

**ADMINISTRATIVE SERVICES AGREEMENT**

**THIS ADMINISTRATIVE SERVICES AGREEMENT ("Agreement")** is entered into this 17<sup>th</sup> day of December, 2015, by and between the VILLAGE OF LOMBARD, a non-home rule Illinois municipal corporation ("**Village**") and WADDELL & REED, INC., and affiliates, a Delaware business corporation with a principal place of business in Overland Park, Kansas ("**Waddell**"). Village and Waddell are individually referred to herein as a "**Party**" and collectively as the "**Parties**."

**WITNESSETH:**

**WHEREAS**, Village is a non-home rule municipality that desires to offer a 457(b) deferred compensation plan that is an eligible plan as defined in Section 1.457-2(f) of the Treasury Regulations and meets the requirements of Section 457(b) of the Internal Revenue Code and Sections 1.457-3 through 1.457-10 of the Treasury Regulations; and

**WHEREAS**, Waddell has responded to a request for proposal issued by the Village and desires to act as the vendor (a) providing the Plan to the Village, (b) administering the Plan with the Village's assistance, and (c) advising the participants of the Plan with respect to investing their Plan accounts; and

**WHEREAS**, it is in the best interest of the Village to enter into this Agreement; and

**WHEREAS**, both Parties recognize that it is desirable to memorialize the conditions of their relationship with respect to the Plan and their respective duties and responsibilities concerning the Plan in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, being represented by counsel, hereby agree as follows:

**ARTICLE I – DEFINITIONS**

**1.1. Defined Terms.** For the purposes of this Agreement, the following terms have the meaning set forth below:

- a. "**Adoption Agreement**" means the document executed by the Village that adopts the Plan.
- b. "**Code**" means the Internal Revenue Code of 1986, as amended.
- c. "**Participant**" means any employee of the Village that is eligible to participate in the Plan in accordance with the Plan's Adoption Agreement.
- d. "**Plan**" means the 457(b) deferred compensation plan that is an eligible plan as defined in Section 1.457-2(f) of the Treasury Regulations and meets the requirements of Section 457(b) of the Code and Sections 1.457-3 through 1.457-

10 of the Treasury Regulations and is provided to and administered by Waddell for the benefit of the Employees.

e. **"Plan Document"** means the written document that describes the terms and conditions related to the operation and administration of the Plan.

1.2. **Other Terms.** Any capitalized term used in this Agreement, but not explicitly defined herein, shall have the meaning set forth in the Plan Document.

## **ARTICLE II – GENERAL PROVISIONS**

2.1. **Incorporation of Recitals.** The recitals set forth above are true and correct and are hereby incorporated into this Agreement as if set forth at length herein.

2.2. **Village Fees.** The Village shall not pay any fees to Waddell for the services provided by Waddell pursuant to or in connection with this Agreement. All fees charged by Waddell for the services it provides shall be charged to the Participant's Accounts. Waddell acknowledges that it has received sufficient consideration for entering into this Agreement by receiving the opportunity to collect the Participant fees described in Section 2.3 below.

2.3. **Participant Fees.** At all times during the Term of this Agreement, the only fees charged to the Participant's Accounts shall be those listed on the "Waddell & Reed Schedule of Fees IRC § 457 Plans," which is attached as Exhibit A and hereby incorporated into this Agreement. Waddell may not increase the amount or add additional types of Participant fees during the Term.

2.4. **Term.** The term of this Agreement will begin as of the date of this Agreement and will continue for three (3) years ("Term"). At the conclusion of the Term, the Village will have the option to renew the Agreement for an additional three (3) years.

## **ARTICLE III – RESPONSIBILITIES OF WADDELL**

Waddell shall have the responsibilities and duties outlined in this Article III below:

3.1. **Sponsor.** Waddell shall assume the role of and carry out the responsibilities required of the "Sponsor" in the Plan Document. Waddell shall also, as the Sponsor of the Plan Document, provide reasonable assistance to the Village in its carrying out of the Employer's responsibilities under the Plan Document. Waddell shall follow all of the terms of the Plan Document regardless of the capacity in which it is acting.

3.2. **Provide Plan-Related Documents.** Waddell shall provide all of the documents necessary to organize and operate the Plan, including, but not limited to, a Plan Document and Adoption Agreement substantially similar to those attached hereto as Exhibit B and Exhibit C, as well as any amendments thereto.

- 3.3. Legal Obligations of the Plan.** Waddell possess the ultimate responsibility for the Plan Document compliance with all applicable laws and regulations, and Waddell explicitly warrants that the Plan is an eligible plan as defined in Section 1.457-2(f) of the Treasury Regulations and meets the requirements of Section 457(b) of the Code and Sections 1.457-3 through 1.457-10 of the Treasury Regulations, or any other statutes, regulations, or rules applicable to 457(b) deferred compensation plans. Waddell assumes the responsibility for preparing and filing reports, if required by law.
- 3.4. Participant Accounts.** Waddell shall create and maintain Accounts for the Participants in accordance with the Plan Document. Waddell shall receive Employee Deferrals through ACH using the Waddell & Reed Plan Sponsor Connect service, and wire transfers and deposit Employee Deferrals into the respective Participant accounts, and conduct all necessary record keeping with respect to the Accounts.
- 3.5. Online Access.** Waddell shall provide online access to Accounts whereby Participants can (a) select investment options, (b) make changes to the investment selections and amounts, (c) view their current investment options and Account portfolio, and (d) review the performance their investment selections and all of the Plan's investment options. The Village can view investment option performance at its discretion at [www.waddell.com](http://www.waddell.com).
- 3.6. Investment Options.** Waddell shall provide investment options for each Participant to invest the balance of the Participant's Account. Waddell shall consult with the Village on the investment options available. Waddell shall continually monitor and review the investment options and remove any imprudent investment options.
- 3.7. Provide Investment Advice.** Waddell shall provide education to the Participants regarding the investment options available in the Plan by appointing designated financial advisors to meet with Participants to provide one-on-one financial consultations. Waddell's financial advisors shall be available to meet with each Participant in person on at least a quarterly basis. Waddell shall also have a representative present at the Village's annual employee fair to provide general information regarding the operation of the Plan and how the Plan benefits Participants.
- 3.8. Coordinate with Other Service Providers.** Waddell shall coordinate the Plan's interactions with any other various providers of services and products related to the Plan, including, but not limited to, trustees, record keepers, investment advisors, product vendors, and legal, accounting, actuarial, and other service providers as necessary to carry out its duties and responsibilities under this Agreement. Waddell shall be responsible for all fees, costs, and expenses charged by or associated with the use of said providers. Waddell shall bear the same liability for any services rendered by an outside professional on behalf of the Plan as Waddell would if Waddell had rendered the services itself.
- 3.9. Coordinate Enrollment Meetings and Participant Communications.** Waddell shall organize and coordinate enrollment meetings with the Village's employees and communications between Participants and the Plan.

- 3.10. **Maintain Relevant Records: Make Records Available for Inspection.** Waddell shall maintain reasonable records regarding its administration of the Plan. Waddell shall ensure that the Village may, if it so desires, periodically inspect all relevant records relating to the administration of the Plan. Such inspections may be done at a time mutually agreeable to the Parties.

#### **ARTICLE IV – RESPONSIBILITIES OF VILLAGE**

The Village shall have the responsibilities and duties outlined in this Article IV below:

- 4.1. **Employee Benefit.** The Village shall offer the Plan as an employee benefit to its employees and allow Employees to make Elective Deferrals into Plan Accounts.
- 4.2. **Plan Created Responsibilities.** The Village shall, with reasonable assistance from Waddell, carry out the responsibilities required of the "Employer" in the Plan Document.
- 4.3. **Plan Interpretation.** As the employer of the Plan, the Village possesses the ultimate authority to interpret the Plan for decisions involving eligibility for Plan participation, termination of Plan participation, and the payment of benefits to Participants. Nevertheless, the Village will not direct Waddell to take any action that would violate federal or state laws.
- 4.4. **Salary Reduction Agreements.** The Village shall enter into Salary Reduction Agreements with Participants that allow Participants to make Elective Deferrals into the Plan. The Village shall timely transfer all Elective Deferrals to Waddell for depositing into the Participant's Accounts.
- 4.5. **Amend and Terminate the Plan.** The Village has complete discretion for all decisions involving the establishment, amendment, and termination of the Plan.
- 4.6. **Provide Reporting Data.** The Village shall provide Waddell with all information that is reasonably necessary for Waddell to fulfill the compliance and legal obligations described in Section 3.3 of this Agreement.

#### **ARTICLE V - REPRESENTATIONS**

- 5.1. **Authority.** Each Party hereby represents, warrants, and consents that (a) it is authorized to enter into this Agreement and perform its obligations under this Agreement, and (b) this Agreement has been duly executed and delivered.
- 5.2. **Licenses and Registrations.** Waddell represents and warrants that (a) any actions by, or filings with, any entity, agency, or governmental body required for Waddell to enter into and perform its obligations under this Agreement have been taken or made or will be taken or made when required, and (b) Waddell and its employees, agents, and representatives have obtained all licenses, registrations, and accreditations required to

perform Waddell's obligations under this Agreement.

#### **ARTICLE VI – LIABILITY AND INDEMNITY**

- 6.1. **Limitation on Liability.** Waddell assumes and retains the responsibility for performing all obligations assigned to it under or related to the Plan Document and this Agreement, except as specifically assumed in this Agreement by the Village.
- 6.2. **Gross Indemnification.** Waddell agrees to indemnify and hold harmless the Village and its elected officials, officers, agents, and employees against any and all claims, lawsuits, settlements, judgments, costs, taxes, interest, penalties, and expenses, including reasonable attorneys' fees, incurred by them resulting from or arising out of or in connection with any function or action of Waddell under this Agreement or related to the administration of the Plan or the investment options offered by the Plan, including, but not limited to, any failure of the Plan Document to satisfy applicable Treasury Regulations and/or Section 457(b) of the Code and Sections 1.457-3 through 1.457-10 of the Treasury Regulations, or any other statutes, regulations, or rules applicable to 457(b) deferred compensation plans.

#### **ARTICLE VII - MISCELLANEOUS PROVISIONS**

- 7.1. **Termination of Agreement for Cause.** Both Parties shall have the right to terminate this Agreement with fourteen (14) days written notice, if the other Party fails to materially comply with the terms of this Agreement. Parties will have fourteen (14) days to correct a breach upon notification prior to termination. An extension of this period may be allowed upon mutual agreement of the Parties if the breach cannot be reasonable cured with the fourteen (14) days provided.
- 7.2. **Termination of Agreement without Cause.** This Agreement may be terminated by the Village at any time, for any reason, upon thirty (30) days written notice to Waddell.
- 7.3. **Delay Not a Waiver.** No failure by either Party to exercise, or delay by either Party in exercising, any right, power, or privilege under this Agreement shall operate as a waiver thereof nor shall any single or partial exercise of any right, power, or privilege preclude any other or further exercise thereof, or the exercise of any other right, power, or privilege.
- 7.4. **Agreement Binding on Successors; Assignment.** This Agreement shall be binding upon and shall inure to the benefit of the Parties, their respective successors, permitted assigns, and grantees. Waddell agrees that it will not assign this Agreement without the written consent of the Village.
- 7.5. **Execution in Counterparts.** This Agreement may be executed in any number of counterparts by the Parties in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute one and the same instrument.

7.6. **Notices.** Any notices to be served pursuant hereto shall be deemed properly delivered if delivered personally, by United States certified or registered mail, postage prepaid, or by Federal Express or comparable overnight courier service fare prepaid, or by legible facsimile transmission, or via email, to the Parties to whom copies of such notices are to be served at the addresses set forth below or to such other addresses as the Parties may direct in writing:

To Village: Kathleen Dunne, Human Resources Administrator (or her successor)  
Village of Orland Park  
255 East Wilson Avenue  
Lombard, IL 60148  
630-620-5929 (phone)  
630-873-4735 (facsimile)  
[dunnek@villageoflombard.org](mailto:dunnek@villageoflombard.org)

With a copy to: Tom P. Bayer, Village Attorney  
Klein, Thorpe and Jenkins, Ltd.  
20 North Wacker Drive  
Chicago, IL 60606  
312-984-6418 (phone)  
312-984-6444 (facsimile)  
[tpbayer@ktjlaw.com](mailto:tpbayer@ktjlaw.com)

To Waddell: Derek Burke, President  
Waddell & Reed, Inc.  
6300 Lamar Avenue  
Overland Park, KS 66201  
913-236-1917 (phone)  
913-236-2552 (facsimile)  
[dburke@waddell.com](mailto:dburke@waddell.com)

Such notices shall be deemed received the same day if delivered personally, three (3) business days after delivery by certified or registered mail, the next business day if delivered by overnight courier, the same day if delivered by legible facsimile transmission, and the same day if delivered by email.

7.7. **Choice of Law.** This Agreement shall be construed in accordance with and governed by the laws of the State of Illinois, without giving effect to any choice of law principles.

7.8. **Captions.** The captions of various articles and sections herein are for convenience only and are not to be utilized in construing the content or meaning of the substantive provisions hereof.

7.9. **Potential Invalidity.** If one or more provisions of this Agreement are held by a proper

court to be unenforceable under applicable law, portions of such provisions, or such provisions in their entirety, only to the extent necessary and required by law, shall be severed herefrom, and the balance of this Agreement shall be enforceable in accordance with its terms.

- 7.10. **Entire Agreement.** This Agreement sets forth the entire agreement of the Parties relating to the subject matter of this Agreement and supersedes all prior and contemporaneous agreements, negotiations, correspondence, undertakings, and communications of the Parties, oral or written, with respect to such subject matter.
- 7.11. **Amendment.** This Agreement shall not be amended or modified except by an agreement in writing duly executed by all Parties.

[SIGNATURE PAGE FOLLOWS]

Village and Waddell have executed or caused this Agreement to be executed by their duly authorized officers as of the day and year first above written.

**VLLAGE OF LOMBARD**

By: *Scott Niehaus*  
Scott Niehaus,  
Village Manager

Date: 12/18/15

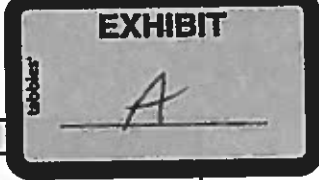
**WADDELL & REED, INC.**

By: \_\_\_\_\_  
Derek Burke,  
President

Date: \_\_\_\_\_



**WADDELL & REED SCHEDULE OF FEES  
IRC §457 PLANS**



CATEGORY	FEES	DESCRIPTION																										
Administrative Fees	None																											
Annual Maintenance Fees	None																											
Per-Participant Fee	\$18	Annual Custodian Fee deducted from client account																										
Transfer Fees	None																											
Wrap Fees	N/A																											
Deferred Sales Charges	N/A																											
Annuity Fees	N/A																											
Mortality Charges	N/A																											
Expense/Risk Charges	N/A																											
Benefit Payment Fees	N/A																											
Voice Response Unit Fees	None																											
Charges for Asset Allocation Advice and Counseling	None or optional fee plan	No fee charged for normal account servicing, including investment counseling. The fee-based comprehensive FOCUSPlan is available to the employee, if desired. A 20% discount available for qualifying companies.																										
Sales Load- Class A Shares	Front-end load	<p>Please Note: Participants in a 457 plan having 100 or more eligible employees, and the shares are held in individual plan participant accounts on the Fund's records, may purchase Class A Shares at Net Asset Value (NAV) and will not be charged a front-end sales load for the Waddell &amp; Reed Advisor Funds and Ivy Funds.</p> <p>Class A shares charge a sales load (front-end load) on each investment. The maximum sales charge as a percentage of offering price is 5.75%, except for the Waddell &amp; Reed Advisors Cash Management Fund and Ivy Money Market Fund, which do not charge a sales load for direct purchases.</p> <p>Lower sales charges are available by combining additional purchases of the fund with the net asset value of shares already held and by grouping all purchases made during a thirteen-month period under a "Statement of Intention." The lower sales charge breakpoints begin at \$100,000.00 and are as follows:</p> <table border="0"> <thead> <tr> <th>Investments</th> <th>Sales Load</th> </tr> </thead> <tbody> <tr> <td>\$0 to \$99,999</td> <td>5.75%</td> </tr> <tr> <td>\$100,000 to \$199,999.99</td> <td>4.75%</td> </tr> <tr> <td>\$200,000 to \$299,999.99</td> <td>3.50%</td> </tr> <tr> <td>\$300,000 to \$499,999.99</td> <td>2.50%</td> </tr> <tr> <td>\$500,000 to \$1,000,000.00</td> <td>1.50%</td> </tr> <tr> <td>\$1,000,000 and over</td> <td>0.00%</td> </tr> </tbody> </table> <p>For the Government Securities Fund, the lower sales charge breakpoints begin at \$100,000.00 and are as follows:</p> <table border="0"> <thead> <tr> <th>Investments</th> <th>Sales Load</th> </tr> </thead> <tbody> <tr> <td>\$0 to \$99,999</td> <td>4.25%</td> </tr> <tr> <td>\$100,000 to \$299,999.99</td> <td>3.25%</td> </tr> <tr> <td>\$300,000 to \$499,999.99</td> <td>2.50%</td> </tr> <tr> <td>\$500,000 to \$1,000,000.00</td> <td>1.50%</td> </tr> <tr> <td>\$1,000,000 and over</td> <td>0.00%</td> </tr> </tbody> </table>	Investments	Sales Load	\$0 to \$99,999	5.75%	\$100,000 to \$199,999.99	4.75%	\$200,000 to \$299,999.99	3.50%	\$300,000 to \$499,999.99	2.50%	\$500,000 to \$1,000,000.00	1.50%	\$1,000,000 and over	0.00%	Investments	Sales Load	\$0 to \$99,999	4.25%	\$100,000 to \$299,999.99	3.25%	\$300,000 to \$499,999.99	2.50%	\$500,000 to \$1,000,000.00	1.50%	\$1,000,000 and over	0.00%
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		<p>For the Ivy Limited-Term Bond Fund, the lower sales charge breakpoints is as follows:</p> <table> <tr> <td>Investments</td> <td>Sales Load</td> </tr> <tr> <td>\$0 to \$249,999.99</td> <td>2.50%</td> </tr> <tr> <td>\$250,000 and over</td> <td>0.00%</td> </tr> </table>	Investments	Sales Load	\$0 to \$249,999.99	2.50%	\$250,000 and over	0.00%
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Sales Load Class C Shares	No front –end load  Contingent Deferred Sales Charge (CDSC)	Class C share CDSC normally applied to distributions processed, is 1% if you sell the shares within 12 months after their purchase.						
Contingent Deferred Sales Charge (CDSC)	Waiver	<p>The CDSC for Class B and Class C shares is waived for the following plan distributions:</p> <ul style="list-style-type: none"> <li>- Required minimum mandatory distributions</li> <li>- Tax-free return of excess contributions</li> <li>- Death</li> <li>- Disability, if payments are set up using the Flexible Withdrawal Service</li> </ul>						
Commissions Paid to Financial Advisors		Waddell & Reed financial advisors are paid commission, service fees based on assets under management, and a portion of the fee collected for a FOCUSPlan (Waddell & Reed's financial plan).						
Percent of 12b-1 Fee Paid To Administrator	12b-1 fee paid to financial advisor	The Fund pays 12b-1 fees to Waddell & Reed. Waddell & Reed pays a percentage of the fee to the financial advisor assigned to the employee's investment account. The amount the advisor receives depends upon their level of qualification. The minimum is 5 basis points and the maximum is 20 basis points.						
Other Fees and Expenses of the Fund Issuer	See <a href="http://www.waddell.com">www.waddell.com</a> for Waddell & Reed Advisors Funds and Ivy Funds Operating Expenses	<p><b>Annual Fund Operating Expenses-</b> expenses that are deducted from the Fund's assets:</p> <p>Each fund is responsible for payment of certain expenses including; those described above, transfer agent fees, fees and expenses of certain directors, costs of materials sent to shareholders, audit and outside legal fees, taxes, brokerage commissions, interest, insurance premiums, custodian fees, fees payable by each fund under Federal or other securities laws and to the Investment Company Institute; and extraordinary expenses including litigation and indemnification relative to litigation. The out of pocket costs are paid when billed.</p>						
Short-Term Trading Redemption/Exchange Fee		<p><i>The following information applies to each of the Funds except Money Market Funds:</i></p> <p>To further discourage the use of the Funds as a vehicle for excessive short-term trading, for shares purchased on or after May 1, 2004, each of the Funds, except Money Market Funds, will deduct a redemption fee of 2.00% from any redemption or exchange proceeds if you sell or exchange your Class A shares of that Fund after holding the shares less than 5 days. If you bought your shares on different days, the "first-in, first out" (FIFO) method is used to determine the holding period. Under this method, the shares you held longest will be redeemed first for</p>						

purposes of determining whether the redemption fee applies. These fees are paid directly to the Fund.

International funds will continue to deduct a redemption fee of 2.00% from any redemption or exchange proceeds if you sell or exchange your Class A shares of that Fund after holding the shares less than 30 days.

The following exclusions from redemption fee apply:

1. certain omnibus accounts where the omnibus account holder does not have the capability to impose a redemption fee on its underlying customers' accounts; and certain intermediaries that do not have, or report to the Funds, sufficient information to impose a redemption fee on their customers' accounts

2. (i) premature distributions from retirement accounts due to the disability of the participant; (ii) minimum required distributions from retirement accounts; (iii) return of excess contributions in retirement accounts where the excess is reinvested into the Fund; (iv) redemptions resulting in the settlement of an estate due to the death of the shareholder; and (v) reinvested distributions (dividends and capital gains)

3. shareholder accounts participating in dynamic asset allocation programs comprised of multiple Funds within the Ivy Family of Funds and/or the Waddell & Reed Advisors Family of Funds that periodically rebalance mutual fund holdings in response to prevailing economic, political and/or financial conditions.

In addition to these waivers, each Fund reserves the right to waive the redemption fee at its discretion where it believes such waiver is in the best interests of the Fund, including but not limited to when it determines that imposition of the redemption fee is not necessary to protect the Fund from the effects of excessive short-term trading. In addition, each Fund will reserve the right to modify or eliminate the redemption fee or waivers at any time.