Erie County Technical School

PROPOSED AGENDA ITEM

MEETING DATE: July 24, 2008

SUBJECT: 403(b) Plan Document and agreements

DESCRIPTION:

The IRS has released new requirements for public school employers to adopt a written plan to satisfy code section 403(b) in regard to tax sheltered annuity retirement plans.

The documents presented for approval:

1. Resolution adopting a Plan Document
2. Adoption Agreement with specific plan information
3. Plan Document for Public Education Organizations
4. Kades-Margolis Corporation consulting services agreement
    a. Permits Kades-Margolis to present a vendor neutral information program to employees
    b. Kades-Margolis is named as an approved vendor in the plan document
    c. Kades-Margolis will be considered for other employer plan programs in the future
    d. Consulting services will be at no charge
5. Employer Admin Services, Inc. program compliance services agreement
    a. Third party administration of the Plan
        i. Common remitting service
        ii. Contribution limit testing and monitoring
        iii. Monitoring transfers, loans, and distributions
        iv. Provide employee communication materials
        v. Services will be provided at no charge

RECOMMENDATION:

Motion to approve the resolution adopting the 403(b) Plan Document and agreements as presented.

Erie County Technical School

Joint Operating Committee ("Board") Resolution: Adopting a 403(b) Plan Document

In response to recently released IRS regulations establishing a requirement for written documentation of the 403(b) tax sheltered annuity program offered to employees of Erie County Technical School (the "District") wishes to adopt the plan document, a copy of which is attached to this resolution. This document is based on model language released by the IRS for such purpose and conforms to the model 403(b) plan document established by PASBO for public schools in Pennsylvania.

RESOLVED, that the Board does hereby adopt the 403(b) Plan Document for Public Education Organizations (the "Plan"), which will, at all times, conform to the requirements of Section 403(b) of the Internal Revenue Service Code and applicable regulations.

FURTHER RESOLVED that it is the intention of the Board that the 403(b) program will conform with all federal and state statutory and regulatory requirements applicable to 403(b) plans, except that the program set forth above shall not be subject to the requirements of Title I of ERISA because the employer is exempted from such requirements.

FURTHER RESOLVED that the Board authorizes the Erie County Technical School Business Manager to act on the Board's behalf with respect to this plan, and to take any and all actions necessary or desirable to implement, maintain and administer the plan set forth above in accordance with the Board's intentions, and all applicable state and federal laws.

FURTHER RESOLVED that the Board appoints Employer Admin Services, Inc. as the district's 403(b) Plan Third Party Administrator and Kades-Margolis Corporation as the district's 403(b) consulting company to assist the district in complying with the new 403(b) regulations, at no cost to the district or its employees.

Resolution Dated: July 24, 2008

ADOPTION AGREEMENT

Employer hereby adopts the 403(b) Plan Document for Public Education Organizations plan document (the "Plan") as modified by this Adoption Agreement and agrees that the following provisions shall be incorporated as part of the Plan document.

EMPLOYER INFORMATION

Name of Employer: **Erie County Technical School**

Federal Tax ID: **25-1150947**

Employer's Address: 8500 Oliver Road
Erie, PA 16509

Telephone Number: 814-464-8600 **Fax:** 814-464-8626

Contact Person: Paul D. Fritz, Business Manager

Telephone/Extension: 814-464-8662 **E-mail:** pfritz@ects.org

Type of Organization:

☒ K-12 Public School ☐ Community College ☐ Public College/University

PLAN INFORMATION

1. Name of Plan: **Erie County Technical School 403(b) Plan**

2. Effective Date: This Adoption Agreement:

☒ establishes a Plan effective as of 12-31-2008 (the "Effective Date") and is the first 403(b) plan document established by the Employer.

☐ amends and restates a previously established 403(b) Plan document of the Employer. The effective date of this amended Plan is ________________________ (the "Effective Date").

3. Eligibility: Under the Plan document, ALL common law employees except student teachers or student workers are immediately eligible to make contributions under the Plan, unless an exception is indicated below. Eligibility for Employer Contributions is based on applicable employment agreements or collective bargaining agreements to which an employee is subject, or as determined by the Employer from year to year.

The following employees are excluded from participating in the Plan:

☐ Employees who normally work fewer than ___ hours per week (must be 20 or less and generally equivalent to 1,000 hours or less in a working year except as otherwise provided under applicable 403(b) regulations

☐ Employees who are eligible to participate in another plan sponsored by the Employer that permits salary reduction contributions described under Section 403(b)(12)(A) of the Code.

4. Contributions:

Employee Contributions (in addition to pre-tax Elective Deferrals):

☐ Roth 403(b) Contributions are NOT permitted under the Plan

☒ Roth 403(b) Contributions to the Plan are permitted beginning on 01-01-2009. If 403(b) Contributions are permitted to the Plan, direct rollovers from other Roth 403(b) or 401(k) plans are ☒ , are not ☐ accepted into the Plan

Employer Contributions, if any:

☐ No Employer Contributions will be made.

☒ Employer Contributions will be made in accordance with applicable employment agreements and collective bargaining agreements, or as may be determined from year to year by the Employer.

5. 15 Years of Service Catch Up Contributions: The Plan *will* ☐ or *will not* ☒ permit employees with 15 years of service with the Employer that satisfy the conditions for the Special Section 403(b) Catch-up Limitation for Employees With 15 Years of Service (Section 3.2 of the Plan) to increase their Elective Deferrals limitation.

6. Investment Options: Any Annuity Contracts and/or Custodial Accounts that meet the requirements of Section 403(b) of the Code offered by the organizations listed on Appendix 1 are authorized as Vendors under the Plan.

7. Exchanges Within the Plan: The Plan *will* ☒ or *will not* ☐ permit Participants to make Exchanges. If permitted, Exchanges may occur between:

☐ Those organizations listed on Appendix 1 only (organizations authorized to maintain current payroll slots).

☒ Those organizations listed on Appendix 1 (organizations authorized to maintain current payroll slots) and any other organization offering annuity contracts and/or custodial accounts that satisfy the requirements of Section 403(b) of the Code and execute the information sharing agreement provided by Employer for purposes of satisfying applicable compliance requirements. Administrator will maintain a list of organizations that have executed information sharing agreements and will make this list available to Vendors (Appendix 2).

8. Transfers Into the Plan : The Plan *will* ☐ or *will not* ☒ accept Transfers from another employer's 403(b) plan.

9. Transfers From the Plan : The Plan *will* ☒ or *will not* ☐ permit Transfers from the Plan to another employer's 403(b) plan, if requested by a former Participant.

10. Financial Hardship Distributions: Hardship Distributions *are* ☐ or *are not* ☒ available under the Plan.

11. Loans: Loans *are* ☐ or *are not* ☒ available under the Plan subject to availability and any additional conditions that may apply under a Participant's 403(b) Individual Agreement(s).

12. Plan Administration: The Plan shall be administered:

☐ By the Employer (Default under the Plan)

☒ By a designated Administrator. The Employer has named **Employer Admin Services, Inc.**, to act in this capacity.

☐ Jointly by Employer and Vendors. Unless otherwise agreed to in writing by the parties, Employer and each Funding Vehicle shall jointly act as Administrator of the Plan. Employer shall be responsible for matters relating to the Plan document, eligibility (including providing notice of the Plan to Employees), enrollment opportunities, contributions, proper tax reporting on contributions, and payroll related issues. The Funding Vehicles are responsible for matters relating to investing Contributions as directed by Participants, beneficiary designations, distributions, exchanges, transfers, rollovers, loans, withdrawals and post-employment compliance matters, such as tax reporting, notice requirements and withholding on distributions.

Other provisions of the Plan (Attach additional pages as necessary):

____
_______________NONE____
____

EMPLOYER ACKNOWLEDGEMENTS AND SIGNATURES

Employer acknowledges that it is an eligible public education organization under Section 170(b)(1)(A)(ii) of the Code and is authorized to offer a program qualified under Section 403(b) of the Internal Revenue Code.

EMPLOYER

Print Name of Employer: **Erie County Technical School**

By: ____

Print Name of Signer: Paul D. Fritz

Title: Business Manager and Secretary

Dated: ____

APPENDIX 1

Authorized Vendors under the Plan Are:

Name of Organization	Contact Person	Telephone Number
1) Security Benefit One Security Benefit Place Topeka, KS 66636-0001	Susan Cain	888-724-7526
2) The Legend Group 3920 RCA Boulevard, Suite 2004 Palm Beach Gardens, FL 33410	Cynthia Kleymann	561-694-0110
3) MetLife Resources 400 Atrium Drive Somerset, NJ 08873	Thomas G. Hogan, Jr.	732-652-1200
4) AIG VALIC Plan Document Team 2929 Allen Parkway, L-1140 Houston, TX 77019	Joan Keller	888-478-7020
5) Fidelity Investments Tax Exempt Services Company Plan Sponsor Services 201 South Main Street, Suite 200 Salt Lake City, UT 84111		800-868-1023
6) Kades-Margolis Corporation 998 Old Eagle School Road, Suite 1220 Wayne, PA 19087	Karen Moran	800-433-1828, ext 252

Important Note:

As provided under the Plan, any authorized Vendor named above agrees to share information necessary for compliance purposes with Employer, an Administrator and/or with any other 403(b) provider as may be required or desirable to facilitate compliance with the Plan and all applicable laws and regulations.

This Appendix is dated: ______________________________________

APPENDIX 2

The following organizations have signed information sharing agreements with the Employer (or Administrator) and are authorized to receive exchanges from Plan Participants.

Name of Organization	Contact Person	Contact Information:
_NONE___________________	______________________	__________________________
		__________________________
		__________________________
		__________________________

Important Note:

As provided under the Plan, any organization named above agrees to share information necessary for compliance purposes with Employer, an Administrator and/or with any other 403(b) provider as may be required or desirable to facilitate compliance with the Plan and all applicable laws and regulations.

This Appendix is dated: _______________________________________

403(b) Plan Document
For
Public Education Organizations

This plan document includes the IRS model language set forth in Rev. Proc. 2007-71 and has been modified to delete certain optional features and include provisions that were not included in the IRS model language. It is expected that school districts will, with the assistance of counsel, modify this plan document by selecting certain options as provided in the Adoption Agreement, the terms of which are incorporated into this plan document.

Section 1 - Definitions

The following words and terms, when used in the Plan, have the meaning set forth below.

1.1 **Account** means the account or accumulation maintained for the benefit of any Participant or Beneficiary under an Annuity Contract or a Custodial Account.

1.2 **Account Balance** means the value of the aggregate amount credited to each Participant's Account under all Accounts, including the Participant's Elective Deferrals, the earnings or loss of each Annuity Contract or a Custodial Account (net of expenses) allocable to the Participant, any transfers for the Participant's benefit, and any distribution made to the Participant or the Participant's Beneficiary. If a Participant has more than one Beneficiary at the time of the Participant's death, then a separate Account Balance shall be maintained for each Beneficiary. The Account Balance includes any account established under Section 6 for rollover contributions and plan-to-plan transfers made for a Participant, if such contributions are authorized under the Adoption Agreement, the account established for a Beneficiary after a Participant's death, and any account or accounts established for an alternate payee (as defined in section 414(p)(8) of the Code).

1.3 **Administrator** means, unless otherwise indicated in the Adoption Agreement, the Employer. Notwithstanding this appointment, the Administrator may delegate, by separate agreement, any administrative responsibilities hereunder to one or more persons, committees, Vendor, or other organization.

1.4 **Annuity Contract** means a nontransferable contract as defined in section 403(b)(1) of the Code, established for each Participant by the Employer, or by each Participant individually, that is issued by an insurance company qualified to issue annuities in the state in which the Employer or Participant, as applicable, resides and that includes payment in the form of an annuity.

1.5 **Beneficiary** means the designated person who is entitled to receive benefits under the Plan after the death of a Participant, subject to such additional rules as may be set forth in the Individual Agreements.

1.6 **Custodial Account** means the group or individual custodial account or accounts, as defined in section 403(b)(7) of the Code, established for each Participant by the Employer, or by each Participant individually, to hold assets of the Plan.

1.7 **Code** means the Internal Revenue Code of 1986, as now in effect or as hereafter amended. All citations to sections of the Code are to such sections as they may from time to time be amended or renumbered.

1.8 **Compensation** means all cash compensation for services to the Employer, including salary, wages, fees, commissions, bonuses, and overtime pay, that is includible in the Employee's gross income for the calendar year, plus amounts that would be cash compensation for services to the Employer includible in the Employee's gross income for the calendar year but for a compensation reduction election under section 125, 132(f), 401(k), 403(b), or 457(b) of the Code (including an election under Section 2 of the Plan made to reduce compensation in order to have Elective Deferrals under the Plan).

1.9 **Disabled** means the definition of disability provided in the applicable Individual Agreement.

1.10 **Elective Deferral** means the Employer contributions made to the Plan at the election of the Participant in lieu of receiving cash compensation. Elective Deferrals are limited to pre-tax salary reduction contributions, unless the Plan permits Roth 403(b) Contributions under Section 10.

1.11 **Employee** means each individual, whether appointed or elected, who is a common law employee of the Employer performing services for a public school as an employee of the Employer. This definition is not applicable unless the Employee's compensation for performing services for a public school is paid by the Employer. Further, a person occupying an elective or appointive public office is not an Employee performing services for a public school unless such office is one to which an individual is elected or appointed only if the individual has received training, or is experienced, in the field of education. A public office includes any elective or appointive office of a state or local government.

1.12 **Employer** means the public education organization identified in the Adoption Agreement as the Employer.

1.13 **Employer Contributions** means any nonelective contributions made to the Plan by the Employer as provided in the Adoption Agreement.

1.14 **Funding Vehicles** means the Annuity Contracts or Custodial Accounts issued for funding amounts held under the Plan and authorized by Employer for use under the Plan.

1.15 **Includible Compensation** means an Employee's actual wages in box 1 of Form W-2 for a year for services to the Employer, but subject to a maximum of $230,000 (or such higher maximum as may apply under section 401(a)(17) of the Code) and increased (up to the dollar maximum) by any compensation reduction election under section 125, 132(f), 401(k), 403(b), or 457(b) of the Code (including any Elective Deferral under the Plan). The amount of Includible Compensation is determined without regard to any community property laws.

1.16 **Individual Agreement** means an agreement between a Vendor and the Employer or a Vendor and a Participant that constitutes or governs a Custodial Account or an Annuity Contract.

1.17 **Participant** means an individual for whom Elective Deferrals or other contributions permitted under the Plan are currently being made, or for whom such contributions have previously been made, under the Plan and who has not received a distribution of his or her entire benefit under the Plan.

1.18 **Plan** means the name given to this Plan by the Employer in the Adoption Agreement.

1.19 **Plan Year** means the calendar year.

1.20 **Related Employer** means the Employer and any other entity which is under common control with the Employer under section 414(b) or (c) of the Code. For this purpose, the Employer shall determine which entities are Related Employers based on a reasonable, good faith standard and taking into account the special rules applicable under Notice 89-23, 1989-1 C.B. 654.

1.21 **Roth 403(b) Contribution** means, if authorized in the Adoption Agreement, any contribution made by a Participant which is designated as a Roth 403(b) Contribution in accordance with Section 10 of the Plan that qualifies as a Roth 403(b) Contribution under section 402A of the Code.

1.22 **Severance from Employment** means severance from employment with the Employer and any Related Entity. However, a Severance from Employment also occurs on any date on which an Employee ceases to be an employee of a public school, even though the Employee may continue to be employed by a Related Employer that is another unit of the State or local government that is not a public school or in a capacity that is not employment with a public school (e.g., ceasing to be an employee performing services for a public school but continuing to work for the same State or local government employer).

1.23 **Vendor** means the provider of an Annuity Contract or Custodial Account, or any organization acting on their behalf under this Plan.

1.24 **Valuation Date** means each business day of the Plan Year.

Section 2 - Participation and Contributions

2.1 **Eligibility.** Unless otherwise provided in the Adoption Agreement**,** each Employee shall be eligible to participate in the Plan and elect to have Elective Deferrals made on his or her behalf hereunder immediately upon becoming employed by the Employer. However, an Employee who is a student-teacher (i.e., a person providing service as a teacher's aid on a temporary basis while attending a school, college or university) or a student-worker is not eligible to participate in the Plan.

2.2 **Contributions.** (a) Elective Deferral Contributions. An Employee elects to become a Participant by executing an election to reduce his or her Compensation (and have that amount contributed to the Plan as an Elective Deferral on his or her behalf) and filing it with the appropriate Administrator. This Compensation reduction election shall be made on the agreement provided by the Administrator under which the Employee agrees to be bound by all the terms and conditions of the Plan. The Administrator may establish an annual minimum deferral amount no higher than $200, and may change such minimum to a lower amount from time to time. The participation election shall also include designation of the Funding Vehicles and Accounts therein to which Elective Deferrals are to be made. Any such election shall remain in effect until a new election is filed. Only an individual who performs services for the Employer as an Employee may reduce his or her Compensation under the Plan. Each Employee will become a Participant in accordance with the terms and conditions of the Individual Agreements. Unless otherwise provided in the Plan or Adoption Agreement, all Elective Deferrals shall be made on a pre-tax basis. An Employee shall become a Participant as soon as administratively practicable following the date applicable under the employee's election.

(b) Roth 403(b) Contributions. If authorized in the Adoption Agreement and if permitted under an Employee's Individual Agreement(s), an Employee may elect to make Roth

403(b) Contributions to the Plan in accordance with Section 10 of the Plan. The Participant's election to make Roth 403(b) Contributions shall be made on the agreement provided by the Administrator and shall also include designation of the Funding Vehicles and Accounts therein to which Elective Deferrals are to be made. Any such election shall remain in effect until a new election is filed.

(c) Employer Contributions. (1) If authorized in the Adoption Agreement, the Employer may make nonelective Employer contributions to Accounts of designated Employees. Employer contributions shall be determined in accordance with the Adoption Agreement. Contributions made under this Section 2.2(c) shall be deposited into each Participant's Account in accordance with Sections 2.4 and 2.5 of the Plan.

(2) Employer may make contributions into the 403(b) Accounts of former Employees, provided that any such contributions satisfy all of the following conditions:

a. Contributions may not be made later than the fifth calendar year following the year in which the former Employee ceased to be an Employee.
b. Contributions may not be made following the month of the former Employee's death.
c. Contributions shall be 100% vested at all times.
d. Contributions shall be based on "includible compensation" as defined in section 403(b)(3) of the Code as modified by IRS regulations and shall be subject to the limitations of section 415(c)(1) of the Code.

Subject to (2)b. above, amounts not contributed by Employer to any former Employee's 403(b) Account due to the contribution limitations of section 415(c) of the Code shall be contributed in the next Plan Year (and each succeeding Plan Year) until the Employer contributes all amounts due to Participant. No contributions may be made after the last day of the fifth year following the Plan Year in which the Participant's Severance from Employment occurred.

2.3 **<u>Information Provided by the Employee</u>.** Each Employee enrolling in the Plan should provide to the Administrator at the time of initial enrollment, and later if there are any changes, any information necessary or advisable for the Administrator to administer the Plan, including any information required under the Individual Agreements.

2.4 **<u>Change in Elective Deferral Election</u>.** Subject to the provisions of the applicable Individual Agreements, an Employee may at any time revise his or her participation election, including a change of the amount of his or her Elective Deferrals, a change in the allocation of his or her Elective Deferrals to reflect pre-tax or Roth 403(b) Contributions (if permitted under the Plan), and/or a change to previous investment directions. A change in the investment direction shall take effect as of the date provided by the Administrator on a uniform basis for all Employees. A change in the Beneficiary designation shall take effect when the election is accepted by the Vendor.

2.5 **Contributions Made Promptly.** Elective Deferrals under the Plan shall be transferred to the applicable Funding Vehicle within 15 business days following the end of the month in which the amount would otherwise have been paid to the Participant, unless an earlier date is required by applicable state law. Employer contributions shall be transferred to the applicable Funding Vehicle within a reasonable period of time but in no event later than thirty (30) days after the end of the Employer's standard work year for which such contributions were owed.

2.6 **Leave of Absence**. Unless an election is otherwise revised, if an Employee is absent from work by leave of absence, Elective Deferrals under the Plan shall continue to the extent that Compensation continues.

Section 3 - Limitations on Amounts Deferred

3.1 **Basic Annual Limitation.** Except as provided in Sections 3.2 and 3.3, the maximum amount of the Elective Deferral under the Plan for any calendar year shall not exceed the lesser of (a) the "applicable dollar amount" or (b) the Participant's Includible Compensation. The "applicable dollar amount" is the amount established under section 402(g)(1)(B) of the Code, which is $15,500 for 2008, and is adjusted for cost-of-living after 2008 to the extent provided under section 415(d) of the Code.

3.2 **Special Section 403(b) Catch-up Limitation for Employees With 15 Years of Service**. If authorized in the Adoption Agreement, the applicable dollar amount under Section 3.1(a) for any "qualified employee" is increased (to the extent provided in the Individual Agreements) by the least of:

(a) $3,000;
(b) The excess of:
  (1) $15,000, over
  (2) The total special 403(b) catch-up elective deferrals made for the qualified employee by the qualified organization for prior years; or
(c) The excess of:
  (1) $5,000 multiplied by the number of years of service of the employee with the qualified organization, over
  (2) The total Elective Deferrals made for the employee by the qualified organization for prior years.

For purposes of this Section 3.2, a "qualified employee" means an employee who has completed at least 15 years of service taking into account only employment with the Employer.

3.3 **Age 50 Catch-up Elective Deferral Contributions.** An Employee who is a Participant who will attain age 50 or more by the end of the tax year is permitted to elect an additional amount of Elective Deferrals, up to the maximum age 50 catch-up Elective Deferrals for the year. The maximum dollar amount of the age 50 catch-up Elective

Deferrals for a year is $5,000 for 2008, and is adjusted for cost-of-living after 2008 to the extent provided under the Code.

3.4 **Coordination**. If the Adoption Agreement authorizes contributions under Section 3.2 of the Plan, amounts in excess of the limitation set forth in Section 3.1 shall be allocated first to the special 403(b) catch-up under Section 3.2 and next as an age 50 catch-up contribution under Section 3.3. However, in no event can the amount of the Elective Deferrals for a year be more than the Participant's Includible Compensation for the year.

3.5 **Special Rule for a Participant Covered by Another Section 403(b) Plan.** For purposes of this Section 3, if the Participant is or has been a participant in one or more other plans under section 403(b) of the Code (and any other plan that permits elective deferrals under section 402(g) of the Code), then this Plan and all such other plans shall be considered as one plan for purposes of applying the Elective Deferral limitations of this Section 3. For this purpose, the Administrator shall take into account any other such plan maintained by any Related Employer and shall also take into account any other such plan for which the Administrator receives from the Participant sufficient information concerning his or her participation in such other plan. Notwithstanding the foregoing, another plan maintained by a Related Entity shall be taken into account for purposes of Section 3.2 only if the other plan is a section 403(b) plan.

3.6 **Correction of Excess Elective Deferrals.** If the Elective Deferral on behalf of a Participant for any calendar year exceeds the limitations described above, or the Elective Deferral on behalf of a Participant for any calendar year exceeds the limitations described above when combined with other amounts deferred by the Participant under another plan of the Employer under section 403(b) of the Code (and any other plan that permits elective deferrals under section 402(g) of the Code for which the Participant provides information that is accepted by the Administrator), then the Elective Deferral, to the extent in excess of the applicable limitation (adjusted for any income or loss in value, if any, allocable thereto), shall be distributed to the Participant in accordance with applicable IRS guidance.

3.7 **Protection of Persons Who Serve in a Uniformed Service.** An Employee whose employment is interrupted by qualified military service under section 414(u) of the Code or who is on a leave of absence for qualified military service under section 414(u) of the Code may elect to make additional Elective Deferrals upon resumption of employment with the Employer equal to the maximum Elective Deferrals that the Employee could have elected during that period if the Employee's employment with the Employer had continued (at the same level of Compensation) without the interruption or leave, reduced by the Elective Deferrals, if any, actually made for the Employee during the period of the interruption or leave. Except to the extent provided under section 414(u) of the Code, this right applies for five (5) years following the resumption of employment (or, if sooner, for a period equal to three (3) times the period of the interruption or leave).

3.8 **Annual Contribution Limits.** The aggregate annual amount contributed into a Participant's Account shall not exceed the amount permitted under section 415(c) of the

Code. If any Employer Contributions cause a Participant's 403(b) Contract to exceed the annual contribution limitation of section 415(c)(1) of the Code, the excess contributions shall be segregated and treated in a manner consistent with applicable IRS guidance on excess "annual additions."

Section 4 - Loans

4.1 **Loans**. If authorized in the Adoption Agreement, loans shall be permitted under the Plan to the extent permitted by and in accordance with the Individual Agreements controlling the Account assets from which the loan is made and by which the loan will be secured. An Employee who has previously defaulted on a loan from any retirement plan or deferred compensation arrangement sponsored by the Employer and who has not repaid the loan, in full, shall not be permitted to take a loan from his Account under the Plan.

4.2 **Information Coordination Concerning Loans.** Each Vendor is responsible for all information reporting and tax withholding required by applicable federal and state law in connection with distributions and loans. To minimize the instances in which Participants have taxable income as a result of loans from the Plan, the Administrator shall take such steps as may be appropriate to coordinate the limitations on loans set forth in Sections 4.1 and 4.3, including the collection of information from Vendors, and transmission of information requested by any Vendor, concerning the outstanding balance of any loans made to a Participant under the Plan or any other plan of the Employer. The Administrator shall also take such steps as may be appropriate to collect information from Vendors and transmission of information to any Vendor, concerning any failure by a Participant to repay timely any loans made to a Participant under the Plan or any other plan of the Employer.

4.3 **Maximum Loan Amount.** No loan to a Participant under the Plan may exceed the lesser of (a) or (b) below:

(a) $50,000, reduced by the greater of:
(1) the outstanding balance on any loan from the Plan to the Participant on the date the loan is made or
(2) the highest outstanding balance on loans from the Plan to the Participant during the one-year period ending on the day before the date the loan is approved by the Administrator (not taking into account any payments made during such one-year period).
(b) one half of the value of the Participant's vested Account Balance (as of the valuation date immediately preceding the date on which such loan is approved by the Administrator).

For purposes of this Section 4.3, any loan from any other plan maintained by the Employer and any Related Employer shall be treated as if it were a loan made from the Plan, and the Participant's vested interest under any such other plan shall be considered a vested interest under this Plan; provided, however, that the provisions of this paragraph shall not be applied so as to allow the amount of a loan to exceed the amount that would otherwise be permitted in the absence of this paragraph.

4.4 **Loan Repayments For Employees in Military Service**. Notwithstanding any other provision of the Plan or any Annuity Contract or Custodial Account, loan repayments by eligible uniformed services personnel maybe suspended as permitted under section 404(u)(4) of the Code and the terms of any loan shall be modified to conform to the requirements of the Uniformed Services Employment and Reemployment Rights Act.

Section 5 - Benefit Distributions

5.1 **Benefit Distributions At Severance from Employment or Other Distribution Event**. Except as permitted under Section 3.6 (relating to excess Elective Deferrals), Section 5.3 (relating to withdrawals of amounts rolled over into the Plan), or Section 5.4 (relating to Hardship Distributions), distributions from a Participant's Account may not be made earlier than the earliest of the date on which the Participation has a Severance from Employment, dies, becomes Disabled, or attains age 59½. Distributions shall otherwise be made in accordance with the terms of the Individual Agreements.

5.2 **Minimum Distributions**. Each Individual Agreement shall comply with the minimum distribution requirements of section 401(a)(9) of the Code and the regulations thereunder. For purposes of applying the distribution rules of section 401(a)(9) of the Code, each Individual Agreement is treated as an individual retirement account (IRA) and distributions shall be made in accordance with the provisions of Treas. Reg. §1.408-8, except as provided in Treas. Reg. § 1.403(b)-6(e).

5.3 **In-Service Distributions From Rollover Account.** If the Funding Vehicles in which a Participant's Account is invested has established and maintains a separate account attributable to rollover contributions to the Plan and if permitted by the applicable Individual Agreement, the Participant may at any time elect to receive a distribution of all or any portion of the amount held in such rollover account.

5.4 **Hardship Distributions**. If authorized under the Adoption Agreement, (a) hardship distributions shall be authorized under the Plan to the extent permitted by the Individual Agreements controlling the Account assets to be withdrawn to satisfy the hardship. No Elective Deferrals to any retirement or deferred compensation plan sponsored by the Employer shall be allowed during the six (6) month period beginning on the date the Participant receives a distribution on account of hardship.

(b) No hardship distribution is permitted unless the Vendors agree to the exchange of information between the Administrator and the Vendors to the extent necessary to implement the Individual Agreements. Notwithstanding any Individual Agreement, the Plan only permits hardship distributions that satisfy the "safe harbor" standards with respect to establishing an immediate and heavy financial need (under Treas. Reg. §1.401(k)-1(d)(3)(iii)(B). For purposes of satisfying the lack of other resources requirement (under Treas. Reg. §1.401(k)-1(d)(3)(iv)(E). including, the Plan shall follow the provisions of the applicable Individual Agreements, except that all Participants shall suspend Elective Deferrals for a period of six (6) months following the date of the hardship distribution. Vendor shall notify Employer of any hardship distributions in order for the Employer to implement the resulting 6-month suspension of the Participant's right to make Elective Deferrals under the Plan.

5.5 **<u>Rollover Distributions</u>**. (a) A Participant or the Beneficiary of a deceased Participant (or a Participant's spouse or former spouse who is an alternate payee under a domestic relations order, as defined in section 414(p) of the Code) who is entitled to an eligible rollover distribution may elect to have any portion of an eligible rollover distribution (as defined in section 402(c)(4) of the Code) from the Plan paid directly to an eligible retirement plan (as defined in section 402(c)(8)(B) of the Code) specified by the Participant in a direct rollover. In the case of a distribution to a Beneficiary who at the time of the Participant's death was neither the spouse or former spouse of the Participant or alternate payee under a domestic relations order, a direct rollover is payable only to an individual retirement account or individual retirement annuity (IRA) that has been established on behalf of the Beneficiary as an inherited IRA (within the meaning of section 408(d)(3)(C) of the Code).

(b) Each Vendor shall be separately responsible for providing, within a reasonable time period before making an initial eligible rollover distribution, an explanation to the Participant of his or her right to elect a direct rollover and the income tax withholding consequences of not electing a direct rollover.

Section 6 – Rollovers, Exchanges and Transfers

6.1 **<u>Eligible Rollover Contributions to the Plan</u>.** To the extent provided in the Individual Agreements, an Employee who is a Participant who is entitled to receive an eligible rollover distribution from another eligible retirement plan may request to have all or a portion of the eligible rollover distribution paid to the Plan. Such rollover contributions shall be made in the form of cash only. The Vendor may require such documentation from the distributing plan as it deems necessary to effectuate the rollover in accordance with section 402 of the Code and to confirm that such plan is an eligible retirement plan within the meaning of section 402(c)(8)(B) of the Code. However, unless Roth 403(b) Contributions are authorized under the Adoption Agreement, in no event does the Plan accept a rollover contribution from a Roth elective deferral account under an applicable retirement plan described in section 402A(e)(1) of the Code or a Roth IRA described in section 408A of the Code.

6.2 **<u>Eligible Rollover Distributions</u>**. For purposes of Section 6.1, an eligible rollover distribution means any distribution of all or any portion of a Participant's benefit under another eligible retirement plan, except that an eligible rollover distribution does not include any installment payment payable over a period of ten (10) years or more, any distribution made as a result of a financial hardship or other distribution which is made upon hardship of the employee, or for any other distribution, the portion, if any, of the distribution that is a required minimum distribution under section 401(a)(9) of the Code.

In addition, for purposes of Section 6.1, an eligible retirement plan means an individual retirement account described in section 408(a) of the Code, an individual retirement annuity described in section 408(b) of the Code, a qualified trust described in section 401(a) of the Code, an annuity plan described in section 403(a) or 403(b) of the Code, or an eligible governmental plan described in section 457(b) of the Code, that accept eligible rollover distributions.

6.3 **Separate Accounts**. Unless otherwise provided by the terms of applicable Individual Agreements, Vendors shall provide separate accounting for any eligible rollover distributions paid to the Plan.

6.4 **Plan-to-Plan Transfers to the Plan**. (a) If authorized under the Adoption Agreement, the Administrator may permit a transfer of assets to the Plan as provided in this Section 6.4. Such a transfer is permitted only if the other 403(b) plan provides for the direct plan-to-plan transfer of each Employee's interest therein to the Plan and the Participant is an Employee or former Employee of the Employer. The Administrator or any Vendor accepting a transfer may require such documentation from the other 403(b) plan as it deems necessary to effectuate the transfer in accordance with Treas. Reg. §1.403(b)-10(b)(3) and other applicable IRS guidance and to confirm that the other plan is a plan that satisfies section 403(b) of the Code.

(b) The amount so transferred shall be credited to the Participant's Account Balance, so that the Participant or Beneficiary whose assets are being transferred has an accumulated benefit immediately after the transfer at least equal to the accumulated benefit with respect to that Participant or Beneficiary immediately before the transfer.

(c) To the extent provided in the Individual Agreements holding such transferred amounts, the amount transferred shall be held, accounted for, administered and otherwise treated in the same manner as an Elective Deferral by the Participant under the Plan, except that the Individual Agreement which holds any amount transferred to the Plan must provide that, to the extent any amount transferred is subject to any distribution restrictions required under section 403(b) of the Code, the Individual Agreement must impose restrictions on distributions that are not less stringent than those imposed on the transferor plan and the transferred amount shall not be considered an Elective Deferral under the Plan in determining the maximum deferral under Section 3.

6.5 **Plan-to-Plan Transfers from the Plan.** (a) If authorized under the Adoption Agreement, Participants and Beneficiaries may elect to have all or any portion of their Account Balance transferred to another plan that satisfies section 403(b) of the Code in accordance with Treas. Reg. § 1.403(b)-10(b)(3). A transfer is permitted under this Section 6.5(a) only if the Participants or Beneficiaries are Employees or former Employees of the Employer under the receiving plan and the other 403(b) plan provides for the acceptance of plan-to-plan transfers with respect to the Participants and Beneficiaries and for the Account of each Participant and Beneficiary after the transfer to at least equal the Account value immediately prior to the transfer.

(b) The other 403(b) plan must provide that, to the extent any amount transferred is subject to any distribution restrictions required under section 403(b) of the Code, it shall impose restrictions on distributions to the Participant or Beneficiary whose assets are transferred that are not less stringent than those imposed under the Plan. In addition, if the transfer does not constitute a complete transfer of the Participant's or Beneficiary's interest in the Plan, the other plan shall treat the amount transferred as a continuation of a pro rata portion of the Participant's or Beneficiary's interest in the transferor plan (e.g., a pro rata portion of the Participant's or Beneficiary's interest in any after-tax employee contributions).

(c) Upon the transfer of assets under this Section 6.5, the Plan's liability to pay benefits to the Participant or Beneficiary under this Plan shall be discharged to the extent of the amount so transferred for the Participant or Beneficiary. The Administrator may require such documentation from the receiving plan as it deems appropriate or necessary to comply with this Section 6.5 (for example, to confirm that the receiving plan satisfies section 403(b) of the Code and to assure that the transfer is permitted under the receiving plan) or to effectuate the transfer pursuant to Treas. Reg. §1.403(b)-10(b)(3).

6.6 **Contract and Custodial Account Exchanges**. (a) If authorized in the Adoption Agreement, a Participant or Beneficiary is permitted to change the investment of his or her Account Balance among the Vendors under the Plan, subject to the terms of the Individual Agreements. However, unless otherwise indicated on the Adoption Agreement, exchanges are not permitted to Vendors that are not eligible to receive contributions under Section 2. If the Adoption Agreement authorizes exchanges to a Vendor that is not eligible to receive contributions under Section 2, the conditions in paragraphs (b) through (d) of this Section 6.6 must be satisfied.

(b) The Participant or Beneficiary must have an Account balance immediately after the exchange that is at least equal to the Account Balance of that Participant or Beneficiary immediately before the exchange (taking into account the Account Balance of that Participant or Beneficiary under both section 403(b) Annuity Contracts or Custodial Accounts immediately before the exchange).

(c) The Individual Agreement with the receiving Vendor has distribution restrictions with respect to the Participant that are not less stringent than those imposed on the investment being exchanged.

(d) The Employer enters into an agreement with the receiving Vendor for the other contract or custodial account under which the Employer and the Vendor will from time to time in the future provide each other with the following information:

(1) Information necessary for any current or former Vendor to which Plan contributions have been made in order to satisfy section 403(b) of the Code, including the following:

A. Employer shall provide information as to whether the Participant's employment with the Employer is continuing, and notifying the Vendor when the Participant has had a Severance from Employment (for purposes of the distribution restrictions in Section 5);

B. if hardship distributions are authorized in the Adoption Agreement, Vendor shall notify Employer of any hardship distribution under Section 5.4 of the Plan; and

C. Vendor shall provide information to the Employer or other Vendors concerning the Participant's or Beneficiary's Annuity Contracts or Custodial Accounts or qualified employer plan benefits (to enable a Vendor to determine the amount of any plan loans and any rollover accounts that are available to the Participant under the Plan in order to satisfy the financial need under the hardship distribution rules of Section 5.4); and

(2) Information necessary for the resulting Annuity Contract or Custodial Account and any other 403(b) contract or custodial account to which contributions have been made for the Participant by the Employer to satisfy other tax requirements, including the following:

A. the amount of any plan loan that is outstanding to the Participant in order for a Vendor to determine whether an additional Plan loan satisfies the loan limitations of Section 4.3, so that any such additional loan is not a deemed distribution under section 72(p)(1) of the Code; and

B. information concerning the Participant's or Beneficiary's Roth 403(b) Contributions and after-tax employee contributions in order for a Vendor to determine the extent to which a distribution is includible in gross income.

(e) If any Vendor ceases to be eligible to receive Elective Deferrals under the Plan, the Vendor shall enter into an information sharing agreement as described in Section 6.6(d) to the extent the Employer's relationship with the Vendor does not provide for the exchange of information described in Section 6.6(d)(1) and (2).

6.7 **Permissive Service Credit Transfers.** (a) If a Participant is also a participant in a tax-qualified defined benefit governmental plan (as defined in section 414(d) of the Code) that provides for the acceptance of plan-to-plan transfers with respect to the Participant, then the Participant may elect to have any portion of the Participant's Account balance transferred to such defined benefit governmental plan. A transfer under this Section 6.7(a) may be made before the Participant has had a Severance from Employment.

(b) A transfer may be made under this Section 6.7(a) only if the transfer is either for the purchase of permissive service credit (as defined in section 415(n)(3)(A) of the Code) under the receiving defined benefit governmental plan or a repayment to which section 415 of the Code does not apply by reason of section 415(k)(3) of the Code.

(c) If a plan-to-plan transfer under this Section 6.7 does not constitute a complete transfer of the Participant's or Beneficiary's interest in the transferor plan, the Plan shall treat the amount transferred as a continuation of a pro rata portion of the Participant's or Beneficiary's interest in the transferor plan (e.g., a pro rata portion of the Participant's or Beneficiary's interest in any after-tax employee contributions).

Section 7 - Investment of Contributions

7.1 **Manner of Investment**. All Elective Deferrals, Roth 403(b) Contributions , Employer Contributions or other amounts contributed to the Plan, all property and rights purchased with such amounts under the Funding Vehicles, and all income attributable to such amounts, property, or rights shall be held and invested in one or more Annuity Contracts or Custodial Accounts. Each Custodial Account shall provide for it to be impossible, prior to the satisfaction of all liabilities with respect to Participants and their Beneficiaries, for any part of the assets and income of the Custodial Account to be used for, or diverted to, purposes other than for the exclusive benefit of Participants and their Beneficiaries.

7.2 **Investment of Contributions**. Each Participant or Beneficiary shall direct the investment of his or her Account among the investment options available under the Annuity Contract or Custodial Account in accordance with the terms of the Individual Agreements. Transfers and exchanges among Annuity Contracts and Custodial Accounts may be made under this Section 7.2 as authorized under the Adoption Agreement and to the extent provided in the Individual Agreements as permitted under applicable Income Tax Regulations.

7.3 **Current and Former Vendors**. The Administrator shall maintain a list of all Vendors under the Plan. Such list is hereby incorporated as part of the Plan. Each Vendor and the Administrator shall exchange such information as may be necessary to satisfy section 403(b) of the Code or other requirements of applicable law. If a Vendor is not eligible to receive Elective Deferrals, Roth 403(b) Contributions or Employer Contributions under the Plan (including a Vendor which has ceased to be a Vendor eligible to receive Elective Deferrals under the Plan and a Vendor holding assets under the Plan in accordance with Section 6.4 or 6.6), Employer shall keep Vendor informed of the name and contact information of the Administrator in order to coordinate information necessary to satisfy section 403(b) of the Code or other requirements of applicable law.

Section 8 - Amendments to the Plan

8.1 **Termination of Contributions**. The Employer has adopted the Plan with the intention and expectation that contributions will be continued indefinitely. However, the Employer has no obligation or liability whatsoever to maintain the Plan for any length of time and may discontinue contributions under the Plan at any time without any liability hereunder for any such discontinuance.

8.2 **Amendment** . The Employer reserves the authority to amend this Plan at any time, provided that any amendment which reduces the contractual rights or benefits under an Individual Agreement shall apply prospectively only except as required under the Code and applicable regulations.

Section 9 – Miscellaneous

9.1 **Non-Assignability.** Except as provided in Section 9.2 and 9.3, the interests of each Participant or Beneficiary under the Plan are not subject to the claims of the Participant's or Beneficiary's creditors; and neither the Participant nor any Beneficiary shall have any right to sell, assign, transfer, or otherwise convey the right to receive any payments hereunder or any interest under the Plan, which payments and interest are expressly declared to be non-assignable and non-transferable.

9.2 **Domestic Relation Orders.** Notwithstanding Section 9.1, if a judgment, decree or order (including approval of a property settlement agreement) that relates to the provision of child support, alimony payments, or the marital property rights of a spouse or former spouse, child, or other dependent of a Participant is made pursuant to the domestic relations law of any state ("domestic relations order"), then the amount of the Participant's Account Balance shall be paid in the manner and to the person or persons so directed in the domestic relations order. Such payment shall be made without regard to whether the Participant is eligible for a distribution of benefits under the Plan. The Administrator shall establish reasonable procedures for determining the status of any such decree or order and for effectuating distribution pursuant to the domestic relations order.

9.3 **IRS Levy.** Notwithstanding Section 9.1, the Administrator may direct payment from a Participant's or Beneficiary's Account in the amount that the Administrator finds is lawfully demanded under a levy issued by the Internal Revenue Service with respect to that Participant or Beneficiary or is sought to be collected by the United States Government under a judgment resulting from an unpaid tax assessment against the Participant or Beneficiary.

9.4 **Tax Withholding**. Contributions to the Plan are subject to applicable employment taxes (including, if applicable, Federal Insurance Contributions Act (FICA) taxes with respect to Elective Deferrals and Roth 403(b) Contributions, which constitute wages under section 3121 of the Code). Any benefit payment made under the Plan is subject to applicable income tax withholding requirements (including section 3401 of the Code and the Employment Tax Regulations thereunder). A payee shall provide such information as the Administrator or Vendor may need to satisfy income tax withholding obligations, and any other information that may be required by guidance issued under the Code.

9.5 **Payments to Minors and Incompetents.** If a Participant or Beneficiary entitled to receive any benefits hereunder is a minor or is adjudged to be legally incapable of giving valid receipt and discharge for such benefits, or is deemed so by the Administrator, benefits will be paid in conformity with applicable Annuity Contracts or Custodial Accounts. If the applicable Annuity Contracts or Custodial Accounts do not address the issue of payments to minors and incompetents, then the Administrator shall direct payment of the benefit to such person as the Administrator may designate for the benefit of such Participant or Beneficiary. Such payments shall be considered a payment to such

Participant or Beneficiary and shall, to the extent made, be deemed a complete discharge of any liability for such payments under the Plan.

9.6 **Mistaken Contributions.** If any contribution (or any portion of a contribution) is made to the Plan by a good faith mistake of fact, then within one (1) year after the payment of the contribution, and upon receipt in good order of a proper request approved by the Administrator, the amount of the mistaken contribution (adjusted for any income or loss in value, if any, allocable thereto) shall be returned to the party that made the contribution.

9.7 **Procedure When Distributee Cannot Be Located.** The Administrator shall make all reasonable attempts to determine the identity and address of a Participant or a Participant's Beneficiary entitled to benefits under the Plan. If, after sending the communication by certified mail to the last known address shown on the records of the Employer or the Administrator and not receiving a response within six (6) months, then the terms of the Funding Vehicle holding the Accounts of the Participant that govern payment of benefits to Participants and Beneficiaries who cannot be located shall be followed.

9.8 **Incorporation of Individual Agreements**. The Plan, together with the Adoption Agreement and any Individual Agreements, is intended to satisfy the requirements of section 403(b) of the Code and the Income Tax Regulations thereunder. Terms and conditions of the Adoption Agreement and applicable Individual Agreements are hereby incorporated by reference into the Plan, excluding those terms that are inconsistent with the Plan or section 403(b) of the Code. In such event, the Individual Agreements shall be interpreted, to the extent possible, in a manner to conform to the Plan and applicable requirements.

9.9 **Governing Law**. The Plan will be construed, administered and enforced according to the Code and the laws of the state in which the Employer has its principal place of business.

9.10 **Construction.** Headings of the Plan have been inserted for convenience of reference only and are to be ignored in any construction of the provisions hereof. Pronouns used in the Plan in the masculine or feminine gender include both genders unless the context clearly indicates otherwise.

9.11 **Indemnification**. If Employer appoints an Employee or a committee of Employees to act as the Administrator of the Plan, Employer shall indemnify any such Employee acting on its behalf in this capacity. Such individuals shall be indemnified from any and all liability that may arise by reason of his action or failure to act concerning this Plan, excepting any willful misconduct or criminal acts.

9.12 **No Employer Liability**. Employer shall have no liability for the payment of benefits under the Plan. Each Participant shall look solely to the providers of applicable Annuity Contracts and Custodial Accounts for receipt of payments or benefits under the Plan.

Section 10 – Roth 403(b) Contribution Provisions

10.1 **General Application.** This Section 10 shall apply only if the Employer has elected to permit Roth 403(b) Contributions under the Plan as indicated on the Adoption Agreement.

10.2 **Roth 403(b) Contributions**. Participants may make Roth 403(b) Contributions to their Accounts under the Plan if authorized by the Employer on the Adoption Agreement. Unless otherwise provided, such contributions shall be treated as Elective Deferrals and are therefore subject to the requirements and limitations imposed by section 402(g) of the Code. A Participant's Roth 403(b) Contributions shall be allocated to a separate account maintained for such deferrals as described in Section 10.3.

10.3 **Separate Accounting Requirements**. Contributions and withdrawals of Roth 403(b) Contributions, and earnings or losses thereon, shall be credited and debited to each Participant's Account and shall be separately accounted for under each Employee's Account. Gains, losses, and other credits or charges shall be separately allocated on a reasonable and consistent basis for each Participant's Roth 403(b) Contributions. Except as provided in Section 10.6, no contributions other than Roth 403(b) Contributions and properly attributable earnings may be credited to each Participant's Roth subaccount.

10.4 **Deposit Requirements**. Roth 403(b) Contributions shall be deposited with the applicable Funding Vehicles as soon as practicable in accordance with Section 2.5 of the Plan, unless an earlier date is required under state law.

10.5 **Direct Roth Rollovers From the Plan**. Notwithstanding Section 5.5 of the Plan, Participants may only make a direct rollover of a distribution of Roth 403(b) Contributions (and earnings thereon) to another 403(b) plan with Roth 403(b) Contribution features, to a Roth 401(k) plan with Roth contribution features or to a Roth IRA described in Section 408A of the Code, and only to the extent the Rollover is permitted under the rules of section 402(c) of the Code.

10.6 **Roth Rollovers Into the Plan**. Notwithstanding Section 6.1 of the Plan, and unless otherwise indicated on the Adoption Agreement, direct rollovers of Roth 403(b) Contributions and Roth 401(k) contributions and earnings thereon from another 403(b) plan with Roth 403(b) Contribution features or from a Roth 401(k) plan with Roth contribution features are permitted, provided that the Funding Vehicles selected by a Participant will accept Roth 403(b) and/or 401(k) rollovers. Direct rollovers shall only be permitted if the transmitting plan satisfies the conditions set forth in section 402A(e)(1) of the Code and only to the extent the rollover is permitted under the rules of section 402(c) of the Code.

10.7 **Correction of Excess Deferrals**. Excess Deferrals shall be corrected by first distributing the amount of Roth 403(b) contributions (plus earnings thereon) made during the Plan Year needed to correct the excess and then by distributing a Participant's pre-tax Elective

Deferrals (plus earnings thereon). However, if a highly compensated employee (as defined in Section 414(q) of the Code) experiences an Excess Deferral in any Plan Year, he may designate the extent to which the excess amount is composed of Elective Deferrals and excess Roth 403(b) Contributions, provided that both types of contributions were made by the Employee during the applicable Plan Year. If the highly compensated employee does not designate which type of contributions are to be distributed, then pre-tax Elective Deferrals shall be distributed first, followed by Roth 403(b) Contributions.

10.8 **Definition of Roth 403(b) Contributions**. A Roth 403(b) Contribution is an Employee contribution that is designated irrevocably by the Employee on his enrollment form to be a Roth 403(b) Contribution and is treated by the Employer as includible in the Employee's income.

10.9 **Roth Caveat.** Employer, Administrator and providers of Annuity Contracts and Custodial Accounts shall utilize good faith compliance efforts to conform to the requirements applicable to Roth 403(b) Contributions based on applicable IRS guidance related to Roth 403(b) Contributions. The Plan shall be administered and interpreted in the manner necessary to ensure compliance with such guidance.

The Employer has evidenced its intent to adopt this Plan by executing the Adoption Agreement which is a part of this 403(b) Plan document. This Plan document, the Adoption Agreement, and any underlying Annuity Contracts and Custodial Accounts provided by the Vendors authorized by the Employer, as well as necessary forms and administrative policies and procedures incorporated by the Employer, an Administrator or any Funding Vehicle shall constitute the entire Plan.

Kades-Margolis Corporation 403(b) Plan Consulting Service Agreement

Employer Admin Services, Inc has agreed to perform all services under this 403(b) Program Compliance Services Agreement at no charge to the Client based on the following:

Universal Availability Required Education

The IRS requires that the Client's employees be given an effective opportunity to participate in the Client's 403(b) Plan. To satisfy that requirement the Client shall:

1. Permit Kades-Margolis Corporation to prepare and exclusively present a vendor-neutral PowerPoint about 403(b) Tax Sheltered Accounts that will:
    a. Include information about what a 403(b) Tax Sheltered Account is;
    b. Explain why the employee should participate in the Client's 403(b) program;
    c. List what vendors are approved in the Client's 403(b) Plan Document for participation;
    d. Review any other pertinent information contained in the Client's 403(b) Plan Document; and,
    e. Explain how the employee who wishes to participate can initiate the process.

2. At least once each year, at a mandatory meeting(s), permit a representative of Kades-Margolis Corporation to present the PowerPoint to all employees and to distribute a Summary Plan Document (SPD) that contains the text of the PowerPoint, along with any other pertinent information pertaining to the Client's 403(b) Plan.
    a. The annual presentation shall be at an all-staff inservice program or other mandatory meeting(s) established by the Client for all employees.
        i. The presentation shall be presented, and SPD distributed, to new employees if the Client has new employee meeting(s) separate from the all-staff meeting.

3. Permit EAS and Kades-Margolis to participate in any and all events (such as Health Fairs, etc.) where other approved 403(b) TSA vendors are invited to participate.

4. Permit Kades-Margolis to utilize school facilities to host annual voluntary meeting(s) for those employees who are contemplating retirement. These educational meetings will provide potential retirees with information about how their retirement will affect their 403(b) program under the Client's 403(b) Plan Document and will review the various options that are available to retirees regarding their 403(b) accounts.

Named Vendors and Payroll Slots

In its 403(b) Plan Document, along with other vendors approved by the Client, the Client agrees to name as approved vendors, and to establish and maintain 403(b) payroll slots for, Kades-Margolis Corporation, Security Benefit, and other 403(b) vendors endorsed by the Pennsylvania Association of Elementary School Principals and the Pennsylvania State Education Association marketed through Kades-Margolis Corporation.

Other Employer Plan Programs

If the Client considers other employer plan programs in the future, Client agrees to examine and consider employer plans and programs offered by KMC prior to making a selection for Client's employees. Such plans and programs include: 403(b) Severance Pay Programs, a Section 457 Deferred Compensation Plan, a Section 125 Flexible Spending Plan, a Health Reimbursement Account Program, a Long-Term Care Program, a Roth 403(b) program, Life Insurance, etc.

Extraordinary Charges

If extraordinary services are required due to the failure of the Client to perform its duties under this Service Agreement, or upon request of the Client, an hourly extraordinary services fee may be charged the Client at the basic rate of $50.00 per hour.

CLIENT:	**KADES-MARGOLIS CORPORATION**
By: ______________________	By: ______________________
Title: ______________________ *(Authorized Client Representative)*	Title: ______________________ *(Authorized Kades-Margolis Corporation Signature)*
Date: ______________________	Date: ______________________

EMPLOYER
ADMIN
SERVICES,
INC.

403(b) PROGRAM COMPLIANCE SERVICES AGREEMENT

THIS 403(b) PROGRAM COMPLIANCE SERVICES AGREEMENT ("Agreement") is entered into between the employer and plan sponsor named below (the "Client"), as Employer and Sponsor of the 403(b) program named below (the "Plan"), and (EAS), Employer Admin Services, Inc.

WHEREAS, the Client has adopted a 403(b) program for the eligible employees of the Client, and wishes to appoint an agent to perform certain non-discretionary plan administration, plan compliance and related services for the Plan, and EAS agrees to provide these services:

NOW, THEREFORE, the Client and EAS agree as follows:

Section 1.0: Responsibilities of EAS. EAS will provide the following administrative, compliance and related services for the Plan:

1.1 **Provision of Plan Documents.** EAS will provide a Basic Plan Document and an Adoption Agreement to Client, for review and approval by the Client and counsel. The Client will complete and review the documents to assure that they reflect the intended operation of the Plan by the Client. EAS will also provide updates, amendments and restatements of these documents as it deems appropriate to conform to changing statutory and regulatory requirements. The right to use EAS Plan documents is granted and licensed to Client by EAS only during the term of this Agreement, and they should not be used, and may become outdated and non-compliant, after the termination of this Agreement.

1.2 **403(b) Investment Products.** EAS shall make available and provide through independent agents and broker/dealers investment products that comply with 403(b), including separate annuity contracts that satisfy the requirements of 403(b) (1) of the Code and/or separate custodial accounts for mutual fund shares that satisfy the requirements of 403(b) (7) of the Code. These investment providers will, upon reasonable advance notice, comply with all pertinent written directives of the Client regarding the solicitation of Employees to the extent that compliance is not inconsistent with any law. The 403(b) investment products provided by EAS under the Plan are listed on a Schedule of Investment Providers and Approved 403(b) Investment Products attached to the Adoption Agreement for the Plan, which EAS will update as needed and present to Client for approval and execution.

1.3 **Other Approved Investment Providers.** In addition to 403(b) investment products provided by EAS affiliates, the Plan may include 403(b) qualified investment products provided by other investment providers. EAS will also include those providers and products, as reasonably requested by Client, and update the Schedule of Investment Providers and Approved 403(b) Investment Products for approval and execution by Client. Other providers must agree to cooperate with EAS in the administration of the Plan. Actual plan investment allocations between available investment products will be directed by Plan Participants under rules provided by the Employer. The allocation of Plan contributions shall be in accordance with the salary reduction or other agreement of the Participant with the Employer, shall be provided to EAS, and shall be promptly updated as it changes. Other investment providers will be expected to agree to cooperate with EAS in the provision of services under this Agreement, including providing 403(b) qualified products and following Plan procedures established hereunder for loans and distributions.

1.4 **Common Remitting Services.** Client will forward the aggregate contributions and loan repayments (if applicable) for each payroll period to a custodial account (the "Account") per instructions provided by EAS. EAS may change the bank serving as Custodian upon reasonable advance written notice. Client will forward to EAS data relating to participant allocations an agreed upon number days before the forwarding of Client contributions and any loan repayments to the custodial account. EAS will calculate allocation instructions for each payroll period of the Client contributions and any loan repayments among the authorized Plan investment providers (including EAS affiliates) and authorized investment products in the amounts and proportions directed by Plan Participants (and the Client for any default investments or other investment manager, where appropriate) and will submit to the Custodian a report allocating the contributions between Participants, contribution and any loan payment types, and investment products. The Client authorizes the Custodian, upon receipt of allocation instructions from EAS, to disburse contributions and loan repayments from the Account to the investment providers by draft, wire or electronic fund transfer to the approved investment providers in accordance with such allocation instructions. EAS will furnish allocation instructions to the Custodian within three days of the provision by Client of complete and accurate data, and Custodian will complete fund transfers within three days of an accurate fund deposit or transfer by the Client. Earnings on the Account, if any, will be retained by EAS as fees for the services provided hereunder.

EAS will provide to Client Internet access to summary data on its remittance activities and will assist the Client in reconciliations of remittances on such periodic basis as EAS and the Client shall agree, with at least annual hard copy reports. If allocations and remittances are made in error, EAS may reverse those erroneous transactions, provided that the reversal complies with applicable laws, rules and regulations. The Client further authorizes EAS to make remittances to itself for any fees payable to EAS out of contributions made hereunder.

In addition to remittances for the Plan, with the prior consent of EAS, the Client may make remittances for other Client benefit programs, including other retirement programs and 125 cafeteria plans, through the process as set forth in the preceding paragraphs. Remittances will only be provided upon timely provision of data and deposit of contributions under procedures applicable to Plan remittances above.

1.5 **Contribution limits testing.** EAS will monitor the following limits on contributions which can be made to the Plan:

(a) The regular Code Section 402(g) annual limit on salary deferral contributions for a Participant.

(b) The 15 years of service Code Section 402(g) (7) additional catch-up salary deferral contribution limit for a Participant.

(c) The age 50 and greater Code Section 414(v) additional catch-up salary deferral contribution limit for a Participant.

(d) The total annual addition Code Section 415 limit on all contributions made to the Plan for a Participant.

Contribution limit testing will be conducted using data provided by the Client and the Participant. All limits will be conducted on a calendar plan year basis. If excess contributions are detected after the end of the plan year, the Client and the Participant will be notified. The Participant may, by March 15, notify EAS of the investment product from which the excess contribution and any applicable income will be distributed. If no direction is received from the Participant, the Client may so direct corrective distributions. EAS will provide corrective distribution information to the applicable investment provider. EAS cannot be responsible for compliance with corrective distribution instructions given to any provider except EAS affiliates. Although certain plans must be combined for testing purposes, EAS can only test plans for which it maintains or receives participant contribution and compensation data for all applicable plans of the Employer.

1.6 **Transfers.** The Plan limits transfers of plan assets from approved investment products to other approved investment products. Transfers between approved products offered by the same investment provider may be completed directly with the provider. To enforce this limitation for transfers between products offered by different investment providers, all such plan transfers must be initiated by the Participant requesting the transfer on forms provided by EAS and remitted to EAS by the employee or the Client. EAS will only complete transfers between products listed at the time of the transfer request on the Schedule of Investment Providers and Approved 403(b) Investment Products attached to the Adoption Agreement. Similarly, EAS will review and approve transfers out of or into the Plan to or from other Plans that comply with applicable regulations.

1.7 **Participant loans.** If allowed under the Plan, EAS will approve all Participant loans, assuring compliance with the limits on loans provide by Section 72(p) of the Code based on information on outstanding loans provided by the Participant or the Investment Providers. To assure that EAS is aware of all outstanding loans, EAS will periodically solicit information on outstanding loans from Investment Providers. Loans will be payable by an automated payment mechanism, such as EFT payments or payroll deductions. For loans repaid by payroll deduction, loan payments shall be remitted through EAS. The Investment Providers from whom the loan is requested shall be responsible for the generation of checks for new loans, the recordkeeping of interest and principal payments, and the generation and submission of all information returns and other reports required by the Code and regulations thereunder relating to such loans.

1.8 **Hardship distributions.** In order to assure that the hardship provisions of the Plan, including deferral suspension for six months, are followed, all hardship distributions will be approved by EAS. EAS shall approve the need for hardship distributions based on the certified representations of the Participant. The Investment Provider (including EAS affiliates) will be responsible for all tax compliance on the distributions, including the provision of required tax forms and notices, withholding and submission of mandatory federal taxes and the generation and submission of all information returns and other reports required by the Code and regulations thereunder, relating to such distributions. Upon approval of a hardship distribution, EAS shall notify the Client to suspend deferral contributions for a period of six months.

1.9 **Other Distributions.** EAS will generally approve all other benefit payments and withdrawals from the Plan, based on date of birth and employment severance information provided by the Client. EAS will also notify Participants when required minimum distributions are due and will calculate the amount of distributions due at the request of the Participant, using information provided by the Participant or Investment Providers on December 31 account values. Although Investment Providers will generally agree to make a benefit distribution only with the approval of EAS, they will be authorized to make required minimum distributions without prior approval when necessary. The Investment Provider (including EAS affiliates) will be responsible for all tax compliance on the distributions, including the provision of required tax forms and notices, withholding and submission of mandatory federal taxes and the generation and submission of all information returns and other reports required by the Code and regulations thereunder, relating to such benefit payments and withdrawals. All benefit payments and withdrawals will be made only upon receipt of all necessary written Participant applications, as approved by the EAS.

1.10 **Employee Communications Materials.** EAS will provide a sample Plan Summary for Client to provide to Plan Participants, which will include basic information about Plan features and participation procedures. The Plan Summary will also provide any required notice to Participants of their Eligibility to make Elective Deferral Contributions to the Plan. EAS will also provide Plan communication materials suitable for Plan enrollments and periodic Participant communications. The client and counsel, if desired, should review these materials to assure itself that they comply with the particular administrative practices of the Client. Although the Client may modify the communication materials, EAS will not be responsible for any Client changes.

1.11 **Technical Assistance and Consulting Services.** Technical and consulting services are available for the Client upon request for the Plan and other retirement programs maintained by the Client at the fees provided in the Fee Schedule attached for extraordinary services. EAS has employee benefits consultants available to the EAS administrative staff to assist staff members with day-to-day plan administrative and compliance issues and DRO (Domestic Relations Order) review. Staff members are available as consultants to assist the Client with plan amendments, determining the effect of any new legislation on the Plan, DROs and other Plan related issues. The Client or the Plan may be charged hourly fees for any extraordinary services performed by consultants in accordance with the Fee Schedule. EAS is not able to provide legal services to the Client. Client should obtain its own legal counsel.

1.12 **Other Assistance.** EAS may agree in writing to provide additional non-discretionary services as may be reasonably requested by the Client to assist it in the administration of the Plan at the hourly fees for these extraordinary services provided in the Fee Schedule.

1.13 **Basic Service Enhancements.** EAS will provide to the Client any future service enhancements that EAS makes available in its basic package of 403(b) administrative and compliance services it offers to new and existing clients comparable to the Client. Although any modification in the basic duties of EAS as set forth in the Service Agreement must be reflected in an amendment to that Agreement or 60 days advance written notice from EAS, the manner of providing these services described in this Service Agreement may change through supplemental written processing procedures provided by EAS, by announcement of enhancements by EAS and acceptance of the enhancements by Client (or failure to object by termination of this Agreement), or by any other clearly established course of dealing between EAS and the Client.

Section 2.0: Responsibilities of Client

The duties described below will remain the responsibility of the Client:

2.1 **Plan Document.** The Client will review, with such assistance of counsel or other advisors as it may wish to obtain, Plan Documents provided by EAS, and will complete and execute the Adoption Agreement and such other supplemental documents, amendments, restatements, and supplemental schedules as may be reasonably requested by EAS to establish and maintain the Plan. The Client will provide copies of signed documents to EAS upon request.

Although these documents are prepared in the form of a prototype document and are represented by EAS to comply with the requirements of Section 403(b) of the Code, Client acknowledges that these documents have not been approved by the Internal Revenue Service (IRS), since the IRS has no procedure for prior approval of 403(b) Plan document forms. The Client acknowledges that it is solely responsible for any changes it makes to plan documents without the approval of EAS. Client acknowledges that documents are provided under a license limited to the term of this Agreement. Upon the termination of this Agreement and the transfer of the Plan to another plan compliance service provider, Client will promptly cease using the EAS plan documents and adopt other plan documents, as needed.

2.2 **Other Plan Investment Providers.** Client will develop with EAS a list of approved Plan Investment Providers and approved 403(b) investment products. EAS will list these products and providers on the Schedule of Investment Providers and Approved 403(b) Investment Products attached to the Adoption Agreement for the Plan and present the Schedule and any updates to Client for approval and execution. Client will require all approved Investment Providers to execute an agreement acceptable to EAS to (a) comply with Client Plan solicitation guidelines, (b) cooperate with EAS in the administration of the Plan, including cooperation in distributing excess deferrals and contributions, in extending plan loans and distributions, and in returning contributions remitted in error, and (c) providing a hold harmless agreement acceptable to Client and EAS promising to indemnify them for the consequences of providing disqualified investment products or disqualifying administrative services and for its errors in operating its investment funds under the terms of the Plan.

2.3. **Participant and Plan Data.** The Client will provide data on Participant elective deferral contributions, and the division of elective deferrals between Pre-tax (Traditional) Deferrals and Roth Deferrals (if Roth Deferrals are allowed), Participant investment directions on salary reduction agreements (or other applicable investment direction), addresses and accounts for remittances to other Investment Providers, Participant compensation, any other contributions, loan payments (if applicable) and the dates of Participant severance from employment. Also, the Client will provide Participant dates of birth, addresses, Social Security Numbers, and will provide and verify information upon the request of EAS on eligibility to participate in the Plan and such other information as EAS may reasonably request for the administration of the Plan. Although some of this data may be provided by a prior administrative services provider or payroll vendor who may ultimately be responsible, as between the Client and EAS, the Client is responsible for the accuracy, timeliness and completeness of all of this data. Data will be provided in a format acceptable to EAS, in magnetic or electronic media, unless otherwise agreed by EAS. Should the Client fail to deliver (or cause to be delivered) accurate information in a timely basis to EAS, EAS will not be responsible for meeting regulatory deadlines or other compliance requirements and the Client will be responsible for any resulting fines, penalties or corrective actions.

2.4 **Contributions.** The Client (directly or through a third-party payroll vendor) will withhold participant elective contributions and remit such contributions and other contributions provided under the Plan to EAS on a timely basis as established by regulatory authorities from time to time. EAS will not be responsible for monitoring the amount and timeliness of such contributions. The client will also withhold and remit to EAS payments on any participant loan that is payable by payroll deduction, if any, to the extent the participant receives current employee compensation from the Client and the Client or payroll vendor is notified about the amount and timing of loan payments. EAS cannot accept contributions on behalf of a Participant until it has received a completed investment allocation from the Participant or the Client. Although EAS will generally accept contributions for remittance to all Investment Providers approved by Client under the Plan, EAS cannot accept contributions for providers which refuse to cooperate with EAS in the administration of the Plan.

2.5 **Authorized Representatives.** Client will designate at least one individual to serve as a primary contact for the Client and at least one individual to serve as a backup contact. The authorized representatives for the Client are:

Primary contact:	Paul Fritz, Business Manager
Secondary contact:	Natalie Fatica, Human Resources Manager

Unless the authority of these individuals is expressly limited by the Client in writing, EAS shall be entitled to rely on the authority of these individuals to act for the Client, to rely on any information or authorizations provided by such individuals, and to receive any Plan or participant information and Plan reports or notices. EAS will similarly designate primary and backup contacts, but notes that only individuals who are designated as a Vice President or higher are authorized to execute contracts or amendments for EAS.

2.6 **Other Retained Duties**. The Client specifically agrees that it has retained or assigned to Investment Providers or other third parties the duties of: (a) determining the employees eligible to participate in the Plan, (b) except for EAS affiliate products, obtaining and retaining beneficiary designations for death benefits under the Plan and determining the recipients of any death benefits, (c) filing regulatory reports not mentioned above, (d) retaining an auditor for the Plan to provide audit reports, if required or desired, (e) providing any copies of plan documents to Plan participants and beneficiaries upon request, (f) interpreting the Plan, (g) making discretionary decisions about Plan administration, (h) establishing claims review procedures and conducting a review of claims filed or appeals, (i) establishing other internal administrative procedures and forms, (j) adopting plan amendments provided by EAS that are necessary to maintain qualification of the Plan, (k) conducting any other administrative activity not referred to above. EAS will assist with these activities upon reasonable request. EAS may charge hourly fees for any extraordinary assistance or additional services in accordance with the fee schedule.

Section 3.0 Miscellaneous

3.1 **Termination.** Client or EAS may terminate this Agreement at any time, upon sixty (60) days prior written notice to the other party. EAS agrees to deliver to Client or its designee, all records reasonably necessary for the continuing operation of the Plan in the standard EAS format at the hourly fees established for extraordinary services in the fee schedule. Should any other formats be required, additional fees at hourly rates will be charged. Any termination will be revocation of EAS's license to the Client's use of EAS's Plan documents and other administrative forms.

3.2 **Fees, Payment, Other Revenue.** EAS will charge fees for its services in accordance with the Fee Schedule attached to this Service Agreement, and will bill these fees to the Client as Plan sponsor, to be paid by the Client, by Investment Providers, out of Plan contributions or assets as provided in the Fee Schedule, or as specifically instructed by the Client in writing. If the Client agrees to pay the fees, but either (a) does not do so within 60 days from the date of the Fee Invoice, or (b) the client instructs EAS to pay the fees from Plan contributions and EAS accepts such instructions, the fees will be paid out of contributions and, if necessary, allocated to participant accounts.

The Fee Schedule shall remain in effect in the amounts described in Fee Schedule for a term of two plan years in which EAS is providing administrative services. Thereafter, any changes to the fee agreement will be supplied to the client 60 days prior to the effective date of the changes.

In addition, Client acknowledges that EAS and its affiliates may receive investment earnings on any common remitting clearing account for Plan contributions and investment management and other fees and expense reimbursements from the EAS affiliate investment options included in the Plan, including payments from outside fund providers. Fees may include investment management fees (for funds managed by an affiliate of EAS), 12b-1 fees, service, distribution and accounting fees which relate to the distribution, marketing and sub-accounting activities performed by EAS for the funds. Client understands that the Fee Schedule attached to this Agreement will consist of fees that have been adjusted to reflect the expected receipt of such outside fees by EAS or an affiliate. EAS will retain these investment fees without an offsetting reduction of the fees to be paid by the Client under this Agreement.

3.3 **Hold Harmless Agreement and Indemnity.** EAS and the Client agree that they will each be responsible for the prompt and complete performance of the services each has agreed to provide under this Agreement, as set forth above. In addition to these undertakings, the parties assume the following responsibilities:

(a) *Hold Harmless Agreement of EAS*: EAS shall indemnify and hold harmless the Employer, any member of the governing board, and Employees from every claim, demand or suit which may arise out of, be connected with, or be made due to the negligence of EAS or failure of EAS to meet the requirements of this Agreement. However, this indemnification shall not cover any claim, demand, or suit based on erroneous information provided by the Employer or Employees or their willful misconduct or negligence. EAS, at its own expense and risk, shall defend, or at its option settle, any court proceeding that may be brought against the Employer, members of the governing board, and Employees based on any claim, demand or suits covered by this indemnification. Any settlement or judgment rendered against the Employer, any member of the governing board, or Employees related to this indemnification shall be satisfied by EAS, provided that the Employer notifies EAS, in writing, within ten (10) business days of receipt of such claim or demand. EAS's liability hereunder shall be limited to actual damages and out-of-pocket legal fees and expenses only.

(b) *Other Providers*: If the services provided by EAS under this Agreement were previously provided by the Employer or a third party, the Employer agrees that EAS shall not be responsible for any failure of the prior plan document or administrative services to comply with the requirements for tax sheltered accounts under Section 403(b) of the Code, other applicable law, or the prior Plan. EAS is also not responsible for the accuracy and completeness of participant and payroll data provided by the Employer or any third party provider. Employer agrees that EAS and its affiliates and employees will be indemnified by any responsible third parties from any claim asserted against any of them for any of these reasons, and will further be indemnified from any cost and expense they incur, including reasonable attorneys fees, due to the assertion of such a claim, or by the Employer if not adequately indemnified by third parties. Nothing herein will prevent the assertion of any claim directly against any third party by EAS or the Employer.

3.4 **Notices.** Notices or other communications under this Agreement shall be hand delivered, mailed by first class mail, postage prepaid or via an overnight mail service (such as Federal Express), addressed as follows, or as changed by notice:

a) To EAS:

Employer Admin Services, Inc.
Attn: Employer Services.
11440 N. Jog Road
Palm Beach Gardens, FL 33418

b) To Client:

Erie County Technical School
Attn: Business Manager
8500 Oliver Rd
Erie, PA 16509

3.5 **Entire Agreement; Supplements and Amendments.** This Agreement generally constitutes the entire agreement between the parties, merging all prior discussions. It may be modified by written side agreements executed by all parties along with this Agreement. It may be further supplemented, but not modified, by EAS from time to time with written procedures that provide a description of the ordinary processes for the parties to fulfill their obligations hereunder, which shall not exclude extraordinary processing in appropriate situations that produces comparable results. Finally, this Agreement may be amended at any time, but only by written agreement signed by the parties.

3.6 **Assignment.** Some or all of the rights and duties of EAS hereunder may be assigned to an affiliate of EAS, or to any successor through merger, reorganization, or sale of assets. Some or all of the duties of EAS may also be performed by others under subcontract to EAS, without the release of EAS for responsibility for such services. EAS may, by letter or other writing, agree to extend this Agreement to any other plan of the Client or plans sponsored by affiliates of the Client. Otherwise, no party may assign this Agreement nor any rights or duties hereunder without the written consent of the other party.

3.7 **Governing Law.** Except to the extent governed by federal law, the Plan will be construed, administered and enforced according to the Code and laws of the State in which the Employer has its principal place of business.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by authorized Client representatives effective as of: Date: ________________________________, 20_____.

CLIENT : Erie County Technical School, 8500 Oliver Rd, Erie, PA 16509

By: ____

Title: Business Manager
(Authorized Client Representative)

Employer Admin Services, Inc.

By: ____

Title: ____
(EAS Authorized Officer)

FEE SCHEDULE

Fees for all services rendered under this Agreement will be waived by EAS if the client executes the attached Consulting Services Agreement with Kades-Margolis Corporation.