

AMENDED AND RESTATED AGREEMENT FOR ADMINISTRATIVE SERVICES

This Amended and Restated Agreement for Administrative Services ("Agreement") is made this 26th day of August, 2009, between Phase II Systems, a corporation organized and existing under the laws of the State of California, doing business as Public Agency Retirement Services (hereinafter "PARS") and the City of Carson ("Agency").

WHEREAS, the Agency adopted the the City of Carson PARS Alternate Retirement System (the "Plan") effective January 1, 1992 in conjunction with the PARS Trust Agreement ("Trust"), with PARS, as Trust Administrator to the Trust to provide administrative services on or about January 1, 1992 ("Initial Date");

WHEREAS, it is necessary to amend and restate the terms of the original agreement to provide administrative services and clarify certain terms and conditions thereof, including but not limited to Plan Distributions, Non-Contribution Reports and Escheatment of Unclaimed Accounts;

WHEREAS, pursuant to Sections 3.4 and 3.5 of the Trust, the Agency has designated the Human Resources Officer to act on its behalf in all matters relating to the Plan pursuant to the PARS Trust Program ("Plan Administrator");

WHEREAS, pursuant to Section 3.6 of the PARS Trust Agreement, the Agency has the power to delegate certain duties related to the Plan, and PARS accepts those duties pursuant to the terms contained in this Agreement, and that this Agreement represents the entire delegation of duties to PARS from the Agency with regards to the Plan;

WHEREAS, PARS accepts the terms of this Agreement with the understanding by the Agency and Plan Administrator that PARS does not hold custody of any assets of the Plan, and does not have any independent authority or discretion for the investment, distribution or escheatment of Plan assets without the express consent of, and direction from, the Plan Administrator.

NOW THEREFORE, the parties agree:

1. **Services.** PARS will provide the services pertaining to the Plan as described in the exhibit attached hereto as "Exhibit 1A" ("Services") in a timely manner, subject to the further provisions of this Agreement.
2. **Fees for Services.** PARS will be compensated for performance of the Services as described in the exhibit attached hereto as "Exhibit 1B".
3. **Payment Terms.** Payment for the Services will be remitted directly from Plan assets unless the Agency chooses to make payment directly to PARS. In the event that the Agency chooses to make payment directly to PARS, it shall be the responsibility of the Agency to remit payment directly to PARS based upon an invoice prepared by PARS and delivered to the Agency. If payment is not received by PARS within thirty (30) days of the invoice delivery date, the balance due shall bear interest at the rate of 1.5% per month. If payment is not received from the Agency within sixty (60) days of the invoice delivery date, payment plus accrued interest will be remitted directly from Plan assets,

unless PARS has previously received written communication disputing the subject invoice that is signed by a duly authorized representative of the Agency.

4. **Fees for Services Beyond Scope.** Fees for services beyond those specified in this Agreement will be billed to the Agency at the rates indicated in the PARS standard fee schedule in effect at the time the services are provided and shall be payable as described in Section 3 of this Agreement. Before any such services are performed, PARS will obtain Agency authorization and provide the Agency with written notice of the subject services, terms, and an estimate of the fees therefore.
5. **Information Furnished to PARS.** PARS will provide the Services contingent upon the Agency providing PARS the information specified in the exhibit attached hereto as "Exhibit 1C" ("Data"). It shall be the responsibility of the Agency to certify the accuracy, content and completeness of the Data so that PARS may rely on such information without further audit. It shall further be the responsibility of the Agency to deliver the Data to PARS in such a manner that allows for a reasonable amount of time for the Services to be performed. Unless specified in Exhibit 1A, PARS shall be under no duty to question Data received from the Agency, to compute contributions made to the Plan, to determine or inquire whether contributions are adequate to meet and discharge liabilities under the Plan, or to determine or inquire whether contributions made to the Plan are in compliance with the Plan or applicable law. In addition, PARS shall not be liable for non performance of Services if such non performance is caused by or results from erroneous and/or late delivery of Data from the Agency. In the event that the Agency fails to provide Data in a complete, accurate and timely manner and pursuant to the specifications in Exhibit 1C, PARS reserves the right, notwithstanding the further provisions of this Agreement, to terminate this Agreement upon no less than ninety (90) days written notice to the Agency.
6. **Suspension of Contributions.** In the event contributions are suspended, either temporarily or permanently, prior to the complete discharge of PARS' obligations under this Agreement, PARS reserves the right to bill the Agency for Services under this Agreement at the rates indicated in PARS' standard fee schedule in effect at the time the services are provided, subject to the terms established in Section 3 of this Agreement. Before any such services are performed, PARS will provide the Agency with written notice of the subject services, terms, and an estimate of the fees therefore.
7. **Plan Distributions.** The Plan Administrator is responsible for notifying PARS of any Participant's eligibility for a distribution, and PARS accepts the Plan Administrator's contractual delegation of distribution processing and certain escheatment responsibilities. PARS is entitled to rely on, and is under no duty whatsoever to audit the efficacy of the Agency's procedures for identifying an employee's change-in-status or eligibility for a distribution.
8. **Non-Contribution Reports.** PARS prepares and submits a periodic Non-Contribution report to the Plan Administrator which includes all Participants who have received no new contributions for a period of time, as specified by the Plan Administrator. PARS is not obligated by law or otherwise to provide a Non-Contribution report and this report in

no way obligates PARS to generate distributions without specific instruction from the Agency's Plan Administrator as outlined in Section 7.

9. **Escheatment of Unclaimed Accounts.** PARS will administer the escheatment of Participant accounts which are deemed unclaimed pursuant to applicable state and federal laws, under the conditions further described in the provisions of this Agreement. It is acknowledged by the Agency and Plan Administrator that any escheatment duties that PARS has arise only as a result of contractual, not statutory, obligations that PARS accepts as a delegatee of the Plan Administrator, as contained in this Agreement. For the purposes of determining the timing of distributability under any unclaimed property law, a Participant account becomes "payable or distributable" as of the date on which the Plan Administrator notifies PARS, in an acceptable form of notification, of a change-in-status together with the proper authorization to commence the distribution process.
10. **Records.** Throughout the duration of this Agreement, and for a period of five (5) years after termination of this Agreement, PARS shall provide duly authorized representatives of Agency access to all records and material relating to calculation of PARS' fees under this Agreement. Such access shall include the right to inspect, audit and reproduce such records and material and to verify reports furnished in compliance with the provisions of this Agreement. All information so obtained shall be accorded confidential treatment as provided under applicable law.
11. **Confidentiality.** Without the Agency's consent, PARS shall not disclose any information relating to the Plan except to duly authorized officials of the Agency, subject to applicable law, and to parties retained by PARS to perform specific services within this Agreement. The Agency shall not disclose any information relating to the Plan to individuals not employed by the Agency without the prior written consent of PARS, except as such disclosures may be required by applicable law.
12. **Independent Contractor.** PARS is and at all times hereunder shall be an independent contractor. As such, neither the Agency nor any of its officers, employees or agents shall have the power to control the conduct of PARS, its officers, employees or agents, except as specifically set forth and provided for herein. PARS shall pay all wages, salaries and other amounts due its employees in connection with this Agreement and shall be responsible for all reports and obligations respecting them, such as social security, income tax withholding, unemployment compensation, workers' compensation and similar matters.
13. **Indemnification.** PARS and Agency hereby indemnify each other and hold the other harmless, including their respective officers, directors, employees, agents and attorneys, from any claim, loss, demand, liability, or expense, including reasonable attorneys' fees and costs, incurred by the other as a consequence of PARS' or Agency's, as the case may be, acts, errors or omissions with respect to the performance of their respective duties hereunder.
14. **Compliance with Applicable Law.** The Agency shall observe and comply with federal, state and local laws in effect when this Agreement is executed, or which may come into effect during the term of this Agreement, regarding the administration of the Plan.

PARS shall observe and comply with federal, state and local laws in effect when this Agreement is executed, or which may come into effect during the term of this Agreement, regarding Plan administrative services provided under this Agreement.

15. **Applicable Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of California. In the event any party institutes legal proceedings to enforce or interpret this Agreement, venue and jurisdiction shall be in any state court of competent jurisdiction.
16. **Force Majeure.** When a party's nonperformance hereunder was beyond the control and not due to the fault of the party not performing, a party shall be excused from performing its obligations under this Agreement during the time and to the extent that it is prevented from performing by such cause, including but not limited to: any incidence of fire, flood, acts of God, acts of terrorism or war, commandeering of material, products, plants or facilities by the federal, state or local government, or a material act or omission by the other party.
17. **Ownership of Reports and Documents.** The originals of all letters, documents, reports, and data produced for the purposes of this Agreement shall be delivered to, and become the property of the Agency. Copies may be made for PARS but shall not be furnished to others without written authorization from Agency.
18. **Designees.** The Plan Administrator of the Agency, or their designee, shall have the authority to act for and exercise any of the rights of the Agency as set forth in this Agreement, subsequent to and in accordance with the written authority granted by the Governing Body of the Agency, a copy of which writing shall be delivered to PARS. Any officer of PARS, or his or her designees, shall have the authority to act for and exercise any of the rights of PARS as set forth in this Agreement.
19. **Notices.** All notices hereunder and communications regarding the interpretation of the terms of this Agreement, or changes thereto, shall be effected by delivery of the notices in person or by depositing the notices in the U.S. mail, registered or certified mail, return receipt requested, postage prepaid and addressed as follows:
 - (A) To PARS: PARS; 5141 California Avenue, Ste. 150; Irvine, CA 92617; Attention: President
 - (B) To Agency: City of Carson; 701 East Carson Street, Carson, CA 90745; Attention: Human Resources OfficerNotices shall be deemed given on the date received by the addressee.
20. **Term of Agreement.** This Agreement will continue unchanged for successive twelve month periods from the date first above written, unless either party gives written notice to the other party of the intent to terminate upon ninety (90) days written notice.
21. **Amendment.** This Agreement may not be amended orally, but only by a written instrument executed by the parties hereto.
22. **Entire Agreement.** This Agreement, including exhibits, contains the entire understanding of the parties with respect to the subject matter set forth in this Agreement.

In the event a conflict arises between the parties with respect to any term, condition or provision of this Agreement, the remaining terms, conditions and provisions shall remain in full force and legal effect. No waiver of any term or condition of this Agreement by any party shall be construed by the other as a continuing waiver of such term or condition.

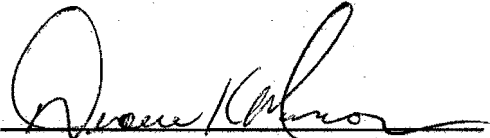
23. **Attorneys Fees.** In the event any action is taken by a party hereto to enforce the terms of this Agreement the prevailing party herein shall be entitled to receive its reasonable attorney's fees.
24. **Counterparts.** This Agreement may be executed in any number of counterparts, and in that event, each counterpart shall be deemed a complete original and be enforceable without reference to any other counterpart.
25. **Headings.** Headings in this Agreement are for convenience only and shall not be used to interpret or construe its provisions.
26. **Effective Date.** This Agreement shall be effective and control the obligations and duties of the parties hereto as of the Initial Date.

AGENCY:

BY:

TITLE:

DATE:



Human Resources Officer

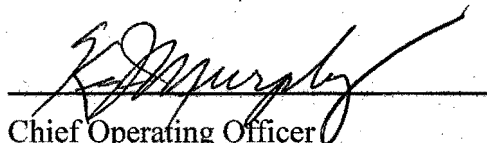
AUGUST 26, 2009

PARS:

BY:

TITLE:

DATE:



Chief Operating Officer

9/03/2009

EXHIBIT 1A

SERVICES

PARS will provide the following services for the City of Carson Plan:

1. Plan Installation Services:

- (A) Meeting with appropriate Agency personnel to discuss plan provisions, implementation timelines, benefit communication strategies, data reporting and contribution submission requirements;
- (B) Providing the necessary analysis and advisory services to finalize these elements of the Plan;
- (C) Providing the documentation needed to establish the Plan for review by Agency legal counsel, which must be reviewed and approved by the Agency, as demonstrated by the execution of this Agreement prior to the commencement of PARS services;
- (D) Upon Agency authorization, preparing and submitting application to the Internal Revenue Service for a determination that the Plan is qualified (the application fee for which shall be paid by the Agency).

2. Plan Administration Services:

- (A) Monitoring the receipt of Plan contributions made by the Agency to the trustee of the PARS Trust Program ("Trustee"), based upon information received from the Agency and the Trustee;
- (B) Performing periodic accounting of Plan assets, including the allocation of employer and employee contributions, distributions, investment activity and expenses (if applicable) to individual Participant accounts, based upon information received from the Agency and/or Trustee;
- (C) Acting as ongoing liaison between the Participant and the Agency in regard to distribution payments, which shall include use by the Participants of toll-free telephone communication to PARS;
- (D) Coordinating the processing of Participant distribution payments pursuant to authorized written Agency certification of distribution eligibility, authorized direction by the Agency, the provisions further contained in this Agreement, and the provisions of the Plan;
- (E) Directing Trustee to make Participant distribution payments, pursuant to the Agency authorization provisions in this Agreement, and producing required tax filings regarding said distribution payments;
- (F) Notifying the Trustee of the amount of Plan assets available for further investment and management, or, the amount of Plan assets necessary to be liquidated in order to fund Participant distribution payments;
- (G) Coordinating actions with the Trustee as directed by the Plan Administrator within the scope this Agreement;

- (H) Preparing and submitting a periodic Non-Contribution report which includes all Participants who have received no new contributions for a period of time as specified by the Plan Administrator, unless directed by the Agency otherwise. PARS is not obligated by law or otherwise to provide a Non-Contribution report and this report in no way obligates PARS to generate distributions without specific instruction from the Agency Plan Administrator as outlined in Section 7 of this Agreement;
 - (I) Preparing and submitting a monthly report of Plan activity to the Agency, unless directed by the Agency otherwise;
 - (J) Preparing and submitting an annual report of Plan activity to the Agency;
 - (K) Preparing individual annual statements and mailing in bulk to the Agency, unless directed by the Agency otherwise;
 - (L) Preparing and submitting the Annual Report of Financial Transactions to the California State Controller, as required by law, for the PARS Trust Program, including the required certified audit of the PARS Trust.
3. Plan Compliance Services: Coordinating and preparing changes to the Trust, Plan and other associated legal documents required by federal and state agencies to keep the plan in compliance.
 4. PARS is not licensed to provide and does not offer tax, accounting, legal, investment or actuarial advice.

EXHIBIT 1B
FEES FOR SERVICES

1. PARS will be compensated for performance of Services, as described in Exhibit 1A based upon the following schedule:

(A) A fee equal to the stated IRS application fees and legal fees related to any ongoing federal and/or state required Plan compliance changes. Such fees will not be charged to the Agency without prior authorization by the Plan Administrator.

(B) A distribution fee equal to \$20.00 per terminated Participant ("Distribution Fee"), which shall be deducted solely from the terminating Participant's account or paid directly by the Agency. Such fee will be effective January 1, 2010.

Distribution Fee Payment Option (Please select one option below):

- Distribution Fee shall be paid solely from the terminating Participant's account.
 Distribution Fee shall be paid by the Agency.

(C) An annual asset fee paid from Plan Assets or by the Agency based on the following schedule ("Asset Fee"):

<u>For Plan Assets from:</u>	<u>Annual Rate:</u>
\$1 to \$15,000,000	0.75%
\$15,000,001 to \$20,000,000	0.50%
\$20,000,001 and above	0.30%

Annual rates are prorated and paid monthly. The annual Asset Fee shall be calculated by the following formula [Annual Rate divided by 12 (months of the year) multiplied by the Plan asset balance at the end of the month within each asset range]. Asset based fees are subject to a \$300.00 monthly minimum. If the Asset Fee is taken from Plan Assets, the total Asset Fees due in a given month shall be allocated proportionately among Participants of the Agency's Plan in that month, based on account balance. Trustee and Investment Management Fees are not included. The monthly minimum is subject to an automatic cost-of-living increase of 2% per year effective July 1, 2010.

Annual Asset Fee Payment Option (Please select one option below):

- Annual Asset Fee shall be paid by the Agency.
 Annual Asset Fee shall be paid from Plan Assets.

(D) A fee equal to the out of pocket costs charged to PARS by an outside contractor for formatting contribution data on to a suitable magnetic media, charged only if the contribution data received by PARS from the Agency is not on readable magnetic media ("Data Processing Fee").

EXHIBIT 1C

DATA REQUIREMENTS

PARS will provide the Services under this Agreement contingent upon receiving the following information:

1. Contribution Data – readable magnetic media containing the following items of employee information related to the covered payroll period:
 - (A) Agency name
 - (B) Employee's legal name
 - (C) Employee's social security number
 - (D) Payroll date
 - (E) Employer contribution amount
 - (F) Employee contribution amount
2. Distribution Data – written Plan Administrator's (or authorized Designee's) direction to commence distribution processing, which contains the following items of Participant information:
 - (A) Agency name
 - (B) Participant's legal name
 - (C) Participant's social security number
 - (D) Participant's address
 - (E) Participant's phone number
 - (F) Participant's birth date
 - (G) Participant's condition of eligibility
 - (H) Participant's effective date of eligibility
 - (I) Signed certification of distribution eligibility from the Plan Administrator, or authorized Designee
3. Executed Legal Documents:
 - (A) Certified Resolution
 - (B) Adoption Agreement
 - (C) Plan Document
 - (D) Trustee Investment Forms
4. Other information requested by PARS