

Service Provider Agreement

This Agreement, effective as of the date hereof, by and between:

_____, (the "Employer") and
_____, ("Service Provider")

sets forth the terms and conditions of the agreement between the Employer and Service Provider relating to services provided by Service Provider to Employer in support of its 403(b) retirement plan (the "Plan"). The parties intend that Service Provider will provide certain services to the Employer, as needed, to support the Employer's Plan. In furtherance of this intention, the parties agree as follows:

DUTIES AND RESPONSIBILITIES OF SERVICE PROVIDER. Service Provider shall:

- 1) **Qualified 403(b) Accounts.** Offer only investment products ("Accounts") that meet the requirements of Section 403(b) of the Internal Revenue Code of 1986, as amended from time to time, any regulations issued thereunder and any other applicable state or federal law.
- 2) **Participant Access.** Provide employees reasonable access to their Plan Accounts via on-line account access or live customer service, unless there is a routine update or an unanticipated event beyond the control of Service Provider.
- 3) **Forms.** Prepare forms for Employer's consideration to facilitate enrollment and investment selection for Plan Accounts, including salary reduction agreements, Account applications issued by the Service Provider and beneficiary designation forms.
- 4) **Participant Statements.** Send statements to participants' address of record no later than 15 business days after the end of each calendar quarter. If supported by Service Provider, participants may also obtain statements via the secure Service Provider web site.
- 5) **Employer Plan Reports.** Prepare Plan reports based on participant records processed through Service Provider upon Employer's request, including information on the number of participants in each investment option.
- 6) **Disburse Contributions to Account Investments.** Allocate all amounts received in good order from Employer to Accounts selected by participants. Such allocation received in good order by Service Provider shall occur within one (1) business day of receipt from the Employer or the Employer's designee unless circumstances beyond the control of Service Provider justify a later transmittal. In no event shall allocations received in good order by the Service Provider occur later than 72 hours of Service Provider's receipt of proceeds from Employer.
- 7) **Information Sharing Agreement.** If requested by Employer, agree to execute an information sharing agreement on or before January 1, 2009. If Service Providers fails to execute an information sharing agreement, Service Provider acknowledges that it will not accept any exchanges or transfers from Employees or former Employees, but it shall maintain and exchange such information with Employer, or Employer's designated representative, as may be necessary to enable the Plan to comply with the requirements of Section 403(b) of the Code.
- 8) **Roth Contributions.** If the Plan permits Roth 403(b) Contributions and such contributions are accepted by Service Provider, Service Provider will be responsible for tracking the 5-year period in which the participant must maintain the Roth 403(b) account in order to take a qualifying distribution. Any improper distribution, including those occurring prior to the distributable event

as defined by the Plan or prior to the participant satisfying the 5-year period is the responsibility of the Service Provider.

- 9) Plan Exchanges. Provide that when receiving assets in an exchange or transfer under the Plan, distribution restrictions are not less stringent than those imposed under the transferor contract and that the accumulated benefit (as defined in applicable income tax regulations governing 403(b) plans) under the receiving contract immediately after the exchange or transfer is at least equal to the accumulated benefit under the transferor contract immediately prior to the exchange or transfer.
- 10) Confidentiality. Maintain the confidentiality and/or privacy of all information about participants and employees provided by the Employer and to provide Employer with documentation of Service Provider's relevant privacy policies. All information relating to providing services hereunder shall only be communicated to Service Provider representatives, the Employer or its designated representative.
- 11) Financial Protections. Maintain liability insurance and/or bonding to provide adequate coverage for Employer and participants for potential losses or expenses borne by employees or Employer in the event of Service Provider's negligence, intentional acts or omissions, or criminal acts related to services provided under this Agreement. Proof of such coverage shall be provided by Service Provider upon request.
- 12) Service Provider Fees. Pay an annual, nominal, industry standard service fee to the third party administrator (Employer Admin Services, Inc.) appointed by Employer to perform administrative services under the Plan, including but not limited to, common remitting and compliance services for each participant of Service Provider. The fee charged to Service Provider is \$10.00 per year per participant, subject to change with ninety (90) days written notice to Service Provider.
- 13) Solicitation. Service Provider and its representatives shall comply with all pertinent written directives regarding the solicitation of employees of the Employer.
- 14) 403(b) Provisions. Agrees to perform the following services as may be required under the terms of the Plan:
 - a) Advise employees of the annual deferral limits under Section 402(g) of the Code and, if the Plan accepts Employer contributions, of the annual limitations applicable under Section 415(c) of the Code and to provide calculations to determine eligible contribution limits upon request of any employee. Any such calculations will be based upon applicable federal and state rules and regulations. Service Provider shall certify the accuracy of any such calculations, based upon information provided by each participant.
 - b) If permitted under the Plan, provide historical data needed to properly calculate the maximum allowable contribution for employees who are utilizing the "catch-up" provisions of 402(g)(7) and/or 414(v) in accordance with the information provided to the Service Provider by the Employer and the participant;
 - c) If permitted under the Plan, properly administer loans in accordance with applicable federal and state rules and regulations;
 - d) Provide eligibility of rollover notice to participants and to such beneficiaries as may be required under applicable law, including the right to directly roll over eligible distributions to eligible retirement plans in accordance with the Code. If an eligible rollover distribution is received that includes after-tax employee contributions or designated Roth 403(b) Contributions, Service Provider agrees to furnish information regarding the participant's basis under Section 72 of the Code in the amount rolled over.
 - e) Provide tax reporting and required notices to participants requesting distributions;
 - f) Permit and process corrective distributions of excess deferral contributions and properly track and report and/or distribute excess 415(c) contributions in accordance with applicable IRS regulations where such excess deferrals or excess contributions have been identified by the Service Provider or by the Employer or the Employer's designated representative;

- g) Withhold and report any federal and state taxes on any distributions made directly to any employee and/or their beneficiaries as appropriate;
- h) Notify participants who are aged 70 1/2 or older that they may be required to take Required Minimum Distributions and, upon the direction of the participant or beneficiary, calculate and distribute such amounts as may be required under the Plan and the Code;
- i) If permitted under the Plan, administer hardship distributions including (if applicable) notifying Employer of the hardship distribution with instructions for Employer to suspend all elective deferrals by participant to all plans sponsored by Employer for 6 months;
- j) Administer distributions and enforce distribution restrictions under Section 403(b) of the Code;
- j) Administer transfers and exchanges to the extent permitted under the Plan subject to Employer designation of authorized providers and products;
- k) In the event of a tax audit, provide information to the Employer relating to 403(b) accounts held by Service Provider for participants, subject to written authorization by Employer and/or participants (as applicable). For example:
 - i) Annual listing of total contributions, by investment provider, for each year under audit;
 - ii) Annual listing of all participant distributions for each year under audit;
 - iii) Annual listing of outstanding participant loans for each year under audit;
 - iv) Annual listing of any participant defaulted loans for each year under audit;
 - v) Annual listing of exchanges and transfers processed for each year under audit;
 - vi) Copies of IRS tax reporting information (Forms 1099-R) for all distributions and defaulted loans for each year under audit.

Any information required hereunder shall be provided electronically, in hard copy, or in a manner otherwise mutually agreed upon by Employer and Service Provider.

DUTIES AND RESPONSIBILITIES OF THE EMPLOYER. The Employer shall:

1. Determine Eligible Employees. Determine which employees of the Employer are eligible to participate in the Plan and certify that the 403(b) program will be made available to all eligible employees as required under the terms of Section 403(b)(12)(A)(ii) of the Code.
2. Notification of Eligibility. Provide written notice of eligibility to participate in the plan to all eligible employees. This notice will be provided at least annually.
3. Primary Contact Person. Appoint a primary contact person for purposes of implementing, administering and coordinating any issues that may arise with respect to the Plan and provide such information to Service Provider in a timely fashion.
4. Transmit Contributions. Transmit all contributions to Service Provider in a time and manner acceptable to both parties and consistent with applicable income tax regulations.
5. Identify Investment Providers. Make available to all employees and Service Provider a current list of authorized vendors and investment providers available under the Plan.
6. Provide Information. Agree to furnish Service Provider, as soon as practicable, any and all information, which Service Provider may require in order to fulfill its duties under this Agreement, including but not limited to information on employment status, any exchanges and transfers authorized by Employer or its representative and information on any participant hardship withdrawals from other Accounts under the Plan .
7. Eligible Employer. Certify that it qualifies under Section 403(b) of the Code as an organization eligible to offer this 403(b) plan to its employees and accepts all liability for this determination. Employer agrees to notify Service Provider if it becomes an ineligible organization.
8. Plan Document. Certify that it now maintains or will on or before January 1, 2009, maintain a written 403(b) plan document in accordance with applicable IRS regulations and that among

other provisions, the Plan provides or will provide for exchanges between authorized product providers or investment options.

9. Plan Exchanges. Agree that Service Provider may accept an exchange of assets from another 403(b) account under the Plan to the extent that exchanges are permitted under the Plan.
10. Employer Contributions. If the Plan includes non-elective Employer contributions, agree to provide to Service Provider information sufficient to allocate those contributions, including, but not limited to, the names, personal identification numbers, Account numbers, applicable investment direction, and the dollar amount of the Employer non-elective contribution to be allocated to each eligible Employee participating in the 403(b) Accounts.
11. Roth Contributions. If the Plan includes Roth 403(b) contributions, agree to provide to Service Provider sufficient information to identify the Roth 403(b) contributions separately from the pre-tax 403(b) deferral contributions for each employee, including the dollar amount of the Roth portion and the pre-tax deferral portion, the relevant Account numbers and applicable investment direction.

BOTH PARTIES AGREE that the following terms and conditions are included as part of this Agreement:

1. Plan Conformity. Each party agrees to adhere to the terms of the Employer's 403(b) Plan document, as made available by Employer.
2. Information Sharing. Each party agrees to provide information necessary to comply with the regulations under Section 403(b) of the Code and the Plan, including information concerning the participants' employment status and information that takes into account other Code section 403(b) contracts/custodial accounts and any other information deemed necessary to ensure compliance including but not limited to information required for distributions from the plan, plan loans, rollovers into the plan, plan-to-plan transfers and plan exchanges. Such information shall be provided in a form and manner, and within time periods, as shall be agreed from time to time between Employer and Service Provider.
3. Third Party Administrator. The Employer has contracted with Employer Admin Services, Inc. (EAS) to perform third party administration services under the Plan.
4. Indemnification. Each party agrees, to the extent permitted by applicable law, to indemnify and hold harmless the other party, including any individual member of the governing boards, and their employees from every claim, demand or suit which may arise out of, be connected with, or be made by reason of the other party's failure to meet the requirements of this Agreement. Notwithstanding the preceding sentence, this indemnification shall not cover any claim, demand, or suit based on the willful misconduct or fraud of either party or its employees. Either party shall, at its own expense and risk, defend, or at its option settle, any court proceeding that may be brought against it, members of the governing board, and employees on any claim, demand or suits covered by this indemnification, and shall satisfy any judgment that may be rendered against any of them with respect to any such claim or demand, provided that such party notifies the other party, in writing, within twenty (20) business days of receipt of such claim or demand. Each party's liability hereunder shall be limited to actual damages, including, where applicable, income tax penalties (but not the taxes themselves) and out-of-pocket legal fees and expenses only.
5. Exclusive Services. Except as otherwise provided in this paragraph 5, this Agreement and the underlying contracts or accounts are the exclusive arrangement between the parties for services under the Plan and the terms of this Agreement do not extend beyond such program. Neither party shall have any other obligations or liabilities not specified herein unless both parties agree to such additional obligations or liabilities in writing.
6. Confidentiality. Any information provided under this Agreement shall be kept confidential ("Confidential Information") and shall be used only for Plan compliance purposes. Personal

information on Employees and their accounts under the Plan is considered to be Confidential Information and shall be protected by Employer, Service Provider and their respective delegees. Confidential Information shall not be disclosed for any purpose other than as required for 403(b) plan compliance. Both parties agree that the obligation to protect Confidential Information is satisfied if the party receiving such information utilizes the same degree of control and care as it employs to avoid disclosure of its own Confidential Information. Either party may disclose Confidential Information pursuant to a requirement of a governmental agency or pursuant to a valid court or administrative subpoena, order or other such legal process or requirement of law; provided that, prior to disclosing such Confidential Information, the other party will be informed of such order.

7. Not Legal Advice. The parties agree that no service provided by the terms of this Agreement or under the Plan is to be construed as individual legal or tax advice to participants, nor to either party.
8. Term of the Agreement. This Agreement shall continue from year to year unless terminated by either party, in writing, by no less than sixty (60) days written notice.
9. Applicable Law. This Agreement shall be construed under the laws of the Commonwealth of Pennsylvania, unless pre-empted by federal law. Any litigation with respect to the terms or conditions of the Agreement will be conducted under such state's jurisdiction and the parties agree that venue lies therein.
10. Severability. Each party agrees that it will perform its obligations hereunder in accordance with all applicable laws, rules, and regulations now or hereafter in effect. If any term or provision of this Agreement shall be found to be illegal or unenforceable then, notwithstanding, the remainder of this Agreement shall remain in full force and effect and such term or provision shall be deemed stricken.

By executing this Agreement, dated _____ each party acknowledges that it has read this Agreement and agrees to its terms.

AGREED TO:

Employer:
Address:

Service Provider:
Address:

By: _____
Authorized Representative

By: _____
Authorized Representative

Title: _____

Title: _____

Disclaimer

This agreement was created to provide accurate and reliable information on the subjects covered. It is not intended to provide specific legal, tax or other professional advice. It was not intended to be used, and cannot be used, for the purpose of avoiding penalties under the Internal Revenue Code or promoting, marketing or recommending to another party any transaction or matter presented. The services of an appropriate professional should be sought regarding your situation.