

**MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF MICHIGAN  
DEFINED CONTRIBUTION  
WITHDRAWAL AND TRANSFER AGREEMENT**

This Defined Contribution Withdrawal and Transfer Agreement ("Agreement") is entered into by and between

- Municipal Employees' Retirement System of Michigan ("MERS"), a statutory public corporation authorized by the Municipal Employees' Retirement Act, Michigan PA 427 of 1984, with an address of 1134 Municipal Way, Lansing, Michigan, 48917, and
- City of Madison Heights ("Municipality"), a Michigan city, with an address of 300 West Thirteen Mile Road, Madison Heights, MI 48071,

(each a "Party" and together, the "Parties") as of the Effective Date indicated below.

The purpose of this Agreement is to provide for the termination of Municipality's participation in the MERS Defined Contribution Plan ("MERS DC Plan") and the transfer of all assets held in trust by the MERS DC Plan for Municipality's participants and beneficiaries to a non-MERS defined contribution plan money purchase pension plan qualified under Section 401(a) of the Internal Revenue Code ("IRC") established by Municipality with the International City Management Association Retirement Corporation, a Delaware nonprofit corporation doing business in Michigan as MissionSquare Retirement ("Non-MERS Successor DC Plan").

Whereas, the MERS DC Plan is a governmental multiple employer defined contribution money purchase pension plan qualified under Section 401(a) of the IRC and authorized by the Municipal Employees' Retirement Act, Michigan PA 427 of 1984, as amended; and governed by the MERS Plan Document;

Whereas, Municipality joined the MERS DC Plan by resolution of its governing body, dated August 1, 2006;

Whereas, the MERS Plan Document Section 11(1)(a)(i) and the MERS Termination Policy and Procedure provide that a municipality may, by vote of its governing body, elect to terminate its participation in the MERS DC Plan, and adopt and transfer its assets to a non-MERS defined contribution plan money purchase pension plan qualified under Section 401(a) of the IRC;

Whereas, upon the adoption of a resolution by a municipality's governing body to terminate participation in MERS and to adopt a non-MERS defined contribution money purchase pension plan qualified under Section 401(a) of the IRC, the municipality and MERS are required to enter into an agreement to effectuate the termination and transfer of funds;

Whereas, upon the entry into such agreement, all funds held in the municipality's MERS DC Plan shall be provided by plan-to-plan transfer to the successor non-MERS qualified defined contribution money purchase pension plan qualified under Section 401(a) of the IRC adopted by

the municipality, which transfer amount shall be the fair market value of assets as of the date of transfer;

Whereas, Municipality passed a resolution with a two-thirds vote of its governing body on June 23, 2025, to terminate its participation in the MERS DC Plan, and to direct the distribution of their assets to the Non-MERS Successor DC Plan identified above, the terms of such resolution being incorporated herein by reference;

Whereas, Municipality hereby represents and warrants that Non-MERS Successor DC Plan to receive the assets of Municipality's MERS DC Plan is an IRC Section 401(a) qualified money purchase defined contribution pension plan, that it shall adhere to all relevant IRC provisions through the Effective Date of this Agreement, and that it intends to maintain such status;

Whereas, Municipality further represents and warrants that Municipality's governing body has been named as fiduciary to administer the Non-MERS Successor DC Plan, and receive and invest the assets to be transferred from the MERS DC Plan to the Non-MERS Successor DC Plan;

Whereas, Municipality further represents and warrants, as of the date of the termination of the MERS DC Plan, all contributions that Municipality is obligated to remit to the MERS DC Plan on behalf of the participants have been fully paid as required under the terms of its Adoption Agreement as amended to date;

Whereas, MERS (or its agent) will provide Non-MERS Successor Plan with all information reasonably required to administer the Non-MERS Successor Plan; and

Whereas, Municipality and MERS now desire to enter into this Agreement as the Withdrawal and Transfer Agreement to memorialize the termination of Municipality's participation in the MERS DC Plan and for the proper disposition of assets attributable to Municipality's participation in MERS for Participants.

**Now, therefore, in consideration of and verification of the above, MERS and Municipality agree as follows:**

1. Effective on August 12, 2025, upon the wiring of assets by MERS or its agent to the location specified by Municipality or its agent (the "Effective Date"),
  - a. The MERS DC Plan Adoption Agreement between MERS and Municipality is terminated;
  - b. Municipality's participation in the MERS DC Plan is terminated;
  - c. MERS' obligations and duties as fiduciary and trustee for all purposes with respect to Municipality's MERS DC Plan are terminated;
  - d. MERS will collect no further funds from Municipality nor disburse further funds to participants with respect to Municipality's MERS DC Plan; and
  - e. All service credit of any description for participants under Municipality's MERS DC Plan will cease to accrue.

2. On August 1, 2025 at 3:00 pm CST, Municipality's MERS DC Plan shall be in blackout status, and all transactions of any description, including, but not limited to, investment activity and benefit processing, will cease.
3. On August 8, 2025 (the "Liquidation Date"), MERS (or its agent) will direct the liquidation of assets for participants of Municipality's MERS DC Plan. Settlement of this liquidation shall take place on August 12, 2025. The resulting amount, adjusted for any required redemption fees, gains or losses through the date of transfer, will be the fair market value of the assets of the participants and beneficiaries ("Transfer Assets"). and documentation of the fair market value amount for each participant shall be provided to Municipality and Non-MERS Successor DC Plan no later than August 12, 2025, which documentation shall be deemed accurate, complete, final and accepted by Municipality for all purposes unless Municipality provides written notice to MERS by the close of business on August 12, 2025.
4. No later than August 1, 2025 Municipality or Non-MERS Successor DC Plan will provide MERS (or its agent) with such data and information required to effectuate a wire transfer of the Transfer Assets to Non-MERS Successor DC Plan. MERS may conclusively rely on the accuracy of such data and information, shall not be required to verify the accuracy of such data and information, and shall not be liable for any losses arising from errors in the data and information provided by Municipality or Non-MERS Successor DC Plan.
5. On the Effective Date, the Transfer Assets and necessary records will be transferred via wire from MERS to Non-MERS Successor DC Plan using the data and information provided by Municipality or Non-MERS Successor DC Plan or the agent of either of them for this purpose, and MERS shall thereafter have no liability to the Municipality, any agent of the Municipality, Non-MERS Successor DC Plan or any of the participants for the Transfer Assets.
6. On the Effective Date, any and all of MERS' responsibilities, obligations, duties, roles and liabilities as investment fiduciary as set forth under the Public Employees Retirement Investment Security Act, Act 314 of 1965, as amended ("PERSIA"), plan fiduciary, plan administrator and trustee (under all applicable state or federal common or statutory laws or regulations) to the participants and to the Municipality, as applicable, will be fully and forever discharged with respect to Municipality's MERS DC Plan, shall fully and finally terminate, and will be transferred to and fully assumed by Municipality and its governing body, as investment fiduciary, plan fiduciary, plan administrator and trustee of the Non-MERS Successor DC Plan.
7. It is the sole and exclusive obligation of the Municipality to comply with the requirements of Article 9, Section 24 of the 1963 Michigan Constitution, which requires that the accrued financial benefits of the participants shall not be impaired or diminished, and Municipality hereby represents and warrants that Municipality's termination of participation in Municipality's MERS DC Plan will not result in any constitutionally prohibited diminishment of any accrued financial benefit by participants.

8. MERS shall not be liable to Municipality, participants, beneficiaries or to any other party (or to any person or entity claiming through a party) for lost profits or for special, incidental, consequential or exemplary damages arising out of or in any manner connected with this Agreement or the subject matter hereof, regardless of the form of action (whether in contract, tort, breach of warranty or otherwise), and regardless of whether or not such Party has been informed of, or otherwise might have anticipated, the possibility of such damages. MERS' liability will be limited to the greatest extent permitted by law.
9. Municipality agrees that it may not cancel, terminate nor revoke this Agreement, and that this Agreement shall survive the termination of Municipality and shall be binding upon Municipality's successors and assigns. All obligations, representations, warranties, covenants, agreements and acknowledgments herein contained shall be deemed to be made by and binding upon Municipality and its successors and assigns.
10. Municipality shall indemnify and hold harmless MERS, its directors, managers, officers, employees, agents, affiliates, successors, heirs and assigns (collectively, the "Indemnified Persons") from and against any losses, claims, damages, liabilities, fines, penalties, costs of any type or description, whether awarded by a Court or by settlement, attorneys' fees, costs and expenses imposed on or incurred by any Indemnified Person to which any of them may incur arising of the subject matter or matters of this Agreement, including but not limited to claims brought by or on behalf of Municipality's former or current employees (a "Claim Against MERS"). Municipality will reimburse each Indemnified Person for their actual legal and other expenses (including the cost of any investigation and preparation) as they are incurred in connection with any action, proceeding or investigation arising out of or based upon the foregoing. The indemnity and reimbursement obligations of Municipality shall be in addition to any liability that Municipality may otherwise have (including, without limitation, liability for breach of fiduciary duty). MERS shall provide Municipality with prompt written notice of any Claim Against MERS. No matter in which an Indemnified Person is party arising out of the subject matter of this Agreement may be settled or otherwise consensually resolved without MERS' express written consent.
11. The Agreement contains the entire understanding of the Parties with respect to the subject matter hereof and supersedes all prior agreements and commitments with respect thereto. There are no other oral or written understandings, terms or conditions with respect to the subject matter of the Agreement, and neither Party has relied upon any representation, express or implied, not contained in the Agreement. All Parties hereto have participated in the drafting of this Agreement and no term herein shall be construed against either Party hereto as a result. All Parties hereto agree that they have full right, power, authority and capacity to enter into and execute the Agreement and do so of their own volition.
12. The Parties agree to cooperate fully and execute any and all documents and to take all additional actions necessary to give full force and effect to the terms and intent of this Agreement.
13. This Agreement and any and all disputes arising directly or indirectly from this Agreement shall be governed by the laws of the State of Michigan, without regard to its conflict of law

provisions. The Parties hereby irrevocably submit to the exclusive jurisdiction of the Circuit Court of the State of Michigan for Eaton County for all suits, actions or proceedings directly or indirectly arising out of or relating to the Agreement, and waive any and all objections to such courts, including but not limited to objections based on improper venue or inconvenient forum.

14. The rights and remedies of the Parties are cumulative and not alternative. No waiver of any rights is to be charged against any Party unless such waiver is in writing signed by an authorized representative of the Party so charged. Neither the failure nor any delay by any Party in exercising any right, power, or privilege under the Agreement will operate as a waiver of such right, power, or privilege, and no single or partial exercise of any such right, power, or privilege will preclude any other or further exercise of such right, power, or privilege or the exercise of any other right, power, or privilege.
15. No modification of or amendment to the Agreement will be effective unless in writing signed by authorized representatives of both Parties.
16. If any provision of the Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of the Agreement will remain in full force and effect, and, if legally permitted, such offending provision will be replaced with an enforceable provision that as nearly as possible effectuates the Parties' intent.
17. All provisions of this Agreement survive the discharge of the duties and obligations set forth above.
18. This Agreement may be executed in counterparts, each of which will be deemed to be an original, and all of which, when taken together, shall constitute the complete executed agreement. The signature of any Party transmitted by fax, email or made electronically is legally binding.

In witness whereof, the parties hereto have caused this Agreement to be executed by their respective duly authorized representatives, to be effective as of August 12, 2025.

MUNICIPAL EMPLOYEES'  
RETIREMENT SYSTEM OF MICHIGAN

By: \_\_\_\_\_

Name: Kerrie Vanden Bosch

Title: Chief Executive Officer

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

MUNICIPALITY

By: \_\_\_\_\_

Name: Roslyn Grafstein

Title: Mayor

Date: 06/23/2025

By: \_\_\_\_\_

Name: Cheryl Rottmann

Title: City Clerk

Date: 06/23/2025