination of Employment paid in the Normal Form and reduced for early commencement. Such reduction for early commencement shall be in an amount equal to five percent (5%) for each year that the payment commencement date precedes the date the Participant would attain Normal Retirement Age.

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- 4.03 Late Retirement - A Participant who retires after the first day of the month coincident with or next following the date on which Normal Retirement Age has been attained shall receive a retirement benefit pursuant to section 4.01 in an amount equal to the amount calculated as of the date on which actual retirement occurs. If a participant continues to work beyond attainment of Normal Retirement Age, there shall be no retirement benefits paid until Employment ceases and retirement begins.

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- 4.04 Application for Benefit - A Participant must complete and execute an application for benefit on a form and in the manner prescribed by the Plan Administrator and deliver the said application to the Plan Administrator at least thirty (30) days prior to the date on which benefit payments are to commence. Notwithstanding anything contained herein to the contrary, no retirement benefit payments or any other benefit payments shall be due or payable on or before the first day of the month coincident with or next following the date that is thirty (30) days after the date the Plan Administrator receives the applications for benefit.

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- 4.05 Non-duplication of Benefit - A Participant who shall be receiving a monthly retirement benefit under this Plan and who shall resume Employment as an Employee, shall have benefit payments suspended until the first day of the month coincident with or next following the date such Employment shall ease. Such benefit payments shall, upon resumption, be adjusted to reflect any change in Credited Service caused by such additional period of Employment; provided, however, that such adjustment shall not result in a decrease in such Participant's retirement benefit.

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- 4.06 Small Amounts - If the Plan Administrator determines that the value of a Participant's Accrued Benefit is so small as to make monthly pension payment administratively impractical, the Plan Administrator may cause such payments to be made at such other periodic intervals as are administratively practical, but no less frequently than annually, or may make a single lump sum payment equal to the commuted value of such Accrued Benefit to the extent permitted under applicable law.

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- 4.07 Cessation of Benefit Payments - Any pension benefit payable hereunder shall be payable through and including the later of the month in which such Participant's death occurs or the month in which any period certain payments due on or after the Participant's death have been paid. Any survivor annuity payable on or after the Participant's death in accordance with the form of pension benefit elected shall be paid through the month in which such surviving annuitant's death occurs.

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- 4.08 Retired Participant's - The benefit amount of any Participant who may have retired prior to the Restatement Date shall not be in any way altered by the provisions of this Plan, except where otherwise expressly indicated herein, and shall continue to be determined on the basis of the terms of the Plan in effect on the day preceding the Restatement Date.

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4.09 Maximum Benefit Limitations - Notwithstanding any provision of this Plan to the contrary, no benefit provided under this Plan attributable to contributions of the Employer shall exceed, as an annual amount, the amount specified in Code Section 415(b)(1)(A) as adjusted pursuant to Code Section 415(d), assuming the form of benefit shall be a straight life annuity (with no ancillary benefits). The limitations described in this section 4.09 shall be governed by the following conditions and definitions:

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- (a) benefits paid or payable in a form other than a straight life annuity (with no ancillary benefits) or where the Employee contributes to the Plan or makes rollover contributions shall be adjusted on an actuarially equivalent basis to determine the limitation contained herein;

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- (b) in the case of a benefit which commences prior to the attainment of age sixty-two (62) by the Participant, the limitation herein shall be adjusted on an actuarially equivalent basis to the amount determined pursuant to this section commencing at age sixty-two (62); however, the reduction shall not reduce the limitation below \$75,000.00 for a benefit commencing at or after age fifty-five (55), or if the benefit commences prior to attainment of age fifty-five (55) the amount which is actuarially equivalent to a benefit of \$75,000.00 commencing at age fifty-five (55); however, in the case of a qualified Participant (a Participant with respect to whom a period of at least fifteen (15) years of service, including applicable military service, as a full-time Employee of a police or fire department is taken into account in determining the amount of benefit), the limitation contained herein shall not reduce the limitation to an amount less than the amount specified pursuant to Code section 415(b)(2)(G)(i) as of the Restatement Date of this Plan and such amount shall be adjusted pursuant to Code Section 415(d);

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- (c) in the case of a benefit which commences after attainment of age sixty-five (65) by the Participant, the limitation herein shall be adjusted on an actuarially equivalent basis to the amount determined herein commencing at age sixty-five (65);

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- (d) benefits paid to a Participant which total less than \$10,000.00 from all defined benefit plans maintained by the Employer expressed as an annual benefit shall be deemed not to exceed the limitation of this section provided that the Employer has not at any time maintained a defined contribution plan in which the Participant has participated; however, in the case of a Participant who is not receiving a Disability Retirement Benefit pursuant to section 6.02, with fewer than ten (10) years of participation the limitation expressed in the subsection (d) shall be reduced by one-tenth (1/10) for each year of participation less than ten (10) but in no event shall this limitation be less than \$1,000.00;

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- (e) the limitations expressed herein shall be based upon Plan Years for calculation purposes, shall be applied to all defined benefit plans maintained by the Employer as one (1) defined benefit plan and to all defined contribution plans maintained by the Employer as one (1) defined contribution plan, and shall be applied and interpreted consistent with Code Section 415 and regulations thereunder as applicable to government plans in general and this plan in general and this Plan in particular; and

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- (1) in the case of any survivor benefit or any disability benefit hereunder, the adjustment under subsection (b) hereof shall not apply and the applicable limitation shall be the limitation contained herein without regard to the age of the benefit recipient.

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ARTICLE V

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PAYMENT OF BENEFITS

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5.01 Normal Form of Benefit Payment - The Normal Form for payment of retirement benefits shall be a monthly annuity for the life of the Participant with one hundred twenty (120) monthly payments guaranteed. If the death of the retired Participant occurs after the payments commence but before the total amount of monthly retirement benefit payments equals one hundred twenty (120) monthly payments, the remainder of such payments shall be paid to the Beneficiary designated by the Participant until the total number of monthly payments made to the Participant and the Beneficiary shall equal one hundred twenty (120).

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5.02 Optional Form of Benefit Payment - The automatic form of payment of retirement benefits shall be the Normal Form specified in section 5.01 unless a married Participant elects to receive benefits in some other form as provided herein. A married Participant who retires under section 4.01, 4.02 or 4.03 may elect, by giving written notice to the Employer at least thirty (30) days prior to the date retirement benefit payments shall commence, to receive payment in one of the optional forms of payment, which shall be the Actuarial Equivalent of the Normal Form. The available optional forms of benefit payment shall be a joint and surviving spouse annuity option which provides for a retirement benefit payable to the retired Participant until death and for the continuation of benefit payments in a amount equal to fifty percent (50%), seventy-five percent (75%) or one hundred percent (100%) of the Participants pensions benefit to the surviving spouse after the retired Participant's death.

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If the spouse of a married Participant who has commenced benefit payments in the form of a joint and surviving annuity dies before the Participant, the form of benefit payment shall automatically convert into the Normal Form and the amount of the benefit payment shall be adjusted accordingly.

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5.03 Commencement of Benefits - A Participant may elect to commence receiving distribution of retirement benefits as of the first day of the month coincident with or next following the date on which retirement occurs with an eligibility to receive benefits, or may defer such payments to a date not later than the required date for commencement of benefits determined under section 5.04.

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Unless the Participant otherwise elects, payment of benefits under the Plan shall commence not later than sixty (6) days following the close of the Plan Year in which occurs the latest of the following dates:

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(a) the date when the Participant attains Normal Retirement Age;

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(b) the tenth (10th) anniversary of the year in which the Participant commenced participation in the Plan; or

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(c) the date when the Participant terminates service with the Employer.

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5.04 Required Distribution -

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(a) Notwithstanding any other provisions of this plan, the entire benefit of any Participant who becomes entitled to benefits prior to death shall be distributed either:

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(1) not later than the Required Beginning Date, or

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(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 expectancies 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 entire interest has been distributed after distribution of 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 death.

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- (b) If a Participant who is entitled to benefits under this Plan dies before distribution of the benefit 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 (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 the 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 (70½) 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.

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- c) For the purposes of this Section, the following definitions and procedures shall apply:

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- 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 (70½), or the calendar year in which the Employee retires.

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- 2) The phrase "designated Beneficiary" shall mean any individual designated by the Employee under this Plan according to its rules.

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

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- 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 redetermined but not more frequently than annually.

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5.05 Change of Benefit Election - Any Election permitted hereunder may be revoked or a new Election may be made within the applicable election period on a form and in a manner prescribed by the Plan Administrator and without the knowledge or consent of any applicable Beneficiary.

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5.06 Personal Right of Participant - Each Participant's right to receive any benefits hereunder is personal and expires on such Participant's death. No heir, legatee, devisee, Beneficiary, assignee or other person claiming by or through a Participant shall have any interest in any benefits hereunder unless clearly and expressly so provided by the terms of this Plan. A Participant's Election, failure to file an Election hereunder or revocation of an Election shall be final and binding on all persons.

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ARTICLE VI

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DISABILITY RETIREMENT

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6.01 Disability Retirement - A Participant who has completed at least fifteen (15) years of Credited Service and who shall incur a Total and Permanent Disability prior to attainment of Early or Normal Retirement Age shall be entitled to a Disability Retirement Benefit.

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6.02 Disability Retirement Benefit - A Participant who shall be entitled to a Disability Retirement Benefit under section 6.01 shall receive a benefit in an amount equal to the Participant's Accrued Benefit determined as of the Disability Date.

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6.03 Payment of Disability Benefit - Disability payments shall be made monthly, commencing as of the first day of the month coincident with or immediately following the Participant's Disability Date and continuing until the earliest of the death of the Participant, cessation of Total and Permanent Disability, or attainment of Normal Retirement Age. Such a Participant who attains Normal Retirement Age shall have the benefit considered a Normal Retirement benefit thereafter paid in the same amount and for the life of the Participant only.

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A Participant who shall fail to return within three (3) months to Employment as an Employee of the Employer upon cessation of Total and Permanent Disability prior to attainment of Normal Retirement Age shall be deemed to have terminated Employment as of the Disability Date, shall not be entitled to any distribution of Accumulated Contributions pursuant to section 7.02 to the extent that the total amount of disability payments exceeds the value of the Participant's Accumulated Contributions as of the Disability Date, and shall not be entitled to any other benefits under the Plan on account of any Credited Service as of the Disability Date.

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6.04 Verification of Disability - The Plan Administrator shall in its sole discretion determine whether a Participant shall have incurred a Total and Permanent Disability. The Plan Administrator shall rely on the report of a physician acceptable to the Plan Administrator and such other evidence as the Plan Administrator shall deem appropriate. If the Plan Administrator shall determine that a Participant who is Totally and Permanently Disabled and who has not attained Normal Retirement Age has recovered sufficiently to resume active Employment or if a Participant refuses to undergo a medical examination as directed by the Plan Administrator (such a medical examination may not be required more frequently than once in any given twelve (12) month period), the payment of Disability Retirement Benefits shall cease.

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6.05 Cessation of Disability - A Participant who is receiving payment of Disability Retirement Benefits under this Plan must notify the Plan Administrator of any change which may cause a cessation of entitlement to receipt of such benefits hereunder. If a Participant fails to provide immediate Notice to the Plan Administrator of any such change in status and continues to receive payment of benefits hereunder to which the Participant is not entitled, then the Plan may take whatever action is necessary to recover any amount of improperly paid amounts, including legal action or offsetting such amounts against any future payments of retirement or other benefits under the Plan, including the costs of such actions.

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ARTICLE VII

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TERMINATION OF EMPLOYMENT

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7.01 Rights of Terminated Employee - A Participant who shall cease to be an Employee except as otherwise hereinbefore provided, shall be limited to those rights under the Plan contained in the following sections of this Article.

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7.02 Distribution of Accumulated Contributions - A Participant whose Employment with the Employer ceased for any reason other than death or Total and Permanent Disability prior to attainment of a retirement age under the Plan shall be entitled to receive a distribution of Accumulated Contributions. Upon receipt of such Accumulated Contributions, said Participant and Beneficiary shall not be entitled to any further payments from the Plan.

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7.03 Deferred Vested Benefits - A Participant who has attained at least age forty-eight (48), who ceases to be an Employee in Employment for any reason other than death, Total and Permanent Disability, or retirement, and who has completed at least twelve (12) years of Credited Service shall be entitled to a vested retirement benefit based upon the Accrued Benefit at the date Employment ceases.

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Such a Participant may commence receipt of retirement benefits, after application has been made to the Plan Administrator, on the first day of the month coincident with or next following the date of attainment of Normal Retirement Age or may commence receipt of retirement benefits as of the date of eligibility for a benefit under section 4.02, including applicable reductions for early commencement.

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- 7.04 Forfeiture - A Participant who terminates Employment with the Employer at a time when not vested in any portion of the Accrued Benefit derived from Employer Contributions shall cease to be a Participant hereunder and shall not be entitled to any benefits under the Plan derived from Employer Contributions.

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ARTICLE VIII

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DEATH BENEFITS

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- 8.01 Death Benefit - Except as hereinafter set forth, no benefit shall be payable hereunder upon or by reason of the death of any Participant.

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- 8.02 Death Prior to Eligibility for Retirement - A benefit shall be payable to the Beneficiary of a Participant who shall die prior to becoming eligible to commence a retirement benefit in a single payment in an amount equal to the Accumulated Contributions as of the date of the death of the Participant.

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- 8.03 Death After Eligibility for Retirement - A benefit shall be payable to the Beneficiary of a Participant who shall die after the payment of monthly retirement benefits has commenced only to the extent and in the manner consistent with the provisions of the form of payment of benefits selected by the Participant pursuant to the provisions of Article V. A benefit shall be payable to the Beneficiary of a Participant who shall die after becoming eligible to immediately commence the payment of monthly retirement benefits but before payment of benefits has commenced in an amount equal to the Accrued Benefit of the Participant (including any applicable reductions for early commencement) and payable for one hundred twenty (120) months.

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ARTICLE X

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ADMINISTRATION

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- 9.01 Plan Administrator - The Board of the Employer shall appoint a Pension Plan Committee who shall be the 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 the Board does not appoint a Plan Administrator, the Board shall be the Plan Administrator.

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- 9.02 Pension Plan Committee - The Pension Plan Committee shall consist of three (3) members who shall serve in that capacity for three (3) year terms or until the earliest of resignation, death, removal or otherwise. The members of the Pension Plan Committee shall include one (1) member of the Board, one (1) Participant and the Chief Administrative Officer or designee. Each member may resign by delivering written notice to the Board and other members of the Pension Plan Committee. Vacancies on the Pension Plan Committee shall be filled by the Board; provided, however, that the remaining members of the Pension Plan Committee shall have full power to act pending the filling of such vacancies. The three (3) year terms for each member of the Pension Plan Committee shall be staggered such that only one such term shall be regularly scheduled to

expire in any Plan Year. Any member of the Committee may be reappointed for successive terms; however, at least one (1) member shall not also be a member of the Board.

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9.03 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 Boards 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:

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a) to construe his Plan;

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b) to determine all questions affecting the eligibility of any Employee to participate herein;

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c) to compute the amount and source of any benefit payable hereunder to any Participant or Beneficiary;

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d) to authorize any and all disbursements;

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e) to prescribe any procedure to be followed by any Participant and/or other persons in filing any application or Election;

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1) to prepare and distribute, in such manner as may be required by laws or as the Administrator deems appropriate, information explaining the Plan;

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g) to require from the Employer or any Participant such information as shall be necessary for the proper administration of the Plan; and

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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.

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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.

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9.04 Pension Plan Committee Organization - The Committee may organize itself in any manner deemed appropriate to effectuate its purposes hereunder, subject to the following.

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a) The Committee shall act by a majority of its members at the time in office and such action may be taken either by vote at a meeting or in writing without a meeting provided that at least two (2) members of the Committee shall concur in such action.

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b) The Committee shall, from time to time, appoint a Chairman, a Secretary who may, but need not, be a Committee member and such other agents as it may deem advisable.

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(c) The Committee may, from time to time, authorize any one or more of its members to execute any document or documents including any application, request, certificate, notice, consent, waiver or direction and shall notify the Board, in writing, of the name or names of the member or members so authorized. In the absence of a designation, the Chairman shall be deemed to be so authorized. Any Trustee or other fiduciary appointed hereunder shall accept and be fully protected in relying upon any document executed by the designated member or member (or the Chairman in the absence of a designation) as representing a valid action by the Committee until the Committee shall file with such fiduciary a written revocation of such designation.

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d) The Committee or its delegate, shall maintain and keep such records as are necessary for the efficient operation of the Plan or as may be required by any applicable law, regulation or ruling and shall provide for the preparation and filing of such forms or reports

as may be required to be filed with any governmental agency or department and with the Participants and/or other persons entitled to benefits under the Plan.

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9.05 Pension Plan Committee Costs - The Committee members shall each serve without compensation for services unless otherwise agreed by the Board in writing. All reasonable expenses incident to the functioning of the Committee, 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 Pension Fund upon approval by the Board to the extent permitted under applicable law and not otherwise paid by the Employer.

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9.06 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 or 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 each present member of the Committee and each successor and each of any such member's heirs, executors and administrators, and the Committee's 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 he is or may be made a party by reason of being or having been a member, delegate or appointee of the Committee, 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.

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9.07 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.

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9.08 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 do 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.

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a) Any Claimant shall file a Notice of the claim with the Plan Administrator which 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.

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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 specified Plan provisions on which the denial is based (ii) and 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.

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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 and 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.

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- 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.

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- e) A Claimant who does not submit a Notice of 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.

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- (f) Nothing contained herein is intended to abridge any right of a claimant to appeal any final decision hereunder to court of competent jurisdiction under 2 Pa. C.S.A. section 752. No decision hereunder is a final decision of this section 9.08 of the Plan has been exhausted.

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ARTICLE X

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THE PENSION FUND

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10.01 Operation of the Pension Fund - The Board is hereby authorized to hold and supervise the investment of the assets of the Pension Fund, subject to the provisions of the laws of the Commonwealth of Pennsylvania and of this Plan and any amendment thereto.

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The Pension Fund shall be used to pay benefits as provided in the 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.

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The Employer intends the Plan to be permanent and for the exclusive benefit of its Employees. It expects to make the contributions to the Pension Fund required under the Plan. The Employer shall not be liable in any manner for any insufficiency in the Pension Fund; benefits are payable only from the Pension Fund, and only to the extent that there are monies available therein. The Pension 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 Pension Fund shall be held, managed, and administered pursuant to the terms of the Plan. Except as otherwise expressly provided in the Plan, the Employer has exclusive authority and discretion to manage and control the Pension Fund assets. The Employer may, however, appoint a trustee, custodian and/or investment manager, as its sole discretion.

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10.02 Powers and Duties of Employer - With respect to the Pension 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.

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- (a) To retain in cash so much of the Pension Fund as it deems advisable and to deposit any cash so retained in any bank or similar financial institution (including any such institution which may be appointed to serve as trustee hereunder), without liability for interest thereon.

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- (b) To invest and reinvest the principal and income of the fund and keep said fund invested, without distinction between principal and income, in securities which are at the time legal investments for fiduciaries under the Pennsylvania Fiduciaries Investment Act, or as the same may be subsequently modified or amended.

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- (c) To sell property held in the fund at either public or private sale for cash or on credit at such times as it may deem appropriate; to exchange such property; to grant options for the purchase or exchange thereof.

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- (d) To consent to and participate in any plan of reorganization, consolidation, merger,

extension or other similar plan affecting property held in the fund; to consent to any contract, lease, mortgage, purchase, sale or other action by any corporation pursuant to any such plan.

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(e) To exercise all conversion and subscription rights pertaining to property held in the fund.

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(f) To exercise all voting rights with respect to property held in the fund and in connection therewith to grant proxies, discretionary or otherwise.

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(g) To place money at any time in a deposit bank deemed to be appropriate for the purposes of the Plan no matter where situated, including in those cases where a bank has been appointed to serve as trustee hereunder, the savings department of its own commercial bank.

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(h) In addition to the foregoing powers, the Employer shall also 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 the Pension Fund.

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(i) To maintain and invest the assets of this Plan on a collective and commingled basis with the assets of other pension plans maintained by the Employer, provided that the assets of each respective plan shall be accounted for and administered separately.

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(j) To invest the assets of the Pension Fund in any collective commingled trust fund maintained by a bank or trust company, including any bank or trust company which may act as a trustee hereunder. In this connection, the commingling of the assets of this Plan with assets of other eligible, participating plans through such a medium is 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 the Plan, to the extent of the participation in such collective or commingled trust fund by the Plan.

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(k) To make any payment or distribution required or advisable to carry out the provisions of the Plan, provided that if a trustee is appointed by the Employer, such trustee shall make such distribution only at the direction of the Employer.

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(l) To compromise, contest, arbitrate, enforce or abandon claims and demands with respect to the Plan.

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(m) 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.

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(n) To pay, and to deduct from and charge against the Pension 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 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 Pension Fund, the income, property or transfer thereof, or in any matter or thing connected therewith.

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(o) To appoint any persons or firms (including but not limited to, accountants, investment advisors, counsel, actuaries, physicians, appraisers, consultants, professional Plan Administrators and other specialists), or otherwise act to secure specialized advice or assistance, as it deems necessary or desirable in connection with the management of the Fund; to extent not prohibited by applicable law, the Employer shall be entitled to rely conclusively upon and shall be fully protected in any action or omission taken by it in good faith reliance upon, the advice or opinion of such persons or firms, provided such persons or firms were prudently chosen by the Employer, taking into account the interests of the Participants and Beneficiaries and with due regard to the ability of the persons or firms to perform their assigned functions.

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- (p) To retain the services of one or more persons or firms for the management of (including the power to acquire and dispose of all or any part of the Fund assets, provided that each of such persons or firms is registered as an investment advisor under the Investment Advisors Act of 1940, is a bank (as defined in that Act), or is an insurance company qualified to manage, acquire or dispose of pension trust assets under the laws of more than one state; in such event, the Employer shall follow the directions of such Investment Manager or Managers with respect to the acquisition and disposition of fund assets, but shall not be liable for the acts or omissions of such Investment Manager or Managers, nor shall it be under any obligation to review or otherwise manage any Fund assets which are subject to the management of such Investment Manager or Managers. If the Employer appoints a trustee, the trustee shall not be permitted to retain such an Investment Manager except with the express written consent of the Employer.

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- 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.

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- 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 reasonable incurred by the trustee in carrying out his functions, shall constitute a charge upon the Employer or the Pension 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 reimburse themselves for the payment thereof, from the Pension Fund.

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- 10.05 Periodic Accounting - If a trustee is appointed, the Pension 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 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 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.

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- 10.06 Value of the Pension Fund - All determinations as to the value of the assets of the Pension Fund, and as to the amount of the liabilities thereof, shall be made by the Employer or its appointed 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 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 newspapers and in financial publications.

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ARTICLE XI

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AMENDMENT

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- 11.01 Amendment of the Plan - The Employer may amend this Plan, at any time, or from time to time by an instrument in writing executed in the name of the Employer under its municipal seal by officers duly authorized to execute such instrument and delivered to the Board, provided however:

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- (a) that no amendment shall deprive any Participant or any Beneficiary of a deceased Participant of any of the benefits to which such person is entitled under this plan with respect to contributions previously made;

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- (b) that no amendment shall provide for the use of funds or assets held under this plan other than for the benefits of Employees and no funds contributed to this plan or assets of this plan shall, except as provided in section 11.05, ever revert to or be used or enjoyed by the Employer; and

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- (c) that no amendment to the Plan which provides for a benefit modification shall be made unless the cost estimate described in section 12.03 has been prepared and presented to the Board in accordance with the Act.

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11.02 Termination of the Plan - The Employer shall have the power to terminate this Plan in its entirety at any time by an instrument in writing executed in the name of the Employer consistent with the provisions of applicable law.

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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 pension fund shall automatically terminate upon liquidation or dissolution of the Employer, upon its adjudication as a bankrupt or upon the making a general assignment for the benefit of its creditors.

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11.04 Distribution Upon Termination - In the event of the termination or partial termination of the Plan, all amounts of vested benefits accrued by the affected Participants to the date of such termination, to the extent funded on such date, shall be nonforfeitable hereunder. In the event of termination of the Plan, the Employer shall direct either (a) that the Plan Administrator continue to hold the vested accrued benefits of Participants in the Pension 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 provision; or (b) that the Plan Administrator immediately distribute to each Participant an amount equal to the vested Accrued Benefit to the date.

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If there are insufficient assets in the Pension 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 Participant contributions before assets are applied to the distribution of vested benefits attributable to other sources hereunder.

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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 effects such termination.

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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 Pension Fund, the residual assets shall be returned to the Employer insofar as such return does not contravene any provision of law.

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11.06 Exclusive Benefit Rule - In the event of the discontinuance and termination of the Plan as provided herein, the Employer shall dispose of the Pension 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 Pension Fund, after deducting any administrative or other expenses properly chargeable to the Pension 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.

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ARTICLE XIII

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

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12.01 Actuarial Valuations - The Plan's Actuary shall perform an actuarial valuation at least biennially

unless the Employer is applying or has applied for supplemental state assistance pursuant to Section 603 of the Act, whereupon actuarial valuation reports shall be made annually.

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Such biennial actuarial valuation report shall be made as of the beginning of each Plan Year occurring in an odd numbered calendar year, beginning with the year 1985.

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Such actuarial valuation shall be prepared and certified by an Approved Actuary, as such term is defined in the Act.

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The expenses attributable to the preparation of any actuarial valuation report of 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 limited to the following:

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(a) investment costs associated with obtaining authorized investments and investment management fees;

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(b) accounting expenses;

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(c) premiums for insurance coverage on fund assets;

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(d) reasonable and necessary counsel fees incurred for advice or to defend the fund; and

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(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.

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12.02 Reporting Requirements - Such actuarial reports shall be prepared and filed under the supervision of the Chief Administrative Officer.

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The Chief Administrative Officer of the pension plan shall determine the financial requirements of the pension plan on the basis of the most recent actuarial report and shall determine the Minimum Municipal 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 Municipal Obligation of the Employer to the Board annually and shall certify the accuracy of such calculations and their conformance with the Act.

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12.03 Benefit Modifications - Prior to the adoption of any benefit plan modification by the Employer, Chief Administrative Officer of the Plan shall provide to the Board a cost estimate of the proposed benefit plan modification. Such estimate shall be prepared by an Approved Actuary, which estimate shall disclose to the Board the impact of the proposed benefit plan modification on the future financial requirements of the Plan and the future Minimum Municipal Obligation of the Employer with respect to the Plan.

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ARTICLE XIII

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MISCELLANEOUS PROVISIONS

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13.01 Plan Not a Contract of Employment - 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 to them hereunder. Nothing herein shall be construed to give any Employee the right to remain in the employ of the Employer.

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13.02 Masculine/Feminine: Singular/Plural - For purposes of this Plan, the masculine shall be read for the feminine and the singular shall be read for the plural, wherever the person or the context shall plainly so require.

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13.03 Construction of Document - This Plan may be executed and/or conformed in any number of counterparts, each of which shall be deemed an original and shall be construed and enforced according to the laws of the Commonwealth, excepting such Commonwealth's choice of law rules.

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13.04 Headings - The headings of articles are included solely for convenience of reference, and if there be any conflict between such headings and the text of the Plan, the text shall not control.

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13.05 Severability of Provisions - In case any provisions of this Plan shall be held illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts of this Plan, and the Plan shall be construed and enforced as if said illegal and invalid provisions had never been inserted therein.

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13.06 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, 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.

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13.07 Liability of Officers of the Plan Administrator and/or Employer - Subject to the provisions of the Act and unless otherwise specifically required by other applicable laws, no past, present or future officer of the Employer shall be personally liable to any Participant, Beneficiary or other person under any provisions of the Plan.

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13.08 Assets of the Fund - Nothing contained herein shall be deemed to give any Participant or Beneficiary any interest in any specific property of the Pension Fund or any right except to receive such distributions as are expressly provided for under the Plan.

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13.09 Pension Fund for Sole Benefit of Participants - The income and principal of the Pension 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.

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RESOLVED AND ADOPTED, this 6th day of February 1997.

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ATTEST:

Michael Price, Secretary

WEST MIFFLTN SANITARY SEWER
MUNICIPAL AUTHORITY
Anthony Panichelli, Chairman