

AA *LLC Associated Administrators, LLC*

October 23, 2012

Trustees of the NMU Great Lakes Pension Fund:

Associated Administrators, LLC has been the administrator of this Fund since January 1, 1990. The contract between Associated and the Fund expired on December 31, 2006.

On September 5, 2006, a request was made to the Board of Trustees to extend the contract for a three year period with a rate increase of 5% per year. At that time, the monthly administrative rate was \$976 per month. No action was taken on that request, and Associated has been providing service to the Fund without an active contract, and at the same rate, since that time. It should be noted that neither of you were a Trustee at that time.

As you know, much has changed since the last contract was executed. The Pension Protection Act of 2006, increased actuarial requests, increased governmental filings, and increased compliance requirements have all contributed to a significant increase in the workload of the administrator. Plus, there is the expectation that this Fund will have PBGC involvement in the next few years, potentially creating a large amount of work for Associated.

As with all other businesses, Associated's cost of doing business has increased every year. In the past few years, Associated has set a minimum fee of \$2,500 per month for administration of pension funds. In deference to the Fund's long-term relationship with us, and with an understanding of the financial constraints on the Fund, we are willing to lower this minimum. Our request in 2006 directed that any rate change would be retroactive to January 1, 2006. We will not request retroactivity as part of this fee increase. The new fee would be effective January 1, 2013 and guaranteed for the term of the contract.

We are writing today to request two action items:

- 1) The execution of a new 3-year contract, and
- 2) An increase in the administrative rate to \$1,500 per month beginning January 1, 2013.

While this increase may seem like a sizable request, the actual rate at the end of the three year period will represent an increase of less than 5% annually since 2006 had the Fund continued providing annual increases.

Associated Administrators, LLC appreciates the opportunity to serve this Fund and welcomes all questions concerning our proposal. We ask that the Trustees consider our request favorably.

Sincerely,



Joseph Sears, CEBS

Account Executive, Associated Administrators, LLC
(410) 683-7710

911 Ridgebrook Road, Sparks, MD 21152-9451 (410) 683-6500
4301 Garden City Drive, Suite 201, Landover, MD 20785-6102 (301) 459-3020

NMU Great Lakes Pension Fund **Administrative Manager - Monthly Fees**

Calendar Year	Actual Monthly Rate	Monthly Rate with 5% Annual Increase
2006	\$976	\$976
2007	\$976	\$1,024
2008	\$976	\$1,075
2009	\$976	\$1,128
2010	\$976	\$1,184
2011	\$976	\$1,243
2012	\$976	\$1,305
2013	\$1,500*	\$1,370
2014	\$1,500*	\$1,439
2015	\$1,500*	\$1,511
Total 10-year Cost	\$135,984	\$147,060

*proposed

NMU Great Lakes Pension Fund

911 Ridgebrook Road
Sparks, Maryland 21152-9451
Telephone: (410) 683-6500
(800) 638-2972
www.associated-admin.com

POLL OF THE BOARD OF TRUSTEES
OF THE
NMU GREAT LAKES PENSION FUND

OCTOBER 23, 2012

RESOLUTION

Whereas we, the Trustees of the NMU Great Lakes Pension Fund (the "Fund"), desire to renew the agreement between the Fund and the Fund Administrative Manager, Associated Administrators, LLC (the "Administrator"), for administrative services of the years beginning January 1, 2013, ending December 31, 2015 and related services as stated in the Administrator's letter to the Fund dated September 27, 2012, such letter having been reviewed and found to be satisfactory by Fund Counsel;

NOW, THEREFORE, it is hereby:

RESOLVED that the agreement between the Fund and the Administrator is renewed effective January 1, 2013 and ending December 31, 2015, at the monthly fee of \$1,500.

_____ I hereby vote in favor of the proposed Resolution.

_____ I hereby vote against the proposed Resolution.

Signature of Trustee

Date

JMS