

ADMINISTRATIVE SERVICE AGREEMENT ("AGREEMENT")

This Administrative Services Agreement ("Agreement") is made effective as of _____ (the "Effective Date") between Security Administrators, Inc. ("SAI"), a New York corporation, having offices at 100 Court Street, Binghamton, NY 13901 and 906 Spencer Street, Suite 200, Syracuse, NY 13204 and _____, a _____, having its principal place of business at _____ ("Client"), each hereunder referred to as a "Party" and collectively as the "Parties".

WHEREAS, Client has established and maintains a tax-qualified retirement plan known as the _____ ("Plan") and desires SAI to provide certain administrative services with respect to the Plan, as more fully set forth in the attached Fee Schedule, the terms and conditions of which are incorporated herein by reference; and

WHEREAS, SAI is willing to perform such Services on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in exchange for good and valuable consideration, the receipt and/or sufficiency of which are acknowledged, Client and SAI hereby agree as follows:

- 1. Services.** SAI will provide the services specifically described in the attached Fee Schedule, the terms and conditions of which are incorporated herein by reference (the "Services"). SAI may provide the Services itself or through its agents, subcontractors, or affiliates; provided that SAI shall be responsible for its agents, subcontractors, or affiliates' performance of such Services to the same extent as if SAI had performed such Services itself.
- 2. Client is Plan Administrator and Named Fiduciary.** Client is a Named Fiduciary within the meaning of ERISA Section 405(c)(1) and is the Plan Administrator of the Plan. As such, Client shall retain all decision-making authority for the Plan, including all aspects of the management or administration of the Plan, except as those duties or functions are expressly delegated to SAI under this Agreement. SAI provides only ministerial services under this Agreement. Client is responsible for all discretionary decisions relating to the Plan, including the interpretation of Plan document provisions, the evaluation of claims made by participants for benefits, and the investment of Plan assets. SAI exercises no discretion as to the administration of the Plan or the management or investment of Plan assets, and therefore, SAI is not a Named Fiduciary, or a fiduciary of the Plan within the meaning of ERISA. Without limiting the generality of the foregoing, SAI expressly disclaims any status as an administrator of the Plan, as defined in ERISA Section 3(16). The duties of SAI shall be confined to those expressly set forth in this Agreement, and no implied duties are assumed by or may be asserted against SAI under this Agreement.
- 3. Legal Compliance.** SAI will comply with all laws and regulations applicable to its provision of the Services. Client will comply with all laws and regulations applicable to it and its Plan, including, without limitation, the preparation and filing of all returns, reports, and information required by law, and the timely transmission of all contributions to the Plan's trust. Client is solely responsible for any taxes, penalties, interest imposed on it or the Plan in relation to such legal requirements.
- 4. Participant Communications.** SAI will not communicate directly with Plan participants except when specifically authorized in writing by Client to do so; provided, however, that SAI may communicate with participants who contact SAI for the limited purpose of addressing the process and status of Plan distributions and withdrawals. SAI will not independently initiate communications with Plan participants, and has no responsibility for advising Plan participants regarding their Plan options, rights, or any issues in relation to the Plan and its operations.
- 5. Reliance Upon Client Instructions.** SAI shall be entitled to rely in good faith upon any document or instruction reasonably believed by SAI to be genuine and reasonably believed to have been properly made, signed or presented by authorized representatives of Client. SAI will not be held to have notice of any change of authority of any officers, employees or agents of Client until receipt of actual written notice thereof from an individual reasonably believed to be an officer, director, employee, or authorized agent of Client. Client agrees to permit SAI to consult with and obtain information about the Client from Client's Designated Contacts, as set forth hereunder, and SAI is expressly authorized to rely upon such information.
- 6. Reliance Upon Accuracy of Client Data.** All data Client provides to SAI must be in all respects correct, complete, provided in a timely manner, in good condition, and submitted in accordance with SAI's specifications, which SAI may revise from time to time in its sole discretion. SAI may rely on the accuracy and completeness of all such data and shall have no liability for inaccuracies or omissions in such data originating from Client or any third party and shall have no duty to verify such data. If SAI becomes actually aware that any such data does not meet the requirements necessary to perform the Services, SAI shall inform Client as soon as reasonably practicable. SAI shall not be obligated to perform any Services related to the non-conforming data until Client corrects it or Client and SAI agree, in writing, that SAI is to make corrections. Client agrees to pay the Hourly Consulting Fee to SAI for such corrections, as set forth in the Fee Schedule.

7. **Payment of Fees.** Client shall pay, or cause to be paid, to SAI the Fees in the Fee Schedule via Electronic Funds Transfer ("EFT") or by such other method as agreed by the Parties. SAI invoices are issued and due and payable within 30 days of the billing date, unless and to the extent Client disputes the Fees in good faith. Amounts not paid within 30 days of the billing date are subject to an 18% late charge per annum. Client shall be responsible to pay all reasonable costs and expenses SAI may incur in connection with any collection efforts (including any attorney's fees, costs and disbursements) with respect to any amounts due under this Agreement. If SAI changes the Fee Schedule at any time, SAI will advise Client in advance of the change at least 60 days before it becomes effective.
8. **Preparation of Government Forms.** SAI shall complete government forms requested by the Client as indicated on the Fee Schedule based on information provided by Client. Completion of information not in the possession of SAI will be the responsibility of the Client. Client shall be responsible for the timely filing of such government forms, for the disclosure of such forms to participants, if required, and for the accuracy of the contents thereof. SAI is not responsible for any late filings, penalties, fines, or taxes that result from Client's failure to provide SAI with complete and accurate information on a timely basis, at least 60 days prior to the applicable filing deadline for each government form.
9. **Plan Documents.** Subject to the Fees set forth in the Fee Schedule as the same may be modified under the Document Compliance Maintenance Program Opt-In, the terms of which are incorporated herein by reference, Client may elect to have its Plan maintained on SAI's pre-approved plan document, or to have an individually designed Plan document. If Client elects to use another document provider, SAI will not monitor compliance of the Plan document with applicable law, nor its tax-qualified status. SAI does not warrant which Plan document style is appropriate for Client's needs, and strongly recommends that Client have its legal counsel review the Plan document. By signing the Agreement, Client represents that the Plan document has been reviewed by Client's legal counsel, or has had the opportunity to consult its legal counsel and has declined to do so. Client is solely responsible for reviewing the Plan terms and verifying the accuracy of the Plan provisions selected in the adoption agreement for the pre-approved Plan document, or the individually designed Plan. Client has sole responsibility for ensuring the Plan's qualified status and full compliance with the applicable requirements of the Internal Revenue Code. As a convenience to Client, SAI will provide a sample Summary Plan Description ("SPD") for the Plan which is based on the information included in Client's Plan. SAI makes no representations regarding, and assumes no responsibility for, Client's use of the sample SPD to satisfy any disclosure requirements under ERISA, the Internal Revenue Code or other applicable laws.
10. **Recordkeeping.** SAI shall keep and maintain on behalf of Client, all books and records which are customary or which are required to be kept in connection with the provision of the Services pursuant to applicable statutes, rules and regulations, including without limitation ERISA. SAI shall make such books and records available for inspection by Client at reasonable times or by any authorized regulatory authority for the purposes of an audit or other legitimate inspection. After termination or expiration of this Agreement, or at any time upon Client's request, SAI agrees to provide to Client all copies in its possession of books and records related to the Services as soon as practicable, but no later than thirty (30) days. Upon termination of this Agreement and return of such books and records, Client shall have sole responsibility to maintain such information for any recordkeeping period required under applicable laws.
11. **Confidential Information.** At all times, SAI, its directors, officers, employees, affiliates, agents, and subcontractors shall treat and hold as confidential all of the information or knowledge relating directly or indirectly to the business of Client, including any information or knowledge pertaining to Client's employees, that reasonably appears to be proprietary or confidential in nature because of legends or other markings, the nature of the information itself or the circumstances of disclosure, whether such information is disclosed in writing, through electronic media, orally, visually or in any other form ("Confidential Information"), except as required in connection with providing the Services under this Agreement. Without the prior written approval of Client, SAI will not use for SAI's benefit or disclose to any third party Confidential Information at any time during the term of this Agreement or anytime thereafter, except to the extent required for the performance of its duties hereunder. The term "Confidential Information" shall not include information which is or becomes generally available to the public or generally known to the industry or trade, or is required to be disclosed pursuant to any applicable law, subpoena or court order; provided that SAI shall give prompt advance written notice of such requirement to Client to enable Client to seek an appropriate protective order or confidential treatment. If Client provides SAI with comments or suggestions (including, but not limited to, any material, information or other communication in any form) relating to or for the modification, correction, improvement, enhancement of the Services (collectively, "Feedback"), then such Feedback shall be non-confidential and SAI shall have no obligations under this Agreement with respect to confidentiality or use of such Feedback.
12. **Intellectual Property.** All computer programs, systems, work product, and procedures ("Intellectual Property") employed or developed by SAI, or on behalf of SAI by subcontractors or licensors, to perform the Services required to be provided by SAI under this Agreement are owned directly by SAI or are subject to a valid license enabling SAI to use such Intellectual Property. Except to the extent explicitly indicated otherwise herein or in a separate writing, SAI does not convey to Client or any third party its ownership rights, or that of its subcontractors or licensors, to any such Intellectual Property. Client hereby grants to SAI, a non-exclusive, irrevocable, worldwide, royalty-free, paid-up license, including the right to sublicense licensees under Client's intellectual property rights, the rights to use and disclose Client Feedback in any manner SAI chooses and to display, perform, copy, have copied, make, have made, use, sell, offer to sell, and otherwise dispose of SAI's and its sublicensees' products or Services embodying such Feedback in any manner and via any media, but without reference to the source of such Feedback.

13. **Party Representations and Warranties.** Each Party confirms that (i) it has been duly incorporated or organized and is validly existing as a legal entity under the laws of its jurisdiction of incorporation or organization, (ii) it has full power and authority to execute and deliver this Agreement, and any related agreements, attachments or schedules in connection with the Services, (iii) this Agreement and such related agreements, attachments or schedules constitute legal, valid, binding and enforceable obligations of such Party, and (iv) the execution and delivery of this Agreement and related agreements have been duly authorized and approved by all necessary action on the part of the Party.
14. **Indemnification.** Client shall indemnify, defend and hold harmless SAI and its affiliates, employees, agents, directors, and officers from and against any claims, demands, actions, suits, judgments, liabilities, losses, damages, costs, charges, fees, fines, penalties and other expenses including reasonable investigation expenses, court costs and reasonable attorneys' fees (collectively, "Losses") resulting from SAI's reasonable reliance on information, instructions or requests given to SAI by Client in the course of SAI's performance of Services under this Agreement, or arising from Client's negligence, fiduciary breach, willful misconduct or material breach of this Agreement; provided that this indemnification shall not apply to actions or omissions of SAI resulting solely from its negligence, willful misconduct or material breach of this Agreement.
15. **Force Majeure.** Neither Party shall be responsible or liable for any failure or delay in performance of its obligations under this Agreement arising out of or caused, directly or indirectly, by circumstances beyond its control, including, without limitation, acts of God, earthquake, fires, floods, failure or fluctuations in electrical power, wars, acts of terrorism, acts of civil or military authorities, governmental actions or any similar cause beyond the reasonable control of such Party, or failures or fluctuations in telecommunications or other equipment, which failure or delay could not have been reasonably prevented by such Party ("Force Majeure"). If a condition constituting Force Majeure as defined herein exists for more than ten (10) consecutive days, the Parties shall meet to negotiate a mutually satisfactory resolution to the problem, if practicable.
16. **Liability Limitation.** NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, IN NO EVENT SHALL SAI, ITS AFFILIATES OR ITS DIRECTORS, OFFICERS, EMPLOYEES, AGENTS OR SUBCONTRACTORS BE LIABLE FOR EXEMPLARY, PUNITIVE, SPECIAL, INCIDENTAL, INDIRECT OR CONSEQUENTIAL DAMAGES, INCLUDING LOST REVENUE OR LOST PROFITS, EACH OF WHICH IS HEREBY EXCLUDED BY AGREEMENT OF THE PARTIES, REGARDLESS OF WHETHER SUCH DAMAGES WERE FORESEEABLE OR WHETHER A PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES UNLESS DUE TO INTENTIONAL MALFEASANCE. IN NO EVENT SHALL SAI'S LIABILITY UNDER THE AGREEMENT EXCEED THE AMOUNT OF TWELVE (12) TIMES THE AVERAGE MONTHLY FEE OVER THE PRIOR TWELVE (12) MONTH PERIOD.
17. **Term and Termination.** This Agreement shall continue in effect for an initial term of one (1) year from the Effective Date ("Initial Term"). Thereafter, unless terminated as provided hereunder, this Agreement shall automatically renew for additional twelve (12) month periods (each, a "Renewal Term") beginning on the anniversary date of the Effective Date. This Agreement may be terminated at any time, during the Initial Term or a Renewal Term: (i) by mutual agreement of the Parties, (ii) immediately upon the termination of the Plan, (iii) immediately upon the assumption of administrative duties for the Plan by a third party, (iv) for "Cause," as defined below, or (v) by either Party for any reason with or without cause upon sixty (60) days' written notice to the other Party. For purposes of this Section, "Cause" shall mean (i) a material breach of this Agreement that has not been remedied within fifteen (15) days following written notice of such breach from the non-breaching Party; and (ii) the filing of a voluntary petition in bankruptcy or an assignment for the benefit of creditors or upon the filing by a third party of an involuntary petition in bankruptcy against a Party to be terminated which petition is not dismissed within sixty (60) days. Upon termination, Fees due and owing that have not been paid shall be invoiced to the Client pursuant to the terms of the Agreement.
18. **Assignment.** This Agreement and the rights and duties hereunder shall not be assignable by either Party without the prior written consent of the other Party. This Agreement shall be binding upon, and shall inure to the benefit of, the Parties and their respective successors and permitted assigns.
19. **Governing Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to choice of law principals. The Parties herein consent to the exclusive jurisdiction and venue of the federal and state courts located in Broome County, New York. The Parties further agree to and hereby waive all rights to trial by jury of any dispute between them arising out of or relating to this Agreement or its performance.

20. Miscellaneous.

- a. Paragraph headings in this Agreement are included for convenience only and are not to be used to construe or interpret this Agreement.
- b. This Agreement, and all related agreements, attachments and schedules constitute the complete agreement of the Parties as to the subject matter covered by this Agreement, and supersede all prior negotiations, understandings and agreements bearing upon the subject matter covered herein.
- c. This Agreement may be executed in counterparts, each of which shall be an original but all of which, taken together, shall constitute one and the same agreement. Facsimile and electronic signatures shall have the same legal effect as original signatures.
- d. No amendment to this Agreement shall be valid unless made in writing and executed by both Parties.
- e. If any part, term or provision of this Agreement is held to be illegal, in conflict with any law or otherwise invalid, the remaining portion or portions shall be considered severable and not be affected, and the rights and obligations of the Parties shall be construed and enforced as if this Agreement did not contain such part, term or provision.
- f. Failure to enforce any provision of, or any right under, this Agreement is not a waiver of such provision or right and does not affect the validity of this Agreement.
- g. SAI is an independent contractor. Except as expressly provided in this Agreement, SAI does not undertake to perform any obligation of Client, whether regulatory or contractual, or to assume Client's obligations to provide contributions or benefits under the Plan.
- h. All legal notices, demands, or other non-routine communications shall be given in writing by actual delivery or by mail, postage prepaid at the Parties' addresses set forth above.
- i. This Agreement shall not confer upon any Party other than the Parties any rights, benefits or remedies of any kind, and no Party will be deemed a third party beneficiary under this Agreement.
- j. Each Party's obligations under this Agreement that by their nature would continue beyond termination of this Agreement shall survive termination of this Agreement.

PLAN INFORMATION

Plan Name: _____
Employer/Sponsor: _____
Address: _____ Phone: _____ Fax: _____

DESIGNATED CONTACTS

The CLIENT authorizes SAI to contact and discuss all information pertaining to the PLAN with the person(s) named below. The CLIENT also authorizes SAI to send copies of all notices and correspondence pertaining to the PLAN to the person(s) named below.

A. Attorney:

Contact Name: _____ Company Name: _____ Contact Email: _____
Address: _____ Phone: _____ Fax: _____

B. Accountant:

Contact Name: _____ Company Name: _____ Contact Email: _____
Address: _____ Phone: _____ Fax: _____

C. Financial Advisor:

Contact Name: _____ Company Name: _____ Contact Email: _____
Address: _____ Phone: _____ Fax: _____

D. Office Manager:

Contact Name: _____ Company Name: _____ Contact Email: _____
Address: _____ Phone: _____ Fax: _____

E. Other:

Contact Name: _____ Company Name: _____ Contact Email: _____
Address: _____ Phone: _____ Fax: _____

Contacts to be designated Plan Trustees (1 Required, at least 2 Recommended)

Name: _____ Title: _____
Name: _____ Title: _____
Name: _____ Title: _____

This Agreement is executed by the undersigned parties to be effective _____.

SIGNATURES

Client: _____

Security Administrators, Inc.

By _____

By _____

Title _____

Title _____

Print _____

Print _____

Date _____

Date _____