

**Important Note:** Service Agreements and all other contractual documents must be duly executed by both parties prior to the contract effective date. Backdating contracts or funding agreements is in violation of our corporate governance and regulatory requirements. Plan assets cannot be accepted prior to the date all documents are fully executed, even if that requires the effective date to be postponed. There are no exceptions to the rule that the effective date must follow the date all documents are executed.

**Great-West Retirement Services®**

**AGREEMENT FOR RECORDKEEPING AND COMMUNICATION SERVICES**

**§457(b) Deferred Compensation Plan  
GROUP #98957-01**

## Great-West Retirement Services®

### AGREEMENT FOR RECORDKEEPING AND COMMUNICATION SERVICES

#### TABLE OF CONTENTS

I.	Definitions.....	4
II.	Recordkeeping Services Provided by Great-West under this Agreement .....	6
	a. Initial Transition .....	6
	B. Participant Account Information .....	7
	C. Eligibility Determination Services .....	8
	D. Online Enrollment .....	8
	E. Investment Options.....	8
	F. Valuation of Participant Account Balances.....	9
	G. Contributions, Transfers and Transfer Limitations .....	10
	H. Deferral Processing .....	11
	I. Automated Voice Response System.....	11
	J. Custom Website .....	11
	K. Custom Website Terms and Conditions .....	12
	L. Client Service .....	13
	M. Plan Sponsor Access to Recordkeeping System .....	13
	N. Reporting .....	13
	O. Regulatory Updates .....	16
	P. Benefits, Tax Withholding and Reporting .....	16
	Q. Signatureless Distribution Processing Other than for Death and Disability .....	16
	R. Unforeseeable Emergencies .....	17
	S. Qualified Domestic Relations Orders (QDROs) .....	18
	T. Loans .....	18
	U. Code Section 457(b) Sample Plan Document and Adoption Agreement .....	19
	V. Rollovers From Other Eligible Code Section 457 Governmental Plans, Code Sections 401(a), 401(k) & 403(b) Plans & IRAs .....	19
	W. Code Section 402(f) Notice.....	19
	X. Required Minimum Distribution at Age 70 ½ .....	19
	Y. Monitoring the Deferral Limits .....	19
III.	Communication Responsibilities .....	20
	A. Special Representations.....	20
	B. Communication Materials .....	20
	C. Group Presentations .....	20
	D. Individual Counseling Sessions.....	21
	E. Miscellaneous Services .....	21
	F. Representative(s) .....	21
	G. Retirement Planning Education, Distribution Counseling .....	21
IV.	Miscellaneous Provisions.....	21

A.	Confidentiality of Data and Privacy Notice .....	21
B.	Business Continuity Plans Notice .....	22
C.	Responsibilities at Termination .....	22
V.	Plan Sponsor Responsibilities.....	22
VI.	Hold Harmless and Indemnification .....	23
VII.	Notification .....	24
VIII.	Agreement Term and Termination.....	24
IX.	Recordkeeping, Communication and Other Fees .....	24
A.	Recordkeeping and Communication Fees .....	24
B.	Consultant Fees .....	26
C.	Loan Fees .....	26
D.	Authorized Investment Option Administration Fees.....	26
E.	Bank Credit Disclosure .....	26
F.	Miscellaneous Fee Provisions .....	27
X.	Performance Guarantees .....	27
XI.	Insurance.....	34
A.	Commercial General Liability .....	34
B.	Automobile Liability .....	34
C.	Professional Liability .....	34
D.	Worker's Compensation .....	34
XII.	Modification and Consent.....	35
XIII.	Entire Agreement .....	35
XIV.	Governing Law .....	36
XV.	Severability .....	36
XVI.	Authorized Persons .....	36
XVII.	Legal Advice.....	36
XVIII.	Force Majeure .....	36
XIX.	Signatures.....	37
Exhibit A	.....	38
Exhibit B	.....	39
Exhibit C	.....	40
Exhibit D	.....	41
Exhibit E	.....	43

## **Great-West Retirement Services®**

### **AGREEMENT FOR RECORDKEEPING AND COMMUNICATION SERVICES**

This Agreement is entered into by and between Great-West Life & Annuity Insurance Company ("Great-West"), located at 8515 East Orchard Road, Greenwood Village, CO 80111 ("Home Office"), and/or any successor, assign or affiliate, and the County of Fresno ("Plan Sponsor"), a political subdivision of the State of California located at 2220 Tulare Street, Fresno, CA 93721 with respect to the services to be provided by Great-West Retirement Services®, a unit of Great-West, to the County of Fresno IRC 457(b) Deferred Compensation Plan ("457 Plan" or "Plan").

WHEREAS, the Plan Sponsor has established or adopted the 457 Plan for its eligible employees in accordance with Section 457 of the Internal Revenue Code ("Code") for the purpose of providing certain benefits to its employees, and

WHEREAS, the Plan Sponsor (or its designee) serves as the plan administrator and named fiduciary of the Plan, and

WHEREAS, Plan Sponsor has placed all 457 Plan assets into a trust, custodial account or annuity contract meeting the requirements of Section 457(g) of the Code, or is serving as self-trustee, and will continue to meet such requirements for the duration of this Agreement, and

WHEREAS, Great-West has agreed to act in a non-fiduciary capacity as directed, nondiscretionary service provider and Great-West will facilitate the performance of the services outlined in this Agreement as directed by Plan Sponsor in compliance with all applicable federal, state and local laws and regulations.

NOW THEREFORE, the parties hereby agree as follows:

#### **I. Definitions**

*457 Plan or Plan* – County of Fresno IRC 457(b) Deferred Compensation Plan

*AAG* – Advised Assets Group, LLC , a registered investment advisor and a wholly owned subsidiary of Great-West Life & Annuity Insurance Company

*Authorized Investment Options* – The investment options listed in the Initial Authorized Investment Option Exhibit as described in Exhibit A.

*Beneficiary* – The party that is a designated Beneficiary as described in the County of Fresno Deferred Compensation Plan document.

*Beneficiary Designation Form* – The form on which a Participant may designate Beneficiary.

*Business Day* – Any day, and only for as many hours as, the New York Stock Exchange is open.

*Code* – Internal Revenue Code and any regulations or additional guidance thereunder.

*Contribution* – Any amount that may be contributed in accordance with the County of Fresno Deferred Compensation Plan Document.

*Death Benefit Claim Form* – The form on which a party may claim a benefit on the account of a Participant after the death of Participant.

*Deferral* – Any amount that may be deferred from compensation in accordance with the County of Fresno Deferred Compensation Plan document.

*Effective Date* – The later of November 19, 2009 or the date this agreement signed by both parties.

*Electronic Filing Cabinet* – The online system that Participants may consent to that provides and maintains any Participant Account documents electronically.

*Great-West* – Great-West Life & Annuity Insurance Company and/or any successor, assign or affiliate

*Good Order* – A reasonable standard-of-completeness applicable to specified forms, or other data files, submitted to Great-West by the Plan Sponsor, a third party source, a Participant, or a Beneficiary. A submittal is in "Good Order" when the information reasonably necessary to effectuate the purpose of said submittal has been provided to Great-West.

*Home Office* – Any applicable P.O. Box address, the physical address, 8515 East Orchard Road, Greenwood Village, CO 80111, Website, and phone number.

*Participant* – Any person defined as a Participant under the County of Fresno Deferred Compensation Plan.

*Payout Status* – The condition of a Participant account where that Participant or Beneficiary is receiving any type of non-annuity systematic withdrawal or periodic payments from the County of Fresno Deferred Compensation plan.

*PIN* – Personal Identification Number

*Plan Sponsor* – County of Fresno, located at 2220 Tulare Street Fresno, CA 93721

*PDI* – Payroll Data Interchange. This information includes files including but not limited to birth date, address, hire date, rehire date, termination date, eligibility indicator (if Great-West is not

doing the eligibility determination) and participation date. If the plan has Managed Accounts as a default option, the plan must also provide gender and salary.

*PSC* – Plan Service Center, Great-West's current online real-time interactive system that Plan Sponsor will use to interface with Great-West's recordkeeping system

*QDRO* – Qualified Domestic Relations Order

*Request(s)* – Unforeseeable Emergency Requests

*Statement Date* – The last day of each Calendar Quarter

*Transfers* – Reinvestment to or from Participant account balances among Plan investment options

*Transfer Limitations* – Limitations as described in Exhibit B, Fund Company Market Timing and Excessive trading Policies Exhibit

*Website* – The retirement plan administration website that is the exclusive property of Great-West. It may be accessed via the internet at [www.fresno457.com](http://www.fresno457.com).

## **II. Recordkeeping Services Provided by Great-West under this Agreement**

### **a. Initial Transition**

Great-West will establish on its recordkeeping system all Participant and related data from the prior recordkeeper(s). Such data includes, but is not limited to, indicative data (name, address, birth date, etc.) for each Participant and Beneficiary. Detailed instructions will be provided by Great-West to the prior recordkeeper(s) in advance for the format, compilation, timing, and forwarding of required data. Participant changes to indicative data that occur between the date that data is transferred and the Agreement effective date will be communicated by the prior recordkeeper(s) to Great-West and updated accordingly by Great-West on the recordkeeping system.

Assistance will be provided by Great-West to coordinate the transition of Participant contribution processing from the prior recordkeeper(s) to Great-West's recordkeeping system. Great-West will process Participant contributions received after the Effective Date. The prior recordkeeper(s) will process Participant contributions received prior to the Effective Date, and issue their last quarterly statements to Participants accordingly.

Data applicable to Participants who are presently in Payout Status and who are receiving any type of *non-annuity* systematic withdrawal or periodic payments will be transitioned from the prior recordkeeper(s). Such data includes, *but is not limited to*, indicative data (payee name, address, etc.), type of systematic or periodic withdrawal payout, payment amount, payment frequency, issue dates, etc. Great-West will provide

detailed instructions in advance to the prior recordkeepers for the format, compilation, timing, and forwarding of the required data.

B. Participant Account Information

Great-West will maintain the following information for each Participant account:

1. Participant indicative data when received by Great-West in Good Order at its Home Office as follows:
  - a. Name
  - b. Gender
  - c. Social Security Number
  - d. Mailing Address
  - e. Telephone Number
  - f. Date of Birth
  - g. Beneficiary Information. Plan Sponsor hereby instructs and authorizes Great-West to accept, maintain and file all Beneficiary Designation Forms received by it in Good Order and in a manner acceptable to Great-West without the Plan Sponsor's signature. If spousal consent is required by the Plan, Plan Sponsor instructs Great-West to rely on the marital status specified by the Participant on the Beneficiary Designation Form and to obtain spousal consent, when applicable.  
  
Plan Sponsor agrees to review and sign each Death Benefit Claim Form. In the event the Plan Sponsor submits a signed Death Benefit Claim Form for a claimant other than the beneficiary on file with Great-West, if any, Great-West will return the Death Benefit Claim Form to the Plan Sponsor for further instruction.
2. Current investment allocation(s) selected by each Participant and Beneficiary from among the Authorized Investment Options authorized by the Plan Sponsor.
3. Current account balances of each Participant in each Authorized Investment Option authorized by the Plan Sponsor.



C. Eligibility Determination Services

Plan Sponsor hereby instructs Great-West to calculate Participant eligibility, as defined in the County of Fresno Deferred Compensation Plan document, and agrees to provide Great-West with full Payroll Data Interchange ("PDI"), including an eligibility indicator. Plan Sponsor instructs Great-West to reject the enrollment of any Participant determined to be ineligible. For each ineligible determination, Plan Sponsor instructs Great-West to notify the Participant to contact the Plan Sponsor if he or she wishes to appeal the determination.

D. Online Enrollment

Plan Sponsor hereby instructs Great-West to allow online enrollment by Participants in the Plan. Plan Sponsor agrees to utilize the Plan Service Center ("PSC"), or other mutually agreed to process, to effectuate such enrollment. Plan Sponsor will provide a full PDI file with a listing of all employees and required information to Great-West as requested from time to time. Once the PDI file is transmitted, Plan Sponsor instructs Great-West to issue a Personal Identification Number ("PIN") to each eligible employee thereby allowing enrollment in the Plan through the Website.

E. Investment Options

1. Authorized Investment Options

Plan Sponsor has selected Great-West Custom Stable Asset Fund and a number of mutual funds, consisting initially of the investment options listed in the Initial Authorized Investment Option Exhibit ("Authorized Investment Options") described in Exhibit A.

Plan Sponsor may replace the Authorized Investment Options at any time, subject to the following:

- a. One replacement process of one or more investment options may be made to the Authorized Investment Options per year with no additional cost;
- b. In any extraordinary situation where Plan Sponsor determines that replacements need to be made more frequently than once per year, such replacement may be made with no additional charge. Replacement of Authorized Investment Options that are terminated beyond the control of the Plan Sponsor does not count as the one replacement process that may be made with no additional cost.
- c. In all other situations where the Plan Sponsor requests replacement of investment options more frequently than once per year, an additional cost may be assessed to the Plan Sponsor as determined by Great-West.

Sixty (60) days advance written notice of the intent by either party to add or terminate an investment option is required. Great-West will cooperate with the Plan Sponsor to terminate or add new investment options and Great-West will assist the Plan Sponsor in appropriately notifying Participants of any changes via Participant quarterly statements. Great-West agrees that such replacement(s) in extraordinary situations will be made as soon as practicable, as agreed to by the parties. If any of the Authorized Investment Options are terminated in the future, and Plan Sponsor wishes to replace the terminated option(s), Plan Sponsor agrees to replace the terminated option(s) with an available fund from any fund company that currently has, or will enter into, a trading agreement with Great-West.

2. Designated Investment Option

Plan Sponsor initially selects the Maxim Lifetime Asset Allocation Funds as the designated investment option ("Designated Investment Option") for amounts received by Great-West from or on behalf of any Participant (including Contributions, Transfers and direct rollovers) where said Participant does not include complete allocation instructions. Plan Sponsor acknowledges that the Maxim Lifetime Asset Allocation Funds includes multiple portfolios, each of which is designated for individual Participants within specified age ranges, and Plan Sponsor hereby authorizes Great-West in those situations where it has received funds from or on behalf of any Participant where said Participant does not include complete allocation instructions, to allocate those amounts to the appropriate age-specific portfolio. The Designated Investment Option shall remain in effect for amounts received from Participants, including Contributions, Transfers and direct rollovers that are received without complete allocation instructions until such time, if ever, the Plan Sponsor selects a different investment option to be the Designated Investment Option. Once the Participant provides complete allocation instructions in Good Order to Great-West, future Contributions will be invested pursuant to such instructions. However, funds deposited into the Designated Investment Option will remain invested therein until the Participant initiates Transfer instructions.

3. The Maxim Lifetime Asset Allocation Series is available upon completion of all necessary documentation in Good Order, including but not limited to, the Glide Path Selection Assessment form.

F. Valuation of Participant Account Balances

Participant Account Balances held with respect to the Plan will be accounted for as follows:

1. Amounts that are not guaranteed as to principal or interest will be accounted for at their net asset value or fair market value as of the close of each Business Day.

The term "Business Day" is defined as any day, and only for as many hours as, the New York Stock Exchange is open.

2. Amounts receiving a guaranteed interest rate and a guarantee of principal will be accounted for at book value. Interest will be accounted for on a daily effective method.

G. Contributions, Transfers and Transfer Limitations

All parties agree that purchases and sales of securities at the direction of Plan Participants will be effected through a broker/dealer affiliate of Great-West. Instructions for the purchase, sale, exchange or Transfer of shares on behalf of the Plan shall be transferred to GWFS Equities, Inc. for processing.

1. Contributions

PSC

Contributions sent directly online to Great-West's recordkeeping system (currently called the "Plan Service Center") and processed by 12:00 Midnight Mountain Time will be allocated effective the next Business Day (at that Business Day's unit value). Funds must be sent via Automated Clearinghouse (ACH) within the PSC system functionality.

Wire

Contributions sent directly to Great-West before the close of the New York Stock Exchange (typically 4:00 p.m. Eastern Time) will be allocated effective that Business Day (at that Business Day's unit value) if complete and accurate records and the funds via wire or check are received by Great-West that Business Day. If accurate records and the corresponding contributions are received on a Business Day by Great-West after the close of the New York Stock Exchange, they will be effective the next Business Day after receipt.

2. Transfers

Each Participant initiated Transfer will be processed and effective the Business Day it is received at Great-West's Home Office, if received before the close of the New York Stock Exchange (typically 4:00 p.m. Eastern Time or such earlier time as may have to be implemented to comply with any applicable future law, rule or regulation). If a Transfer is received at Great-West's Home Office after the close of the New York Stock Exchange, that Transfer will be processed and be effective the next Business Day (or such earlier time as may have to be implemented to comply with any applicable future law, rule or regulation).

### 3. Transfer Limitations

Plan Sponsor hereby acknowledges receipt of and agrees to adhere to the terms and conditions of the Market Timing and Excessive Trading Procedures attached to this Agreement as the Procedures for Complying with Fund Company Market Timing and Excessive Trading Policies Exhibit as described in Exhibit B.

#### H. Deferral Processing

Great-West will provide for Deferral processing by the Plan Sponsor via the Website. In order to provide this service, Plan Sponsor must utilize the PSC system, or other mutually agreed to process, and must provide for the initialization of all the Participant's Deferral amounts. Participants may access the Website to input the required payroll Deferral amount/percentage information. In order to deduct the payroll Deferral amount/percentage from the Participant's paycheck, Plan Sponsor agrees to upload the payroll Deferral amounts into their payroll system and remit them electronically via PSC, or other mutually agreed to process.

#### I. Automated Voice Response System

Great-West will provide, and Participants will have access to, a toll free, automated voice response system ("Keytalk<sup>®</sup>") to inquire or make applicable changes with respect to their account from a touch-tone telephone.

Inquiry services available from Keytalk<sup>®</sup> will include share prices, unit values and account balances, which are as of the last calculated unit value/share price.

Keytalk<sup>®</sup> shall be available 24 hours a day, except for routine maintenance of the system, which when necessary generally takes place on Sunday between the hours of 12:01 a.m. Mountain Time and 12:01 p.m. Mountain Time. However, Keytalk<sup>®</sup> may be unavailable at other times if necessary for maintenance.

#### J. Custom Website

Great-West will create and maintain a custom Website for and on behalf of the Plan Sponsor for the use of its Participants. Participants may access the Website via the internet at [www.fresno457.com](http://www.fresno457.com) to review or make changes to their accounts. The Website is the exclusive property of Great-West.

Plan Sponsor reserves the right to retain the URL upon termination of the Agreement. Plan Sponsor acknowledges that it will retain the URL in name only and will not have any rights to the content on the Website specifically created for the Plan Sponsor pursuant to this Agreement.

The Website is available 24 hours a day, except for routine maintenance of the system, which when necessary generally takes place on Sunday between the hours of 12:01 a.m. Mountain Time and 12:01 p.m. Mountain Time. Access to the Website may be

limited or unavailable during periods of peak demand, market volatility, systems upgrades, maintenance, or for other reasons. Administrative forms referenced in this Agreement may be accessible through the Website.

K. Custom Website Terms and Conditions

The Website assigned as [www.fresno457.com](http://www.fresno457.com) is the exclusive property of Great-West and is the retirement plan administration Website. All products, services, and content, including, but not limited to, images, graphics, logos, software, and text, contained on the Website, are the exclusive property of Great-West. Any end user of either Website will be required to view, read and assent to the Website end user agreement on first use of the Website.

The Website and its contents including without limitation any information and data contained on this site constitute a copyrighted and trademarked product of Great-West and contains confidential and proprietary information of both Great-West and the Plan participants. The Website and some of contents are protected under trademark, copyright, trade secret and other intellectual property and privacy laws of the United States and/or other countries. None of the information contained on this site shall be disclosed to any other person or entity other than a named user of the Plan on a need-to-know basis, unless previously authorized in writing by Great-West or the Plan participant. The content and features are subject to change or termination without notice in the editorial discretion of Great-West. Any use of the content not expressly permitted by this Agreement is a breach of this Agreement and may violate privacy, copyright, trademark, trade secret and other laws. All rights not expressly granted herein are reserved. The content may not be reproduced, or derivative works created from it. The content may not be republished, posted or distributed in any way that conflicts with this Agreement without the prior written permission of Great-West.

The Website, manuals or any other related documentation are the intellectual property of Great-West. Users of the Website will not make any copies of the Website, manuals or any other related documentation except for the purposes related to the Plan Sponsor's administration and educational needs. On termination of the underlying contractual relationship giving rise to the ability to access the Website, the named user agrees to destroy any of the materials downloaded pursuant to this section.

Great-West does not enter or edit any information or data supplied by Plan Sponsor or the users to the Website unless specifically instructed to do so by the Plan Sponsor or its designee. Information is provided "as is." Great-West is not liable for communications or transmission errors originating from Plan Sponsor's transmission source or internet service provider.

L. Client Service

Client service representatives will be available toll-free from Great-West's Home Office to answer Participant questions and process applicable transactions requested between the hours of 6:00 a.m. Pacific Time and 5:00 p.m. Pacific Time each Business Day.

M. Plan Sponsor Access to Recordkeeping System

Plan Sponsor may access online the recordkeeping system (currently called the PSC) to inquire or make changes while administering the Plan.

Representative(s) will be made available to assist and train employees of the Plan Sponsor in properly accessing and processing transactions on to the recordkeeping system as requested.

The recordkeeping system shall be available 24 hours a day, except for routine maintenance of the system, which when necessary generally takes place on Sunday between the hours of 12:01 a.m. Mountain Time and 12:01 p.m. Mountain Time. However, the recordkeeping system may be unavailable at other times if necessary for maintenance.

Administrative forms referenced in this Agreement may be accessible through the PSC.

N. Reporting

1. Participant Statements

Each Participant will receive a statement of his/her account summarizing all activity for the previous calendar quarter, including:

- a. Beginning and ending balances.
- b. All transactions processed during the quarter, including contributions.
- c. Interest or change in value.
- d. Fees/Charges (if applicable).
- e. Transfers and withdrawals for each of the investment options for the quarter.

Participants will have the option to access such statements via the Electronic Filing Cabinet within the Website or continue to receive such statements via the mail. Participant statements will continue to be mailed for those Participants who do not specifically elect to access their statements via the Website. However, if a Participant elects to access his or her Participant statement via the Website, no future Participant statements will be mailed to that Participant. For those

Participants who desire to change their election (from Website to mail), future statements for those Participants will be mailed each quarter after the election change.

Such statements will be available on the Website or mailed within fifteen (15) Business Days of the end of each calendar quarter, or within ten (10) Business Days after receipt of information in Good Order from third party sources, whichever is later. The parties acknowledge that the first quarterly statement may be available at a later date while records are being established.

If Participant statements are to be mailed, statements will be mailed to each Participant's last known home address as provided by Plan Sponsor and/or Prior Recordkeeper.

Additionally, a confirmation will be provided of every completed change. Participants will also have access to their account activity via a KeyTalk®, and the Website. Should notification of any errors on a Participant's statement be received at the Home Office within ninety (90) days after the statement date, Great-West will retroactively correct the error(s). However, should errors not be identified within ninety (90) days of the statement date or if the errors have been made by the Participant, Plan Sponsor or other third party, the error(s) will be corrected, but not made effective retroactively.

## 2. Employer Reporting

### a. Employer Plan Summary

The Plan Sponsor will receive an Employer Plan Summary Report summarizing plan level assets and Participant account balances no later than thirty (30) Business Days after each calendar quarter end, or within ten (10) Business Days after receipt of information in Good Order from third party sources, whichever is later. However, the first report may be delayed beyond this thirty (30) Business Day period while records are being set up. The following plan information is outlined in the report:

- 1) Account summary—a summarization of plan transactions and assets.
- 2) Summarization of contributions processed.
- 3) Withdrawals.
- 4) Annuities purchased.
- 5) Periodic payments.

- 6) Investment option grand totals—summarizes both dollars and units/shares and plan activity.
  - 7) Investment option totals by money type—summarizes both dollars and units/shares and money type activity.
  - 8) Participant summary—report of account activity for each Participant.
- b. Plan Activity Update
- The Plan Sponsor may be provided quarterly or semi-annual plan activity. This reporting detail may be provided as mutually agreed upon in writing by the parties. Plan Activity reports may be comprised of information including but not limited to enrollment activity, changes in contributions and investment options, seminar attendance and individual meetings.
- c. Annual Plan Review
- The Plan Sponsor will receive an Annual Plan Review including the following information:
- 1) Review of enrollment efforts.
  - 2) Asset allocation information/contribution distributions (investment options and fixed/variable split).
  - 3) Voice response usage statistics and enhancement details.
  - 4) Benefit payments.
  - 5) Direct online system access - current services and available services.
  - 6) Legislative updates generally affecting deferred compensation plans over the prior calendar year.
- d. Great-West agrees to provide Plan Sponsor with an annual investment performance report. Great-West has contracted with Advised Assets Group, LLC ("AAG"), a registered investment advisor and a wholly owned subsidiary of Great-West Life & Annuity Insurance Company, to provide this service to Great-West. AAG does not act as a fiduciary in the issuance of this report.



O. Regulatory Updates

Great-West agrees to periodically make information available concerning federal legislative activity of which Great-West is aware which may affect the Plan and related funding contracts. Such information, however, does not constitute legal or tax advice regarding the legal sufficiency of the Plan.

P. Benefits, Tax Withholding and Reporting

Upon receipt of complete payment instructions from the Plan Sponsor by Great-West at its Home Office, benefit payments to Participants and Beneficiaries will be made within two (2) Business Days. For the purposes of this Agreement, "complete payment instructions" means that all of the requested information on the Participant benefit request form has been completed along with the required signature(s). The benefit payments with respect to each Participant account will be made, tax withheld and the tax reporting reported as follows:

1. A record will be maintained of any distribution from the Plan made with respect to the Participant and the reason for the distribution.
2. Appropriate federal and state income tax withholding and tax reporting that is applicable at the time of the distribution will be performed and sent to the Participant or beneficiary for each benefit payment from the Plan with respect to the Participant or beneficiary.
3. The income tax withholding will be forwarded to the Internal Revenue Service and other appropriate state entities and will be completed by the applicable due dates.
4. Information will be provided to the Internal Revenue Service annually showing an accounting of all Participants who have received distributions during the previous calendar year.

Q. Signatureless Distribution Processing Other than for Death and Disability

Plan Sponsor hereby approves and instructs Great-West to process Participant distribution requests due to severance from service for any reason other than disability or death, without Plan Sponsor signature, that are received in Good Order and in a manner acceptable to Great-West if Plan Sponsor provides Great-West a full PDI file with Participant termination dates and addresses and up-to-date full service vesting information electronically.

If Plan Sponsor does not provide the Participant's termination date or other required information, Plan Sponsor instructs Great-West to route the request to the Plan Sponsor for approval before processing the distribution. Plan Sponsor instructs Great-West to rely on the marital status specified by the Participant on the Distribution Request form for spousal consent purposes.

## R. Unforeseeable Emergencies

Plan Sponsor agrees to provide up-to-date vesting, if applicable, and address information on all Participants in the Plan with each payroll remittance (full PDI) and agrees to retain Great-West to perform deferral processing services pursuant to the previous section. Plan Sponsor instructs Great-West to process, without Plan Sponsor signature, all Unforeseeable Emergency Requests ("Requests") received in Good Order, and in a manner satisfactory to Great-West which shall be reasonable, due to an unforeseeable emergency as described below resulting in a severe financial hardship to the Participant or Beneficiary that cannot be alleviated by any other means available to the Participant. Plan Sponsor further instructs Great-West to rely on any and all representations made by a Participant in a Request, including, but not limited to:

1. An illness or accident of the Participant or Beneficiary, the Participant's or Beneficiary's spouse, or Participant's or Beneficiary's dependent (as defined in Internal Revenue Code §152, and for taxable years beginning on or after January 1, 2005, without regard to §152(b)(1), (b)(2) and (d)(1)(B));
2. Loss of the Participant's or Beneficiary's property due to casualty;
3. The following extraordinary and unforeseeable circumstances if they arise as a result of events beyond the control of the Participant or Beneficiary:
  - a. The imminent foreclosure of or eviction from the Participant's or Beneficiary's primary residence;
  - b. The need to pay for medical expenses, including nonrefundable deductibles, as well as the cost of prescription drug medication; and
  - c. The need to pay for the funeral expenses of a spouse or a dependent (as defined in Internal Revenue Code §152, and, for taxable years beginning on or after January 1, 2005, without regard to §152(b)(1), (b)(2) and (d)(1)(B)) of Participant or Beneficiary.

### SITUATIONS NOT QUALIFYING FOR WITHDRAWAL

Except in extraordinary circumstances, the following are examples of situations that are not considered eligible for withdrawal:

1. Purchase of real estate;
2. Payment of college tuition;
3. Unpaid rent or mortgage payments, except in the event of imminent foreclosure or eviction;
4. Unpaid utility bills;

5. Loan repayments;
6. Personal bankruptcy (except when resulting directly and solely from illness, casualty loss or other similar extraordinary and unforeseeable circumstances beyond your control);
7. Payment of taxes, interest or penalties; or
8. Marital separation or divorce.

Plan Sponsor will make the determination with respect to any unforeseeable emergency distribution request that does not clearly fall within the guidelines set forth above and shall be the arbitrator of all appeals.

In the event of any changes to applicable laws and/or regulations, Great-West may revise this authorization and instruction from time to time and without further notice to the Plan Sponsor. This authorization and instruction shall remain in effect until revoked by either party.

For each Participant receiving an unforeseeable emergency distribution, Plan Sponsor instructs Great-West to notify Plan Sponsor to suspend elective deferrals for the period required by the Plan, if any. For each Request that cannot be processed due to its failure to satisfy an unforeseeable emergency event, Plan Sponsor instructs Great-West to notify the Participant to contact the Plan Sponsor if he or she wishes to appeal the determination.

S. Qualified Domestic Relations Orders (QDROs)

If the Plan accepts Qualified Domestic Relations Orders (QDROs), Plan Sponsor hereby instructs Great-West to complete an administrative review of all Plan Sponsor approved QDROs submitted on or after the effective date of this Agreement to ensure that Great-West can determine the amount of the alternate payee's award, mailing address and social security number. Great-West will establish an alternate payee account or process a distribution pursuant to the terms of the QDRO, the Plan, and/or IRS Code requirements in effect on the date of the distribution, and a distribution request received in Good Order and in a manner satisfactory to Great-West. Plan Sponsor instructs Great-West to determine the amount due to the alternate payee based solely on the Participant account records on Great-West's recordkeeping system.

T. Loans

If loans are available under the Plan, Plan Sponsor agrees that all loans shall be account reduction loans repaid by payroll deduction and consistent with the loan policy and the procedures established by Great-West from time to time, and which current loan policy as of the Effective Date of the Agreement is attached hereto as Exhibit F. Plan Sponsor instructs Great-West to process Participant loan requests, without Plan

Sponsor's authorization submitted through a form acceptable to Great-West or through the Website if Plan Sponsor provides Great-West with Participant information in a full PDI file and up-to-date full service vesting information electronically. Home loans will be routed to the Plan Sponsor for its authorization. Participants will be subject to the fees in the loan documents.

U. Code Section 457(b) Sample Plan Document and Adoption Agreement

Great-West will offer a sample Plan document, an adoption agreement, and any Plan document amendments that may be required due to changes in applicable laws and regulations, prior to the date required.

V. Rollovers From Other Eligible Code Section 457 Governmental Plans, Code Sections 401(a), 401(k) & 403(b) Plans & IRAs

457 Plans

If the Plan(s) accepts pre-tax rollovers from other eligible retirement plans, including Individual Retirement Accounts or Annuities ("IRAs"), beginning January 1, 2002 or thereafter, separate accounts will be maintained for rollovers from eligible Code section 457 plans, Code section 401(a), 401(k) and 403(b) plans and IRAs. Other accounts may be established from time to time for plan administration.

Plan Sponsor agrees that rollovers will be administered according to the procedures established by Great-West from time to time. Amounts distributed from rollover accounts will be tax reported pursuant to the internal revenue laws in effect on the date of the distribution.

W. Code Section 402(f) Notice

Great-West shall provide the Internal Revenue Service Model Notice, as amended from time to time, to Participants pursuant to Code Section 402(f).

X. Required Minimum Distribution at Age 70 ½

Great-West will provide a notice and distribution form to each Participant attaining age 70½ or older in the current calendar year. The notice informs the Participant that required minimum distributions must begin no later than April 1 of the calendar year following the later of age 70 ½ or retirement and of the dollar amount of the required minimum distribution.

Y. Monitoring the Deferral Limits

Great-West shall monitor the total Participant Deferrals for the calendar year and notify the Plan Sponsor at the end of the calendar year of any Participants exceeding permitted deferral limits established under Code Section 457(b). Any distributions made to correct excess deferrals will be appropriately tax reported.

Great-West shall provide worksheets and assistance in calculating catch-up contributions. Plan Sponsor acknowledges that Participant is fully responsible for any calculations.

### **III. Communication Responsibilities**

#### **A. Special Representations**

1. Representative(s) ("Representative(s)") assigned by Great-West and/or its subsidiaries, affiliates, successors, and assigns to perform services under this Agreement shall be properly licensed, trained and supervised with respect to the conduct of their business activities.
2. Such Representative(s) will provide information in a manner consistent with applicable insurance and securities law. However, information supplied to Participants shall not constitute "investment and/or tax advice" upon which the Plan Sponsor may rely.
3. No such Representative(s) may discriminate with respect to investment options provided under the Plan. Such Representative(s) will give equal and fair representations when describing the various investment options available under the Plan.
4. Compensation to Representative(s) will not vary based upon investment options selected by the Participants.

#### **B. Communication Materials**

Great-West will provide participant educational and communication materials regarding financial investing and retirement options. These materials may include, but are not limited to, newsletters, fliers and enrollment kits customized with the plan name, web address and KeyTalk® phone numbers, two (2) targeted marketing campaigns, one (1) annual payroll or statement stuffer, the contents of which shall be mutually agreed upon and other materials as mutually agreed upon.

#### **C. Group Presentations**

Representative(s) will conduct group meetings at which some or all of the following will be communicated:

1. Summary of the key provisions of the Plan.
2. Summary of investment options.
3. Discussion of services including automated voice response system inquiry, retirement planning, and investment seminars.

4. Instructions on how to sign up for the Plan or request an individual counseling session.

**D. Individual Counseling Sessions**

Upon request, Representative(s) will conduct prescheduled individual counseling sessions utilizing a Participant paycheck analysis, an asset allocation model and retirement counseling services as approved by the Plan Sponsor.

**E. Miscellaneous Services**

Representative(s) will attend periodic Plan Sponsor Committee meetings and will be prepared to provide information regarding program and its activities.

**F. Representative(s)**

Great-West will assign Representative(s) the equivalent of one hundred twenty (120) representative days per Agreement year to provide communication and marketing services exclusively to the Plan. Such Representative will be responsible for all group meetings and counseling sessions as directed by the Plan Sponsor.

**G. Retirement Planning Education, Distribution Counseling**

Ongoing retirement planning education, distribution counseling and an IRA may also be made available to Participants. The objective is to encourage Participants to roll other retirement plans into this Plan and to remain in this Plan once separated from service. However, where a Participant wants to either contribute or rollover to an IRA, an IRA product may be made available.

**IV. Miscellaneous Provisions**

Great-West specifically accepts and agrees to each of the following requirements:

**A. Confidentiality of Data and Privacy Notice**

Great-West shall treat all Plan, Participant and customer information or data received from the Plan Sponsor and/or Participants as confidential. Great-West shall not disclose confidential information to a third party or use such information except for the purpose of providing services under this Agreement without the written approval of the Plan Sponsor. Any third party retained by Great-West to provide services under this Agreement and who has access to confidential information relating to a customer, the Plan Sponsor or Plan Participant, shall agree in writing to be bound by provisions similar to those of this section of the Agreement and to use such confidential information only for the performance of specific services under this Agreement. Great-West may disclose information as permitted or required by law without prior written consent of the Plan Sponsor. Great-West's current Privacy Notice is attached to this Agreement as the

Privacy Notice (Exhibit D). By executing this Agreement, Plan Sponsor acknowledges receipt of said policy. Such policy shall be updated periodically by Great-West.

**B. Business Continuity Plans Notice**

Great-West's current Business Continuity Plans notice is attached to this Agreement as Exhibit C. By executing this Agreement, Plan Sponsor acknowledges receipt of said policy. Such policy may be updated periodically by Great-West.

**C. Responsibilities at Termination**

Upon relinquishing responsibilities at the termination of the Agreement, if requested, investment balances for all Participants will be provided to assure appropriate account balances within thirty (30) Business Days of termination of the Agreement in the recordkeeping system's standard format. Participant statements and Employer Plan Summaries will be provided up to and including the statement for the last calendar quarter covered by this Agreement.

**D. Auditing**

Great-West shall retain all records in its custody and control that are pertinent to performance under this Agreement in accordance with its record retention policy, as amended from time to time. Great-West shall make such records available to Plan Sponsor for inspection and reproduction upon Plan Sponsor's reasonable request and at Plan Sponsor's expense. If this Agreement exceeds ten thousand dollars (\$10,000.00), Great West shall be subject to the examination and audit of the Auditor General, State of California, for a period of three (3) years after final payment under contract (California Government Code Section 8546.7).

**V. Plan Sponsor Responsibilities**

- A. Plan Sponsor hereby acknowledges and agrees that Great-West may assign any interest in this Agreement to any affiliate within its controlled group and will utilize any affiliate within its controlled group to perform any services of this Agreement.
- B. Plan Sponsor hereby appoints Great-West to exclusively provide the non-discretionary recordkeeping, communication and other services set forth in this Agreement for the Plan for the term of this Agreement.
- C. Unless otherwise agreed, Plan Sponsor shall electronically remit online to the PSC payroll deposits and the accounting of deposits among Participants. Funds will be transmitted via ACH or wire contained within the system's functionality. Plan Sponsor agrees that if the Plan Sponsor changes the reporting format for contribution reporting, two (2) weeks advance notice will be given by the Plan Sponsor to test the new format before monies are remitted on the new file format. If Plan Sponsor does not provide two (2) weeks advance notice of the new reporting format, then contributions will be made

effective two (2) Business Days from receipt of such monies sent in with the new file format.

- D. Plan Sponsor authorizes that Participants may be contacted at (his/her) home or business address to obtain information needed to perform the services set forth in this Agreement.
- E. Plan Sponsor agrees to provide all information necessary for Great-West to perform its duties set forth in this Agreement.
- F. Plan Sponsor agrees to use its best efforts, including, if necessary, the termination of a participating investment provider(s), to secure and maintain the cooperation of the participating investment provider(s) in providing the timely and accurate transmittal of data, including providing daily interest rates and unit/share values, required by Great-West pursuant to its responsibilities to the Plan.
- G. Should Plan Sponsor choose a custodial or trust account, the trustee/custodian must be able to interface with the recordkeeping system in a "passive" role and all the monies must be sent to the omnibus custodial bank account. Plan Sponsor agrees to require trustee/custodian to provide all information in the possession of trustee/custodian that is necessary for the performance of the recordkeeping duties under this Agreement.
- H. Plan Sponsor agrees to facilitate the scheduling of group and individual presentations and to provide facilities at which both the Plan Sponsor and Great-West mutually agree that satisfactory attendance can be expected.
- I. If Plan Sponsor does not use Great-West's "Unforeseeable Emergency" services as described in Section I. R., Plan Sponsor will be responsible for making final decisions approving early withdrawals of amounts due to "unforeseeable emergency" as that term is defined in the Code Section 457 Plan, the Code, and all Regulations issued pursuant to the Code.

## **VI. Hold Harmless and Indemnification**

Great-West agrees to hold harmless and indemnify the Plan Sponsor, its affiliates and their officers, directors, employees or authorized representatives against any and all expenses, costs, reasonable attorneys fees, settlements, fines, judgments, damages, penalties or court awards actually incurred which are the result of acts or omissions to act of Great-West, its affiliates and their officers, directors, employees or authorized representatives.

Great-West shall not be liable for any claims, liabilities, or expenses arising from or alleged to arise from any action or inaction taken by Great-West pursuant to the direction of Plan Sponsor or any authorized agent thereof.



Plan Sponsor acknowledges that Great-West, its affiliates and their directors, officers, employees, and authorized representatives are not responsible for investment performance of any authorized investment options under the program.

## **VII. Notification**

All notices, requests, demands or other communications provided for or required by this Agreement (or any instrument or document delivered pursuant to this Agreement) will be in writing.

Notices to Great-West will be addressed as follows:

Great-West Retirement Services®, Executive Vice President  
8515 East Orchard Road, 10T2  
Greenwood Village, CO 80111

Notices to Plan Sponsor will be addressed as follows:

Mr. Paul Nerland, Employee Benefits Manager  
County of Fresno Administrative Office-Personnel Services Division  
County Plaza, 14<sup>th</sup> Floor, Stop 188  
2220 Tulare Street  
Fresno, CA 93721

Each party may designate a different address by sending written notice to the other parties, to be effective within ten (10) days of the date of the notice.

## **VIII. Agreement Term and Termination**

This Agreement will be in effect on November 19, 2009, or such later date as this Agreement has been signed by both the Plan Sponsor and Great-West (the "Effective Date"). The term of the Agreement is for a period of three (3) years from the Effective Date through November 18, 2012 with automatic renewal for two (2) successive one (1) year periods unless either the Plan Sponsor or Great-West provides a ninety (90) days written notice prior to the expiration of the period.

## **IX. Recordkeeping, Communication and Other Fees**

### **A. Recordkeeping and Communication Fees**

#### **1. Basic Annual Fee**

The parties have agreed that the basic annual Recordkeeping and Communication Fee payable to Great-West, and/or one or more of its affiliates, under this Agreement shall be 0.18% of total plan assets. The parties further agree that such fees are to be paid, to the extent possible, from fees Great-West, and/or one or more of its affiliates, receives from mutual fund families and other

investment providers for providing certain administrative or other services ("Revenue"). Great-West will provide additional information upon request.

The 0.18% annual amount will be calculated quarterly at 0.045% on the average total Plan assets for the calendar quarter, which shall be determined using the following formula:

Total Plan assets on the first day of the calendar quarter (or the first day of the Agreement Term if later) plus total Plan assets on the last day of the calendar quarter (or last day of the Agreement term if earlier) divided by 2. Partial quarters at the beginning and ending of the Agreement Term(s) shall be calculated on a pro-rata basis.

Unless otherwise agreed to in writing, in the event annual Revenue is less than 0.18% of the average quarter-end balance of total plan assets each calendar year, Great-West will bill the Plan Sponsor for any deficit. In the event the Plan Sponsor has not paid Great-West the amount owed within sixty (60) days after the invoice date, the Plan Sponsor hereby instructs Great-West to collect the difference from Participant account balances pro rata, based on the balances on as of the date the debit occurs.

## 2 Revenue Sharing to the Plan

The following revenue share payments will be placed into an unallocated trust assets account ("Plan Account") to be used for plan purposes as directed by an authorized plan fiduciary, and will be invested in a single investment option as specified by Plan Sponsor:

- In the event that Revenue exceeds 0.045% quarterly (as calculated in 1. above), such excess will be paid by Great-West, and/or one or more of its affiliates, to the Plan within sixty (60) calendar days after the end of each calendar quarter. Partial quarters will be calculated on a pro-rata basis; and
- \$50,000 of Revenue per annum, deposited quarterly in the amount of \$12,500, into the Plan Account in respect of Plan expenses (Partial quarters will be calculated on a pro-rata basis).

## 3. Reconciliation and Reporting to Plan Sponsor

Within sixty (60) calendar days after the end of each calendar quarter, Great-West shall prepare a reconciliation of the amount of all shareholder service fees, 12b-1 fees and reallowances actually paid by the investment providers to the Plan and the applicable amount paid to the Plan Account as outlined in Sections 1. and 2. above.

Should total Plan assets reach or exceed \$150 million in any calendar quarter during the term of the Agreement, the Recordkeeping and Communication Fee will be reduced to .15% as of the next calendar quarter and Plan Sponsor instructs Great-West to consider all references of ".18%" in the Agreement to be ".15%" and all references to "0.045%" to be "0.0375%".

**B. Consultant Fees**

Plan Sponsor hereby directs and approves Great-West to make the following consulting fee payments from the Plan Account, Inc. based upon its consulting agreement:

- A total of \$25,000 one time revenue share shall be paid to the Plan Account within thirty (30) days after the Effective Date; and
- An amount of \$20,000 annually to be paid in quarterly installments of \$5000 within thirty (30) days after the end of the calendar quarter. Partial quarters will be paid on a pro rata basis.

**C. Loan Fees**

A \$50 loan origination fee will be deducted from the amount of each loan processed. In addition, a \$25.00 annual maintenance fee per loan will be deducted from the Participant's account in an amount of \$6.25 per quarter.

**D. Authorized Investment Option Administration Fees**

If the Plan Sponsor utilizes more than thirty (30) Authorized Investment Options (target-date fund series will be counted as one (1) investment option) at any one time or requests an investment option that is materially different than the types of investment options currently in use, Great-West reserves the right to modify the fees and services quoted in this Agreement.

**E. Bank Credit Disclosure**

Great-West may earn credits and/or interest on Plan assets awaiting investment or pending distribution. Any credits or interest earned by Great-West are aggregated with credits and/or interest earned by Great-West affiliates and will be used to defray the aggregate expenses for the maintenance of bank accounts. Great-West will not retain credits and/or interest earned in excess of such maintenance expenses.

Credits and/or interest are earned from the use of (i) uninvested contributions received too late in the day or not received in Good Order to be invested same-day and (ii) proceeds from investment option redemptions where Plan distribution checks have not been presented for payment by Plan participants. Credits and/or interest (i) begin to accrue on contributions, on the date such amounts are deposited into the bank account and end on the date such amounts are invested pursuant to Plan participant instructions

and (ii) begin to accrue on distributions, on the date the check is written or on the wire date, as applicable and end on the date the check is presented for payment or when the wire clears against the account, as applicable. Earnings of credits and/or interest are at the rate the bank provides from time to time.

**F. Miscellaneous Fee Provisions**

If Plan Sponsor selects a custodian or trustee that requires the procedures or services in this Agreement to change, Great-West reserves the right to adjust fees in this Section.

Should a Participant request an overnight delivery, Great-West will assess the Participant its current overnight delivery fee.

Should a Participant request a payment via Automated Clearing House (ACH) for partial and full withdrawals, Great-West will assess the Participant its current ACH fee. No fee will be assessed on periodic payments.

Should a Participant request a payment via wire for partial and full withdrawals, Great-West will assess the Participant its current wire fee. Partial and full withdrawals mailed by check or via direct deposit will not incur a fee.

For any services Great-West performs at the request of the Plan Sponsor in Section II.U. of the Agreement to customize the Plan document, Great-West shall bill the Plan Sponsor at a rate of \$250 per hour. Plan Sponsor agrees to pay Great-West the amount within thirty (30) calendar days from the invoice date. If Great-West does not receive payment sixty (60) days after the invoice date, Plan Sponsor instructs Great-West to debit Participant accounts on a pro rata basis.

Plan Sponsor may direct Great-West in writing to assess a mutually agreeable per Participant fee, asset fee, or combination fee to Participants account balances. Such fee(s) may be deposited into an unallocated trust assets account to be used for Plan purposes as set forth in the plan document and as directed in writing by the Plan Sponsor. These assets may be invested in a single investment option and such fees may be adjusted annually as specified by Plan Sponsor, if applicable.

The parties agree that any services which Great-West is requested to perform beyond the scope of the services described in this Agreement shall be provided at a mutually agreed upon price negotiated prior to the performance of such services.

**X. Performance Guarantees**

Great-West is required to meet various Performance Measurements with respect to the ten (10) Performance Standards, as specified below. Failure to meet any of the Performance Standards will result in the payment by Great-West to the Plan of the fee for non-performance of the Performance Standard. Such fees for non-performance will be available in addition to any remedies available under

Section V. Hold Harmless and Indemnification. Such fees shall not be considered as liquidated damages.

STANDARD	MEASUREMENT/FEE FOR NON-PERFORMANCE								
1. Annual Participant Satisfaction Survey	<p>A mutually agreeable annual on-line Website Participant survey will be developed that will demonstrate both statistical significance and validity and that will coincide with the following measurements and fee penalties to be paid to the Plan - rewards in the year prior to the expiration of each Agreement term. Such on-line Website survey will include an evaluation of recordkeeping and administration services, Plan Sponsor Committee's performance, comparison with other programs and other items to be determined by the Plan Sponsor and are mutually agreeable. The Plan Sponsor will have final approval of the survey instrument before the survey is conducted. The average score will be based upon a mutually agreed upon weighting of each applicable category surveyed:</p> <p>Measurement/Reward-Non-Performance Fees</p> <table> <tr> <td>Average score 29% or lower:</td><td>\$5,000 non-performance fee</td></tr> <tr> <td>Average score range 30% to 49%:</td><td>\$3,000 non-performance fee</td></tr> <tr> <td>Average score range 50% to 69%</td><td>\$1,000 non-performance fee</td></tr> <tr> <td>Average score range 70% to 100%:</td><td>no non-performance fee</td></tr> </table>	Average score 29% or lower:	\$5,000 non-performance fee	Average score range 30% to 49%:	\$3,000 non-performance fee	Average score range 50% to 69%	\$1,000 non-performance fee	Average score range 70% to 100%:	no non-performance fee
Average score 29% or lower:	\$5,000 non-performance fee								
Average score range 30% to 49%:	\$3,000 non-performance fee								
Average score range 50% to 69%	\$1,000 non-performance fee								
Average score range 70% to 100%:	no non-performance fee								
2. Initial Transition/Conversion	<p>If an adequate test file is received by Great-West from the previous recordkeeper at least forty-five (45) Business Days prior to the conversion date, the "blackout" period will be completed by Great-West within five (5) Business Days after the receipt of all final reconciled Participant account balances from the prior recordkeeper. The blackout period is defined as the period of time required by Great-West to establish Participant account balances on its recordkeeping system while no Participant processing is allowed. The</p>								

	<p>blackout period ends when transfer processing resumes.</p> <p><b>Reward-Non-Performance Fees</b></p> <p>If the blackout period is not completed within the five (5) Business Day period described above (and an adequate test file has been received by Great-West from the prior recordkeeper at least forty-five (45) Business Days prior to the conversion date), a non-performance fee of \$50,000 will be paid to the Plan.</p> <p>If an adequate test file from the previous recordkeeper has not been received by Great-West at least forty-five (45) Business Days prior to the conversion date, no non-performance fees will be payable to the Plan.</p>
<p>3. Voice Response System</p> <p>- Average Speed of Answer</p>	<p>All telephone calls to the Home Office Client Service Representatives will be answered within ninety (90) seconds on average at least ninety percent (90%) of the time on an on-going average annual calendar year basis.</p> <p><b>Reward-Non-Performance Fees</b></p> <p>A report will be generated yearly from the recordkeeping system to document the necessary information regarding the number of telephone calls received and answered. If at least ninety (90) percent of the telephone calls to the Home Office Client Service Representatives have not been answered within the first ninety (90) seconds on an on-going average for the calendar year (as described above), a non-performance fee of \$500 for that calendar year will be paid to the Plan. In the event the Plan Sponsor adds a major plan feature such as loans, or makes an investment option change that involves mapping of funds, or the Plan Sponsor or investment company causes a delay in statements, this standard will not apply for the affected quarter.</p> <p>Average performance standards for the calendar year will be provided to Employer using reports generated quarterly from the recordkeeping system and the Call Management system.</p>
<p>- Abandoned Call Rate</p>	<p>On average for the calendar year, there will be less than one percent (1%) of calls that receive a busy signal, and the abandoned call rate will average less than five percent (5%) for the calendar year.</p>

<p>- System Availability</p>	<p>Reward-Non-Performance Fees</p> <p>If the average number of calls that receive a busy signal is one percent (1%) or greater and/or the abandoned call rate yearly average is five percent (5%) or greater during the calendar year, a non-performance fee of \$500 for that calendar year will be paid to the Plan.</p> <p>In the event the Plan Sponsor adds a major plan feature such as loans, or makes an investment option change that involves mapping of funds, or the Plan Sponsor or investment company causes a delay in statements, this standard will not apply for the affected quarter.</p> <p>Average performance standards for the calendar year will be provided to the Plan Sponsor using reports generated quarterly from the recordkeeping system and the Call Management system.</p> <p>System availability will be maintained at an average of ninety-five percent (95%) during any prior four (4) calendar quarters.</p> <p>Reward-Non-Performance Fees</p> <p>In the event that system availability is on average less than ninety-five percent (95%) during any prior four (4) calendar quarter period, a non-performance fee of \$500.00 shall be paid to the Plan for the current calendar quarter.</p>
<p>4. Website Availability</p>	<p>Website availability will be maintained at an average of ninety five percent (95%) during any prior four (4) calendar quarters. This guarantee is contingent upon the Plan Sponsor's Internet Service Provider being available one hundred percent (100%) of the time.</p> <p>Reward-Non-Performance Fees</p> <p>In the event that the Website is available on average less than ninety-five percent (95%) during any prior four (4)</p>

	calendar quarter period and the Plan Sponsor's Internet Service Provider was available one hundred percent (100%) of the time, a non-performance fee of \$500 shall be paid to the Plan(s) for that particular Agreement period.
5. Contributions	Great-West will correct, at its expense, any errors Great-West commits in processing contributions sent by the Plan Sponsor directly online to Great-West's recordkeeping system (currently called the "PSC") and processed within the PSC system functionality and processing schedules.
6. Fund Transfers	<p>If notification of a Transfer processing error is received in Good Order as described below, the error will be corrected to one hundred percent (100%) of the value the Participant should have received as a result of fund Transfers provided:</p> <ul style="list-style-type: none"> <li>• Participant had originally provided complete and accurate information using the automated voice response system and/or Internet Website and the completed Transfer is acknowledged by a confirmation number, and</li> <li>• Notification has been received of such error made on the Participant's previous statement within ninety (90) days after the statement date.</li> </ul> <p>Should notification of an error not be received within the ninety (90) day period of the statement date, or the Participant, Plan Sponsor or other third party has made the error, the error will be corrected current day.</p>
7. Participant Transaction Confirmations	<p>Confirmations of the following Participant transactions completed will be provided within five (5) Business Days following the transaction:</p> <ul style="list-style-type: none"> <li>• Initial Participant account establishment.</li> <li>• Transfers (including dollar cost averaging and rebalancing).</li> <li>• Allocation and deferral, if applicable, changes.</li> </ul>



	<ul style="list-style-type: none"> <li>• Name, address and beneficiary changes.</li> </ul> <p>Reward-Non-Performance Fees</p> <p>If a ninety percent (90%) of all confirmations for the Plan have not been mailed within five (5) Business Days following the transaction effective date during a year of the Agreement, a non-performance fee of \$500 shall be paid to the Plan for that particular Agreement year.</p>
8. Participant Statement Mailing	<p>Starting with the second calendar quarter after the Effective Date, ninety percent (90%) of all Participant statements will be mailed within fifteen (15) Business Days of the date that all required information to be included with the statements from third parties is received, including such information as final fund values, return information from the participating investment providers, insurance valuations and all newsletter information from the Plan Sponsor.</p> <p>Reward-Non-Performance Fees</p> <p>If all of the required information has been received and ninety percent (90%) of all Participant statements have not been mailed within fifteen (15) Business Days after receipt of such required information, a non-performance fee of \$500 per calendar quarter will be paid to the Plan.</p> <p>The fifteen (15) Business Day standard begins on the Business Day that all required information to be included with the statements has been received and ends on the date statements are postmarked for mailing.</p> <p>If all of the required information required from third parties has not been received as described above, no non-performance fee will be paid.</p>
9. Plan Sponsor Summary Report Mailing	<p>Starting with the second calendar quarter after the Effective Date, the Plan Sponsor Summary Report will be mailed within thirty (30) Business Days of the date that all necessary reconciliation information and all required information to be included with the Participant statements from third parties is received, including such information as final fund values, return information from the participating investment providers, insurance valuations</p>

	<p>and all newsletter information from the Plan Sponsor.</p> <p><b>Reward-Non-Performance Fees</b></p> <p>If all of the required information has been received and the Plan Sponsor Summary Report has not been mailed within thirty (30) Business Days after receipt of such required information, a non-performance fee of \$500 per calendar quarter will be paid to the Plan.</p> <p>The thirty (30) Business Day standard begins on the Business Day that all necessary reconciliation information and the required information to be included with the statements has been received and ends on the date statements are postmarked for mailing.</p> <p>If all of the required information required from third parties has not been received as described above, no non-performance fee will be paid.</p>
10. Distributions	<p>Distributions will be processed and ready for mailing within two (2) Business Days of the receipt (at the Home Office) and acceptance of a properly executed complete and accurate distribution request.</p> <p><b>Reward-Non-Performance Fees</b></p> <p>If all of the required information has been received as described above and ninety percent (90%) of all such distributions have not been processed and ready for mailing within two (2) Business Days after receipt of such required information, a non-performance fee of \$500 per year will be paid to the Plan.</p> <p>The two (2) Business Day standard begins on the Business Day that all required information has been received and ends on the date the distribution is postmarked for mailing.</p> <p>If all of the required information required has not been received as described above, no non-performance fee will be paid.</p>

## **XI. Insurance**

Without limiting the Plan Sponsor's right to obtain indemnification from Great-West or any third parties, Great-West, at its sole expense, shall maintain in full force and effect, the following insurance policies throughout the term of the Agreement:

### **A. Commercial General Liability**

Commercial General Liability Insurance with limits of not less than One Million Dollars (\$1,000,000) per occurrence and an annual aggregate of Two Million Dollars (\$2,000,000). This policy shall be issued on a per occurrence basis.

### **B. Automobile Liability**

Comprehensive Automobile Liability Insurance with limits for bodily injury of not less than Two Hundred Fifty Thousand Dollars (\$250,000.00) per person, Five Hundred Thousand Dollars (\$500,000.00) per accident and for property damages of not less than Fifty Thousand Dollars (\$50,000.00), or such coverage with a combined single limit of Five Hundred Thousand Dollars (\$500,000.00). Coverage should include owned and non-owned vehicles used in connection with this Agreement.

### **C. Professional Liability**

If Great-West employs licensed professional staff, (e.g., Ph.D., R.N., L.C.S.W., M.F.C.C.) in providing services pursuant to this Agreement, Professional Liability Insurance with limits of not less than One Million Dollars (\$1,000,000.00) per occurrence, and three million dollars (\$3,000,000.00) annual aggregate.

This coverage shall be issued on a per claim basis. Great-West agrees that it shall maintain, at its sole expense, in full force and effect for a period of three (3) years following the termination of this Agreement, one or more policies of professional liability insurance with limits of coverage as specified herein.

### **D. Worker's Compensation**

A policy of Worker's Compensation insurance as may be required by the California Labor Code.

Great-West shall obtain endorsements to the Commercial General Liability insurance naming the County of Fresno, its officers, agents, and employees, individually and collectively, as additional insured, but only insofar as the operations under this Agreement are concerned. Such coverage for additional insured shall apply as primary insurance and any other insurance, or self-insurance, maintained by Plan Sponsor, its officers, agents and employees shall be excess only and not contributing with insurance provided under Great-West's policies herein. This insurance shall not be cancelled without a minimum of thirty (30) days advance written notice given to Great-West.

Within thirty (30) days from the date Plan Sponsor executes this Agreement, Great-West shall provide certificates of insurance and endorsement as stated above for all of the foregoing policies, as required herein, to the County of Fresno, Paul Nerland, Personnel Services Manager, 2220 Tulare St., Suite 1400, Fresno, CA 93721 stating that such insurance coverage have been obtained and are in full force; that the County of Fresno, its officers, agents and employees will not be responsible for any premiums on the policies; that such Commercial General Liability insurance names the County of Fresno, its officers, agents and employees, individually and collectively, as additional insured, but only insofar as the operations under this Agreement are concerned; that such coverage for additional insured shall apply as primary insurance and any other insurance, or self-insurance, maintained by Plan Sponsor, its officers, agents and employees, shall be excess only and not contributing with insurance provided under Great-West's policies herein; and that this insurance shall not be cancelled without a minimum of thirty (30) days advance, written notice given to Plan Sponsor.

In the event Great-West fails to keep in effect at all times insurance coverage as herein provided, the Plan Sponsor may, in addition to other remedies it may have, suspend or terminate this Agreement upon the occurrence of such event.

All policies shall be with admitted insurers licensed to do business in the State of California. Insurance purchased shall be purchased from companies possessing a current A.M. Best, Inc. rating of A- FSC VII or better.

## **XII. Modification and Consent**

No modification of any provision of this Agreement and no consent by any party to any deviation from its terms by any other party will be effective unless such modification or consent is in writing and signed by all parties. The modification or consent will be effective only for the period, on the conditions and for the specific instance and purposes specified in such writing. The waiver of any breach of any term or condition in this Agreement will not be deemed a waiver of any prior or subsequent breach. For purposes of this section of this Agreement, writing signed by the parties shall be deemed to include electronic mail transmissions only if such transmissions include pdf or other facsimile transmissions clearly reproducing the manual signature of an officer of each party who is authorized to execute an amendment of this Agreement and specifically referencing this section of this Agreement.

## **XIII. Entire Agreement**

This document and any subsequent amendments thereto represent the entire agreement between the parties with respect to the subject matter of this Agreement. Great-West may amend this Agreement without the Plan Sponsor's approval or signature when such amendment is required in order to comply with changes to applicable law; Great-West will provide Plan Sponsor with thirty (30) days written notice of such amendment prior to the date on which such amendment is to be effective. No other amendments shall be made to this Agreement except as mutually agreed to in writing and signed by the authorized agents of each party.

#### **XIV. Governing Law**

This Agreement will be construed and enforced in accordance with and governed by the laws of the State of California. Venue will be Fresno, California.

#### **XV. Severability**

The provisions of this Agreement are severable, and if for any reason, a clause, sentence or paragraph of this Agreement will be determined to be invalid by a court or federal or state agency, board or commission having jurisdiction over the subject matter thereof, such invalidity will not affect other provisions of this Agreement which can be given effect without the invalid provision.

#### **XVI. Authorized Persons**

The Plan Sponsor and any duly appointed investment advisor(s) will furnish a list to Great-West (and from time to time whenever there are changes therein) of the individuals authorized to transmit instructions to Great-West concerning the Plan and/or assets in the account, and written direction regarding the form of such instructions.

#### **XVII. Legal Advice**

Nothing in this Agreement is intended to constitute legal or tax advice from Great-West to the Plan Sponsor or any other party.

#### **XVIII. Force Majeure**

None of the parties hereto shall be liable to the other for any and all losses, damages, costs, charges, counsel fees, payments, expenses or liability due to delay or interruption in performing its obligations hereunder, and without the fault or negligence of such party, due to causes or conditions beyond its control including, without limitation, labor disputes, riots, war and war-like operations including acts of terrorism, epidemics, explosions, sabotage, acts of God, failure of power, fire or other casualty, natural disasters or disruptions in orderly trading on any relevant exchange or market, including disruptions due to extraordinary market volume that result in substantial delay in receipt of correct data.

**XIX. Signatures**

By signing this Agreement, in duplicate, the parties certify that they have read and understood it, that they agree to be bound by the terms of the Agreement, that they have the authority to sign it, and that they have received a signed and dated copy of the Agreement. This Agreement is not binding on either party until approved by both parties.

GREAT-WEST LIFE & ANNUITY  
INSURANCE COMPANY

By 

Name \_\_\_\_\_

**Gregory E. Sellar**  
Senior Vice President  
Government Markets

Title \_\_\_\_\_

Date 9.25.09.

TAX ID: 84-0467907

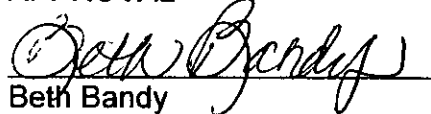
COUNTY OF FRESNO, CALIFORNIA



Susan B. Anderson, Chairman  
Board of Supervisors

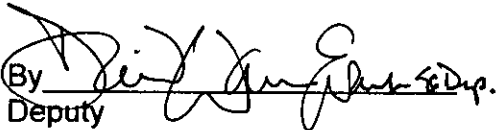
Date 10/6/09

REVIEWED & RECOMMENDED FOR  
APPROVAL



Beth Bandy  
Deputy Director of Personnel Services

APPROVED AS TO LEGAL FORM  
Kevin Briggs, Interim County Counsel

By  Deputy

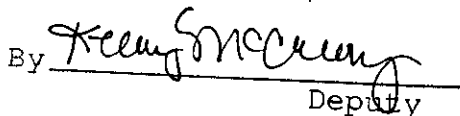
APPROVED AS TO ACCOUNTING FORM



Vicki Crow  
Auditor-Controller/Treasurer-Tax Collector

ATTEST:

BERNICE E. SEIDEL, Clerk  
Board of Supervisors

By  Deputy

## Exhibit A

### Initial Authorized Investment Option Exhibit

Initial Authorized Investment Option Name	Ticker Symbol	Initial Authorized Investment Option Name	Ticker Symbol
AIM Charter Fund	CHTVX	DWS Capital Growth Inst	SDGTX
Columbia Dividend Income Fund Z	GSFTX	AIM Mid Cap Core Equity Fund	GTAVX
Nicholas Limited Edition I	NCLEX	Royce Special Equity FD Investment Class	RYSEX
MFS Global Equity R5	MWELX	MainStay International Equity	MSIIX
Fidelity Real Estate Income Fund	FRIFX	Oakmark Equity and Income I	OAKBX
FPA New Income	FPNIX	Sentinel Funds Government Securities I	SIBWX
FBR Focus	FBRIX	Perkins Mid Cap Value Fund Class I	JMVAX
Neuberger Berman Genesis Inv	NBGNX	Franklin Utilities	FRUAX
BGI S&P 500 Collective Trust	N/A	Maxim Lifetime Asset Allocation Funds (based on GPS Assessment Form election)	N/A
Great-West Custom Stable Asset Fund	N/A		

## **Exhibit B**

### **Procedures for Complying with Fund Company Market Timing and Excessive Trading Policies**

The prospectuses, policies and/or procedures of certain fund companies require retirement plan providers offering their fund(s) to agree to restrict market timing and/or excessive trading ("prohibited trading") in their funds. The following procedures describe how we, as your recordkeeper, will comply with fund company instructions designed to prevent or minimize prohibited trading.

Various fund companies instruct intermediaries to perform standardized trade monitoring while others perform their own periodic monitoring and request trading reports when they suspect that an individual is engaging in prohibited trading. If an individual's trading activity is determined to constitute prohibited trading, as defined by the applicable fund company, the individual will be notified that a trading restriction will be implemented if prohibited trading does not cease. (Some funds may require that trading restrictions be implemented immediately without warning, in which case notice of the restriction will be provided to the individual and plan, if applicable). If the individual continues to engage in prohibited trading, the individual will be restricted from making transfers into the identified fund(s) for a specified time period, as determined by the applicable fund company. Individuals are always permitted to make transfers out of the identified fund(s) to other available investment options. When the fund company's restriction period has been met, the individual will automatically be allowed to resume transfers into the identified fund(s).

Additionally, if prohibited trading persists, the fund company may reject all trades initiated by the plan, including trades of individuals who have not engaged in prohibited trading.

Note: certain plan sponsors have or may elect to implement plan level restrictions to prevent or minimize individual prohibited trading. To the extent that such procedures are effective, we may not receive requests for information from the fund companies or requests to implement the restrictions described above.

10/16/07



## **Exhibit C**

### **Business Continuity Plans Notice**

GWFS Equities, Inc., (GWFS) a wholly owned subsidiary of Great-West Life & Annuity Insurance Company and an affiliate of First Great-West Life & Annuity Insurance Company\*, maintains a comprehensive business continuity plan designed to respond reasonably and effectively to events that lead to significant business disruption, such as natural disasters, power outages, or other events of varying scope. This plan defines critical functions and systems, alternate work locations, vital books and records, and staff resources, and provides for the continuation of business operations with minimal impact, depending on the severity and scope of the disruption. The plan is reviewed and tested no less than once annually to ensure that the information in the plan is kept current and that documented recovery and continuity strategies adequately support its business operations. Of utmost importance to the plan is the ability for customers to maintain access to securities accounts and assets in those accounts.

In the event that one of the Call Centers or back office operation facilities becomes unavailable for any reason, calls would be re-routed to one of the firm's alternative call center or operations facilities.

In the event of a significant business disruption to the primary office and/or data center, access to customer accounts will be provided via the Company's Website and voice response system, operated from an alternative data center. Customer Service will continue to be provided by re-routing telephone calls to a Call Center located in one or more alternative sites located outside of the region.

While no contingency plan can eliminate the risk of business interruption, or prevent temporary delays with account access, the firm's continuity plan is intended to mitigate all reasonable risk and resume critical business operations within 24 hours or the next business day, whichever is later.

\* Record keeping and administrative services are provided by Great-West Life & Annuity Insurance Company, or one of its affiliates. Securities offered in your account may be offered through another broker/dealer firm other than GWFS Equities, Inc. Please contact your investment provider for more information if needed.

This disclosure is subject to modification at any time. The most current version of this disclosure can be found on the Website or can be obtained by requesting a written copy by mail.

## Exhibit D

### Privacy Notice Exhibit

The Great-West Family of Companies  
Great-West Life & Annuity Insurance Company  
The Great-West Life Assurance Company (US operations)  
First Great-West Life & Annuity Insurance Company  
Advised Assets Group, LLC  
GWFS Equities, Inc. ‡  
Canada Life Insurance Company of America  
The Canada Life Assurance Company (US operations)  
Emjay Corporation  
Emjay Retirement Plan Services, Inc.  
FASCore, LLC  
Great-West Life & Annuity Insurance Company of South Carolina  
GW Capital Management, LLC  
Maxim Series Fund, Inc.  
National Plan Coordinators of Delaware, Inc. ‡  
Great-West Healthcare of Georgia, Inc. \*  
Orchard Trust Company, LLC  
Westkin Properties Ltd.

‡ [www.gwrs.com](http://www.gwrs.com)

\* [www.greatwesthealthcare.com](http://www.greatwesthealthcare.com)

Revised 01/2009 (standard + CA)

**The Great-West Family of Companies** protects your privacy. We have strict policies to keep your nonpublic personal information private. We may share it with affiliates and third parties that we do business with, and in other ways permitted by law.

**Information We Collect.** We collect and store information. It comes from forms that you complete, from business you have conducted with us and other parties we do business with and from consumer and insurance reporting companies.

**Security of Your Information.** We have physical, administrative, and technical safeguards in place to protect your privacy.

**Access to Information.** The only employees who have access to your records are those who need it for business reasons.

**Our Information Sharing Practices.** We limit the information we share and the parties we share it with. We share your information to help you do business with us. What we share depends on the types of products or services you request. For example, we may share information:

- ☐ from business forms (such as your name, address, SSN, plan or ID number, assets and income)
- ☐ about your business with us, or others (such as your policy or contract coverage and benefits and payment history)
- ☐ about your relationship with us (such as the products or services you purchased)
- ☐ from your employer, benefit plan sponsor, or group product (such as your name, address, SSN, plan or ID number and age)
- ☐ from consumer and insurance reporting organizations (such as your credit, financial or health history, please note, these organizations may retain information provided to us and disclose it to others)
- ☐ from other third parties (such as health and demographic information)
- ☐ from visitors to our Web sites (such as information you provide online from forms, site visit data and "cookies")

**Sharing of Health Information.** We won't share your health information, unless such sharing is permitted or required by law. For a description of how we share your health information, please contact our Privacy Officer at the address noted below.

**Sharing Information with Other Parties.** You may permit us to share your information with other parties. Your information may be shared without your consent with our affiliates and other third parties if permitted by law. We do not share your information for any purpose that requires an opt-in or opt-out.

Our affiliates are listed and include, but are not limited to, our broker-dealers, our HMOs, and our trust company. Your information may be shared to serve you better or to make it easier for you to do business with us.

We may also share your information with vendors and financial institutions. Vendors perform services for us such as processing transactions. Financial institutions such as banks have marketing

agreements with us. We have agreements with these parties requiring them to protect the privacy of your information. They are not allowed to use the information other than as specified or permitted by law.

Other disclosures that may be made without your consent, include:

- ☐ To detect or prevent fraud & other criminal activity;
- ☐ To a medical professional for eligibility or audit purposes;
- ☐ In response to a question from a government agency;
- ☐ For purposes otherwise permitted or required by law;
- ☐ In response to a subpoena or court order;
- ☐ To a group policy holder to report claims experience or for an audit;
- ☐ In connection with a sale or merger of all or part of our business;
- ☐ To a government agency to determine your eligibility for benefits they may have to pay for;
- ☐ To a peer review committee to evaluate a medical professional;
- ☐ To a certificate holder or policyholder to provide information about the status of a transaction.

**Our Treatment of Information about Former Customers.** If our relationship ends, we will not share your information with third parties except as the law requires or permits.

**Access to Information.** You may access your information by submitting a written request that describes the information. We will respond within 30 business days or as required by state law. Our response will explain the nature and substance of the information on record. We will identify, if recorded, the parties we shared your information with over the last 2 years.

**Right to Correct, Amend or Delete Information.** You may submit a written request to us to correct, amend or delete any information in our records. We will respond to your request within 30 business days or as required by state law.

If we agree to your request, we will notify you in writing. We will provide the corrected information to any person you identify that has received the information in the last 2 years and to any insurance reporting organization we may have provided the information to over the last 7 years. If we refuse your request, we will explain why and you will have the right to file a statement of disagreement.

We reserve the right to revise this policy as needed. If changes are made, we'll send you a revised notice and post the new policy on the [www.greatwest.com](http://www.greatwest.com) web site.

**Privacy Officer**  
Great-West Life & Annuity Insurance Company  
8525 East Orchard Road  
Greenwood Village, CO 80111

## **Exhibit F**

### **Current Loan Policy as of Effective Date of Agreement**



Plan Number: 98957-01

## County of Fresno 457 Deferred Compensation Plan

### Loan Policy Administration

#### Article I. Eligibility

**Section 1.01** Only active employees who participate in a deferred compensation plan or defined contribution plan that permits loans may request a loan. The participant must have a minimum vested account balance of \$2,000 if the plan is governed by ERISA or is a governmental plan.

#### Article II. Minimum and maximum loan amounts

**Section 2.01** The minimum loan amount that a participant may request is \$1,000 for ERISA and governmental plans.

**Section 2.02** The maximum loan amount that a participant may request is \$50,000 or 50% of the vested account balance – whichever is less. The \$50,000 maximum loan amount is reduced by the highest loan balance during the past 12 months minus the loan balance on the date a new loan is made.

**Section 2.03** If a participant has an outstanding loan through another qualified plan, 403(b) plan, or a 457 plan maintained by the same employer, the maximum loan amount available must be reduced by the highest outstanding loan balance during the past 12 months. The participant is responsible for ensuring that the aggregated loan amount on all plans sponsored by the same employer is the lesser of \$50,000 or 50% of the vested account balance.

#### Article III. Number of loans permitted

**Section 3.01** The maximum number of loans a participant may have outstanding is one (1). If a participant has an outstanding loan and wishes to initiate another loan, the participant must first repay the current outstanding loan via a cashier's check or money order.

## **Article IV. Cost**

**Section 4.01** A loan origination fee in the amount of \$50.00 shall be deducted from the loan amount.

**Section 4.02** An administrative fee of \$25.00 per year/per loan, deducted quarterly at a rate of \$6.25 will be assessed to each participant's account.

**Section 4.03** If a participant requests their loan check to be sent express delivery, an additional \$25.00 charge will be deducted from the loan check amount.

## **Article V. Loan Initiation**

**Section 5.01** Great-West Retirement Services (GWRS) uses a two-step loan process. The first step of the loan process begins by the participant applying for a loan via paper, the Web site or KeyTalk®. The second step combines the Promissory Note and Loan Check into one document, eliminating the step of returning the signed Promissory Note prior to issuing the Loan Check. By endorsing the check, the participant agrees to the terms of the Note and the repayment obligation.

**Section 5.02** Plans will be required to sign the Loan Administration Policy document prior to loans being made available. The signed Loan Administration Policy document will allow the participant to initiate and complete a loan request electronically without the plan's signature. If a paper application is used, the plan must sign each loan application submitted by its participants or the plan will be required to sign a letter of instruction authorizing the processing of loan applications without an authorized plan signature.

## **Article VI. Distribution of loan amount**

**Section 6.01** Loan distribution amounts will be prorated across all available money types.

## **Article VII. Types of loans available**

**Section 7.01** A General Purpose Loan has a term of twelve to sixty (12-60) months. No reason or documentation (other than a signed promissory note) is required when a participant requests a General Purpose Loan. The interest rate for this type of loan is fixed for the life of the loan. The interest rate is 2% over the Prime Rate published in the Wall Street Journal on the first business day of the month before the loan is originated.

**Section 7.02** A Principal Residence Loan has a term of seventy-two to one hundred eighty (72-180) months. This loan must be utilized for the purchase of a primary residence ONLY. The interest rate is equal to the Prime Rate published in the Wall Street Journal on the first business day of the month before the loan is originated.

## **Article VIII. Interest**

**Section 8.01** Interest paid on loans is not income tax deductible.

## **Article IX. Payment Requirements**

**Section 9.01** Scheduled payments must be made by payroll deduction or in some circumstances by cashier's check or bank money order. Loan repayments will be allocated to the participant's account according to current allocation percentages on ISIS.

**Section 9.02** Once a new loan has been initiated, the payroll department will be sent a report or an electronic file to begin loan payments. Loan repayments must begin on time or the loan payments will be in arrears. If loan payments are not caught up in time, the loan may default. Loan default results in adverse tax consequences to the participant.

### **Section 9.03 Basic Rules Regarding Loans to Ensure They Do Not Default**

- (a) Any amount paid out of a plan will be treated as a taxable distribution unless the plan loan rules under Code section 72(p) and the applicable Treasury regulations are followed.
- (b) Payments must be made in level amortized amounts and must be made at least quarterly.
- (c) Missed payments must be received prior to the end of the calendar quarter following the quarter in which the payment was missed.
- (d) If a participant fails to make a loan repayment on time, and the missed loan repayment(s) is/are not made by the end of the following calendar quarter (or within the plan's more restrictive cure period), the loan is in default and ceases to comply with section 72(p).
- (e) The entire outstanding loan balance plus accrued interest at the time of the default is taxable to the participant as a deemed distribution.
- (f) The plan loan rules under Code section 72(p) do not provide a mechanism to ignore missed payments or to reverse a loan that has already defaulted.

**Section 9.04** Loans are in arrears and delinquent when any payment is missed. A late loan payment notice will be issued after the end of the calendar quarter in which the payment is delinquent. If all missed payments are not made by the end of the calendar quarter after the calendar quarter in which a payment is first missed such that the loan is totally paid up to date, the loan will be in default. In that event, the entire outstanding loan balance, consisting of the missed payments, all accrued but unpaid interest and the remaining principal, will be reported to the IRS as taxable income on a Form 1099-R for the year in which the loan default occurs.

**Section 9.05** In addition, if a loan has not been fully repaid by the end of its term, the outstanding balance will be taxable and will be reported to the IRS on Form 1099-R as taxable income. There is no opportunity to cure a late payment once the term has expired. The payroll department will be notified of the final loan payment amount prior to the final payment due date.

**Section 9.06** If the participant has a loan that defaulted at any time in the past, their eligibility for a new loan is revoked.

**Section 9.07** Participants who leave service prior to the end of the loan term will be required to pay off the loan at severance of employment as provided by the plan. A former participant may avoid treatment of an unpaid loan as a "deemed distribution" and reporting of income to the IRS by paying the loan balance by the end of the grace period via a cashier's check or money order. Non-payment will force a "deemed distribution" and reporting of taxable income in the year the "deemed distribution" occurs.

**Section 9.08** When a participant takes a leave of absence of not longer than 1 year, either without pay from the employer or at a rate of pay that is less than the amount of the installment payments required under the terms of the loan, the plan should provide leave of absence information for a leave start and stop dates. The loan may be reamortized when the participant returns from leave to pay the loan in full by the maturity date of the loan. The entire outstanding loan balance, including all accrued but unpaid interest, will be reamortized.

**Section 9.09** If the participant takes a military leave of absence, the interest rate on the loan will be reduced to 6%, during the period of military service provided the interest rate on the loan is greater than 6%. Loan payments must resume upon the participant's return from military leave. The term of the loan may be extended by the term of the military leave. The entire outstanding loan balance, including all accrued but unpaid interest, will be reamortized.

**Section 9.10** The participant's outstanding loan balance will be offset upon receiving any type of distribution after severance of employment. As required by federal tax regulations, a participant's defaulted loan will remain on the books until a qualifying event occurs, even though income has been reported to the IRS.

**Section 9.11** Partial lump sum loan repayments, via a cashier's check or money order, are permitted in order to catch up on a past-due amount.



## **Article X. Early Loan Payoff**

**Section 10.01** A loan can be paid in full at any time, in the form of a cashier's check or bank money order. The participant may obtain a loan payoff quote via KeyTalk®. The loan payoff quote is valid for 15 days from the date it is obtained.

## **Article XI. Outstanding Loan at Death**

**Section 11.01** All outstanding loan principal and accrued interest shall be treated as a distribution from the plan when Great- West Retirement Services is notified of a participant's death. A deceased participant's loan may not be transferred or assumed by the participant's beneficiary(ies). If a participant's loan has not been repaid as of the date of the participant's death, any distributions made from the deceased participant's plan account will be made net of any outstanding loan obligations. The amount of the outstanding loan as of the participant's date of death will be tax reported as a distribution to the participant or to the participant's estate as applicable.

## **Article XII. Future additions**

**Section 12.01** Future tax laws regarding plan loans will be incorporated into this loan policy and the Promissory Note.

## **Article XIII. Enforcement**

**Section 13.01** Great-West Retirement Services is required to enforce these rules. The loan policy and loan administration procedures have been developed to comply with the requirements of Internal Revenue Code section 72(p) and the federal Treasury regulations thereunder, as amended from time to time.

---

The Plan Administrator/Employer hereby authorizes Service Provider to implement participant initiated loans based on the Loan Policy outlined above.

---

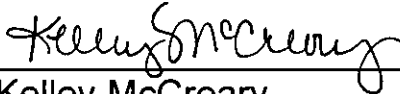
Authorized Plan Administrator/Employer Signature

---

Date

## CERTIFICATE OF DELIVERY OF DOCUMENT

I am employed by the County of Fresno as a Deputy Clerk of the Board of Supervisors. On October 6, 2009 I delivered a copy of Agreement No. 09-528 (Item No. 44) to the Chairman of the Fresno County Board of Supervisors.

  
Kelley McCreary  
Deputy Clerk