

THE U. S. CONFERENCE OF MAYORS DEFERRED COMPENSATION PROGRAM

THE CITY OF CARROLLTON  
EMPLOYEES DEFERRED COMPENSATION PLAN  
ADMINISTRATIVE SERVICE AGREEMENT

This Agreement effective as of JANUARY 14, 1980 by and between the City of CARROLLTON (the "City"), acting through its CITY MANAGER on behalf of the City of CARROLLTON Employees Deferred Compensation Plan (the "Plan"), Nationwide Life Insurance Company of Columbus, Ohio ("Nationwide"), and Public Employees Benefit Services Corporation, of Oklahoma City, Oklahoma ("PEBSCO").

Whereas, the City has established for the employees an "Eligible Deferred Compensation Plan," as defined by Section 457 of the Internal Revenue Code; and

Whereas, the U. S. Conference of Mayors has received an affirmative Opinion of Counsel that its prototype plan as provided the City as part of the U. S. Conference of Mayors Deferred Compensation Program, is in conformance with Section 457 of the Internal Revenue Code; and

Whereas, PEBSCO proposes to accept the responsibility of Plan Coordinator, to include the employee communication, enrollment of employee-participants, and the performance of certain administrative payroll services; and

Whereas, Nationwide proposes to issue to the City its Group Retirement Fund Contract to fund the Plan and to perform certain administrative services;

Now, therefore, in consideration of the promises contained herein, the parties hereby mutually agree as follows:

1. Acceptance of Contract. The City hereby submits the Application attached

hereto as Exhibit A, and accepts Nationwide's Group Retirement Fund Contract (the "Contract"), a specimen copy of which is attached hereto as Exhibit B.

The City shall be sole applicant for and owner of the Contract. The Contract shall be the only group annuity contract offered under the Plan during the term of this Agreement except as otherwise mutually agreed in writing between the City, PEBSICO, and Nationwide.

The City further appoints PEBSICO as the Plan Coordinator, charged with the duties and responsibilities set forth hereinbelow.

2. Performance Required of PEBSICO.

- a. PEBSICO will provide the necessary technical assistance to the City's payroll director and personnel to coordinate an administrative system compatible with the current structure of PEBSICO's payroll system.
- b. PEBSICO will assist the City in establishing procedures for payroll reductions to accurately reflect the deferral of compensation by Participants and for the transmission of such deferred amounts for investment in the Nationwide Contract.
- c. PEBSICO will reconcile the monies received to the detail data of participants upon receipt of the deferrals and reduction data for participants from the City.
- d. PEBSICO will instruct the depository agent to transmit amounts deferred to Nationwide, on a monthly basis for investment credit.
- e. PEBSICO will send to Nationwide a computer-readable tape of the detailed

data of the Participants whose deferrals are represented by such deposit. PEBSCO shall safeguard the confidentiality of all Participant lists and payroll data.

- f. PEBSCO will be responsible for the enrollment and for the explanation of participation in the Plan and Nationwide's Contract to all participants. As part of this function, PEBSCO will conduct group presentations for the City's employees to explain the tax consequences as well as the restrictions as contained under Section 457 of the Internal Revenue Code. During the meeting, PEBSCO will answer any questions about the Plan and the Nationwide Contract. PEBSCO personnel will also meet individually with interested employees to answer questions and to assist in the completion and filing of Participation Agreements with the Plan Coordinator and the City's payroll department.
- g. PEBSCO will, with information provided by Nationwide, prepare any necessary promotional materials for distribution to the City's employees, which materials shall be submitted to Nationwide for approval prior to use. The City reserves the right to review and modify any promotional materials.
- h. PEBSCO will answer any questions for the City's payroll department through its national service operations facility, with a toll-free telephone number.
- i. PEBSCO agrees to indemnify and hold harmless the City and its individual officials for any loss arising from its failure to perform its duties and services pursuant to the Agreement.

3. Performance Required of the City.

- a. The City will provide the necessary support and cooperation to the program so that all City employees will have the opportunity to participate in the Plan.
- b. The City will provide PEBSCO with the necessary data and support for the development and coordination of the administrative system for the operation and maintenance of the Plan.
- c. The City will transmit the deferred amounts to the depository agent, and supporting documents detailing the individual Participant deferrals to PEBSCO, promptly after each pay period for processing. The City will authorize PEBSCO to instruct the depository agent to transmit the deferred amounts to Nationwide on a monthly basis, once the amounts are reconciled to the payroll reduction data.
- d. The City agrees that, after the crediting by Nationwide to the City of the gross interest rate on the funds deposited in the Contract, and prior to the crediting of the net interest rate to the accounts of Participants, the City shall authorize Nationwide to pay, on its behalf, to PEBSCO, an administrative fee equal, on an annual basis, to 0.35% of the City's funds held under the Nationwide Contract, as compensation for PEBSCO's services as set forth above. The payment of such fees to PEBSCO shall be on an annual basis.

4. Performance Required of Nationwide.

- a. Nationwide agrees to accept contributions under the Contract from the City through the depository agent. Participant payments will be accompanied by appropriate documentation on computer-readable tape(s) from PEBSCO. Nationwide agrees that its procedures for receipt of funds, maintenance

of accounts and disbursements of funds will be compatible with the provisions of the Plan Agreement or any amendments hereto made necessary for the Plan to maintain its tax-favored status.

- b. Nationwide will maintain an individual account in respect of each Participant, whose deferrals are deposited in the Nationwide Contract and will provide an annual individualized statement to each Participant, reflecting both total contributions and accumulated value. Nationwide will also provide to the City an annual statement listing individual Participant account values and total Contract value.
  - c. Nationwide will provide a special report prepared by an independent public accounting firm concerning the financial data of the U. S. Conference Program.
  - d. Nationwide agrees to disburse contract benefit amounts as provided for by Participant elections under the Plan Agreement and the Contract, as directed by the City from time to time and communicated to Nationwide by the City or the Plan Coordinator, and to provide information at source reporting as may be required by the Internal Revenue Service.
  - e. Nationwide will establish a full service operations facility, with a toll-free telephone number, to provide a full range of Participant services.
  - f. Nationwide agrees to indemnify and hold harmless the City and its individual officials for any loss arising from its failure to perform its duties and service pursuant to the Agreement.
5. Term and Renewal. This Agreement shall be for a term of sixty (60) months from the effective date and shall be renewable by the City at the end of the

original term, or at the end of any renewable term, by the City notifying Nationwide and PEBSICO within six (6) months of the end of such term of its intention to renew the Agreement; and if within three (3) months of the end of any term, the City has failed to affirmatively renew the Agreement, but has not provided Nationwide and PEBSICO with written notice of termination, the Agreement shall automatically renew for an additional thirty-six (36) months; provided, however, that Nationwide and PEBSICO must accept in writing, the affirmative or automatic renewal of the Agreement, within twenty (20) days of such occurrence, in which case the renewal provisions of this paragraph shall apply as if the Agreement was in the last year of its term.

The City agrees that in the event of the non-renewal of this Agreement, all contributions invested by it under Nationwide's Contract, shall remain with Nationwide until disbursed to the Participant or his beneficiary in accordance with the Plan Agreement. The City further agrees that in the event of non-renewal of this Agreement that it will not require those Participants whose deferred compensation has been invested by the City in Nationwide's Contract to change their investment index under the Plan Agreement, though the City may permit the Participant to select alternative investment indexes prospectively under the Plan Agreement.

6. Entire Agreement. This Agreement, along with the Contract, constitutes the entire agreement between the parties and there are no other agreements, except a General Agent Appointment and Administrative Service Agreement between Nationwide and PEBSICO.
7. Applicable Law. This Agreement shall be construed in accordance with the laws of the State of TEXAS.

8. Effective Date. This Agreement shall be effective as of JANUARY 14,  
19 80.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement this  
14 day of JANUARY, 1980.

City of CARROLLTON

By Clare Pull

Title: CITY MANAGER

Nationwide Life Insurance Company

Public Employees Benefit Services Corporation

By \_\_\_\_\_  
Vice President

By Jay Willhomer

Title: VICE PRESIDENT

8. Effective Date. This Agreement shall be effective as of JANUARY 14,  
1980.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement this  
14 day of JANUARY, 1980.

City of CARRINGTON

By [Signature]

Title: CITY MANAGER

Nationwide Life Insurance Company

By [Signature]  
Vice President

Public Employees Benefit Services Corporation

By [Signature]

Title: VICE-PRESIDENT