

403(b) retirement plan



A tax-favored retirement plan for employees of public schools and many tax-exempt organizations

Investments are not FDIC-insured, nor are they deposits of or guaranteed by a bank or any other entity, so you may lose money. You should carefully consider the objectives, risks, charges and expenses of the American Funds and, if applicable, any other investments in your plan. This and other important information is contained in the funds' prospectuses, which are available from your financial adviser or from americanfunds.com. Please read the prospectuses carefully before investing.

The 403(b) advantage

Employees who work for tax-exempt organizations like yours have an opportunity to save for retirement through a 403(b) plan. Named after a section of the Internal Revenue Code, a 403(b) retirement plan offers significant advantages not found with other investments. Read on to learn more about saving in this type of plan.

Who's eligible?

To participate, you must work for a qualified employer as defined by the Internal Revenue Code. These include school systems, universities, nonprofit hospitals, religious organizations, humane societies, social welfare agencies, charitable institutions, zoos, museums and symphony orchestras. Your employer can tell you if you're eligible to participate.

How much can I invest?

You can contribute up to \$15,500 before taxes in 2008 to a 403(b) plan. If you're age 50 or older, you can contribute up to \$20,500 in 2008. With a 403(b) plan, you're contributing money from your paycheck before income taxes are deducted, thereby reducing your annual taxable income in the year the contributions are made.

If your employer elects to make matching or discretionary contributions on your behalf, the maximum combined amount that may be contributed annually to your 403(b) account and any other defined contribution plan sponsored by your employer is the lesser of \$46,000 or 100% of your gross pay.

What if I've worked 15 years or more for the same organization?

Employees who have completed 15 years of service with a qualified organization may be allowed to defer up to an additional \$3,000 a year, to a lifetime maximum of \$15,000. (See *IRS Publication 571* for more details.)

Who manages my money?

Capital Research and Management Company (CRMC) is the investment manager for your American Funds 403(b) plan. For 75 years, CRMC has followed a value-oriented philosophy to generate consistent long-term results.

How do I get started?

Complete the forms listed below (if you need a forms book, please contact your financial adviser).

- *American Funds 403(b) Retirement Plan Application.*
- *403(b) Model Salary Deferral Agreement.* If your employer doesn't have one of these forms, you can use the sample provided in the forms book. Please give the completed form to your employer.
- *403(b) Request for Direct Rollover.* If you're rolling over money from another plan or 403(b), please complete this form.

Can I make changes to my account?

You may change the amount you invest in your 403(b) account as often as your employer permits by completing a new *Salary Deferral Agreement* form and giving it to your employer.

- You can reallocate your future investments among different funds at any time by contacting your employer, visiting **americanfunds.com** or calling **800/421-0180**.
- You can reallocate your current investments at any time by writing to the custodian, Capital Bank and Trust Company (CB&T), at one of the service center addresses listed in the forms book, by visiting **americanfunds.com** or by calling **800/421-0180**.

Does my employer or anyone else have access to my contributions or my earnings?

The money is set aside for your retirement and generally is *not* subject to attachment or claims. Please refer to the *403(b) Retirement Plan and Custody Agreement* in the forms book.

What happens if I leave my job?

If you start working for another employer that's qualified to offer a 403(b) plan, you may be able to roll over your existing plan assets into the new plan. With your new employer's permission, you can even continue deferring wages into your existing account.

When you leave your job or join a firm that isn't qualified to offer a 403(b) plan, you can:

- leave the assets untouched in your current account,
- transfer your 403(b) assets into a traditional Individual Retirement Account (IRA),
- roll over your 403(b) assets into an individual retirement annuity, a governmental 457(b) plan or a qualified plan that accepts rollovers like a 401(k), or
- take periodic withdrawals or withdraw all the money from your account in one lump sum.

Do I owe taxes on withdrawals?

Any distribution of your before-tax contributions and the earnings on those contributions is subject to ordinary income taxes. It may also be subject to penalties, depending on your age when you leave your job and/or your age when you begin taking distributions.

If you're younger than age 55 when you leave your job, your distributions will be subject to an early withdrawal penalty of 10% *unless* you:

- wait until you reach age 59½ before taking any distributions,
- meet the IRS definition of disability,
- use the money for certain medical expenses, or
- take "substantially equal payments" over your life expectancy (or over the joint life expectancies of you and your beneficiary). These payments must continue until you reach age 59½ (but if you wait until you're age 55 to begin, they must continue for at least five years).

If you're at least age 55 when you leave your job, your distributions are *not* subject to the early withdrawal penalty.

Does tax withholding apply to my distributions?

Yes, any distribution that's eligible for rollover is subject to a mandatory withholding rate of 20% for federal tax purposes (state tax withholding may also apply).

Hardship withdrawals, required minimum distributions at age 70½, corrective distributions, and periodic payments made over 10 years or more are subject to a 10% federal tax withholding rate. However, you may elect not to have federal tax withheld from these withdrawals.

Frequently asked questions and answers continued on next page >>

When can I withdraw money if I still work for my original employer?

You can take money out of your account for any reason once you reach age 59½, even if you're still employed.

Before you reach age 59½, you can take money out of your account if you become disabled or if you have a financial hardship. In the event of financial hardship, you may only withdraw the amount you contributed, not any earnings on those contributions.

Can I transfer my account balance into an IRA at any time?

If you're under age 59½, you can't take the money out of your 403(b) account unless you leave your employer, become disabled, have a financial hardship or pass away. However, if you're over age 59½, you could be eligible to roll over your 403(b) balance directly to an IRA. Hardship distributions are *not* eligible for rollover to an IRA.

What does the custodian (CB&T) charge for its services?

The charge is \$10 to establish your account, plus a \$10 annual maintenance fee. For this fee, the custodian maintains your records, executes your investment instructions, pays benefits, processes tax withholding and applicable tax reporting, and issues annual fund statements.

Is the appreciation of my assets guaranteed?

Past investment results are no guarantee of future results. The return and principal value of an investment in the American Funds are not guaranteed and will fluctuate so that shares, when sold, may be worth more or less than their original value. All investments are subject to certain risks. For example, those that include common stocks are affected by fluctuating stock prices, and those that include bonds are affected by interest rate fluctuations. Accordingly, investors should diversify their investments and maintain a long-term perspective.

Why American Funds makes the grade

One of the keys to a good retirement plan is a good investment manager — one with experience and a record of consistent long-term results in both good times and bad. American Funds is one of the nation's oldest and largest mutual fund families.

403(b) retirement plan

Application

A simple, tax-favored retirement plan for employees of public schools and many tax-exempt organizations

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Learn about the provisions of your 403(b) plan

The 403(b) advantage

Employees who work for tax-exempt organizations like yours have an opportunity to invest for retirement through a 403(b) plan. Named after a section of the Internal Revenue Code, a 403(b) retirement savings plan offers significant advantages not found with other investments. In particular, the money you contribute to a 403(b):

- can lower your federal taxable income because your contributions are taken directly out of your paycheck before taxes are paid.
- has the potential to accumulate faster because you're not paying any taxes on the earnings in the account until you withdraw them (this advantage is called tax deferral).

Who's eligible?

To participate in a 403(b) plan, you must work for a qualified employer as defined by the Internal Revenue Code. Qualified employers include school systems, universities, nonprofit hospitals, religious organizations, humane societies, social welfare agencies, charitable institutions, museums, symphony orchestras and zoos. Your employer can tell you if you're eligible to participate.

How do I get started?

Your financial adviser can help you complete the necessary forms:

- *American Funds 403(b) Retirement Plan Application* (pages 1–4). Capital Bank and Trust Company will serve as the Custodian of your account.
- *403(b) Model Salary Deferral Agreement*. If your employer does not have one of these forms, you can use the sample form on page 6 of this brochure. Please give the completed form to your employer.
- If you're rolling over money from another 403(b) plan into this one or from another plan, please complete the *403(b) Request for Direct Rollover* form on pages 7–10.

What you need to know about the USA PATRIOT Act

We have incorporated information required by the USA PATRIOT Act, which is designed to fight the funding of terrorism and money laundering activities by requiring mutual fund companies to verify your identity. **The following information is required for all individuals who will be the registered owner of an account:**

- Name
- Residence address
- Date of birth
- Taxpayer ID number (SSN)

Investments are not FDIC-insured, nor are they deposits of or guaranteed by a bank or any other entity, so you may lose money. You should carefully consider the objectives, risks, charges and expenses of the American Funds and, if applicable, any other investments in your plan. This and other important information is contained in the prospectuses, which are available from your financial adviser or from americanfunds.com. Please read the prospectuses carefully before investing.

1 Information about you

Important: This section must be completed, and the application must be signed in Section 8 before an account can be established. Please type or print clearly.

- -
 SSN of participant

- -
 Date of birth (mm/dd/yyyy)

_____ MI _____ Last _____
 First name of participant

_____ () _____ Ext. _____
 Residence address (physical address required — no P.O. boxes) Daytime phone

_____ State _____ ZIP _____ Country of citizenship _____
 City

_____ City _____ State _____ ZIP _____
 Mailing address (if different from residence address)

2 About your employer

_____ (559) 263-1070 Ext. _____
 Name of employer Phone

_____ Fresno _____ Ca _____ 93721 - 2504
 Address of employer City State ZIP

_____ Carmen Lopez _____
 Plan ID number (if applicable) Plan contact name

3 About your financial adviser

This section must be filled out by a financial adviser.

We authorize American Funds Service Company (AFS) to act as our agent for this account and agree to notify AFS of purchases made under a Statement of Intention or Rights of Accumulation. **We guarantee the signature in Section 8.**

_____ 033 _____ 103
 Name (exactly as it appears on firm's registration) Adviser's ID number Branch number

_____ (559) 433-1330 Ext. _____
 Adviser's branch address Phone

_____ Fresno _____ Ca _____ 93720 - 1530
 City State ZIP

_____ Morgan Stanley _____ X _____
 Name of broker-dealer firm (as it appears on Selling Group Agreement) Dealer's authorized signature

Electronic statements

You may choose to access your statements online through the American Funds website at americanfunds.com.

4 Investment instructions

For fund names, numbers, minimums and share class descriptions, see page 5.

	Fund name	Fund number	Percent (whole percentages only)
<p>You must select ONE of the following share classes*:</p> <p><input type="checkbox"/> Class A</p> <p><input type="checkbox"/> Class B</p> <p><input type="checkbox"/> Class C</p>	_____	<input type="text"/> <input type="text"/> <input type="text"/>	_____ %
	_____	<input type="text"/> <input type="text"/> <input type="text"/>	_____ %
	_____	<input type="text"/> <input type="text"/> <input type="text"/>	_____ %
	_____	<input type="text"/> <input type="text"/> <input type="text"/>	_____ %
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	_____	<input type="text"/> <input type="text"/> <input type="text"/>	_____ %
	_____	<input type="text"/> <input type="text"/> <input type="text"/>	_____ %
	_____	<input type="text"/> <input type="text"/> <input type="text"/>	_____ %

Please check one of the boxes below.

- Deduct the \$10 setup fee from the new account.
- I have included an additional \$10 for the setup fee in the form of a separate check made payable to **“Capital Bank and Trust Company.”** (Currency will not be accepted.)

Note 1: Contributions should NOT be submitted until after your account has been established.

Note 2: The investment instructions provided in this section will be used for subsequent contributions. To make changes to your fund selections and/or percentage allocations in the future, please notify your employer.

*See page 5 for any share class restrictions.

6 Reducing the sales charge on Class A shares

Rights of Accumulation (cumulative discount)

- Account owner, spouse and minor children (under age 21) can aggregate accounts of any share class to reduce sales charges. The Social Security or account numbers on those accounts are:

Statement of Intention (SOI)

- I plan to invest over a 13-month period in one or more American Funds accounts. (List the related Social Security or account numbers in the spaces provided below.) If I do not invest the intended amount within 13 months, the sales charge will be adjusted. The aggregate amount will be at least:

\$25,000 \$50,000 \$100,000 \$250,000 \$500,000 \$750,000 \$1,000,000

- I am already investing under an existing Statement of Intention.

Investments in Class B, C, F and 529 shares apply toward the completion of a Class A share SOI; purchases in our money market funds **do not apply** toward a Class A share SOI or Rights of Accumulation (cumulative discount).

7 Telephone and website exchanges

Telephone and website exchange privileges automatically apply unless declined below.

- I **do not** want the option of using the telephone and website exchange privilege.

8 Signature of 403(b) participant

I hereby establish an American Funds 403(b) custodial account, appoint Capital Bank and Trust Company (CB&T) as Custodian and acknowledge that I have received, read and agree to the *403(b) Retirement Plan and Custody Agreement*.



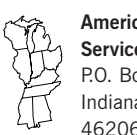

I acknowledge that I have read and agree to the terms of the current prospectuses of the funds selected and consent to the \$10 setup fee and the annual custodial fee (currently \$10). I understand and acknowledge that loans are not permitted under the terms of this plan.

I agree to the conditions of the telephone exchange authorization, unless I checked the box in Section 7, and agree to indemnify and hold harmless CB&T; any of its affiliates or mutual funds managed by such affiliates; and each of their respective directors, officers, employees and agents for any loss, expense or cost arising from such instructions once the telephone exchange privileges have been established.

I certify, under penalty of perjury, that my Social Security number in this application is correct. I also certify that, if married and I have not named my spouse as the Primary Beneficiary, I have consulted my adviser about the need for spousal consent. I authorize the registered representative assigned to my account to have access to my account and to act on my behalf with respect to my account.

I understand that information provided on this application will be used to verify my identity. For example, my identity may be verified through the use of a database maintained by a third party. If CB&T is unable to verify my identity, I understand that it may need to take action, possibly including closing my account and redeeming the shares at the current market price, and that such action may have tax consequences, including a tax penalty.

X _____ / /
Signature Date (mm/dd/yyyy)

	Western Service Center	West Central Service Center	East Central Service Center	Eastern Service Center
Please mail this form to the appropriate service center. <i>(If you live outside the U.S., please mail the form to the Western Service Center.)</i>	 American Funds Service Company P.O. Box 25067 Santa Ana, CA 92799-5067	 American Funds Service Company P.O. Box 659521 San Antonio, TX 78265-9521	 American Funds Service Company P.O. Box 6164 Indianapolis, IN 46206-6164	 American Funds Service Company P.O. Box 2560 Norfolk, VA 23501-2560
Overnight mail addresses	American Funds/CB&T 8332 Woodfield Crossing Blvd. Indianapolis, IN 46240-2482	American Funds/CB&T 3500 Wiseman Blvd. San Antonio, TX 78251-4321	American Funds/CB&T 8332 Woodfield Crossing Blvd. Indianapolis, IN 46240-2482	American Funds/CB&T 5300 Robin Hood Rd. Norfolk, VA 23513-2407

If you have questions or require more information, please contact your financial adviser or call 800/421-0180.

You should obtain a current prospectus from your financial adviser for each fund you select. To learn more about the funds, please visit our website at americanfunds.com. You may purchase, sell (redeem) or exchange shares 24 hours a day by calling **American FundsLine®** at **800/325-3590** or by visiting our website.

Requests received after 4 p.m. Eastern time will be transacted at the next business day's closing price. Your bank account should be debited or credited within three business days after the transaction day.

- Fund minimums:**
- **\$1,000 each for money market funds**
 - **\$250 each for all other funds**
 - **or \$25 each for payroll deduction plans**

Fund names	Fund numbers		
	Class A	Class B	Class C
Growth funds			
AMCAP Fund®	02	202	302
EuroPacific Growth Fund®	16	216	316
The Growth Fund of America®	05	205	305
The New Economy Fund®	14	214	314
New Perspective Fund®	07	207	307
New World Fund SM	36	236	336
SMALLCAP World Fund®	35	235	335
Growth-and-income funds			
American Mutual Fund®	03	203	303
Capital World Growth and Income Fund SM	33	233	333
Fundamental Investors SM	10	210	310
The Investment Company of America®	04	204	304
Washington Mutual Investors Fund SM	01	201	301
Equity-income funds			
Capital Income Builder®	12	212	312
The Income Fund of America®	06	206	306
Balanced fund			
American Balanced Fund®	11	211	311

Fund names	Fund numbers		
	Class A	Class B	Class C
Bond funds			
American High-Income Trust SM	21	221	321
The Bond Fund of America SM	08	208	308
Capital World Bond Fund®	31	231	331
Intermediate Bond Fund of America®	23	223*	323*
Short-Term Bond Fund of America SM	48	248*	348*
U.S. Government Securities Fund SM	22	222	322
Money market funds			
The Cash Management Trust of America®	09	209*	309*
The U.S. Treasury Money Fund of America SM	49	N/A†	N/A†
American Funds Target Date Retirement Series®			
American Funds 2010 Target Date	61	N/A†	N/A†
American Funds 2015 Target Date	62	N/A†	N/A†
American Funds 2020 Target Date	63	N/A†	N/A†
American Funds 2025 Target Date	64	N/A†	N/A†
American Funds 2030 Target Date	65	N/A†	N/A†
American Funds 2035 Target Date	66	N/A†	N/A†
American Funds 2040 Target Date	67	N/A†	N/A†
American Funds 2045 Target Date	68	N/A†	N/A†
American Funds 2050 Target Date	69	N/A†	N/A†

*Class B and Class C shares are not available for direct investments; available for exchanges only. See prospectus for details.

†Class B and Class C shares are not available for The U.S. Treasury Money Fund of America or the American Funds Target Date Retirement Series.

Class A shares have an initial sales charge of up to 5.75% (lower for bond funds and none for money market funds) that declines as the amount invested increases, as described in fund prospectuses.

Class B shares do not have an initial sales charge, but have expenses that are higher than A shares, and have a contingent deferred sales charge of up to 5% on shares sold within six years. Class B shares convert to A shares after eight years; they are available for purchases of \$50,000 or less per individual transaction. Shareholders whose combined American Funds assets are \$100,000 or more may not purchase Class B shares.

Class C shares do not have an initial sales charge, but have expenses that are higher than A shares and a 1% contingent deferred sales charge on shares sold within one year. Class C shares convert to F shares after 10 years; they are available for purchases of \$500,000 or less per individual transaction. Shareholders whose combined American Funds assets are \$1 million or more may not purchase Class C shares.

403 (b) Salary Deferral Agreement

American Funds Account Number _____

Payroll withholding election

*Please type
or print clearly*

Agreement Between:

Employee _____ Employee Number _____

and

Fresno County Economic Opportunities Commission (FCEOC)

Following the date of this agreement and subject to the IRS limits, I elect to participate in the 403(b) Retirement Plan and authorize FCEOC to withhold the following from my wages each pay period:

Pre-Tax deferrals of ____ % **OR** \$ _____

Signatures

In executing this agreement, I understand the following:

FCEOC will contribute to the American Funds custodial account on my behalf the amount indicated above by which I have reduced my compensation under this agreement (my "elective deferral contributions").

Any pre-tax elective deferral contributions are not subject to federal (or, if applicable, state) income tax.

This agreement remains in effect until I or FCEOC revoke it, and I or FCEOC may revoke it at any time by providing FCEOC notice of the revocation. The revocation will be effective as soon as administratively feasible after FCEOC receipt of the revocation notice.

This agreement will continue for subsequent calendar years unless I revoke it or execute a new one.

I am 100% vested in my elective deferral contributions and I understand that my elective deferral contributions are subject to gain or loss in accordance with my selected American Funds investments.

X _____ Date _____
Signature of Employee

X _____ Date _____
Signature of FCEOC Representative

Important information to avoid delays

- Provide the sending issuer’s/custodian’s name and mailing address in Section 3. The sending issuer/custodian is the entity that is currently holding the assets you want to roll over.
- Attach your most recent statement for each account being moved.
- Contact the sending entity for additional requirements. Some companies may require you to take additional steps to cash out your investment prior to a rollover or may require a signature guarantee on the request.
- Sign the form in Section 7 and obtain the signature of the employer associated with the plan receiving the rollover assets. The employer’s authorization is needed to determine if the plan accepts rollovers of 403(b) and other plan assets. Additionally, the employer will confirm that the requested rollover meets the requirements of Section 403(b) of the Code.
- **Use this form to roll over assets INTO a 403(b) or ORP account.**

Note: Unless we are instructed otherwise, all requests will be sent to the sending employer, custodian, issuer or insurance company via regular first class mail. You may wish to check with your financial adviser for options to expedite your request or to preserve your account value, particularly during times of market volatility.

1 Participant information
Type or print clearly.

Existing American Funds account number (if known) _____

First name _____ MI _____ Last _____

Date of birth (mm/dd/yyyy) - -

2 Financial adviser information

Name of adviser _____ Adviser ID number _____ () _____ Ext. _____

Phone _____

3 Sending issuer or custodian information
Provide sending issuer, custodian, insurance company or employer information.

A mailing address and current account statement are required to process your request. A separate request form listing all accounts being moved is required for each entity.

Note: Complete each item in this section to avoid any unnecessary delays.

A. Issuer/custodian name and mailing address:

Issuer, custodian, insurance company or employer _____ Attn: _____

Address _____ City _____ State _____ ZIP _____

B. Sending plan type:

Traditional IRA SEP IRA Roth IRA ORP

SARSEP IRA 403(b) Governmental 457(b)

401(k) SIMPLE IRA* TSP

Roth 403(b)† \$ _____ Roth 401(k)† \$ _____

Other qualified plan† _____

*SIMPLE IRAs may only be transferred or rolled over to another plan type after two years. Before two years, you may only transfer to another SIMPLE IRA.
†If the 401(k)/403(b) plan includes Roth contributions, indicate the Roth balance in the space provided. Roth balances must go into a Roth IRA account.

4 Source of assets

Attach your most recent statement for each account being moved. For rollovers of American Funds shares, see Section 6.

If no selection is made, "All" will be the default response.

A. Mutual fund account information:

Account number	Fund name and share class	Fund code	Fund symbol	\$ Amount <input type="checkbox"/> or Percentage <input type="checkbox"/> %	or	All
_____	_____	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	_____	_____		<input type="checkbox"/>
_____	_____	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	_____	_____		<input type="checkbox"/>
_____	_____	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	_____	_____		<input type="checkbox"/>
_____	_____	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	_____	_____		<input type="checkbox"/>

B. Annuity account information:

Account number/Contract/Policy number	*Maturity date	\$ Amount <input type="checkbox"/> or Percentage <input type="checkbox"/> %	or	All
_____	_____	_____		<input type="checkbox"/>
_____	_____	_____		<input type="checkbox"/>
_____	_____	_____		<input type="checkbox"/>
_____	_____	_____		<input type="checkbox"/>

*Rollover distribution is effective immediately or on the date specified.

C. Other investments:

Any assets other than shares of the American Funds must be liquidated and sent via check. For example, employer stock, limited partnerships, etc., in the form of a certificate or in any other form cannot be registered in the name of Capital Bank and Trust Company.

Account number/Contract/Policy number	\$ Amount <input type="checkbox"/> or Percentage <input type="checkbox"/> %	or	All
_____	_____		<input type="checkbox"/>
_____	_____		<input type="checkbox"/>
_____	_____		<input type="checkbox"/>
_____	_____		<input type="checkbox"/>

NOTE: If you're 70½ or over — In many cases, you must receive your required distribution from your current plan before completing the direct rollover to a new plan. Please check with your financial adviser or qualified tax consultant to ensure that any rules regarding 70½ distributions have been followed.

5 Receiving account information

A. Assets will be invested in a:

- 403(b) ORP

B. Investment instructions:

To avoid delays, you must provide investment instructions. For fund names and fund numbers, see page 5.

1. I am opening a new American Funds account and have submitted an application.
 Invest proceeds using the instructions on my application.
 Invest proceeds using the investment instructions below.

2. I have an existing American Funds account, number _____; Invest proceeds using the investment instructions below.

Fund name and share class	Fund code	Select \$ Amount <input type="checkbox"/> or Percentage <input type="checkbox"/> %
_____	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	_____
_____	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	_____
_____	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	_____
_____	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	_____
_____	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	_____

6 Rollovers of American Funds shares

This section should only be used for shares of the American Funds for which CB&T is **not** the sending custodian/issuer. CB&T will mail this form to the sending entity to request authorization. A sales charge may apply. Please see the prospectus(es) for more information.

If no selection is made, "All" will be the default response.

Account number	Fund name and share class	Fund code	Fund symbol	Select \$ Amount <input type="checkbox"/> or Percentage <input type="checkbox"/> %	or	All
_____	_____	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	_____	_____		<input type="checkbox"/>
_____	_____	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	_____	_____		<input type="checkbox"/>
_____	_____	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	_____	_____		<input type="checkbox"/>
_____	_____	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	_____	_____		<input type="checkbox"/>

7 Authorization

To sending employer, custodian, issuer or insurance company: I have established a retirement account with CB&T. Please disburse my account(s) as indicated in Section 4.
Make checks payable to **“Capital Bank and Trust Company.”**

X _____ / /
Signature of plan participant Date (mm/dd/yyyy)

Note: The employer of the plan that is receiving the rollover assets must sign this request indicating that the plan accepts rollovers of 403(b) and other plan assets. The employer also acknowledges that CB&T is not able to separately account for rollover contributions and will be unable to assist in determining amounts available for in-service distributions.

Employer authorization: We accept rollovers and confirm that the requested rollover meets the requirements of Section 403(b) of the Code.

Name of employer sponsoring the 403(b) plan Title of person authorized to act on behalf of the plan that is receiving the assets

X _____ / /
Signature of authorized person Date (mm/dd/yyyy)

A guarantee of one or more of the signatures on this authorization may be required by the sending employer, custodian, issuer or insurance company.
A notary public is NOT an acceptable guarantor. Please check with the sending custodian or issuer for their requirements.

GUARANTOR:
Stamp signature guarantee here.

GUARANTOR:
Stamp signature guarantee here.

DO NOT WRITE BELOW THIS LINE. CB&T WILL COMPLETE THIS SECTION.

To the sending employer, custodian, issuer or insurance company


Instructions for delivery to an American Funds 403(b) or ORP account

Capital Bank and Trust Company (CB&T) has agreed to serve as Custodian for the above person’s retirement plan as designated and will accept the rollover described above. Please liquidate, and roll over on a trustee-to-trustee basis, all or part of the designated account as instructed in Section 4, **and send the check — payable to “Capital Bank and Trust Company” — with a copy of this request to American Funds Service Company (see below for addresses).**
Please include the following information on the check:

TOA ID number FBO

Any shares held in the American Funds are to be transferred to the name of Capital Bank and Trust Company.

Accepted by **X** _____ / /
Signature of authorized CB&T signer Date (mm/dd/yyyy)

	Western Service Center	West Central Service Center	East Central Service Center	Eastern Service Center
Please mail this form to the appropriate service center. <i>(If you live outside the U.S., please mail the form to the Western Service Center.)</i>	 <p>American Funds Service Company P.O. Box 25067 Santa Ana, CA 92799-5067</p>	 <p>American Funds Service Company P.O. Box 659521 San Antonio, TX 78265-9521</p>	 <p>American Funds Service Company P.O. Box 6164 Indianapolis, IN 46206-6164</p>	 <p>American Funds Service Company P.O. Box 2560 Norfolk, VA 23501-2560</p>
Overnight mail addresses	American Funds/CB&T 8332 Woodfield Crossing Blvd. Indianapolis, IN 46240-2482	American Funds/CB&T 3500 Wiseman Blvd. San Antonio, TX 78251-4321	American Funds/CB&T 8332 Woodfield Crossing Blvd. Indianapolis, IN 46240-2482	American Funds/CB&T 5300 Robin Hood Rd. Norfolk, VA 23513-2407

If you have questions or require more information, please contact your financial adviser or call American Funds Service Company at 800/421-0180.

Terms and Conditions

Section 1 — Introduction

This Agreement is intended to establish a Custodial Account in accordance with §403(b)(7) of the Code and shall be construed accordingly. This Agreement shall take effect upon its execution by the Employee named on the Application.

Section 2 — Definitions

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

- (a) **“Agreement”** means the American Funds 403(b) Retirement Plan and Custody Agreement.
- (b) **“Application”** means the accompanying instrument executed by the Employee (or in the case of a minor, by the parent or legal guardian of the Employee) 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.
- (c) **“Beneficiary”** or **“Beneficiaries,”** unless preceded by the words “Primary,” “Contingent,” “Designated,” “Original” or “Subsequent,” means the person or entity (including a trust or estate) designated on the form described in Section 9(a) of this Agreement, or otherwise entitled to receive the Account after the death of the Employee. “Primary Beneficiary” means the beneficiary designated by the Employee to receive the Account after the death of the Employee. “Contingent Beneficiary” means the beneficiary designated by the Employee to receive the Account after the death of the Employee provided that no Primary Beneficiary survives the Employee. “Designated Beneficiary” means a person whose life expectancy is used for the measuring period for required minimum distributions under Section 9 of this Agreement. “Original Beneficiary” and “Subsequent Beneficiary” are defined in Section 9(k).
- (d) **“Child”** or **“Children”** means the descendants in any degree of the designated person and includes legally adopted children who are adopted during their minority only and descendants of such legally adopted children.
- (e) **“Code”** means the Internal Revenue Code of 1986, as amended.
- (f) **“Compensation”** means the remuneration received by an Employee that is includable in gross income for the taxable year of the Employee. The annual Compensation of each Employee taken into account for Plan Years beginning after December 31, 2001, shall not exceed \$200,000, as adjusted for cost-of-living increases in accordance with Section 401(a)(17)(B) of the Code. Annual Compensation means Compensation during the plan year or such other consecutive 12-month period over which Compensation is otherwise determined under the plan (the determination period). The cost-of-living adjustment in effect for a calendar year applies to annual Compensation for the determination period that begins with or within such calendar year.
- (g) **“Custodial Account”** or **“Account”** means the account established under Section 3.
- (h) **“Custodian”** means Capital Bank and Trust Company or any successor thereto.
- (i) **“Elective Deferral”** means any Employer contributions made at the election of the Employee to this Custodial Account or another plan. This includes any employer contributions made on behalf of an Employee under Code §403(b) pursuant to a salary reduction agreement and any contributions made on behalf of an Employee pursuant to an election to defer compensation under any §401(k), §408(k), §457 or §403(b) plan.
- (j) **“Employee”** means a person who performs services, directly or indirectly, for an Employer, and who has entered into a salary reduction agreement with the Employer pursuant to which the Employer will adjust the Employee’s Compensation by the amount specified in such agreement and forward the amount to the Custodian for investment in accordance with this Agreement.
- (k) **“Employer”** means the Employer named in the Application. The Employer shall be an organization described in §403(b)(1)(A) of the Code.
- (l) **“Excess Elective Deferral”** means those Elective Deferrals that are includable in an Employee’s gross income under Code §402(g) to the extent the Employee’s Elective Deferrals for a taxable year exceed the dollar limitation thereunder and are not otherwise eligible to be recharacterized as catch-up contributions under Code §414(v).
- (m) **“Fund”** means shares of one or more of the investment companies for which an affiliate of the Custodian serves as investment adviser.
- (n) **“Plan Year”** means the calendar year.
- (o) **“Qualified Domestic Relations Order (QDRO)”** means a signed domestic relations order issued by a State Court that 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 that meets the requirements of Code §414(p). An alternate payee is a spouse, former spouse, child or other dependent that is treated as a beneficiary under the Account as a result of the QDRO.
- (p) **“Required Beginning Date”** means April 1 following the calendar year in which the Participant reaches age 70½, or retires, whichever is later.
- (q) **“Rollover Contribution”** means an amount contributed to the Account that is derived from all or any portion of an eligible rollover distribution as defined in Code §§402(c)(4), 403(b)(8)(A)(i) and 457(d) and the regulations thereunder that may be rolled over directly to the Account.

- (r) **“Sponsor”** means American Funds Distributors, Inc. or any successor thereto.
- (s) **“Transfer Contribution”** means an amount transferred to this Account from another Code §403(b)(7) custodial account or a Code §403(b) annuity contract pursuant to the requirements of Revenue Ruling 90-24.

Section 3 — Establishment of Account

By executing the Application, the Employee thereby establishes the Account, which shall hold all assets deposited with the Custodian, for the exclusive benefit of the Employee and the Employee’s Beneficiaries. A parent or legal guardian may execute the Application on behalf of an Employee who is a minor. In the event a Custodial Account is established for a minor, the parent or legal guardian is authorized, on behalf of such minor, to take whatever actions are afforded the Employee of the Custodial Account under the terms of this Agreement. The parent or legal guardian, by establishing an Account on behalf of a minor, agrees to indemnify and hold harmless the Custodian and its affiliates from any losses, including court costs and reasonable attorney fees incurred by the Custodian or its affiliates as a result of establishing the Account in the name of the minor with the parent or legal guardian. The Employee shall be the beneficial owner of all assets held in or credited to the Account.

Section 4 — Contribution Source and Limits

- (a) **Elective Deferrals.** For each Plan Year, the Employer will contribute in cash to the Custodial Account the amount by which the Employee has elected to reduce his or her Compensation (“Elective Deferrals”) for the Plan Year under the salary reduction agreement on file with the Employer. Elective Deferrals shall be deposited in the Custodial Account as soon as the money can be reasonably segregated from the Employer’s assets, but in no event later than the 15th business day of the month following the month such amounts are withheld from the Employee’s pay.
- (b) **Code §415 Limitations.** Notwithstanding anything to the contrary contained in this Agreement, the total contributions made on behalf of an Employee for any year will not exceed the limits imposed by Code §415, and Code §414(v), if applicable, as they may be adjusted from time to time. The limits of Code §415 and Code §414(v) are incorporated herein by reference.
If the limitations are exceeded because the Employee is also participating in another plan required to be aggregated with this Custodial Account for the purposes of §415, then the extent to which annual contributions under this Custodial Account will be reduced, as compared with the extent to which annual benefits or contributions under any other plans will be reduced, shall be determined by the Employee.

Notwithstanding anything to the contrary in this Agreement, if, as a result of a reasonable error in estimating an Employee's Compensation or a reasonable error in determining the amount of Elective Deferrals that may be made with respect to an Employee under the limits in this section or under other facts and circumstances to which Federal Income Tax Regulation §1.415-6(b)(6) shall apply, the annual additions under this Agreement for the Employee would cause the limitations under this section for the limitation year to be exceeded, Elective Deferrals may be distributed to the Employee to the extent such return would reduce the excess amounts in the Employee's Account. Excess amounts attributable to Elective Deferrals under this Agreement shall not be deemed annual additions in that limitation year to the extent such amounts are returned to the Employee. For purposes of this section, "excess amounts" means the annual additions credited to the Employee that exceed the limitations of this section. Any excess amounts distributed to the Employee under this section shall be disregarded for purposes of Code §402(g).

- (c) **Limitations on Elective Deferrals.** No Employee shall be permitted to have Elective Deferrals made under this plan, or any other plan maintained by the Employer during any taxable year, in excess of the dollar limitation contained in Code §402(g) in effect for such taxable year, except to the extent permitted under Subsection (d) of this Section 4 and Code §414(v), if applicable.
- In the event that an Employee has Excess Elective Deferrals that are not eligible to be recharacterized as catch-up contributions, he or she may designate Elective Deferrals made during a taxable year to this Custodial Account as Excess Elective Deferrals by notifying the Custodian on or before March 1 of the amount of Excess Elective Deferrals. Notwithstanding any other provision of this Agreement, Excess Elective Deferrals, adjusted to reflect any credited investment experience up to the date of distribution, will be distributed no later than April 15 to any Employee who designates Elective Deferrals as Excess Elective Deferrals for such taxable year.
- (d) **Catch-Up Contributions.** An Employee who is eligible to make Elective Deferrals and who has attained age 50 before the close of the Plan Year shall be eligible to make catch-up contributions in accordance with, and subject to the limitations of, Code §414(v). Such catch-up contributions shall not be taken into account for purposes of the provisions of the plan implementing the required limitations of Code §402(g) and §415.
- (e) **Exclusion Allowance Limitation.** For taxable years beginning before January 1, 2002, the amount of contributions made to this Custodial Account is subject to the limitations of Code §403(b), which are incorporated herein by reference.
- (f) **Employer Contributions.** The Employer may contribute to the Custodial Account any of the following amounts:
- (i) **Matching Contributions.** The Employer may contribute an amount equal to a percentage of the Participant's Elective Deferrals as the Employer may from time to time deem advisable. Elective Deferrals do not include Elective

Deferrals that are Excess Elective Deferrals under Subsection (c) above. For this purpose Excess Elective Deferrals relate first to Elective Deferrals for the Plan Year not otherwise eligible for a matching contribution.

- (ii) **Discretionary Employer Contributions.** The Employer may from time to time contribute an amount deemed advisable. Discretionary Employer Contributions may be made in addition to the Matching Contributions or in lieu of the Matching Contributions.

All contributions shall be accompanied by written instructions specifying the Custodial Account number to which they are to be credited and the Fund shares to be purchased. Employer Contributions made to this Custodial Account are subject to certain nondiscrimination and coverage rules under Code §§401(a)(4), 401(m) and 410(b) (which rules are incorporated herein by reference) to the extent this is not a governmental plan (within the meaning of Code §414(d)) or a church plan (within the meaning of Code §3121(w)(3)).

Section 5 — Investment of Account

- (a) **Investment Instructions.** Pursuant to the Employee's written instructions, or the written instructions of the Employer on behalf of the Employee under a payroll deduction plan, each cash contribution to the Account shall be applied to the purchase of shares of the Fund or Funds currently designated by the Employee at the applicable offering price in accordance with the terms of such Fund's prospectus. The Employee, or if the Employee is deceased, the Beneficiary, may from time to time change the designation of the Fund for investment of Account assets hereunder and may instruct the Custodian to exercise the exchange privilege set forth in the Fund's prospectus.
- (b) **Reinvestment of Dividends and Capital Gain Distributions.** All dividends and capital gain distributions shall be reinvested in Fund shares. The Custodian, in its discretion, may establish a procedure to accept Employee direction to distribute dividends and capital gain distributions if the Employee has attained age 59½.
- (c) **Life Insurance Contracts.** No part of an Account shall be invested in life insurance contracts.
- (d) **Account Assets.** The assets of the Account will not be commingled with other Custodian property, and the purchase of Fund shares shall not be considered commingling.
- (a) **Share Accumulation Accounts and Systematic Withdrawals.** The Custodian, or its designated agent ("Agent"), is authorized to establish share accumulation accounts and systematic withdrawal plans (as described in the prospectus of the Fund and as customarily entered into with other shareholders of the Fund) for the purpose of receiving and investing the contributions made hereunder and reinvesting income dividends and capital gain distributions. The Custodian is not liable for any act or failure to act of such Agent.
- (b) **Safekeeping of Assets.** The Custodian is authorized to deposit certificates for shares with itself or the Agent for the purpose of safekeeping or otherwise or to permit shares to be credited to the Custodian. The Custodian shall not be obli-
- gated to secure certificates for such shares, and in its discretion may permit such certificates to remain unissued. Fund shares acquired by the Custodian shall be owned by and registered in the name of the Custodian or its registered nominee.
- (c) **Authority to Sell.** The Custodian is authorized to sell or redeem shares at the direction of the Employee, the Beneficiary or the legal representative of the Employee or Beneficiary.
- (d) **Statements of Account.** Periodically, the Custodian shall furnish to the Employee, or the Beneficiary of a deceased Employee, a statement of the Account, showing amounts invested or redeemed and the number and price of such shares. The Custodian shall furnish an annual calendar-year statement to the Employee or Beneficiary setting forth receipts, investments, disbursements and other transactions. Upon expiration of 45 days after forwarding such statement, the Custodian shall be forever released and discharged from all liability and accountability to anyone with respect to its acts, transactions, 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 Employee or Beneficiary shall have filed written objections with the Custodian within such 45-day period.
- (e) **Notices and Proxies.** The Custodian shall furnish to the Employee, either directly or indirectly, notices, prospectuses, financial statements, proxies and proxy-soliciting materials relating to all assets credited to the Account. Any notification to the Employee provided for under this Agreement shall be effective if sent by first class mail to the Employee's last address of record. The Custodian shall not vote any of the Fund shares held in the Account except in accordance with prior written instructions of the Employee.
- (f) **Government Reports.** The Custodian shall file such reports relating to the Account with the appropriate government agency as the Custodian is required to file by law. The Employee shall furnish to the Custodian the information necessary to complete such reports.
- (g) **No Liability for Investments.** The Custodian shall not be liable to the Employee or Beneficiaries for any depreciation or similar loss of assets or for the failure of the Account to produce any or larger net earnings. The Custodian shall not be liable for any act or failure to act of itself, its agents, employees or attorneys, so long as it exercises good faith, is not guilty of negligence or willful misconduct and has selected such agents, employees and attorneys with reasonable diligence.
- The Custodian shall have no responsibility for the determination or verification of the offering or redemption prices or net asset values of Fund shares and shall be entitled to rely for such rates, prices and net asset values upon statements issued by or on behalf of the Fund.
- The Custodian shall have no duty to inquire into the investment practices of the Fund; the Fund shall have the exclusive right to control the investment of its assets in accordance with its stated policies; and the investments shall not be restricted to securities of the character now or hereafter authorized for trustees by law or rules of court.

Section 6 — The Custodian

The Custodian shall not be liable or responsible for any omissions, mistakes, acts or failures to act of the Fund, or their successors, assigns or agents.

(h) No Liability for Contributions and Distributions.

The Custodian shall not be responsible in any way for the purpose or propriety of any distribution made pursuant to instructions satisfactory to the Custodian, the collection of contributions provided for hereunder or any action or nonaction taken pursuant to the request of the Employee, Beneficiary or legal representative of the Employee. The Custodian shall have no duty to determine whether contributions satisfy the applicable limits referenced in Section 4 of this Agreement.

The Custodian shall have no obligation to determine the amount of any excess contribution and the net income attributable thereto. If the Employee has authorized telephone exchanges under the Application or other form provided by the Custodian, the Custodian may make investment exchanges for this Account or any other account with the same registration in accordance with the instructions received from any person by telephone, telecopier or other electronic means and shall have no obligation to question any instructions so received or liability for the transactions it performs pursuant to such instructions.

Section 7 — Fees and Expenses

The Custodian shall receive fees for its services 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 compensation of the Custodian, any transfer taxes incurred in connection with the investment and reinvestment of the assets of the Account and all administrative expenses incurred by the Custodian in the performance of its duties, including fees for legal services rendered to the Custodian, shall either be reduced from contributions and charged to the Account or shall be paid by redeeming or surrendering the necessary assets credited to the Account, unless otherwise paid by the Employee, but until paid shall constitute a lien upon the assets of the Account.

Section 8 — Payment of Benefits

(a) Withdrawals From Custodial Account

No amounts may be distributed, paid or made available to the Employee before the Employee dies, attains age 59½, has a severance of employment, becomes disabled or encounters financial hardship.

(i) An Employee shall be considered “disabled” if he or she is unable to engage in any substantial gainful activity because of any medically determinable physical or mental impairment that can be expected to result in death or to be of long, continued and indefinite duration. The Custodian shall not be required to make distributions under this section until it has received a physician’s certificate to that effect.

(ii) Any request for a distribution based on “financial hardship” shall be accompanied by a supporting affidavit from the Employee

stating that the Employee has incurred a “financial hardship” within the meaning of §403(b)(7)(A)(ii) of the Code and any rules and regulations promulgated thereunder. The Custodian may conclusively rely upon the statements. The Employee’s Elective Deferral contributions will be suspended for all plans maintained by the Employer (other than non-deferred benefits under Code §125 plans) for 12 months after the receipt of a hardship distribution. An Employee who receives a distribution of elective deferrals after December 31, 2001, on account of hardship shall be prohibited from making elective deferrals under this and all other plans of the Employer for six months after receipt of the distribution.

Any withdrawals made from the Employee’s Account are includable in the Employee’s gross income.

(b) Issuance of a Check. Upon issuance of a check from the Account, no additional earnings will accrue to the Account with respect to the uncashed check. Earnings on uncashed checks may accrue to the Custodian at a money market rate of return. Such earnings will accrue from the date upon which a check is mailed, one business day after the redemption or sale is processed, until the date upon which the check is presented for payment.

(c) Direct Rollover of Eligible Rollover Distributions.

(i) This provision applies to distributions made on or after January 1, 1993. Notwithstanding any provision of this Agreement to the contrary that would otherwise limit an Employee’s election under this Agreement, an Employee may elect, at the time and in the manner prescribed by law, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the Employee in a direct rollover.

“Employee” includes an Employee or former Employee. In addition, this section applies to the Employee’s or former Employee’s surviving spouse and the Employee’s or former Employee’s spouse or former spouse who is an alternate payee under a QDRO, as defined in §414(p) of the Code, with regard to the interest of the spouse or former spouse.

For purposes of this section, the following definitions apply:

a. “**Eligible Rollover Distribution**” means any distribution of all or any portion of the balance to the credit of the Employee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Employee or the joint lives (or joint life expectancies) of the Employee and the Employee’s designated beneficiary or for a specified period of 10 years or more; any distribution to the extent such distribution is required under §401(a)(9) of the Code; any distribution (taken on or after January 1, 2000) based on financial hardship; any distribution made to satisfy the requirements of Code §415, as described in Section 4(c), or a distribution to correct

Excess Elective Deferrals, as described in Section 4(d) or excess aggregate contributions determined as a result of certain nondiscrimination testing that may be required under Code §401(m), if applicable; and the portion of any distribution that is not includable in gross income.

b. “**Eligible Retirement Plan**” means an individual retirement account described in §408(a) of the Code, an individual retirement annuity described in §408(b) of the Code, an annuity plan described in §403(a) of the Code, or a custodial account described in §403(b) of the Code, that accepts the Employee’s eligible rollover distribution. However, in the case of an eligible rollover distribution to the surviving spouse, an eligible retirement plan is an individual retirement account or an individual retirement annuity. For distributions after December 31, 2001, an eligible retirement plan also means a qualified plan described in §401(a) of the Code and an eligible plan under §457(b) of the Code that is maintained by a state, political subdivision of a state or any agency or instrumentality of a state or political subdivision of a state and that agrees to separately account for amounts transferred into such plan from this Plan. The definition of eligible retirement plan shall also apply in the case of a distribution to a surviving spouse, or to a spouse or former spouse who is the alternate payee under a QDRO, as defined in §414(p) of the Code.

c. “**Direct Rollover**” means a payment by the Custodian to the eligible retirement plan specified by the Employee.

(ii) For distributions on and after January 1, 1994, if such distribution is one to which §401(a)(11) and §417 of the Code do not apply, such distribution may commence less than 30 days after the notice required under §1.411(a)-11(c) of the Regulations is given, provided that:

- a. the Employee is informed that he or she has a right to a period of at least 30 days after receiving the notice to consider the decision of whether or not to elect a distribution (and, if applicable, a particular distribution option), and
- b. the Employee, after receiving the notice, affirmatively elects a distribution.

(d) Premature Distribution Penalties. Pursuant to Code §72(t), a penalty of 10% applies to a payment or distribution received from the Custodial Account if such amount is received prior to the Employee’s attainment of age 59½, unless the payment or distribution meets one of the exceptions listed in Subsection 8(e) below.

(e) Exceptions to Premature Distribution Penalties. A distribution of all or part of the Account may be made to the Employee upon the Employee’s request; however, tax penalties apply to amounts included in income that are treated as premature distributions, other than:

- (i) payments that are part of a series of substantially equal periodic payments that may be based on, but not limited to, the following three methods: life expectancy, amortization (using a rate between 80% and

120% of the long-term applicable federal rate) or annuitization (using an acceptable mortality table including but not limited to UP'84, '83 IAM or Annuity 2000);

- (ii) the return of excess contributions;
- (iii) payments for certain catastrophic medical expenses;
- (iv) payments made to an Employee who has reached age 59½ or is disabled;
- (v) payments made on account of the death of the Employee;
- (vi) payments made after separation from service after attainment of age 55; or
- (vii) a levy under Code §6331 after December 31, 1999.

(f) Excess Contributions to Account. If the Employer contributes on behalf of the Employee more than allowed with respect to a Taxable Year, the Employee must notify the Custodian to return to the Employee the excess contribution, adjusted to reflect any credited investment experience up to the date of distribution or to apply the excess contribution as a contribution for the Employee's next succeeding Taxable Year. The Employee must notify the Custodian in writing prior to the date on which the Employee files, or is required to file, the Employee's income tax return for the Taxable Year for which the excess contribution was made.

Section 9 — Distributions to Employee and Employee's Beneficiaries

(a) Beneficiary Designations

- (i) **Employee's Right to Designate or Change Beneficiary.** The Employee shall have the right to designate or change a Beneficiary to receive any benefit from the Account to which such Employee may be entitled in the event of the Employee's death prior to complete distribution of the Account. If no such designation is in effect at the time of the Employee's death, the Employee's Beneficiary shall be the Employee's spouse or, if none, the Employee's children equally. If any child does not survive the Employee, then the deceased child's share will be distributed to his or her children (the Employee's grandchildren) equally or, if none, the surviving children equally. If none of the foregoing survives the Employee, the Beneficiary will be the Employee's estate.
- (ii) **Required Form of Beneficiary Designation** The Employee may designate or change a Beneficiary only by written notice to, and in a form acceptable to, the Custodian, but the Custodian shall have no responsibility to determine the validity of such beneficiary designation. The designation or change will take effect as of the date the written notice was executed, provided that the designation or change is delivered to the Custodian prior to the Employee's death. The beneficiary designation form shall be used solely for the purpose of designating a Beneficiary or Beneficiaries.
- (iii) **Good Faith Payment by Custodian.** The Custodian shall be relieved of any liability for making any payment in good faith to any person or entity that claims to be a Beneficiary. The Custodian shall be entitled to rely without liability on written notice

from the Employee's personal representative or any Beneficiary as to the identity of the Beneficiaries of the Employee at the time of the Employee's death.

(b) Distributions Before Required Beginning Date

Before the Required Beginning Date, but only on a form acceptable to the Custodian, the Employee may elect to have the balance in the Account distributed in one of the following forms:

- (i) a single sum payment;
- (ii) payments over the life of the Employee;
- (iii) payments over the lives of the Employee and his or her Beneficiary;
- (iv) payments over a specified period.

(c) Required Distributions During Employee's Lifetime

(i) **Timing of Distributions.** A required distribution applies to benefits accrued after December 31, 1986 (the "applicable amount"). The first payment of a required distribution is not due until the Employee's Required Beginning Date. If the Employee takes the first required distribution in the year of his or her Required Beginning Date, another distribution is required by December 31 of the year containing the Required Beginning Date. In this event, the Employee may receive two required distributions in the first year distributions begin. If the Employee takes the first required distribution in the year in which he or she reaches 70½, or retires, if later, the Employee need only take one distribution in the year in which his or her Required Beginning Date occurs. For each succeeding year, a distribution must be made on or before December 31. Distributions under this section are considered to have begun if the distributions are made on account of the Employee reaching his or her Required Beginning Date. If the Employee dies prior to the Required Beginning Date, distributions will not be considered to have begun even if the Employee receives distributions before the Employee's death.

(ii) **Method of Calculating Lifetime Minimum Distributions.** The minimum amount to be distributed each year (commencing with the Required Beginning Date and each year thereafter) must be no less than (and may be more if requested in writing by the Employee) an amount equal to the quotient obtained by dividing the prior year-end value of the applicable amount by the applicable factor (using the Employee's age as of his or her birthday in the year) in the Uniform Lifetime Table in Q&A-2 of §1.401(a)(9)-9 of the Federal Income Tax Regulations. However, if the Employee's sole Designated Beneficiary is the Employee's spouse and the spouse is more than 10 years younger than the Employee, then the distribution period is determined under the Joint Life and Last Survivor Expectancy Table in Q&A-3 of §1.401(a)(9)-9 of the Federal Income Tax Regulations, using ages as of the Employee's and spouse's birthday in the year.

(d) Required Distributions After Death of Employee

(i) **Minimum Distributions to Beneficiaries if Employee Dies Before the Required Beginning Date.** Upon the death of the

Employee before his or her Required Beginning Date, the Beneficiary or Beneficiaries may elect to receive minimum distributions from the Account as follows:

- a. *Nonspouse Beneficiary Is Designated Beneficiary; or Spouse Beneficiary Is Not Sole Designated Beneficiary* — If the Designated Beneficiary is not the spouse of the Employee, or if the spouse of the Employee is a Beneficiary but not the sole Designated Beneficiary, then the Beneficiary may elect to receive minimum distributions over the life expectancy of the Designated Beneficiary commencing no later than December 31 of the year following the year of the Employee's death.
- b. *Spouse Beneficiary Is Sole Designated Beneficiary* — If the sole Designated Beneficiary is the spouse of the Employee, then such spouse may elect:
 1. to receive minimum distributions over the spouse's life expectancy, commencing no later than December 31 of the year following the year of the Employee's death or December 31 of the year in which the Employee would have reached age 70½. If the surviving spouse dies before distributions are required to begin, the remaining interest will be distributed to the spouse's Beneficiary or Beneficiaries in accordance with subparagraph a. of this Section 9(d)(i), as if the spouse were the Employee. If the surviving spouse dies after distributions are required to begin, any remaining interest in the Account will be distributed over the spouse's remaining life expectancy determined using the spouse's age as of his or her birthday in the year of the spouse's death; or
 2. to receive minimum distributions in accordance with subparagraph c. of this Section (d)(i).
- c. *No Designated Beneficiary* — If the Employee does not have a Designated Beneficiary, the entire interest will be distributed by December 31 of the year containing the fifth anniversary of the Employee's death (or surviving spouse's death if the surviving spouse dies before distribution is required to begin).
- (ii) **Minimum Distributions to Beneficiaries From Custodial Account if Employee Dies on or After the Required Beginning Date.** If the Employee dies on or after the Required Beginning Date, the Beneficiary or Beneficiaries may elect to receive minimum distributions from the Account as follows:
 - a. *Nonspouse Beneficiary Is Designated Beneficiary; or Spouse Beneficiary Is Not Sole Designated Beneficiary* — If the Designated Beneficiary is not the spouse of the Employee, or if the spouse of the Employee is a Beneficiary but not the sole Designated Beneficiary, then the Beneficiary may elect to receive minimum distributions over the longer of the life expectancy of the Designated Beneficiary or the remaining life expectancy of the Employee, commencing no later than December 31 of the year following the year of the Employee's death.

- b. *Spouse Beneficiary Is Sole Designated Beneficiary* — If the sole Designated Beneficiary is the spouse of the Employee, then such spouse may elect to receive minimum distributions over the spouse's life expectancy or over the remaining life expectancy of the Employee, if such period is longer, commencing no later than December 31 of the year following the year of the Employee's death. Any remaining interest after the spouse's death will be distributed over such spouse's remaining life expectancy, or over the remaining life expectancy of the Employee if such period is longer.
- c. *No Designated Beneficiary* — If the Employee does not have a Designated Beneficiary, then the Beneficiary may elect to receive minimum distributions over the remaining life expectancy of the Employee.
- (iii) **Determination of Life Expectancy and Calculation of Minimum Distributions After the Employee's Death.** The minimum amount required to be distributed each year under Sections (i) and (ii) above is the quotient obtained by dividing the value of the Account as of the end of the preceding year by the applicable factor. The applicable life expectancy for the surviving spouse who is the sole Designated Beneficiary is the Single Life Expectancy Table factor in Q&A-1 of §1.401(a)(9)-9 of the Federal Income Tax Regulations for the spouse's age each year. The applicable factor in all other cases is the Single Life Expectancy Table factor in Q&A-1 of §1.401(a)(9)-9 of the Federal Income Tax Regulations corresponding to the Beneficiary's age (or Employee's age, if applicable) as of his or her birthday in the year distributions begin reduced by one in each succeeding year.
- (iv) **Requesting Distributions.** The Custodian has no duty to advise the Employee or Beneficiary of the taxability of distributions. Moreover, the Custodian has no duty to commence distributions to the Employee or Beneficiary until receipt of written instructions, on a form acceptable to the Custodian, from the Employee or Beneficiary, as the case may be. The Custodian shall give no force and effect to any election made by the Employee or Beneficiary as to the distribution options allowable to the Employee or Beneficiary(ies), unless such election is made in a form acceptable to the Custodian.
- (v) **Satisfying Minimum Distributions From Two or More Custodial Accounts.** An individual may satisfy the minimum distribution requirements under §401(a)(9) of the Code by receiving a distribution from one Custodial Account that is equal to the amount required to satisfy the minimum distribution requirements for two or more custodial accounts. For this purpose, the Employee or Beneficiary of two or more custodial accounts may use the "alternative method" described in Notice 88-38, 1988-1 C.B. 524 to satisfy the minimum distribution requirements described above. If the Employee or Beneficiary does not provide the Custodian with timely notice that required distributions will be satisfied from this Account, then the Employee automatically will be deemed to have elected to satisfy the minimum distribution requirements from some other custodial account.
- (e) **Treatment of Trust Beneficiaries as "Designated Beneficiaries."** If a trust is named as a Beneficiary of this Account, the beneficiaries of the trust with respect to the trust's interests in this Account will be treated as being "Designated Beneficiaries" (as that term is defined in the Code and corresponding Treasury Regulations) of the Employee solely for purposes of determining the distribution period under §401(a)(9) of the Code; provided, however, such treatment as "Designated Beneficiaries" may occur only if, during any period during which required minimum distributions are being determined by treating beneficiaries of the trust as Designated Beneficiaries of the Owner, 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 or will, by its terms, become irrevocable upon the death of the Employee;
- (iii) the beneficiaries of the trust who are beneficiaries with respect to the trust's interests in this Account are identifiable from the trust instrument; and
- (iv) the Custodian receives the documentation described in Q&A-6 of Treasury Regulations §1.401(a)(9)-4.
- If the foregoing requirements have been satisfied, and the Custodian receives such additional information as it may request, the Custodian of this Account may treat such trust beneficiaries as "Designated Beneficiaries."
- (f) **Separate Accounts.** The Custodian will recognize the timely creation of separate accounts by the Participant, Beneficiary or Beneficiaries (or a representative of the Beneficiary or Beneficiaries, including the trustee of a trust) to the extent permitted by law or applicable Treasury regulations. If the Participant designates multiple individuals or a trust with multiple beneficiaries as the Participant's Beneficiary, then the age of the oldest individual or trust beneficiary shall be used for purposes of calculating required minimum distributions hereunder unless separate accounts are timely established as aforesaid. To create separate accounts during the lifetime of the Participant, a separate Application must be completed for each Account, delivered and accepted by the Custodian. To create separate Accounts after the death of the 403(b) Participant, the Custodian must be notified by the Beneficiary or at least one of the Beneficiaries (or a representative of the Beneficiary or Beneficiaries, including the trustee of a trust, or the personal representative of an estate) in a form and manner acceptable to the Custodian.
- (g) **Trust Beneficiary Qualifying for Marital Deduction.** If a Beneficiary is a trust (other than an estate marital trust) that is intended to qualify for the federal estate tax marital deduction under §2056 of the Code ("Marital Trust"), then:
- (i) in no event shall the annual amount distributed from the Account to the Marital Trust be less than the minimum distribution required under §401(a)(9) of the Code;
- (ii) the trustee of the Marital Trust shall be responsible for calculating the amount to be distributed under clause (i) above and shall instruct the Custodian of the Account in writing to distribute the amount so calculated;
- (iii) the trustee of the Marital Trust may from time to time notify the Custodian of the Account 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.
- (h) **Disclaimer.** The Custodian of the Account may accept a Beneficiary's disclaimer with respect to all or a portion of an interest in the Account provided that the disclaimant has not previously accepted any interest in the property to be disclaimed and the disclaimer:
- (i) is in a form acceptable to the Custodian;
- (ii) identifies the Employee of the Account;
- (iii) describes the interest (i.e., the Account) and the extent of the interest to be disclaimed;
- (iv) declines, refuses or renounces the interest to be disclaimed; and
- (v) satisfies the state law of the Employee's domicile.
- The Custodian of this Account may accept a trust's disclaimer made by a trustee on behalf of (i) a trust that is the Beneficiary of this Account and (ii) the beneficiary(ies) of the trust (or made by a personal representative of an estate that is a Beneficiary of the Account), provided that (a) the disclaimer satisfies the foregoing requirements and either (b) the state law of the Employee's domicile or 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) or (c) the beneficiary(ies) affected by the disclaimer consent.
- The Custodian shall not be responsible for determining the validity of the disclaimer under any state or federal law and may rely on the disclaimant's good faith written statement of the disclaimer's validity. 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.
- (i) **Power of Attorney.** If the Custodian of the Account is asked to follow the instructions of an attorney-in-fact designated under a power of attorney, the Custodian may, but shall not be required to, follow such instructions without regard to whether the power of attorney expressly authorizes the specific act, transaction or decision by the attorney-in-fact; provided, however, the power of attorney may not be construed to grant authority to an attorney-in-fact to change the designation of Beneficiaries to receive any property, benefit or contract right on the Employee's death unless expressly authorized in the power of attorney.

When requested to follow the instructions of an attorney-in-fact, the Custodian, before incurring any duty to comply with the power of attorney, may require the attorney-in-fact to provide identification, specimens of the signatures of the Employee and the attorney-in-fact, and any other information reasonably necessary or appropriate to identify the Employee and the attorney-in-fact and to facilitate the actions of the Custodian in following instructions of the attorney-in-fact.

The Custodian, in its sole and absolute discretion, may petition any applicable court to resolve any issue pertaining to the power of attorney, including, but not limited to, the validity of the power of attorney or the authority to engage in the proposed acts requested by the attorney-in-fact. All expenses of such a judicial determination, including the Custodian's reasonable attorney fees, shall be charged to the Account as provided in Section 7 of this Agreement.

The Custodian shall not be responsible for determining the validity of the power of attorney under any state or federal law and may rely on the attorney-in-fact's good faith written statement of the validity of the power of attorney. The Custodian shall not be liable to the attorney-in-fact, Employee or any other person for acting or refusing to act in good faith reliance on the power of attorney.

- (j) **Receipt of Instructions From Conservator or Guardian.** If the Custodian of the Account is asked to follow the instructions of a conservator or guardian of the estate of any incapacitated Employee (hereinafter such conservator or guardian is referred to as a "Personal Representative"), the Custodian may, but shall not be required to, follow such instructions; provided, however, the Custodian may not act upon the instructions of such Personal Representative to change the designation of Beneficiaries to receive any property, benefit or contract right on the conservatee's or ward's death without court authorization.

When requested to follow the instructions of a Personal Representative, the Custodian, before incurring any duty to comply with such instructions, may require any information reasonably necessary or appropriate to identify the Personal Representative and to facilitate the actions of the Custodian in following such instructions.

The Custodian, in its sole and absolute discretion, may petition any applicable court to resolve any issue pertaining to the instructions of the Personal Representative, including, but not limited to, the authority to engage in the proposed acts requested by the Personal Representative. All expenses of such a judicial determination, including the Custodian's reasonable attorney's fees, shall be charged to the Account as provided in Section 7 of this Agreement.

The Custodian shall not be liable to any person for acting or refusing to act in good faith reliance on the instructions of the Personal Representative.

- (k) **Payments Upon Death of Beneficiary.** If a Beneficiary is a natural person and is entitled to benefits under the Employee's Account ("Original Beneficiary"), then upon the death of such Original Beneficiary, any remaining benefits shall be payable to one or more persons or entities ("Subsequent Beneficiary") designated by the Employee to receive such benefits. If the Employee fails to designate a Subsequent

Beneficiary, or to the extent that such designation does not make an effective disposition of all such remaining benefits in the Account, then such remaining benefits shall be payable to the Subsequent Beneficiary(ies) if so designated by the Original Beneficiary to receive such benefits or, if none, to the Original Beneficiary's estate.

The Employee's and the Original Beneficiary's designation of a Subsequent Beneficiary to receive such remaining benefits may be acted upon by the Custodian if:

- (i) the designation is executed prior to the death of the Employee or Original Beneficiary, as the case may be, by a written instrument in a form acceptable to the Custodian;
- (ii) the designation expressly refers to the remaining benefits in the Account; and
- (iii) the designation is delivered to the Custodian prior to the Original Beneficiary's death.

If such remaining benefits are thus payable to such a Subsequent Beneficiary, they shall be paid over a period that does not extend beyond the applicable distribution period for the distribution of the Employee's Account.

If a Beneficiary is a trust and is receiving benefits under the Employee's Account over the life expectancy of a trust beneficiary (or over the remaining life expectancy, if any, of the Employee 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 that does not extend beyond the applicable distribution period for the distribution of the Employee's Account.

- (l) **Notice of Events.** Until the Custodian shall receive notice, in a form acceptable to the Custodian, of any event upon which the right to receive any benefits from this Account has occurred, the Custodian shall incur no liability for any disbursements or distributions made or omitted to be made in good faith.

Section 10 — Amendment and Termination

The Employee, 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 that is necessary to conform the Agreement to, or satisfy the conditions of, any law, governmental regulation or ruling, and any prospective amendment that 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 that 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 Employee 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.

This Agreement may, at the Custodian's option, terminate upon the transfer or complete distribution of the Account, or at the discretion of the Custodian at any time upon 30 days' prior written notice to the Employee.

Section 11 — Resignation or Removal of the Custodian

The Custodian may resign at any time upon 30 days' prior written notice to the Employee, or the Beneficiary of a deceased Employee, and may be removed by the Employee at any time upon 30 days' prior written notice to the Custodian. Upon such resignation or removal, the Employee or Beneficiary shall appoint a qualified successor to the Custodian, and at the request of the Employee or Beneficiary, the Custodian shall transfer and pay over to such successor the assets of the Account or the proceeds from the sale of such assets. The Custodian may, in its discretion, make an independent determination as to such successor's qualified status. The Custodian is authorized, however, to reserve such sum of money as it may deem advisable for payment of any liability constituting a charge against the assets of the Account or against the Custodian, with any balance remaining after the payment of all such items to be paid over to such successor.

Section 12 — Miscellaneous

- (a) **Necessity of Qualification.** This Agreement is established with the intent that it shall qualify under §403(b) of the Code 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 Employee or transferred in accordance with Subsection (g) of this Section 12 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 Employee 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, makes any representations as to the tax qualifications or effect thereof. 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.
- (b) **Investments.** Notwithstanding any provisions of this Agreement to the contrary, investments will be limited to those permitted under §403 of the Code.
- (c) **Custodian's Powers and Duties.** The Custodian shall exercise and discharge its powers and duties in the following manner:
- (i) by acting solely in the interest of the Employee and Employee's beneficiaries;
 - (ii) by acting for the exclusive purpose of

providing benefits to the Employee and Employee'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 Employee or Employee's beneficiaries or for the reasonable expenses of administering the Account until all liabilities for benefits due the Employee or Employee's beneficiaries have been satisfied.

- (d) **Spendthrift Clause.** Neither the assets nor the benefits provided for hereunder shall be subject to alienation, anticipation, assignment (other than as provided in Subsection (e) below), garnishment, attachment, execution or levy of any kind (other than as provided in Subsection (f) below), and any attempt to cause such benefits to be so subjected shall not be recognized. The Employee shall have no right to assign, transfer or pledge any interest in the Account, and the Employee's interest in the Account shall not be subject to any claims of creditors.
- (e) **Qualified Domestic Relations Orders.** Notwithstanding anything to the contrary in the Agreement, including Section 12(d) above, the Employee may direct the Custodian to distribute assets pursuant to a QDRO. For purposes of making distributions under the provisions of a QDRO, the qualified early retirement age with regard to the Employee against whom the QDRO is entered shall be the date on which the QDRO is determined to be qualified. This will only allow payout to the alternate payee(s).
- (f) **Creditor Redemption.** Notwithstanding anything to the contrary in this Agreement, including Section 12(d) above, to the extent permitted by applicable federal law, the Custodian, upon receipt of an Internal Revenue Service levy against the Employee or Account ("Levy"), may redeem shares, with or without notice to the Employee or Beneficiary, of the Fund or Funds in the Account and forward the proceeds to satisfy such a Levy. The Custodian may redeem the shares on a pro-rata basis in the Fund or Funds.

Except as otherwise provided by applicable law, the Custodian shall not be liable for any action taken in good faith and in exercise of due care. In the event of any action undertaken by the Custodian resulting from any order described herein, all court costs, legal expenses, reasonable compensation for the time expended by the Custodian and any other expenses and costs, including reasonable attorneys' fees, shall be collected by the Custodian from the Account(s) in accordance with Section 7 of this Agreement.

- (g) **Transfers.** The Custodian may accept the transfer of cash from the Employee's existing custodial account and/or existing annuity contract that are/is established under §403(b) of the Code to the Employee's Custodial Account established under this Agreement, unless expressly prohibited by the documents governing such custodial accounts and/or such annuity. The Employee may also transfer cash or assets from this Custodial Account to any other custodial account and/or annuity contract permitted under §403(b) of the Code.
- (h) **Military Service.** To the extent required under Code §414(u), an Employee who returns to employment with the Employer following a period of qualified military service will receive any contributions, benefits and service credit required under Code §414(u), provided the Employee satisfies all applicable requirements under the Code and regulations.
- (i) **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 (Transfers) to Minors Act.
- (j) **Use of Electronic or Telephonic Media.** With the consent of the Custodian, the Employee, or the Beneficiary of a deceased Employee, may use electronic or telephonic media to satisfy the requirements for written consent or direction to the extent permissible under regulations or other generally applicable guidance.
- (k) **Use of IRS Compliance Programs.** Nothing in this Agreement should be construed to limit

the availability of the IRS' voluntary compliance programs, the Employee Plans Compliance Resolution System (which encompasses the Administrative Policy Regarding Self-Correction, the Walk-in CAP, Audit CAP and the Voluntary Compliance Resolution Program).

- (l) **Governing Law/Resort to Judicial Determination.** 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, Employee, 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 attorneys' fees, shall be collected by the Custodian from the Account(s) in accordance with Section 7 of this Agreement.
- (m) **Additional Information/Documentation.** The Custodian may, in the Custodian's sole and absolute discretion, require that the Employee, Beneficiary or any other person or entity provide the Custodian with additional information or documentation as the Custodian deems appropriate in order to satisfy the Custodian's duties under the Agreement.
- (n) **Binding on Successors.** This Agreement shall bind and enure to the benefit of the representatives, successors and assigns of the Employee and the Custodian.

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At present, the Internal Revenue Service has not announced a procedure for approval as to the form of a 403(b) agreement. Therefore, while the agreement has been designed to qualify under Section 403(b) of the Internal Revenue Code, the sponsor is unable to make any representation as to its qualification.

Capital Bank and Trust Company shall be under no duty to investigate the conduct of any predecessor custodian, nor shall CB&T be liable for failure to discover any breach of trust by such predecessor custodian or for failing to obtain redress for such breach of trust or for failure to discover or collect any trust property that was not voluntarily turned over to CB&T by such predecessor whether or not such action or inaction is willful or negligent, or with or without knowledge of such breaches of trust or existence of such property.

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