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**EL DORADO COUNTY, CALIFORNIA  
DEFERRED COMPENSATION PLAN  
ADMINISTRATION AGREEMENT**

This Administrative Agreement ("Agreement") is effective this 10<sup>th</sup> day of April, 2007, by and between NATIONWIDE Retirement Solutions, Inc., a wholly owned subsidiary of NFS Distributors, Inc., a wholly owned subsidiary of NATIONWIDE Financial Services, Inc. and an Ohio Corporation (hereinafter "NATIONWIDE"), and El Dorado County, California (hereinafter referred to as "EMPLOYER").

WHEREAS, EMPLOYER, pursuant to and in compliance with Internal Revenue Code Section 457, has established an El Dorado County Deferred Compensation Plan (restated 1-1-04) (hereinafter referred to as "EDCDC PLAN"); and

WHEREAS, NATIONWIDE has submitted a response to the EMPLOYER'S Request for Information ("RFI") contained in the binder titled "Response to Request for Information", dated July 12, 2005 provided as Exhibit B, hereby incorporated by reference as if fully rewritten; and

WHEREAS, EMPLOYER desires to contract with NATIONWIDE in connection with the administration of part of the EDCDC PLAN (hereinafter referred to as the "NRS Part"); and

WHEREAS, NATIONWIDE desires to provide such services subject to the terms and conditions set forth herein:

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

**1. DESIGNATION**

EMPLOYER designates NATIONWIDE as one of the Administrator's of its EDCDC PLAN, and directs Nationwide to follow the EDCDC PLAN Document for those participants enrolled and/or maintaining account balances with NATIONWIDE.

**2. TERM**

This Agreement shall be open-ended commencing as of the date listed herein. Either party may terminate this Agreement in accordance with the provisions of this agreement, without cause upon providing ninety (90) calendar days written notice to the other party.

### 3. INVESTMENT OPTIONS

NATIONWIDE agrees to accept EDCDC PLAN funds for investment in the investment options referenced in Exhibit A hereto or such other options as mutually agreeable to the parties. NATIONWIDE agrees to conduct an ongoing review of the investment options available in the NRS Part, by and through NATIONWIDE'S broker/dealer affiliate, Nationwide Investment Services Corporation (NISC), and provide recommendations of any changes to EMPLOYER annually or sooner should some concern pursuant to an adopted investment policy statement occur.

#### A. The Washington Mutual Liquid Savings Account ("WMLSA").

1. The rate/yield on the WMLSA will be a variable rate, which may change as often as daily, as determined by Washington Mutual
2. All participants with funds invested in the WMLSA, whether they are active, inactive, or in distribution, will have interest credited to their account at a rate/yield which is subject to change daily.

#### B. The Washington Mutual Certificates of Deposit ("WMCD")

1. Certificates of deposit for terms of one (1), three (3), and five (5) years will be offered.
2. The minimum certificate of deposit will be \$1,000. A participant may purchase only one WMCD for a given term, each quarter.
3. The interest rate will be a fixed rate during the term of the certificate. The rate/yield for new certificates will be set at the beginning of each calendar quarter. Pre-existing WMCD will retain their original maturity date and interest rate, but will be renewed under the terms described within this section.
4. There will be an interest penalty of 180 days' simple interest for early withdrawals. The penalty will not be imposed for separation from service, hardship withdrawal, or plan to plan transfer where the participant re-employs with another eligible employer.

#### C. The following provisions will apply to the mutual funds/other products:

1. The mutual funds and other products to be made available to EDCDC PLAN participants are attached hereto as Exhibit A. The mutual funds and other products in Exhibit A may have additions, eliminations, and substitutions upon agreement by the parties which may be either by separate agreement, addenda, or amendment to this Agreement. Dividends will be automatically reinvested into the mutual fund. These options are not savings accounts, and are not insured or guaranteed by the provider, the EMPLOYER or by NATIONWIDE.
2. Investment Management or other charges may be imposed on mutual fund investments by or on behalf of the mutual fund provider, a regulatory authority, or as otherwise required or permitted by law. These charges will be disclosed in the prospectus and along with any operating expenses of the mutual fund would be separate from any fees or charges described in this Agreement.

- D. Participants will be permitted to change their investment options as often as they wish; provided, however, that participants shall be subject to any applicable restriction, penalty, fee, or charge imposed by or on behalf of the fund provider, a regulatory authority, or as otherwise required or permitted by law for such change.
- E. Should EMPLOYER desire, NATIONWIDE will make available to EMPLOYER'S participants a self-directed brokerage option (SDBO) in the EMPLOYER'S EDCDC PLAN, subject to applicable restrictions, fees and charges, including an initial set-up fee of \$50.00 and an annual administration fee of \$50.00 applicable to participants investing in the SDBO. The SDBO will be by separate agreement of the parties. Fees and charges related to the SDBO are in addition to the compensation for administrative services as provided in Section 9 of this Agreement. Participants who maintain the required minimum balances may transfer funds from the EDCDC PLAN to an individual account created with Charles Schwab through its Schwab Retirement Plan/Schwab Personal Choice Retirement Account®. The SDBO will be implemented as mutually agreed by the parties.

**4. PLAN ADMINISTRATION**

**A. ENROLLMENT AND COMMUNICATION/EDUCATION SERVICES**

NATIONWIDE agrees to:

- 1. Establish a sub-account for each participant.
- 2. Post and credit the amounts sent by EMPLOYER to the sub-account(s) of Participants in accordance with the latest written instructions on file with NATIONWIDE.
- 3. Provide participants written communication detailing changes in the NRS Part at least 60 days prior to the effective date of changes.

NATIONWIDE agrees to process, or arrange to have processed, the enrollment of eligible employees who elect to participate in the NRS Part. Electronic (web-based) Participant enrollment will be made available to the extent possible and agreed upon.

NATIONWIDE agrees to conduct group presentations periodically for employees of EMPLOYER to explain the NRS Part. EMPLOYER agrees to facilitate the scheduling of such presentations and to provide facilities at which satisfactory attendance can be expected. NATIONWIDE agrees that qualified personnel will be made available periodically to discuss the NRS Part with individual employees of EMPLOYER.

NATIONWIDE will conduct onsite annual individual and group enrollment/education meetings for employees beginning on the effective date of this Agreement. Nationwide will provide individual and group enrollment/education meetings in locations and at times mutually agreeable by the parties. At a minimum, for each full contract year, NATIONWIDE will commit to:

Number of 1 hour group meetings	8
Number of ½ hour individual meetings	440

NATIONWIDE'S ability to provide these service levels is conditioned on the EMPLOYER providing adequate access to all work locations and shifts to encourage participation of eligible employees at group and individual meetings.

At the conclusion of each group workshop, NATIONWIDE will provide surveys to those eligible employees attending the group workshop to assess the success of the educational workshops. EMPLOYER will receive a preview of all surveys provided to attendees and will have the right to request the addition of content or request that the surveys not be given out. In the event customization of these surveys is required by the EMPLOYER, cost for such customization if any shall be mutually agreed upon.

## B. DEFERRALS

The minimum participant deferral per pay period shall be not less than \$10.00. Participant deferrals are voluntary and the participant can stop and restart deferring at any time upon providing appropriate notice. In the event that an NRS Part participant stops deferring and subsequently desires to restart deferring, and also desires to reallocate funds, it is understood and agreed that the NRS Part participant shall complete a new Participation Agreement.

NATIONWIDE agrees to post funds no later than the business day following the day on which the funds and the deferral listing are received in good order by NATIONWIDE. The term "in good order" as used in this Agreement means the receipt of required information by Administrator in a form reasonably acceptable to Administrator with respect to the processing of a request received from a third party. Furthermore, the term Reasonably Acceptable includes but is not limited to, those activities set forth in Items B(1) and B(2) of this provision. NATIONWIDE will not be liable for any delay in posting if EMPLOYER fails to send either the funds representing deferral amounts or deferral information in accordance with NATIONWIDE'S instructions, to the central processing site designated by NATIONWIDE.

EMPLOYER agrees to:

1. Cause appropriate deductions to be made from such payroll(s) as may be applicable and send the funds representing the total participant deferrals to NATIONWIDE.
2. Provide to NATIONWIDE in such a mutually agreed upon electronic or magnetic media, a deferral listing with respect to participant sub-accounts to include not less than the following:
  - a. Name of participant
  - b. Social security number of participant
  - c. Amount to be credited to participant's sub-account(s)
3. Send funds by wire transfer, through an automated clearinghouse or by check in accordance with written instructions provided by NATIONWIDE. Failure to follow the written instructions provided by NATIONWIDE may result in delay of posting to Participant accounts.

## C. REPORTS

NATIONWIDE agrees to provide to EMPLOYER the following reports:

EMPLOYER Statement of Account	Quarterly*
Composite Activity Report	Upon Request**
Summary by Investment	Daily***
Web Activity	Monthly***
Automated Telephone Transactions Report	Monthly***
Investment Review	Annual
Tax Reporting 1099-R	Quarterly
Gauging Success	Annual
Fund balance and Participation by Age	Updated Weekly
Fund Summaries	Updated Weekly
Contribution Rate Report	Monthly
Contribution Change Report	Monthly
Unforseeable Emergency Report	Quarterly

\* The EMPLOYER Statement of Account is to be provided within thirty (30) business days in conformance with the service standards set forth in Section 8 of this Agreement. This report is available only in hard copy.

\*\*The composite activity report is available on a quarterly basis upon request at the previous quarter's end. This report is available only in hard copy.

\*\*\*These reports are only available via the Internet.

In addition, NATIONWIDE will provide quarterly reports detailing all education and communication activity including the number of group and individual sessions conducted for the previous quarter and year-to-date, as well as the number of participants attending sessions on each educational topic. These reports will be provided no later than thirty (30) business days after previous quarter end.

## 5. PARTICIPANT SERVICES

- A. NATIONWIDE will provide a toll free telephone number which shall be operative 24 hours per day, 7 days per week (less normal maintenance time) for the voice response unit (VRU). NATIONWIDE will provide a customized VRU as mutually agreed. Customer Service Representatives and Direct Access Representatives will be available from 5:00am to 6:00pm Pacific Time each business day. Using the toll-free number, participants may obtain information and conduct transactions for participant accounts. EMPLOYER authorizes NATIONWIDE to honor instructions, which may be submitted by participants pursuant to their personal identification number (PIN) using the toll-free number, either via the VRU or through a live representative. Participant instructions may be in such form and content as may be mutually agreed to by NATIONWIDE and EMPLOYER.
- B. NATIONWIDE will provide Web access which shall be operative 24 hours a day, 7 days per week (except for normal maintenance time). Participants may obtain plan information and conduct transactions for participant accounts, among other services.

- C. NATIONWIDE will provide NRS Part participants unlimited opportunities to increase (within limitations of Sec. 457(b) of the Internal Revenue Code) or decrease deferral amounts, in accordance with Section 4.B of this Agreement. All requests to increase or decrease deferral amounts will be processed by NATIONWIDE within five (5) business days of receipt of the request in good order and will be effective as soon as administratively practical by EMPLOYER. NATIONWIDE agrees to permit participants to increase or decrease deferral amounts electronically subject to the ability of the EMPLOYER to facilitate such a service with NATIONWIDE.
- D. NATIONWIDE will provide NRS Part participants opportunities to redirect future deferral amounts to any investment option offered by the NRS Part to the extent permitted. All requests received in good order will be processed within five (5) business days and will be effective for the following pay period.
- E. NATIONWIDE will provide participants the daily ability, without additional cost, to exchange existing account balances from one investment option offered by the NRS Part to another, subject to fund restrictions, restrictions of any regulatory authority, or as otherwise restricted by law.
- F. NATIONWIDE will notify participants of their ability to request a fund prospectus and an annual report for each mutual fund offered by the NRS Part. NATIONWIDE will provide participants, upon request, a fund prospectus and an annual report for each mutual fund offered by the NRS Part. Specific mutual fund prospectuses and other relevant information is to be provided by each respective mutual fund or other investment provider upon request by NATIONWIDE or by a participant.
- G. NATIONWIDE will provide participants consolidated quarterly statements detailing each participant's year-to-date deferral amounts, account balance information that includes changes in account value since the previous report date, a personal rate of return calculation, and any fees or charges assessed against the Participant account. Participants shall be informed that they must notify NATIONWIDE within forty-five (45) calendar days of receipt of their statements or confirmation of their investments, in order to report any errors to NATIONWIDE. Errors will be corrected within 5 business days of notification, unless the participant is otherwise notified by NATIONWIDE.
- H. NATIONWIDE agrees to mail statements to participants within twenty (20) business days after the end of each calendar quarter. NATIONWIDE will have no responsibility to report, or account for the accuracy of information applicable to periods prior to the effective date the NRS Part was administered by NATIONWIDE.
- I. NATIONWIDE will provide certain standard reports quarterly to EMPLOYER to enable EMPLOYER to effectively monitor all accounting and record keeping processes. These reports will include combined data for the entire NRS Part; a sample of which is attached as Exhibit B. Fees and charges assessed, and revenue collected, will be disclosed to the EMPLOYER in the Quarterly Administration Revenue Report, a sample of which is attached as Exhibit C. In addition, all services will be provided in accordance with these reports. Copies are available upon request.
- J. NATIONWIDE agrees to maintain for five (5) years the records necessary to produce the above referenced reports, and agrees that all records shall be the property of EMPLOYER. EMPLOYER agrees that all related computer tapes, disks, and programs shall remain the property of NATIONWIDE. NATIONWIDE agrees to make said tapes, disks and programs available to EMPLOYER, at a reasonable cost, upon request.

- K. NATIONWIDE has retained Morningstar Associates, LLC, as the Participant Investment Advisor for the NRS Part to provide the participant education, planning, and investment advisory services outlined below. The Participant Investment Advisor shall assume fiduciary responsibility for guidance services and investment advisory services. NATIONWIDE shall enter into such arrangements with the Participant Investment Advisor, shall design its systems and protocols and shall offer the related services in such a manner as shall be reasonably necessary or advisable to permit the Participant Investment Advisor to offer the Participant Investment Advisor Service contemplated hereby. NATIONWIDE's selection of and agreements with Morningstar as Participant Investment Advisor are decisions made by NATIONWIDE and not by EMPLOYER. NATIONWIDE agrees that the indemnification provisions of Paragraph 16 shall apply to NATIONWIDE's acts in the selection of and agreements with Morningstar, and to Morningstar's performance of the Investment Advisor Services described in this subsection 5.K and as arranged by NATIONWIDE with Morningstar. Any fiduciary duty assumed by Morningstar shall be in addition to, and not in lieu of, NATIONWIDE's assumption of responsibility pursuant to Paragraph 15 of this agreement.
- L. The Participant Investment Advisor shall make available to all participants through the NRS Part website, the Participant Investment Advisor Service which shall provide participants with retirement planning, investment education and investment guidance related to the accumulation of assets for retirement and the investment and allocation of the assets in a participant's account. The investment product is jointly marketed by NATIONWIDE and Morningstar as ClearFuture®, which shall consist of an online guidance service, provided at no additional cost, and an online retirement advice service. Employee participation in the online retirement advice service is optional and available at an additional annual fee of \$65.00 for each participant. The date that such online retirement advice service shall be implemented shall be mutually agreed upon by NATIONWIDE and EMPLOYER. NATIONWIDE shall coordinate and direct the activities of the Participant Investment Advisor so that the services provided by the Participant Investment Advisor are integrated with the participant services offered hereunder.

Fees and charges associated with the access to the Participant Investment Advisor, including but not limited to the annual account fee and any subsequent service fees, as mutually agreed, are in addition to the compensation for administrative services as provided in Section 9 of this Agreement.

## **6. DISTRIBUTIONS**

- A. NATIONWIDE will assist the participant in preparing the necessary forms to select his/her distribution option. This also includes those distributions allowed for in the EDCDC PLAN Document and those distributions required by law.
- B. Participants electing a payment of a lump sum amount will have their payment processed within two (2) business days of the earliest day permitted by the EDCDC PLAN.
- C. NATIONWIDE shall administer the approval of all unforeseeable emergency requests upon receipt in good order, and initiate the processing of all approved requests. Participants may appeal denied emergency withdrawal requests to the EMPLOYER's deferred compensation committee.

- D. NATIONWIDE shall offer to participants for distribution of their account a designated amount payment option. Payments shall be made on a monthly, quarterly, semi-annual or annual basis as specified by the participant, in equal installments (not less than \$25.00 per payment) until the amount applied, adjusted each business day for investment results, is exhausted. The final installment will be the sum remaining at the time such payment is due. Distribution selections may be changed by EDCDC PLAN participants as permitted by the EDCDC PLAN.
- E. NATIONWIDE shall also offer to EDCDC PLAN participants a designated period payment option with a variable payment. Payments shall be made monthly, quarterly, semi-annually, or annually for any specified number of years as permitted by the EDCDC PLAN, at the discretion of the EDCDC PLAN participant. The amount of each variable payment shall be determined by dividing the participant's current portfolio balance by the number of remaining payments.
- F. All payment options are available for all investment options. Participants selecting B, D, and E above shall be subject to the same fees and charges, and permitted the same exchange opportunities, as an active or inactive participant as defined by the NRS Part . Processing of these options will be completed by NATIONWIDE upon receipt of properly completed original forms, in a time frame necessary to effectuate the "payment begin date" requested by participant; provided, however, that recurring distributions will be processed on the third Monday of each month. All distributions will be made pro-rata from each of the Participant's investment options, unless otherwise directed by the participant.
- G. NATIONWIDE will be responsible for preparing and filing all reports required by federal and state taxing authorities through the effective date of the termination of the contract. EMPLOYER shall be responsible for all reporting requirements for periods prior to the effective date of this contract, or after the termination date of this contract. NATIONWIDE will be responsible for the annual filing of individual 1099 forms. NATIONWIDE shall withhold income taxes from distributions as required, and remit said taxes to appropriate regulatory authorities. NATIONWIDE shall also prepare and file periodic and annual tax returns for said amounts withheld.
- H. NATIONWIDE agrees to provide NRS Part participants anticipating retirement or other separation from service with illustrations indicating monthly benefit payments at an assumed interest rate for savings accounts or an assumed rate of earnings for mutual fund investments. Such assumed interest rate or rate of earnings shall be for illustration purposes only. The actual interest rate/yield paid on saving products during distribution shall change quarterly. For mutual funds, earnings will be those actually earned.

## **7. TRANSITION PERIOD**

Transition of assets to investment options in Exhibit A will occur on a date(s) mutually agreed upon by the parties. To assist in the transition, NATIONWIDE will conduct individual and group meetings, as appropriate, for all interested and eligible El Dorado County employees and EDCDC PLAN participants. The maximum number of meetings that will be conducted during the transition period are as follows:

Number of group meetings	40
Number of individual meetings	150
Proposed total number of hours	115
Proposed total number of days	20



These transition meetings will be conducted as agreed by the parties. These meetings will be in addition to the regular annual meetings described in Section 4.3 of this Agreement. Upon agreement by the parties, the meetings will be at locations and times specified by the EMPLOYER. EMPLOYER agrees to facilitate the scheduling of such presentations and to provide facilities at which satisfactory attendance can be expected.

NATIONWIDE agrees to provide communications to all NRS Part EDCDC PLAN participants regarding the transition of assets to investment options in Exhibit A. EMPLOYER will receive a preview of all education and communication materials that will be provided to participants and will have the right to request changes to content.

## 8. PERFORMANCE GUARANTEES

In addition to the reports described in section 4.C. of this Agreement, NATIONWIDE agrees to provide EMPLOYER a quarterly report regarding NATIONWIDE'S performance for the following services:

<b>Service</b>	<b>Standard</b>	<b>\$ at risk</b>
Participant Services Phone Response Time	Call center answers 75% within 20 seconds	\$500/quarter
Plan Sponsor Services Phone Response Time	Return calls placed to Plan Administrator within 24 hours	No dollars at risk
Quarterly Statement Delivery	Mailed within 20 business days	\$500/quarter
Withdrawals	Processed 2 business days provided received in good order.	\$100/quarter
Emergency Withdrawals	Processed 2 business days after approval and provided received in good order.	\$100/quarter
Contribution Posting	Processed same business day provided received in good order including both payroll detail and contributions.	\$100/quarter
Rollovers Out	Processed 2 business days provided received in good order.	\$100/quarter
Loan Processing	Application processed within 2 business days provided received in good order	\$100/quarter
Plan Sponsor Reports	30 business days	\$250/quarter
On-site Group Seminars	8*	\$1000/annum*
Individual Meetings	440*	\$1000/annum*

\* NATIONWIDE agrees to conduct seminars and meetings conditioned on the EMPLOYER facilitating the scheduling of such presentations and to providing facilities at which satisfactory attendance can be expected. Further, NATIONWIDE agrees to conduct

seminars and meetings conditioned on sufficient interest by participants and eligible employees and as attendance warrants.

## **9. COMPENSATION**

NATIONWIDE agrees that its fees for services under this Agreement will be the first 0.44 percent (44 basis points) annualized of Distribution and Administrative Revenue (as defined herein), based upon average monthly total NRS Part assets. The revenue to be included in this calculation shall include any Distribution and Administrative Revenue actually paid to NATIONWIDE, in connection with the sale and servicing of the investments allocated to participant accounts. Revenue earned by affiliated NATIONWIDE companies or businesses in connection with the NRS Part investments, and not directly credited to NATIONWIDE for administrative services shall not be included in the calculation.

NATIONWIDE will calculate the actual Distribution and Administrative Revenue it receives, as described herein, each calendar quarter. NATIONWIDE will also calculate the total NRS Part assets for the quarter, based upon the average monthly balance in all participant accounts and determine if the total Distribution and Administrative Revenue is equal to one quarter of 44 basis points (11 basis points) of the total NRS Part assets including but not limited to participant directed assets and assets associated with loans.

Should the total Distribution and Administrative Revenue for a calendar quarter be less than 44 basis points, annualized, for the preceding calendar quarter, NATIONWIDE shall notify the EMPLOYER of the amount of the shortfall. The EMPLOYER shall have thirty (30) business days from the date of such notification to determine whether to pay the amount of the shortfall directly to NATIONWIDE or to authorize NATIONWIDE to deduct the difference directly from participant accounts on a per capita or pro rata, quarterly basis, and to authorize NATIONWIDE to liquidate investments from each participant's account on a pro rata basis across the investments in each account when payable.

Should the total Distribution and Administrative Revenue for the preceding calendar quarter exceed 44 basis points, annualized, NATIONWIDE agrees to make payment to the EMPLOYER of any such amounts in excess within thirty (30) business days of the end of the calendar quarter. At the direction of the EMPLOYER, NATIONWIDE may direct the excess revenue received by the EMPLOYER back to participant accounts. Such excess may be distributed on a pro rata or per capita basis and will be deposited into each participant's stable value option.

Included with any notification of revenue shortfall or payment of revenue in excess of 44 basis points, NATIONWIDE agrees to provide the EMPLOYER a Quarterly Administrative Revenue Report on all revenue and fees received in connection with the NRS Part. This shall include but not be limited to all revenue associated with the NRS Part and received by it and its affiliates including distribution and administrative fees as described below, and all other fees associated with the NRS Part. NATIONWIDE agrees to update all of this information in writing to the Committee on a quarterly basis. A sample report of these calculations is given in Exhibit C. The parties agree to the extent allowed by law the foregoing fees and revenue shall not be disclosed except to assist the deferred compensation committee in the implementation of the EDCDC PLAN.

## Components of Distribution Revenue and Administrative Revenue

- A. The term Distribution Revenue shall mean the sum of the following revenues actually received by NATIONWIDE (as may be applicable from time to time) calculated in accordance with generally accepted accounting principles:
1. NATIONWIDE Mutual Fund 12b-1 Fees means the portion of 12b-1 fees paid by NATIONWIDE-sponsored mutual funds to NATIONWIDE that are allocated to NATIONWIDE in connection with plans record kept by NATIONWIDE under this Agreement. Currently, NATIONWIDE re-calibrates such allocation, and shall make such allocation on the same basis for all similarly-situated retirement plans.
  2. Outside Mutual Fund 12b-1 Fees means the portion of the 12b-1 fees paid by mutual funds not sponsored by NATIONWIDE (or paid by an affiliate of such mutual fund) to NATIONWIDE in connection with the distribution of such mutual funds to plans record kept by NATIONWIDE.
  3. Outside Mutual Fund Finder Fees means the portion of the distribution fees (other than OMF 12b-1 Fees) paid by mutual funds not sponsored by NATIONWIDE (or paid by an affiliate of the mutual fund) to NATIONWIDE in connection with plan investments record kept by NATIONWIDE. Currently, NATIONWIDE re-calibrates such allocation annually, and shall make such allocation on the same basis for all similarly-situated retirement plans.
- B. The term Administrative Revenue shall mean the sum of the following revenues (as may be applicable from time to time) calculated in accordance with generally accepted accounting principles:
1. NATIONWIDE Mutual Fund Administrative Fee means the portion of the fees (other than Finder Fees, 12b-1 Fees, Sub TA Fees and NATIONWIDE Administrative Wrap Revenue) paid by NATIONWIDE-sponsored mutual funds to NATIONWIDE Affiliates that are allocated to NATIONWIDE in respect of its administrative services in connection with plans record kept by NATIONWIDE. Currently, NATIONWIDE re-calibrates such allocation quarterly and will calculate this fee across all plans record kept by NATIONWIDE.
  2. NATIONWIDE Mutual Fund Sub Transfer Agency Fee means the portion of the transfer agency fee allocated by the transfer agent for each NATIONWIDE-sponsored mutual fund (the Transfer Agent) to NATIONWIDE in connection with plans record kept by NATIONWIDE. Currently, the Transfer Agent establishes such allocation annually and makes such payment on a per participant basis.
  3. Outside Mutual Fund Sub Transfer Agency Fee means the portion of the transfer agency fee paid by an unaffiliated mutual fund to its transfer agent that is paid to NATIONWIDE in connection with plans record kept by NATIONWIDE. Such fee may be calibrated on the basis of the number of participants investing in the mutual fund (in which case such fee is expressed in dollars) or on the basis of the dollar amount of assets invested in the mutual fund (in which case such fee is expressed in basis points).
  4. Outside Mutual Fund Administrative Fees means the fees (other than OMF Sub TA Fees, and OMF 12b-1 Fees) paid by an unaffiliated mutual fund (or its affiliate) to NATIONWIDE in connection with plan records kept by NATIONWIDE.

5. Non-Mutual Fund Administrative Fees means the fees associated with assets associated with loans, access to the Participant Investment Advisor, and participant directed investment assets as outlined in Sections 3.B., 4.D., and 5.K. of this Agreement. Such fees are in addition to compensation outlined in Section 9 of this Agreement.

## **10. MATERIAL BREACH AND CURE PERIOD**

Non-Compliance with the provisions of this Agreement can result in termination of this Agreement. In addition to any other remedies for termination set forth under this Agreement, either party may upon ninety (90) calendar days written notice to the officials noted below, terminate this Agreement for non-compliance of the provisions of this agreement. Either Party may, given the opportunity, correct the non-compliance as directed in the notice, but must do so in a reasonable time as prescribed in the notice. The EMPLOYER may also extend the time of termination of this Agreement to a period of not more than six (6) months in order to find another provider or complete transition of the assets to another program. This provision is in addition to the termination provisions set forth in Section 2. of this Agreement.

## **11. TERMINATION**

Upon the effective date of termination of this Agreement pursuant to Section 2 or Section 10 of this Agreement, the following shall occur:

- A. NATIONWIDE will no longer accept deferrals.
- B. NATIONWIDE will provide EMPLOYER a copy of all records relating to participant sub-accounts, in hard copy or such other form as mutually agreed upon between NATIONWIDE and EMPLOYER, within forty-five (45) calendar days after the effective date of termination.
- C. If termination is due to either party exercising the right of termination described in Section 2 of this Agreement, within 45 calendar days of the effective date of termination, mutual funds will be transferred to EMPLOYER or to such other entity as EMPLOYER may designate in writing. NATIONWIDE agrees to provide a final accounting of all NRS Part assets for which NATIONWIDE provides recordkeeping.

Accounts in distribution will be transferred to EMPLOYER or its designee in accordance with the time frame described above.

## **12. CONFIDENTIALITY & SOLICITATION**

### **A. Confidentiality**

NATIONWIDE agrees that all information supplied to and all work processed or completed by NATIONWIDE shall be kept confidential and will not be disclosed except as required or permitted by law.

## B. Solicitation

NATIONWIDE agrees that it will not offer, sell or promote any ancillary individual insurance products or other commercial ventures to the EMPLOYER'S employees or EDCDC PLAN participants unless authorized by the EMPLOYER; provided, that NATIONWIDE will continue to service life insurance policies currently in effect with employees or participants in the EDCDC PLAN.

## 13. PRIVITY OF CONTRACT

NATIONWIDE and NRS Part Participants shall have no privity of contract with each other.

## 14. TITLE AND OWNERSHIP

In accordance with the provisions of Internal Revenue Code Section 457, all account(s) established under this Agreement shall be held in the name of the EMPLOYER, or by a Trustee/Custodian with a multi-employer "omnibus account" for the exclusive benefit of participants and their beneficiaries, in accordance with the NRS Part.

## 15. CIRCUMSTANCES EXCUSING PERFORMANCE

Neither party to the Contract shall be in default by reason of failure to perform in accordance with its terms if such failure arises out of causes beyond reasonable control and without fault or negligence on their part. Such causes may include, but are not limited to, acts of God or public enemy, acts of the government in its sovereign or contractual capacity, fires, floods, epidemics, quarantine or restrictions, freight embargoes, and unusually severe weather.

### Fiduciary Responsibility

NATIONWIDE shall provide educational and communication services to all participants in the NRS Part as outlined under California Government Code Section 53609 and 53213.5; NATIONWIDE shall present workshops to participants outlining programs and provide assistance in education and communication as outlined under California Government Code Section 53609 and 53213.5. NATIONWIDE shall report in writing, in a format approved by the Deferred Compensation Committee, an update on all funds and education and communicated materials related to participants, including attendance at on-site meetings, to the Deferred Compensation Committee. EMPLOYER shall retain the ultimate right of approval or disapproval, but agrees it will only do so after communication with NATIONWIDE. EMPLOYER shall reserve the right to audit and verify all information supplied by NATIONWIDE.

## 16. INDEMNIFICATION

NATIONWIDE agrees to indemnify and hold the EMPLOYER, its officers, employees, agents, and deferred compensation committee members harmless from any legal claims, and actions arising out of communication and education activities related to administration of the NRS Part of the EDCDC PLAN in compliance with the provisions of California Government Code Section 53213.5 and any other related deferred compensation fiduciary compliance requirements under California and federal law.

## **17. ARBITRATION**

All disputes arising between EMPLOYER and NATIONWIDE under this Agreement shall be settled by arbitration conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association then in effect by one arbitrator appointed in accordance with such rules. If, however, EMPLOYER and NATIONWIDE are unable to agree upon one arbitrator, each shall choose one arbitrator and the two arbitrators so chosen shall mutually agree upon a third arbitrator. The parties will cooperate with each other causing arbitration to be held in as efficient and expeditious a manner as practicable. The following provisions also apply:

- (a) Any arbitration proceeding instituted under this Agreement shall be brought in a location selected by the arbitrator(s).
- (b) Any award rendered by the arbitrator(s) shall be final and binding upon the parties hereto. Judgment upon the award may be entered in any court of record of competent jurisdiction. Each party shall pay its own expenses with respect to the arbitration, and the expenses of the arbitrator(s) shall be equally shared. Nothing herein shall prevent the parties from settling any dispute by mutual agreement at any time.
- (c) The arbitrators will have no authority to award punitive damages or any other damages not measured by the prevailing party's actual damages, and may not, in any event, make any ruling, finding or award that does not conform to the terms and conditions of this Agreement.
- (d) Either party, before or during any arbitration, may apply to a court having jurisdiction for a temporary restraining order or preliminary injunction where such relief is necessary to protect its interests pending completion of the arbitration proceedings. Arbitration will not be required for actions for recovery of specific property, such as actions for replevin.
- (e) Neither party nor the arbitrators may disclose the existence of results of any arbitration hereunder without the prior written consent of both parties.
- (f) Employer and Nationwide each irrevocably and unconditionally consent to the jurisdiction of any such proceeding and waives any objection that it may have to personal jurisdiction or the laying of venue of any such proceeding.

## **18. ATTORNEYS' FEES**

Each party agrees that in the event of a claim, arbitration, or lawsuit filed by a party to this Agreement, each party shall be responsible for its own attorneys' fees and/or any costs or expenses related to the bringing or defense of any such claim, arbitration, or lawsuit.

## **19. ASSIGNABILITY**

No party to this Agreement shall assign the same without the express written consent of the other party, which consent shall not to be unreasonably withheld. This provision shall not restrict NATIONWIDE's right to delegate certain services to an agent, including any affiliate, with the approval of the EMPLOYER. Further, NATIONWIDE agrees that participant information shall not be outsourced to any agency outside the U.S. without the consent of

the EMPLOYER. EMPLOYER agrees that such approval will not be unreasonably withheld. Unless agreed to by the parties, no such assignment shall relieve any party to this Agreement of any duties or responsibilities herein.

## **20. PARTIES BOUND**

This Agreement and the provisions thereof shall be binding upon and shall inure to the benefit of the successors and assigns of the respective parties. The parties desire that this Agreement, with Exhibits, Addenda, and Amendments, as may be amended from time to time in writing upon agreement of the parties, shall be binding. In the event of conflict or inconsistency between the Agreement and Exhibits, language in this Agreement shall control.

## **21. APPLICABLE LAW**

The Contractor shall comply with any and all federal, state and local laws affecting the services covered by this Contract. This Agreement will be construed and enforced in accordance with and governed by the laws of the State of California, to the extent such laws are not pre-empted by federal law.

## **22. UNLAWFUL PROVISIONS**

In the event any provisions of this Agreement shall be held illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts of the Agreement, but the same shall be construed and enforced as if said illegal or invalid provisions had never been inserted herein. Notwithstanding anything contained herein to the contrary, no party to this Agreement will be required to perform or render any services hereunder, the performance or rendition of which would be in violation of any laws relating thereto.

## **23. MODIFICATION**

This writing is intended both as the final expression of the Agreement between the parties and as a complete statement of the terms of the Agreement. No modification of this Agreement shall be effective unless and until such modification is evidenced by a writing signed by both parties.

## **24. NO WAIVER**

The failure of either party to enforce any provision of this Agreement shall not be construed as a waiver of that provision or of any other provision in the Agreement and neither party may, at any time, enforce the provision previously waived, unless a modification to this Agreement has been executed.

## **25. SEVERABILITY**

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

## **26. INSURANCE**

NATIONWIDE shall maintain errors and omissions or professional liability or malpractice insurance of no less than five million dollars (\$5,000,000). Where the services to be provided under this Contract involve or require the use of any type of vehicle by NATIONWIDE in order to perform said services, NATIONWIDE shall also provide comprehensive business or commercial automobile liability coverage including non-owned and hired automobile liability in the amount of one million (\$1,000,000.00). Said policies shall remain in force through the life of this Contract and shall be payable on a "per occurrence" basis only. The EMPLOYER shall be named as an additional insured on the commercial general liability policy. The insurer shall supply a certificate of insurance with endorsements signed by the insurer evidencing such insurance to EMPLOYER prior to commencement of work, and said certificate with endorsement shall provide for thirty (30) days advance notice to EMPLOYER of any cancellation in coverage.

Failure to provide and maintain the insurance required by this contract will constitute a material breach of the agreement. In addition to any other available remedies, EMPLOYER may suspend payment to NATIONWIDE for any services provided during any time that insurance was not in effect and until such time as NATIONWIDE provides adequate evidence that NATIONWIDE has obtained the required coverage.

## **27. WORKER'S COMPENSATION**

NATIONWIDE acknowledges that it is aware of the provisions of the Labor Code of the State of California which require every employer to be insured against liability for worker's compensation or to undertake self-insurance in accordance with the provisions of that Code, and it certifies that it will comply with such provisions before commencing the performance of the work of this Contract. If NATIONWIDE has employees, a copy of the certificates evidencing such insurance shall be provided to EMPLOYER prior to commencement of work.

## **28. NONDISCRIMINATORY EMPLOYMENT**

NATIONWIDE and/or any permitted sub-contractor, shall not unlawfully discriminate against any individual based on race, color, religion, nationality, sex, sexual orientation, age or condition of disability. NATIONWIDE and/or any permitted subcontractor understands and agrees that Contractor and/or any permitted subcontractor is bound by and will comply with the nondiscrimination mandates of all Federal, State and local statutes, regulations and ordinances.

## **30. CONTRACT ADMINISTRATION**

The County officer with responsibility for administering the contract is the Treasurer/Tax Collector.

## **29. NOTICES**

All notices and demands to be given under this Agreement by one party to another shall be given by certified or United States mail, addressed to the party to be notified or upon whom a demand is being made, at the addresses set forth in this Agreement or such other place as either party may, from time to time, designate in writing to the other party. Notice shall be deemed received on the earlier of, 5 business days from the date of mailing, or the day the notice is actually received by the party to whom the notice was sent.



If to NATIONWIDE: NATIONWIDE Retirement Solutions, Inc.  
Attention: Lance Kesterson  
5900 Parkwood Place  
Dublin, Ohio 43216

If to EMPLOYER: El Dorado County  
Attention: Cherie Raffety – Treasurer/Tax Collector  
360 Fair Lane  
Placerville, CA 95667

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement effective on the date first written above.

APPROVED BY  
Nationwide Retirement Solutions, Inc.:

By:   
Title: VICE PRESIDENT and CFO

Date: May 14/2007

APPROVED BY  
El Dorado County:

By:   
CHAIRMAN, BOARD OF SUPERVISORS

Date: 4/10/07 Board date

ATTEST: CINDY KECK, Clerk  
of the Board of Supervisors

By:   
DEPUTY

**Exhibit A**

**Exhibit A  
NRS PART  
INVESTMENT OPTIONS**

This Exhibit is hereby made part of the El Dorado County Deferred Compensation Plan Administration Agreement between Nationwide Retirement Solutions, Inc., and Nationwide Investment Services Corporation (NISC), (herein collectively known as NATIONWIDE), and EMPLOYER.

These investment options contained on the NATIONWIDE Investment List below are the investment options available under the NRS Part. EMPLOYER and NATIONWIDE mutually agree to add new fund options to the NRS Part and/or replace existing fund options on such frequency as agreed to in writing by EMPLOYER and NATIONWIDE.

Asset Class	Proposed Fund
Stable Value	Galliard Stable Value C
Certificate of Deposit FDIC Insured	Washington Mutual 1, 3 and 5 Year Liquid Savings
Intermediate Term (Core) Bond	American Funds Bond Fund of America
Intermediate Term (Core) Bond	Vanguard Total Bond Market Index American Funds Income Fund of America
Balanced	
Lifestyle Conservative	Gartmore Inv Destinations Cons Svc
Lifestyle Moderate	Gartmore Inv Destinations Mod Svc
Lifestyle Aggressive	Gartmore Inv Destinations Aggr Svc
S&P 500 Index	Vanguard Institutional Index
S&P 500 Index	Vanguard S&P 500 Index
Large Cap Blend	Davis NY Venture Y
Large Cap Value	Van Kampen Growth and Income I American Funds Growth Fund of Amer A
Large Cap Growth	
Large Cap Growth	Fidelity Contrafund
Mid Cap Index	Dreyfus MidCap Index
Mid Cap Growth	Federated Kaufmann
Small Cap Value	Dreyfus Premier Small Cap Value R
Small/Micro Cap Blend	Dimensional U.S. Micro Cap
International Large Blend	American Funds Europacific Growth
Global	Oppenheimer Global A