



PELION BENEFITS, INC.
PO Box 110355
Research Triangle Park, NC 27709
Tel 888.532.7526
Fax 919.942.2804

401a Administrative Service Agreement

This Agreement is made as of the last date set forth below by and between Pelion Benefits, Inc. (hereinafter referred to as "Pelion"), and the undersigned Employer (hereinafter referred to as the "Employer"). This agreement will become effective on the date executed and shall remain in effect unless changed or terminated in writing by Pelion or the Employer. This Agreement shall be the sole Agreement between the parties, and shall supersede any other agreement(s), oral or written.

1. ENGAGEMENT

Pelion agrees to function as a Contract Administrator for the Employer's benefit Plan (hereinafter known as the "Plan"). The Employer will act in the capacity of the Plan Administrator as defined in ERISA §3(21)(A). Pelion does not function as an investment, legal, or tax adviser with regard to the Plan.

The Employer agrees to assume the duties and responsibilities as the Plan Administrator. The Employer agrees to indemnify and hold Pelion (and its affiliates) harmless from any claims arising out of the Plan Administrator's failure to perform its duties, unless such claims against Pelion result from gross negligence or willful misconduct by Pelion.

The Employer further agrees to seek the advice of a qualified attorney as the Employer deems necessary as to matters that might arise regarding the adoption and operation of the Plan.

I. SERVICES TO BE PERFORMED BY PELION:

- A. Plan Consultation, Design, and Plan Documents. Pelion will work with the Employer to prepare the Plan and its related documents. This shall include:
1. Providing the Employer with an Adoption Agreement that includes current options available for customizing the Plan in accordance with the Employer's instructions,
 2. Establishing a Plan Services Guide, which includes the forms necessary to administer the Plan,
 3. Automating all forms for easy downloading, and
 4. Pelion will assist with the Plan submission to the IRS, if appropriate.

- B. Website Access. Pelion will provide the Employer and the Plan Participants with 24 hour access to real-time account information, self-directed transactions, on-line enrollment, and participant Plan information via the Pelion designated website.
- C. Toll-free Call Center. Pelion will provide access to account information via our Toll-free Call Center that can be accessed by telephone during normal business hours.
- D. Plan Conversion. If the Plan is currently with another Third Party Administrator (“TPA”), Pelion will work with the retiring TPA to arrange the transfer of all data and assets related to and in accordance with the Plan.
- E. IRS & DOL Reporting. Pelion will prepare and file most documents required by the IRS and DOL with regard to the Plan.
- F. Coverage & Discrimination Testing. Pelion will perform all coverage and discrimination testing for the Plan if required by the IRS or DOL.
- G. Distribution Processing. Pelion will process all requests for distribution, including loans, hardship distributions, and distributions as a result termination of employment of any Participant. Pelion will also perform both federal and state tax withholding as required.
- H. Periodic Plan Evaluation. Pelion will periodically review the Plan with regard to, but not limited to, vesting percentages, contributions, earning, forfeitures, participation levels, and compliance with regulations.
- I. Periodic Participant Reports. Pelion will prepare quarterly statements that reflect all financial transactions of the Plan and its Participants. Quarterly statements for the Plan and its Participants will be provided to the Employer. Participants will receive annual statements with regard to their individual account(s).
- J. Qualified Domestic Relations Order Processing. Pelion will process all domestic relations orders with regard to the Plan and its Participants.
- K. Technical Consulting. Pelion will provide the Employer with consulting services of an experienced Senior Plan Analyst on our staff with regard to Plan formulation, implementation, operation, and compliance.
- L. Account Administrator. Pelion will provide the Employer with Senior Plan Analyst who will act as their key contact and resource at Pelion.
- M. Books and Records. Pelion will maintain the required books and records of all transactions placed through it in accordance with the Employee Retirement Income Security Act of 1974 (“ERISA”) , if applicable, as well as additional IRS and DOL regulations.

II. EMPLOYER RESPONSIBILITIES

- A. The Employer shall provide Pelion with accurate and timely information on all matters relating to the operation of the Plan. It is agreed and understood that the Employer is ultimately responsible for the accuracy of the data supplied.

- B. The Employer shall be responsible for the timely filing of governmental reports received from Pelion and for the accuracy of the contents with the exception of clerical errors made by Pelion in preparation of the report.
- C. The Employer shall be responsible for notifying Pelion of other Plans and any change in the corporate status of the Employer.

III. ADMINISTRATIVE SERVICE FEE SCHEDULE – ACCUMULATED LEAVE CONVERSION SPECIAL PAY PLAN

Administration Fees

Plan Document Fee	\$ 660.00 one time fee***
Minimum Administration Fee	\$ 150.00 per quarter***
Participant Fee	\$ 13.75 each quarter***
Distribution Fee	\$ 32.00 each***
Distribution Fee – Form 1099	\$ 25.00 each***

Ongoing Support

Internet and Toll-free Access	No added fee or cost
Enrollment Booklets	No added fee or cost

Termination Support:

Termination of Plan	\$ 3,500.00 one time fee*
Electronic Deconversion Plan	\$ 1,500.00 one time fee*

Miscellaneous Fees:

Audit Support Services	\$ 275.00 hourly*
------------------------	-------------------

- * Fee Paid by Employer
- ** Fee Paid by Participant Account
- *** Fee Paid by PRG

Any services not outlined herein will be charged at hourly rates as applied in the discretion of the service administrator.

The preceding Schedule of Fees reflects the charges for services specified in this Agreement. Any changes in the Schedule of Fees will be communicated to the Employer in writing at least 30 days prior to the effective date of such change.

In the event the Employer fails to pay administrative fees in accordance with the invoice provisions it will hold Pelion harmless in the event that such failure results in the suspension or cessation of administrative services by Pelion. The Employer and the Plan Administrator are responsible for the prudent and timely activities associated and or connected with the ongoing administration of the Plan. Also the Employer herein grants Pelion authority to collect any fees outstanding more than 30 days from the Plan, or in the event of plan

termination or plan transfer, Pelion is given permission to remove fees due from the Plan at the date of such notice by the Employer.

IV. MISCELLANEOUS

- A. Modification of Agreement. Except as otherwise provided herein, this Agreement may be modified only in writing and signed by all parties to this Agreement. Such modification shall not be deemed a cancellation of this Agreement.
 - B. Regulatory Review. This Agreement may be submitted to be approved by regulatory and self-regulatory bodies vested with the authority to review and approve this Agreement or any amendment or modifications hereto. In the event any such regulatory body disapproves of any provision of this Agreement the parties hereto agree to bargain in good faith to achieve the requisite approval.
 - C. Investigation of Facts. Pelion will not be bound to make any investigation into the facts surrounding any transaction that it may have with the Employer. Pelion will not be under any responsibility for compliance by the Employer with any laws or regulations that may be applicable to the Employer.
 - D. Assignment. This Agreement shall be binding upon all successors, assigns or transferees of both parties hereto, irrespective of any change with regard to the name of or the personnel of the Employer or Pelion. Any assignment of the Agreement shall be subject to the requisite review and/or approval of any regulatory or self-regulatory agency or body whose review and/or approval must be obtained prior to the effectiveness and validity of such assignment. No assignment of this Agreement shall be valid unless the non-assigning party consents to such an assignment in writing; such consent shall not, however, be unreasonably withheld any party. Any assignment by either Pelion or the Employer to any subsidiary that it may create or to a company affiliated with or controlled directly or indirectly by it will be deemed valid and enforceable in the absence of any consent from the other party.
 - E. Choice of Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Wisconsin; provided, however, that if any Wisconsin law or laws require or permit the application of the laws of any other jurisdiction to this Agreement, such Wisconsin law or laws shall be disregarded with the effect that the remaining laws of the State of Wisconsin shall nonetheless apply.
- Further, the parties agree that any claims or legal proceedings under this Agreement shall be heard in Manitowoc, Wisconsin.
- F. Headings. The headings preceding the sections hereof have been inserted for convenience and reference only and shall not be construed to affect the meaning, construction or effect of this Agreement.
 - G. No Ties. This Agreement shall cover only the types of services set forth herein and is in no way intended nor shall it be construed to bestow upon the Employer any special treatment regarding any other arrangements, agreements or understandings which presently exist between the Employer and Pelion or which may hereinafter exist. The Employer shall be under no obligation whatsoever to deal with Pelion or any of its subsidiaries or any companies controlled directly or indirectly by or affiliated with Pelion, in any capacity other than as set forth in this Agreement. Likewise, Pelion shall

be under no obligation whatsoever to deal with the Employer or any of its affiliates in any capacity other than as set forth in this Agreement.

- H. Remedies Cumulative. The enumeration herein of specific remedies shall not be exclusive of any other remedies. Any delay or failure by any party to this Agreement to exercise any right, power, remedy or privilege herein contained, or now or hereafter existing under any applicable statute or law, shall not be construed to be a waiver of such right, power, remedy or privilege or to limit the exercise of such right, power, remedy or privilege. No single, partial or other exercise of any such right, power, remedy or privilege shall preclude the further exercise thereof or the exercise of any other right, power remedy or privilege.
- I. Time is of the Essence. The parties agree that, with respect to the time deadlines stated in this Agreement or documents incorporated by reference herein, time is of the essence.
- J. Severability. If any provision of this Agreement is found by any court or other tribunal of competent jurisdiction to be invalid or unenforceable in any jurisdiction, that provision shall be unenforceable in such jurisdiction only and the remainder of this Agreement shall remain effective in such jurisdiction as if such unenforceable provision had not been contained herein. The enforceability of such provision shall otherwise be in effect and remain enforceable in all other jurisdictions.
- K. Force Majeure. No party shall be liable for delay or failure in performance hereunder due to causes beyond its control, including acts of God, fires, strikes, acts of war or intervention by any governmental authority, and each party shall take steps to minimize any such delay.
- L. No Agency. Nothing in this Agreement or to be done pursuant to its terms and conditions is intended to, or shall, create a partnership, joint venture or principal-agent relationship, for federal tax purposes or otherwise, between the parties hereto or shall confer upon either party the power or authority to bind the other party in any transaction with third parties.
- M. Notices. All notices and other communications required or permitted hereunder shall be effective if in writing and delivered personally or sent by telecopier, Federal Express or registered or certified mail, return receipt requested, postage prepaid, addressed:

To:
PELION BENEFITS, INC.
PO Box 110355
Research Triangle Park, NC 27709
888.532.7526

To the Employer: With regard to the address set forth below the Employer's signature at the end of this Agreement, unless otherwise specified herein, such notices or other communications shall be deemed effective:

- on the date delivered, if delivered personally,
- two business days after being sent, if sent by Federal Express,
- one business day after being sent, if sent by telecopier with confirmation of good transmission and receipt, and
- three business days after being sent, if sent by registered or certified mail, postage prepaid, return receipt requested. Each of the parties

herewith shall be entitled to specify another address by giving notice as aforesaid to each of the other parties hereto.

V. TERMINATION OF SERVICES

Any party may terminate this Agreement by giving the other party written notice at least thirty days in advance of the effective date of such termination, except that any termination by Pelion that shall be based upon breach of contract by the Employer. Such notice from the Employer must include the name and address of the new administrator and, if appropriate the name(s) of the Successor Trustee(s). Also, Pelion will charge for all services related to plan termination or plan transfer independently on a time and material basis.

VI. ACKNOWLEDGMENT

The Employer acknowledges that it has consulted to the extent the Employer deems necessary with legal and tax advisers. Solely the provisions of this Agreement will govern the actions of Pelion. Pelion shall not be required to review any action taken by the Employer or the Plan Administrator and shall be fully protected in taking, permitting or omitting any actions on the basis of the Employer's action. Pelion shall incur no liability or responsibility for acting at the directions of the Employer or Plan Administrator.

VII. ACCEPTANCE

IN WITNESS WHEREOF, the parties hereto have made and executed this Agreement as of the last date set forth below.

PELION BENEFITS, INC.

By: [Signature]

By: Christie Schupa

Dated: 10.7.14

EMPLOYER:

CITY OF MANITOWOC
[Employer Name]

By: _____

Justin M. Nickels, Mayor
[Printed Name and Title]

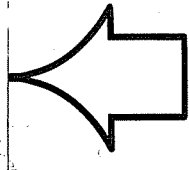
Address: 900 Quay St.

Manitowoc, WI 54220

Phone: 920-686-6950

Email: jhudon@manitowoc.org

Dated: October, 2014



By _____

Jennifer Hudon, City Clerk