

CLARK COUNTY STAFF REPORT

DEPARTMENT: Human Resources

DATE: August 26, 2014

REQUEST: Approve Lincoln Financial Group Employer Purchase
and Recordkeeping Service Agreement and Governmental
457 (b) Trust Agreement

CHECK ONE: X Consent CAO

BACKGROUND

Clark County provides a voluntary IRC Section 457 (b) Deferred Compensation plan its employees. This deferred compensation plan allows employees to save for retirement through pre-tax contributions to supplement their PERS or other retirement/pension plan benefits.

The Deferred Compensation Committee conducted a Request for Proposal to solicit interest from various vendors providing recordkeeping services. Six (6) vendors responded with ICMA-RC, the existing vendor, and Lincoln Financial Group being selected as the finalists. As a result of the finalist interviews and reference checks, the committee determined that Lincoln Financial Group offered improvements in education, communication and a reduction in administrative costs that would benefit plan participants.

Fees

The reduction in administrative costs represents a savings of approximately .11% basis points; from .18% to an average of .07%. The committee further determined that the administrative fee should be equal for all participants, therefore the fee was converted to a fixed amount of \$13.25 per quarter; \$53.00 annually. The fee is guaranteed through the life of the agreement of seven (7) years, unless there is a significant change in the participation of the program. Lincoln Financial will provide additional resources, an improved service model, and the opportunity to streamline administrative functions. The agreement also includes performance guarantees with financial penalties for failure to perform to the established standards.

Fund Line-Up

The fund line up listed in the Service Agreement is a custom line-up developed by the Hyas Consulting Group who evaluated the County's existing fund line up, and made recommendations that will either maintain or reduce Expense Ratios charged by the funds. A reduction in the number of funds offered was also recommended. The committee evaluated the recommendation making sure each asset class was adequately covered with a choice of funds, and approved the new line up that will become a part of the Lincoln Financial Group Service Agreement. The fund line-up may be adjusted over the life of the contract based upon fund performance. As part of the fund line-up the plan offers the Lincoln Stable Value Fund. This is a fixed rate option and Lincoln Financial is paying a guaranteed return of 2.25% through September 30, 2015

mm
OK
2



Governmental 457 (b) Trust Agreement

The "Trust" agreement with Lincoln Financial Group Trust Company (Trustee establishes all requirements of the Trust pursuant to IRC Code Section 457 (g). It is required that the plan establishes a Trust to fund the benefits payable to participants and their beneficiaries under the Plan, and to protect the assets of the plan such that they cannot be used for or diverted to any purposes other than the exclusive benefit of the participants and their beneficiaries and for defraying the reasonable expenses of administering the plan. This document has been reviewed and approved by the Deferred Compensation Committee and legal counsel as to its the terms and conditions.

COMMUNITY OUTREACH

Community outreach was not a consideration for this type of program.

BUDGET AND POLICY IMPLICATIONS

There is no budget or policy implication for this voluntary benefit program.

FISCAL IMPACTS

☐ Yes (see attached form)

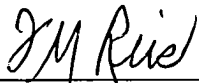
☒ No

ACTION REQUESTED

Approve the Lincoln Financial Group Employer Purchase and Recordkeeping Service Agreement and the Governmental 457 (b) Trust Agreement for a period of seven (7) years.

DISTRIBUTION

Kathy Meyers, Benefits Manager



Francine Reis
Human Resources Director

Approved: _____



CLARK COUNTY
BOARD OF COMMISSIONERS

Aug. 26, 2014

SR 193-14

**EMPLOYER PURCHASE AND RECORDKEEPING
SERVICE AGREEMENT**

HR 14-35

THIS EMPLOYER PURCHASE AND RECORDKEEPING SERVICE AGREEMENT (the "Service Agreement"), effective as of September 1, 2014 ("Effective Date") is entered into by and between LINCOLN RETIREMENT SERVICES COMPANY, LLC ("LRSC") and CLARK COUNTY, WASHINGTON (the "Employer") (each a "Party").

WHEREAS, LRSC will provide plan-participant-level record keeping to tax-qualified retirement plans governed by Internal Revenue Code (the "Code") Sections 401(a) and 401(k), retirement plans governed by Code Section 403(b), deferred compensation plans governed by Code Sections 457 and 409A as part of the services provided by LRSC and its affiliates (hereinafter referred to collectively as "Lincoln" where the context permits) (collective services referred to as the "Program") through which investments in shares of registered investment companies (i.e. mutual funds), other appropriate securities, stable value funds; and/or group annuities issued by The Lincoln National Life Insurance Company (collectively referred hereinafter as "Investments") shall be made available to plan participants or their beneficiaries (in the aggregate "Plan participants").

WHEREAS, Employer is the plan sponsor of the Clark County 457 Deferred Compensation Plan (hereinafter individually or collectively the "Plan"), a retirement plan governed by Code Section 457(b), and desires to fund future contributions to the Plan exclusively through the Program until such time as this Service Agreement may be terminated in accordance with the terms hereof;

WHEREAS, Employer has determined, in its sole and exclusive discretion, that the Plan is not subject to the governance of Title I of ERISA since the Plan falls within the scope of the exclusion in ERISA Section 4(b)(1) for a government plan, and has delegated certain non-fiduciary administrative tasks and responsibilities to certain parties under this Service Agreement.

NOW THEREFORE, in consideration of the foregoing recitals reincorporated as part of the text hereof, mutual promises hereinafter contained, the value of which is hereby affirmed, LRSC and Employer agree as follows:

**ARTICLE 1
RECORDKEEPING SERVICES &
INVESTMENT OPTION SELECTION**

1.1 Recordkeeping Services. Lincoln will provide Program recordkeeping services (the "Recordkeeping Services"), as described in this Service Agreement and in the Program administration manual (the "Manual"), which is incorporated into this Service Agreement by reference, as more fully described below. Recordkeeping Services shall be deemed to mean defined contribution retirement plan record keeping services kept at a Plan participant account level. Employer will provide Lincoln with data, information, plan documents and other information and assistance reasonably needed by Lincoln to perform the Recordkeeping Services. Employer will be responsible for any and all Losses, as defined in Section 3.1 below, which result from its or the Plans' failure to provide such information in a timely manner.

1.2 Eligible Employer and Selection of the Program. The Employer has determined that the Plan is to be funded through the Program, and the Employer certifies that it is eligible under the applicable sections of the Code to sponsor the Plan.

Employer instructs Lincoln to comply with all applicable distribution restrictions provided in the Code. The Employer has determined, in its sole and exclusive discretion, that the Plan is not subject to the governance of Title I of the Employee Retirement Income Security Act of 1974, as amended, ("ERISA"), and falls within the scope of an applicable exclusion from coverage under ERISA.

Employer agrees that it will enter into an agreement with Lincoln Financial Group Trust Company, LLC (hereinafter referred to as "LFGTC") for it to act as trustee for the Plan and for LFGTC to maintain records on a plan-level basis. Employer agrees to pay for the services provided by LFGTC, and instructs LRSC to pay LFGTC for such services. The fee stated in Section 2.1 includes LFGTC's fee, and LRSC serves only as paying agent in administering any payment to LFGTC. Employer further agrees that it will enter into agreements for certain Investments with investment providers or service providers requiring an agreement directly with the Plan, such as a group fixed annuity (including any group fixed annuity provided by a Lincoln affiliate), stable value fund, a collective investment trust, a self-directed brokerage account or other investment or service. Employer authorizes LRSC to provide a copy of this Agreement to LFGTC. Employer agrees that Lincoln's performance under this Service Agreement is contingent upon Employer successfully entering into and maintaining the agreements described in this Section 1.2.

1.3 Investments Selected.

- a. Investments. By execution of this Service Agreement, Employer certifies that it has selected the investment line-up for the funding of the Plan as listed in Exhibit A. Such Investments shall be made available as investment options to the Plan participants.

LRSC and/or its affiliated broker/dealer ("Affiliate Broker/Dealer") has entered or will enter into agreements with various mutual fund families and other issuers of appropriate Investments that make up the lineup. Investments may pay LRSC, Affiliate Broker/Dealer, or their affiliates various fees, as more fully disclosed in Exhibit A hereto, for various services provided. Any change in Investments and the fees paid therefrom will be reflected annually in an updated Exhibit A and/or Exhibit B, which will replace the previous Exhibit A and Exhibit B without the need to further amend this Service Agreement. An updated Exhibit A shall be provided during the annual plan review or by sending them via U.S. Mail to the Employer at the address provided in Section 4.5 below or via email to an email address provided by Employer.

- b. Lincoln Not Obligated for Investments. The Parties and the Plan expressly agree that Lincoln is not acting as a fiduciary, as defined under ERISA or other applicable law, to the Plan in the selection of the Investments or accounts made available through the Program; that Lincoln has no duty to monitor the performance or operation of such Investments or accounts, but will provide Employer with quarterly performance reports prepared by a third

party for such Investments; and that Lincoln may enter or terminate its agreements with such Investments without regard to the effect upon the Plan or Plan participants. Lincoln will provide Employer with notice as soon as practicable of any change in the availability of an Investment selected by the Employer, and Employer will provide instructions to Lincoln in response to these changes within a reasonable amount of time to adjust to the deletion of a particular Investment from the Program. Regarding any change of an Investment by an Investment (such as fund mergers, terminations, etc.), Lincoln shall provide reasonable notice to Employer of such changes once Lincoln receives actual notice from the Investment. Lincoln shall have no obligation to ensure it receives notice from an Investment and shall have no liability for an Investment failing to provide notice to Lincoln of such changes.

1.4 Reserved.

1.5 Lincoln's Duties. In providing the services as part of the Program, Lincoln is acting as an independent contractor engaged by the Employer. Lincoln is not responsible for determining whether a particular Plan or Investment is appropriate for the Employer, the Plan, or any Plan participant and does not guarantee the performance of any investment option, unless such a guarantee is provided in a group annuity contract between Employer and a Lincoln affiliate. In performing the services listed in this Service Agreement, including the Manual, Lincoln does not act as the plan administrator or a fiduciary to the Plan, and Lincoln may reasonably rely, without making its own investigation, on any information received from the Employer, the Plan or any official, employee or agent of the Employer or Plan. Lincoln will perform ministerial services with respect to the Plan, including facilitating participant transactions, at the direction of the Employer and as set forth in the Manual.

1.6 Payment for Services. Employer agrees to pay for all services it requests as set forth in this Agreement.

1.7 Acceptance of Enrollment Material, Forms, Website and Manual. Employer accepts the content and format of all enrollment materials, administrative forms, and website and any voice response system developed by Lincoln with respect to Employer's Program, including all material and forms provided to Employer's employees. Employer warrants that all such material correctly reflects the appropriate administration of the Plan. Lincoln will provide Employer enrollment material for, and Employer will distribute that material to, each eligible Plan participant.

Employer also accepts the content and format of the Manual. The Manual describes the policies, procedures and operational matters for the Recordkeeping Services. The terms of the Manual may be modified from time to time by LRSC without the need to further amend this Service Agreement. Any changes in the Manual will be effective 30 days after receipt by the Employer, unless an earlier date is agreed to by the Parties, or unless the Employer provides LRSC within that 30-day period a written objection to specific changes in the Manual. If the Employer raises objections as described above, LRSC and the Employer will consult with each other in an attempt to resolve the Employer's objections.

1.8 Participants' Instructions. Employer instructs Lincoln to follow any instructions by Plan participants regarding their Investments or transactions in the manner and under

the conditions set forth in this Service Agreement, including, without limitation, the provisions of the Manual.

1.9 Reserved.

1.10 Plan Documents. LRSC has provided the plan documents pursuant to which the Plan will be administered. Employer acknowledges that its counsel has had an opportunity to review such documents. LRSC acknowledges that it bears responsibility for updating and amending such plan documents from time to time to the extent necessary to reflect changes in law that affect the formal compliance status of such documents. The Employer acknowledges that LRSC shall not bear responsibility for updating or amending such documents to reflect changes in the design or features of the Plan made by the Employer unless and until the Employer shall request any such changes in writing.

1.11 Reserved.

1.12 Representations and Warranties. LRSC and Employer represent and warrant to each other, upon execution and while this Service Agreement is in effect as follows:

- a. It is not bound by any agreement or arrangement or law or regulation which would preclude it from entering into, or from fully performing the services or obligations required under this Service Agreement;
- b. Its license or certification in any jurisdiction has never been denied, suspended, revoked, terminated, voluntarily relinquished under threat of disciplinary action, or restricted in any way.

1.13 Confidentiality. Each Party recognizes and acknowledges that, by virtue of entering into this Service Agreement, it may have access to certain information of the other Party that is confidential and constitutes valuable, special and unique property of that Party. Each Party agrees that it will not at any time, either during or subsequent to the term of this Service Agreement, disclose to others, use, copy or permit to be copied, without the other Party's express prior written consent, except pursuant to LRSC's duties hereunder, any confidential or proprietary information.

Employer expressly consents to the disclosure of otherwise confidential and proprietary information to its Plan consultant, advisor (including a registered investment advisor), Third Party Broker/Dealer as defined herein, and/or any other third party who Employer has consented to Lincoln providing such information for the purpose of conducting analysis or analytics regarding the Plan or Plan participants.

Except for disclosure by a Party to its legal counsel, accountant or financial advisors (none of whom will be associated or affiliated in any way with the other Party or any of its affiliates), neither Party will disclose the terms of this Service Agreement to any person who is not a Party, unless disclosure is required by law or otherwise authorized by this Service Agreement or the consent of the non-disclosing Party. Unauthorized disclosure of the terms of this Service Agreement will be a material breach of this Service Agreement and will provide the non-breaching Party the option of pursuing remedies for breach and/or immediate termination of this Service Agreement. The provisions of this Section 1.13 will survive the expiration or other termination of this Service Agreement, regardless of the cause of such termination.

1.14 Reserved.

1.15 Participant Services – Communications, Education, Distributions, Rollovers and Other Financial Needs Services. Employer agrees that Lincoln may provide Plan participants' communications related to their plan accounts, access to financial education services, including distribution and rollover consulting services, and other services to assist participants' financial needs. Such other services may include assistance with participants' financial needs outside of the Plan.

a. Communications. Employer authorizes Lincoln to provide communications and education to Plan participants and employees of Employer regarding the Plan and their plan accounts, including but not limited to communications about the benefits of participating in the Plan and educational information to assist participants with their accounts. Employer acknowledges and agrees that any information relating to investments will be limited to non-fiduciary "investment education" as such term is described in guidance issued by the Employee Benefits Security Administration.

b. Distribution and Rollover Services. Lincoln may communicate about or provide educational guidance to participants concerning available options including, but not limited to, the options of staying in the Plan, rolling over to a new plan, rolling over to an individual retirement account or annuity (IRA) and taking a lump sum distribution. Only when requested by a participant who provides a written acknowledgement that they understand the distribution and rollover services are not endorsed or associated with the Plan, Lincoln may also make available certain IRA options or other financial products to participants who have terminated employment and are interested in rolling some or all of their Plan balance to an IRA or taking a lump sum distribution. These services may be provided to Plan participants through the internet, over the phone, in person or another method of Lincoln's choosing. Lincoln is not acting as a fiduciary in providing these distribution and rollover consulting services and will benefit if a Plan participant decides to maintain his or her Plan account or roll that account to a Lincoln IRA product or brokerage account.

c. Other Services. Lincoln may communicate about or assist participants with their financial needs, including financial planning, insurance and investments outside of the Plan. Lincoln representatives will not offer products and services outside of the Plan, unless requested by a participant who provides a written acknowledgement that they understand the products or services are not endorsed or associated with the Plan. In providing these services, participants will engage Lincoln under a written arrangement separate from and not including the Plan. Employer acknowledges that Lincoln is not acting as a fiduciary as it relates to the Plan in providing these other financial services.

Employer agrees, notwithstanding Section 1.13, that Lincoln may use Plan participant information for the limited purpose of providing services under this Section 1.15.

1.16 Morningstar Services. Morningstar Associate, LLC ("Morningstar") makes available advisory services as part of the Program as described below. Morningstar is a registered investment adviser and wholly owned subsidiary of Morningstar, Inc. Morningstar and Lincoln are not affiliated. Morningstar acts as a fiduciary when providing Advisory Services to Plan participants. Lincoln provides ministerial services to

administer Morningstar's services, but at no time provides advice or takes discretion of Plan assets or Plan participant accounts.

Managed by You. "Managed by You" is an online advice service, a service made available to Plan participants through the Program at no additional cost to the Employer or Plan participants. Plan participants will have access to the Managed by You services online including, but not limited to personalized fund-specific investment recommendations, general education, and research tools, to help them make more informed decisions about managing their retirement accounts. Morningstar accepts a fiduciary role as investment advisor for its fund recommendations to participants.

1.17 Prospectuses, Shareholder Reports and Transactions. Employer consents to the delivery of (a) confirmations, account statements and/or reports concerning transactions in the Plan, and (b) prospectuses and shareholder reports of the Investments in the Plan, if any, via electronic delivery, including email and access to such documents on the Plan's website. LRSC shall deliver quarterly statements, prospectuses and shareholder reports to participants if required by law.

1.18 Enrollment Services. Lincoln will provide enrollment services for Plan participants to enroll into the Plan, including but not limited to providing paper enrollment forms to Plan participants or providing web access to Plan participants to enroll online. The Employer, at its discretion, may allow for persons unaffiliated with Lincoln to enroll, provided that such unaffiliated persons or their employer have entered into an agreement with Employer to provide such enrollment services.

1.19 Record Retention. LRSC will maintain documents on matters for which disclosure is required by law for not less than six years after the date such documents should have been filed.

1.20 Mapped Plans. Employer agrees to provide Lincoln with documentation of the amount of account values that will be transferred from another vendor and deposited with Lincoln.

1.21 Service Guarantees. LRSC agrees to provide service guarantees as set forth in Exhibit C, attached hereto. Should LRSC not meet its service obligation, LRSC shall pay the penalty as set forth in Exhibit C. In no event shall LRSC pay penalties for breaches of service guarantees as described in this Section 1.21 and Exhibit C in an amount exceeding ten percent (10%) of annual fees each calendar year.

ARTICLE 2 FEES AND EXPENSES

2.1 Fees. Lincoln's fees for all services will be an annual fee of \$53.00 per participant with an account balance. Lincoln will calculate the fee quarterly by dividing the fee by 4 to arrive at the fee for the current quarter and deducting any penalty for breaches of service guarantees as described in Section 1.21 and Exhibit C. Fees will be due within 30 days after the quarterly invoice is received. Employer may pay the invoice or instruct LRSC to instruct LFGTC to pay the fee from the Plan Expense Account, as described in Section 2.3. All revenue earned on Investments in the Program for the Plan

will be deposited in the Plan Expense Account. A description of revenue received by Lincoln is described in Exhibit A.

In addition to the fees noted above, Employer agrees to pay any increased costs of time and material if Lincoln is required to perform additional services or to meet accelerated or other Employer or Plan deadlines outside the ordinary course of services set forth in this Agreement. In addition, Employer agrees to pay Lincoln's increased cost for reprocessing due to errors by Employer or the Plan. In addition, Employer agrees to pay Lincoln's actual unusual and extraordinary expenses not included in the fees described above, provided that Lincoln receives Employer's approval before such expense is incurred.

In the event that the Investments selected by the Employer to fund its Plan impose a sales load due to the failure of a sufficient dollar amount being invested within a particular Investment within a specified amount of time as agreed to by Lincoln and the issuer of such Investment, the Parties agree that such sales load amounts will be paid by Employer.

Employer has reviewed those Investments' prospectuses and additional information to the extent the Employer deems necessary, including provisions in information describing fees and charges that may be imposed if the Employer removes an Investment from the lineup or terminates this Agreement or if Plan participants engage in trading in an Investment subject to certain trade limitations (e.g. redemption fees).

2.2 Reserved.

2.3 Payment of Plan Expenses. The Plan permits the payment of administrative expenses and other legitimate expenses approved by the Plan from the respective Plan's assets. It is the Employer's obligation to determine whether a particular expense may be paid with Plan assets. The Employer specifically directs LRSC to direct LFGTC to pay the Plan expenses as set forth in this Service Agreement and to make such payments from the Plan only in such amounts and to such persons as specifically directed by the Employer. LRSC will rely on such instructions and makes no representation regarding the legality or appropriateness of the payments. Employer must notify LRSC of any change in the payment amounts or the payee of such amounts. Employer directs that all such expenses charged to the Plan are to be assessed against all the Plan participants' accounts on a prorated basis, except if the Employer specifically identifies an account(s) against which such charges will be made (a "Plan Expense Account" – see below). If there are insufficient assets to cover applicable fees, LRSC will submit a bill to the Plan for the amount owed by the Plan. LRSC is, hereby authorized to direct LFGTC to liquidate any assets of the Plan as is necessary to cover such expenses.

- a. Establishment of Plan Expense Account. Pursuant to the terms of this Service Agreement, Employer establishes a Plan Expense Account for the Plan. The amounts deposited in the Plan Expense Account may include (1) fees received by Lincoln from certain eligible Investments, and (2) other amounts directed by Employer under this Service Agreement. In situations in which the Employer directs Lincoln to include the fee for a specified Plan expense in the price charged for establishing the Program, LRSC may deposit amounts to a Plan Expense Account at LFGTC or to pay these Plan expenses or for such

purposes as determined by the Employer. LFGTC will pay such fees to the appropriate provider as directed by the Employer. To the extent there are insufficient assets in the Plan Expense Account to cover applicable expenses, LRSC will submit a bill to the Plan for the amount owed by the Plan and shall be due within thirty (30) days after the invoice is received. Employer may pay the invoice or instruct LRSC to deduct charges pro rata from participant accounts calculated as a per head or asset-based fee.

b. Funding of Plan Expense Account. The Plan Expense Account shall be funded with (1) the revenue earned on Investments in the Program for the Plan as described in Section 2.1 and (2) a quarterly amount of \$13.25 per participant which the Employer hereby directs Lincoln to direct LFGTC to deduct from participant accounts on the 20th day of the third month of each quarter. As authorized by Employer, the plan expense account will be invested in an investment that has an investment objective of capital preservation and liquidity. The Employer hereby agrees that if included as an investment option under the Plan, such investment shall be a group fixed annuity or stable value investment issued by an affiliate of Lincoln. If Employer chooses not to include such investment issued by an affiliate of Lincoln, then the plan expense account will be invested in such other investment option as designated by the Employer.

The Parties hereto acknowledge and agree that LRSC will utilize the resources of its affiliates in order to calculate the fees payable pursuant to this Service Agreement.

2.4 Fee Commitment. Fees described in this Service Agreement will remain unchanged for a period of seven (7) years from the Effective Date of this Service Agreement (five (5) years, with the option to renew for two (2) additional one (1) year terms), as agreed to by Employer, unless (a) there are changes in the Program such that significant numbers of participants or amounts of balances are different or changed from the current structure, including the failure of participants to rollover or map into the Program as projected, (b) changes in the law cause significant changes to the Plan or the ability of LRSC to provide Recordkeeping Services, (c) the Plan is significantly changed by the Employer, including, but not limited to, any change in the Investments listed in Exhibit A, however, if Employer determines that the Lincoln Stable Value Account violates their investment policy statement and removes it from the lineup, Lincoln will honor the fee set forth in Section 2.1 or (d) other changes to the Plan that may affect the pricing of the Plan. In the event any of these changes occur, LRSC will provide Employer with at least 30 days written notice of its proposed changes to its fees and will consult with the Employer to discuss such changes. If the Parties cannot reach agreement regarding appropriate changes to the fees either Party may terminate this service agreement as provided in Section 4.3 and the fees shall remain unchanged up to the date of such termination.

ARTICLE 3 LIMITATION OF LIABILITY

3.1 In addition to any other remedies at law or in equity available to LRSC for breach of this Service Agreement by Employer, Employer will indemnify Lincoln, its officers, employees and agents from and against any and all damages, losses, costs, judgments,

finances and expenses (including attorneys' fees and disbursements) of any kind or nature (hereinafter in the aggregate the "Losses") imposed on or incurred by Lincoln, its officers, employees and agents by reason of its or their participation in this Service Agreement, including any Losses arising out of any threatened, pending, or completed claim, action, suit, or proceeding, whether civil, criminal, administrative, or investigative, to the extent such Losses are the result of Employer or Plan's intentional wrongdoing or its negligent actions or omissions.

As a condition of indemnification, (i) LRSC shall give Employer timely notice in writing of any potential Losses promptly after LRSC becomes aware of them; (ii) Employer shall at its option have sole control of the defense of such Losses; and (iii) LRSC shall cooperate with Employer in the defense of such Losses. Employer shall not be responsible for the settlement of any claim, demand or lawsuit related to the Losses without Employer's written consent.

3.2 In addition to any other remedies at law or in equity available to the Employer for breach of this Service Agreement by Lincoln, LRSC will indemnify Employer, its officers, employees and agents from and against any Losses imposed on or incurred by Employer, its officers, employees and agents by reason of its or their participation in this Service Agreement, including any Losses arising out of any threatened, pending, or completed claim, action, suit, or proceeding, whether civil, criminal, administrative, or investigative, to the extent such Losses are the result of LRSC's intentional wrongdoing or its negligent actions or omissions. In addition, Lincoln will have no liability with respect to claims of breach of fiduciary duty for (i) the inclusion, exclusion, or deletion of Investments in the Program, (ii) monitoring of such Investments after the Employer's selection of them as an investment option for the Plan, or (iii) providing the Recordkeeping Services.

As a condition of indemnification, (i) Employer shall give LRSC timely notice in writing of any potential Losses promptly after Employer becomes aware of them; (ii) LRSC shall, at its option, have sole control of the defense of such Losses; and (iii) Employer shall cooperate with LRSC in the defense of such Losses. LRSC shall not be responsible for the settlement of any claim, demand or lawsuit related to the Losses without LRSC's written consent.

ARTICLE 4 MISCELLANEOUS

4.1 Governing Law. This Service Agreement, including any attachments hereto, and the Manual and any attachments thereto will be governed by and interpreted under the laws of the State of Washington without regard to its conflicts of law.

4.2 Entire Agreement. This Service Agreement, including any attachments hereto and the CLARK COUNTY, WASHINGTON Request for Proposal #667 Plan Administration / Recordkeeping Services for 457 Deferred Compensation Plan dated February 14, 2014 and attachments and addendums; Lincoln's response to Request for Proposal #667 delivered March 12, 2014 and attachments; and the Manual, including any attachments thereto, represent the entire agreement between LRSC and the Employer and is not intended as an agreement between, or to reflect the rights and responsibilities of, any other parties, other than the Parties as defined herein. To the

extent that there is any conflict between documents referenced in this Section 4.2, the Service Agreement shall prevail.

4.3 Termination. This Service Agreement will remain in effect until terminated by either LRSC or the Employer upon at least 60 days' written notice to the other; provided, however, that the Party being provided with notice of termination may waive the 60-day time period and agree to an earlier termination effective date.

4.4 Acknowledgment of Receipt. The Employer acknowledges receipt of the Manual and understands that the services referred to in this Service Agreement and Manual will be provided in accordance with the Service Agreement and Manual, unless LRSC agrees otherwise in writing.

4.5 Notices. Any notices that may be required under this Service Agreement will be in writing and either hand delivered, sent via a nationally recognized overnight delivery service with proof of delivery or mailed by certified mail, postage prepaid, addressed as follows:

If to Employer:

Clark County
Attention: Benefits Manager
1300 Franklin Street
Vancouver, WA 98660
Phone: (360) 397-2456

If to LRSC:

Officer/Head of Account Management
Lincoln Retirement Services Company, LLC
P.O. Box 7876
Fort Wayne, IN 46801-7876
Phone: (260) 455-4215
Fax: (260) 455-3710

Either Party may effect changes to the information contained in this Section 4.5 by providing a written notification to the other Party.

4.6 Severability. Should any one or more of the provisions of this Service Agreement, including the Manual, or of any agreement entered into pursuant to this Service Agreement be determined to be invalid or unenforceable, a court will have the power to amend such provision to the extent necessary to make such provision valid and enforceable, and in any event all other provisions of this Service Agreement, including the Manual, and of each other agreement entered into pursuant to this Service Agreement will be given effect separately from the provision or provisions determined to be invalid or unenforceable and will not be affected thereby.

4.7 Headings. The heading of the sections, subsections and paragraphs of this Service Agreement have been inserted for convenience of reference only and do not constitute a part of this Service Agreement.

4.8 Successors and Assigns. All the terms and provisions of this Service Agreement will be binding upon, inure to the benefit of, and be enforceable by the respective successors and permitted assigns of the Parties hereto, whether so expressed or not.

This Service Agreement will not be assignable by any Party hereto without the written consent of the other Party, provided that LRSC may assign its obligations and rights to any of its affiliates without consent of Employer.

4.9 Counterparts. This Service Agreement may be executed in one or more counterparts, each of which when so executed will constitute an original and all of which together will constitute one and the same Service Agreement.

4.10 Force Majeure. Neither Party will be liable to the other for any delay or failure in performance caused by acts beyond the nonperforming Party's reasonable control, including, without limitation, acts of God or public enemy, act of any military, civil, or regulatory authority, change in any law or regulation, fire, flood, tornado, earthquake, or storm, or other like event, disruption or outage of communications, power or other utility, labor strikes, or any other cause, whether similar or dissimilar to any of the foregoing, which could have not been prevented by the nonperforming Party with reasonable care. Performance times will be considered extended for a period of time equivalent to the time lost because of such delay. The Party asserting a force majeure delay will have the obligation to notify the other Party promptly upon learning of the delay or the reasonable possibility of such delay and to use reasonable efforts to mitigate the effects of the delay.

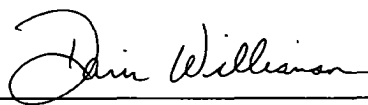
4.11 Number and Gender. Whenever the singular number is used in this Service Agreement, the plural number will apply where required by the context. Whenever the plural number is used in this Service Agreement, the singular number will apply where required by the context. Whenever the male, female or neuter gender is used in this Service Agreement, the other genders will apply where required by the context.

4.12 Waiver. The failure of either Party at any time or times to require performance of any provisions hereof will in no manner affect its right at a later time to enforce such provision and will not act as a waiver thereof.

4.13 Amendment. Except as otherwise provided in this Service Agreement, the terms of this Service Agreement or any exhibit hereto will not be amended, modified, changed or assigned except by an agreement in writing, signed by an officer of each Party.

IN WITNESS WHEREOF, the Parties have executed this Service Agreement on the 26th of August, 2014.
(Date) (Month)

**LINCOLN RETIREMENT SERVICES
COMPANY, LLC**

By: 
Darin Williamson

Its: Assistant Vice President

**CLARK COUNTY,
WASHINGTON**

By: 
Tom Mielke

Its: Chair, Board of Commissioners

EXHIBIT A

Fees provided by Investments

Some of the Investments or the companies sponsoring the Investments provide fees for distribution and marketing services and shareholder accounting services. The following are such fees provided in Employer's Program. Although such fees are listed at specific amounts, they can change + or - 10 basis points (0.10%) based on our quarterly account procedures, allocation of expenditures, and provisions in our agreement with the fund company that manages the assets. These provisions can include different amounts of fees based on assets under management, breakpoints, or other provisions affecting our relationship with the Investment.

Lincoln Life	Lincoln Stable Value Separate Account Z45 <u>Revenue from fixed account:</u> 0.000% on assets annually ¹
American Funds	American Funds Capital World Growth and Income Fund Class R-6(RWIGX) American Funds EuroPacific Growth Fund Class R-6 (RERGX) No Revenue
Artisan	Artisan Mid Cap Fund Institutional Class (APHMX) Artisan Mid Cap Value Fund Institutional Class (APHQX) No Revenue
Aston	ASTON/LMCG Small Cap Growth Fund Class I (ACWIX) Subtransfer agent fees: 0.10% on assets annually
DFA	DFA International Value Portfolio Institutional Class (DFIVX) No Revenue
Dodge & Cox	Dodge & Cox Stock Fund (DODGX) Subtransfer agent fees: 0.10% on assets annually
Fidelity	Fidelity® Contrafund® Fund Class K (FCNKX) No Revenue
Franklin	Templeton Global Bond Fund Class R6 (FBNRX)

¹The Lincoln Stable Value Account is a group fixed annuity issued by The Lincoln National Life Insurance Company. The "revenue" stated for the Lincoln Stable Value Account is for pricing purposes. It is an amount that Lincoln is willing to credit toward part of the cost of services provided by Lincoln.

Assets placed in the Stable Value Account are invested by Lincoln. Lincoln pays investors in this account a credited interest rate. Lincoln Stable Value Separate Account 1 with a 12 month put, a 2.25% transitional enhanced credit rate through September 30, 2015. The method of crediting interest for the Stable Value Account is based on an external index. Lincoln guarantees a minimum credited interest rate of 1.00%. Lincoln attempts to invest the assets in the Stable Value Account in financial instruments that pay Lincoln more than the interest Lincoln pays out to investors and other costs incurred by Lincoln. These other costs include the cost of capital required for the interest guarantees, the cost to manage the fund, recordkeeping expenses, and other overhead. The larger the spread is (the lower the credited interest rate), the less income Lincoln needs from other sources, such as an asset charge, to pay for plan services. The credited interest and the resulting spread are negotiated at the time of the sale of the Program to the Plan. If the credited interest rate is set at a higher rate, an asset charge generally will be higher. Conversely, if the credited interest rate is set at a lower rate, the asset charge will generally be lower.

Templeton	No Revenue
Frontegra Funds	Frontegra Phocas Small Cap Value Fund Institutional Class (FPSVX) No Revenue
PIMCO	PIMCO Total Return Fund Institutional Class (PTTRX) No Revenue
Vanguard	Vanguard Institutional Index Fund Institutional Shares (VINIX) Vanguard Mid-Cap Index Fund Admiral Shares (VIMAX) Vanguard Small-Cap Index Fund Admiral Shares (VSMAX) Vanguard Target Retirement 2010 Fund Investor Shares (VTENX) Vanguard Target Retirement 2015 Fund Investor Shares (VTXVX) Vanguard Target Retirement 2020 Fund Investor Shares (VTWNX) Vanguard Target Retirement 2025 Fund Investor Shares (VTTVX) Vanguard Target Retirement 2030 Fund Investor Shares (VTHR) Vanguard Target Retirement 2035 Fund Investor Shares (VTTHX) Vanguard Target Retirement 2040 Fund Investor Shares (VFORX) Vanguard Target Retirement 2045 Fund Investor Shares (VTIVX) Vanguard Target Retirement 2050 Fund Investor Shares (VFIFX) Vanguard Target Retirement 2055 Fund Investor Shares (VFFVX) Vanguard Target Retirement 2060 Fund Investor Shares (VTTX) Vanguard Target Retirement Income Fund Investor Shares (VTINX) Vanguard Total Bond Market Index Fund Admiral Shares (VBTX) Vanguard Total International Stock Index Fund Admiral Shares (VTIAX) No Revenue

EXHIBIT B

Clark County, Washington

as of 03/31/2014

The performance data quoted represents past performance; past performance does not guarantee future results. Investment returns and principal value will fluctuate so your account balance, when redeemed, may be worth more or less than your original cost. Current performance may be lower or higher than the performance data quoted. Instances of high double-digit returns are highly unusual and cannot be sustained. Investors should be aware that returns vary due to market conditions. Fees and expenses reduce the assets allocated to your investment under the plan, ultimately lowering the net rate of return.

Please obtain performance data for the most recent month end by visiting www.Morningstar.com and requesting a quote using the appropriate ticker symbol. For the performance of collective trusts, please call 877-533-6710.

Morningstar Category		Overall Morningstar Rating		Gross Expense Ratio*	Net Expense Ratio*	Total Returns (%)				10 Yr or Since Inception	Inception Date
Index	Mutual Fund Name	Ticker				YTD	1 Yr	3 Yr	5 Yr		
Hueller Stable Value Index**				#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	
Lincoln Stable Value***											
Intermediate-Term Bond					0.90	1.95	0.22	3.99	6.61	4.28	
Barclays US Agg Bond TR USD						1.84	-0.10	3.75	4.80	4.46	
PIMCO Total Return Instl	PTTRX	UUUU	0.48	0.48	1.30	-1.24	4.15	6.87	5.89	05/11/1987	
% Rank Within Category					85	88	43	44	5		
# Funds Ranked In Category					1,114	1,099	1,038	955	855		
Intermediate-Term Bond					0.90	1.95	0.22	3.99	6.61	4.28	
Barclays US Agg Bond TR USD						1.84	-0.10	3.75	4.80	4.46	
Vanguard Total Bond Market Index Adm	VBTLX	UUU	0.10	0.10	1.91	-0.21	3.71	4.71	4.44	11/12/2001	
% Rank Within Category					56	59	60	82	44		
# Funds Ranked In Category					1,114	1,099	1,038	955	855		
World Bond					1.08	2.36	0.71	3.23	7.00	4.64	
Citi WGBI NorUSD USD						3.22	2.43	1.37	4.15	4.27	
Templeton Global Bond R6	FBNRX	UUUU	0.54	0.53	0.79	1.81	4.52	9.30	8.58	05/01/2013	
% Rank Within Category					93	28	22	20	1		
# Funds Ranked In Category					409	377	308	268	171		
Retirement Income					0.98	1.54	5.82	5.59	10.98	4.26	
Morningstar Lifetime Moderate Income						1.84	5.20	5.98	9.90	6.12	
Vanguard Target Retirement Income Inv	VTINX	UUUU	0.16	0.16	1.59	4.89	6.26	9.32	5.32	10/27/2003	
% Rank Within Category					47	59	35	73	6		
# Funds Ranked In Category					293	292	274	257	61		
Target Date 2000-2010					0.93	1.48	6.50	5.71	11.79	4.73	
Morningstar Lifetime Moderate 2010						2.22	7.18	7.14	12.39	6.97	
Vanguard Target Retirement 2010 Inv	VTENX	UUU	0.16	0.16	1.68	7.15	7.06	12.12	6.02	06/07/2006	
% Rank Within Category					28	45	18	50	0		
# Funds Ranked In Category					172	164	154	140	-		
Target Date 2011-2015					0.97	1.58	7.50	6.33	12.76	4.89	
Morningstar Lifetime Moderate 2015						2.34	8.47	7.67	13.68	7.33	
Vanguard Target Retirement 2015 Inv	VTXVX	UUUU	0.16	0.16	1.76	9.89	8.03	13.70	6.06	10/27/2003	
% Rank Within Category					24	21	10	34	8		
# Funds Ranked In Category					196	185	159	135	16		
Target Date 2016-2020					1.01	1.53	8.71	6.95	13.86	5.24	
Morningstar Lifetime Moderate 2020						2.40	10.17	8.25	15.21	7.60	
Vanguard Target Retirement 2020 Inv	VTWNX	UUUU	0.16	0.16	1.81	11.98	8.74	14.93	6.48	06/07/2006	
% Rank Within Category					15	15	9	30	0		
# Funds Ranked In Category					244	231	206	193	-		
Target Date 2021-2025					0.99	1.59	11.38	8.04	15.73	5.78	
Morningstar Lifetime Moderate 2025						2.39	12.34	8.92	16.83	7.94	
Vanguard Target Retirement 2025 Inv	VTTVX	UUUU	0.17	0.17	1.78	13.40	9.27	16.08	6.38	10/27/2003	
% Rank Within Category					22	23	13	41	13		
# Funds Ranked In Category					199	188	152	122	11		
Target Date 2026-2030					1.05	1.45	12.10	8.14	16.11	5.71	
Morningstar Lifetime Moderate 2030						2.32	14.51	9.57	18.15	8.18	
Vanguard Target Retirement 2030 Inv	VTHRX	UUUU	0.17	0.17	1.74	14.98	9.81	17.17	6.58	06/07/2006	
% Rank Within Category					17	19	13	29	0		
# Funds Ranked In Category					244	231	206	193	-		
Target Date 2031-2035					1.02	1.44	14.43	9.11	17.41	5.91	
Morningstar Lifetime Moderate 2035						2.23	16.05	10.02	18.94	8.35	
Vanguard Target Retirement 2035 Inv	VTTX	UUUU	0.18	0.18	1.71	16.41	10.30	18.15	6.87	10/27/2003	
% Rank Within Category					17	24	16	25	13		
# Funds Ranked In Category					199	188	152	122	11		

Target Date 2036-2040				1.07	1.40	14.26	8.89	17.41	5.96	
Morningstar Lifetime Moderate 2040					2.16	16.72	10.18	19.25	8.47	
Vanguard Target Retirement 2040 Inv	VFORX	UUUU	0.18	0.18	1.66	17.47	10.74	18.44	6.83	08/07/2008
% Rank Within Category					22	15	11	25	0	
# Funds Ranked In Category					241	228	203	190	-	
Target Date 2041-2045				1.03	1.42	15.76	9.57	18.08	7.25	
Morningstar Lifetime Moderate 2045					2.13	16.75	10.09	19.30	8.51	
Vanguard Target Retirement 2045 Inv	VTIVX	UUUU	0.18	0.18	1.69	17.51	10.75	18.46	7.25	10/27/2003
% Rank Within Category					17	25	14	37	1	
# Funds Ranked In Category					199	188	151	119	1	
Target Date 2046-2050				1.08	1.39	14.91	9.17	17.74	6.39	
Morningstar Lifetime Moderate 2050					2.11	16.61	9.95	19.28	8.54	
Vanguard Target Retirement 2050 Inv	VFIFX	UUUU	0.18	0.18	1.67	17.46	10.74	18.48	6.89	06/07/2008
% Rank Within Category					23	26	15	33	0	
# Funds Ranked In Category					226	213	171	154	-	
Target Date 2051+				1.12	1.41	16.60	9.68	17.76	0.00	
Morningstar Lifetime Moderate 2050					2.11	16.61	9.95	19.28	8.54	
Vanguard Target Retirement 2055 Inv	VFFVX	UUUU	0.18	0.18	1.71	17.50	10.84	0.00	14.71	08/18/2010
% Rank Within Category					16	32	14	0	0	
# Funds Ranked In Category					160	148	78	0	-	
Target Date 2051+				1.12	1.41	16.60	9.68	17.76	0.00	
Morningstar Lifetime Moderate 2050					2.11	16.61	9.95	19.28	8.54	
Vanguard Target Retirement 2060 Inv	VTTSX	0	0.18	0.18	1.88	17.50	0.00	0.00	16.54	01/19/2012
% Rank Within Category					19	32	0	0	0	
# Funds Ranked In Category					160	148	0	0	-	
Large Value				1.16	2.27	20.74	13.09	19.82	6.91	
Russell 1000 Value TR USD					3.02	21.57	14.80	21.75	7.58	
Dodge & Cox Stock	DOOGX	UUUU	0.52	0.52	2.42	28.83	16.72	24.14	7.69	01/04/1965
% Rank Within Category					43	3	2	4	27	
# Funds Ranked In Category					1,296	1,270	1,160	1,115	933	
Large Blend				1.17	1.69	21.17	13.09	20.02	6.92	
Russell 1000 TR USD					2.05	22.41	14.75	21.73	7.80	
Vanguard Institutional Index I	VINDX	UUUU	0.04	0.04	1.79	21.81	14.63	21.15	7.42	07/31/1990
% Rank Within Category					42	42	23	24	29	
# Funds Ranked In Category					1,706	1,615	1,470	1,393	1,140	
Large Growth				1.24	0.48	23.59	12.98	20.22	7.45	
Russell 1000 Growth TR USD					1.12	23.22	14.62	21.68	7.86	
Fidelity® Contrafund® K	FCNKX	UUUU	0.56	0.56	0.50	23.59	14.38	20.53	9.93	05/09/2008
% Rank Within Category					49	45	25	40	6	
# Funds Ranked In Category					1,771	1,754	1,629	1,535	1,333	
Mid-Cap Value				1.31	3.05	23.23	13.37	23.92	8.74	
Russell Mid Cap Value TR USD					5.22	22.95	15.17	26.35	10.24	
Artisan Mid Cap Value Institutional	APHQX	UUUU	0.98	0.98	1.85	19.11	14.31	23.25	11.58	02/01/2012
% Rank Within Category					89	87	35	60	3	
# Funds Ranked In Category					433	430	396	368	301	
Mid-Cap Blend				1.26	2.54	22.66	12.27	22.97	8.31	
Russell Mid Cap TR USD					3.53	23.51	14.39	25.55	10.05	
Vanguard Mid Cap Index Adm	VIMAX	UUUU	0.10	0.10	3.28	23.86	13.62	25.05	9.95	11/12/2001
% Rank Within Category					30	36	34	25	14	
# Funds Ranked In Category					419	399	369	355	268	
Mid-Cap Growth				1.36	1.19	23.40	11.74	22.17	8.67	
Russell Mid Cap Growth TR USD					2.04	24.22	13.52	24.73	9.47	
Artisan Mid Cap Institutional	APHMX	UUUUUU	1.03	1.03	2.55	29.84	15.87	26.47	11.45	07/03/2000
% Rank Within Category					20	5	6	4	4	
# Funds Ranked In Category					762	736	717	677	605	

<i>Small Blend</i>									
Russell 2000 TR USD				1.31	1.45	24.09	12.73	24.08	8.60
Vanguard Small Cap Index Adm	VSMAX	UUUU	0.10	0.10	1.12	24.90	13.18	24.31	8.53
% Rank Within Category					2.59	25.29	14.33	26.80	9.92
# Funds Ranked In Category					16	34	27	14	22
					747	712	662	638	495
<i>World Stock</i>									
MSCIACWNR USD				1.43	1.41	18.45	9.31	18.38	7.29
American Funds Capital World GR R6	RWIGX	UUUU	0.45	0.45	1.08	16.55	8.55	17.80	6.97
% Rank Within Category					1.70	19.61	10.87	17.72	8.87
# Funds Ranked In Category					38	38	29	57	20
					1,179	1,100	867	750	486
<i>Foreign Large Value</i>									
MSCIACWEx USA Value NR USD				1.37	0.87	18.06	6.07	15.12	6.07
DFA International Value I	DFIVX	UUU	0.43	0.43	0.71	13.80	4.00	15.80	7.26
% Rank Within Category					1.08	22.24	4.84	17.28	7.41
# Funds Ranked In Category					45	18	66	17	10
					367	359	343	321	214
<i>Foreign Large Blend</i>									
MSCIACWEx USA NR USD				1.31	0.12	15.39	5.80	15.40	6.36
American Funds EuroPacific Gr R6	REGRX	UUUU	0.50	0.50	0.51	12.31	4.15	15.52	7.12
% Rank Within Category					0.71	17.87	6.74	15.92	8.47
# Funds Ranked In Category					29	20	32	32	11
					830	617	752	720	497
<i>Foreign Large Blend</i>									
MSCIACWEx USA NR USD				1.31	0.12	15.39	5.80	15.40	6.36
Vanguard Total Int'l Stock Index Admiral	VTIAX	UU	0.14	0.14	0.51	12.31	4.15	15.52	7.12
% Rank Within Category					0.80	12.79	4.41	15.39	6.87
# Funds Ranked In Category					28	76	79	48	35
					830	617	752	720	497
*If the performance for an investment option reports a difference between the gross expense ratio and net expense ratio, it is due to a contractual waiver that is set to expire within the next year. **Hedger Stable Value Index performance is adjusted for investment management fees and revenue appropriate for your specific product. ***Lincoln performance is shown net of all investment management fees and revenue.									

EXHIBIT C

		\$ at Risk
Phone		
Plan sponsor services response time:	Calls and email inquiries returned within 24 hours	\$1,000 quarterly if the standard is not met 99% of the time
Participant services response time:	70% within 40 seconds	\$1,000 quarterly
Return all calls to plan sponsor within:	Calls returned within 24 hours	\$1,000 quarterly if the standard is not met 99% of the time
Return all calls to participants within:	First follow up call to occur within 1 business day of original call, with subsequent calls to occur every day until resolved or at a frequency requested by the participant	\$1,000 quarterly if the standard is not met 99% of the time
Statements		
Participant statement mail time:	100% Accuracy; 100% of statements mailed within 10 business days after quarter end.	\$1,000 quarterly if standard is not met 99% of the time
Sponsor plan statement mail time:	N/A; Delivered online	\$0.00
Participant online statement posting:	100% of statements available online within 3 business days after quarter end.	\$1,000 quarterly if standard is not met 99% of the time
Sponsor online statement posting:	100% of statements available online within 3 business days after quarter end.	\$1,000 quarterly if standard is not met 99% of the time
Participant Services		
Number of on-site individual meetings:	18 on-site days annually. Group meetings are also included in on-site meeting days count.	18 days – no penalty
Number of on-site group meetings:	As mutually agreed upon based on 18 on-site days annually.	18 days – no penalty.
Financial planning services:	Financial planning services are available through Lincoln Financial Advisors.	Fees disclosed at time of services.
Plan participation rate increases:	Mutually agreed upon percentage increases, determined year-over-	\$2,500 annually

	<p>year for the term of the contract.</p> <p>Benchmarks will be based upon Lincoln Financial Group's development of a plan specific communication and education strategy and the commitment of resources to execute that strategy. Guarantee is predicated upon Clark County's approval and commitment to support of mutually agreed upon communication and education strategy and measurement.</p> <p>Benchmarks will also be based upon Clark County's commitment of access to certain data and resources managed by Clark County that is needed to successfully reach participants through outreach programs, organize group and one-on-one meetings (including scheduling and outreach) that will allow Lincoln Financial Group to meet those goals.</p> <p>[Data and resources include but are not limited to employee email addresses, mandatory employee meetings, management endorsement of programs, human resource or management attendance at all group meetings.]</p>	
Deferral rate increases:	<p>Mutually agreed upon percentage increases year-over-year, for the term of the contract.</p> <p>Benchmarks will be based upon Lincoln Financial Group's development of a plan specific</p>	\$2,500 annually

	<p>communication and education strategy and the commitment of resources to execute that strategy. Guarantee is predicated upon Clark County's approval and commitment to support of mutually agreed upon communication and education strategy and measurement.</p> <p>Benchmarks will also be based upon Clark County's commitment of access to certain data and resources managed by Clark County that is needed to successfully reach participants through outreach programs, organize group and one-on-one meetings (including scheduling and outreach) that will allow Lincoln Financial Group to meet those goals.</p> <p>[Data and resources include but are not limited to employee email addresses, mandatory employee meetings, management endorsement of programs, human resource or management attendance of all group meetings.]</p>	
Transition		
Timeline:	We will guarantee that we will go live within 3 business days of receipt of all data in good order.	\$5,000 per implementation
Deliverables:	Deliverables are based on Clark County's commitment of appropriate time and resources, as well as all parties (including but not limited to Lincoln Financial Group, Clark County, their consultants, prior Record keeper,	\$1,500 per deliverable

	<p>payroll provider, and any other advisor to Clark County) meeting other tasks on the project plan on time, as they could impact these milestones.</p> <p>Deliverable dates are to finalization of the implementation timeline. Based on a 12 week implementation schedule.</p> <ol style="list-style-type: none"> 1. Deliver Plan Profile Documents for approval by Clark County, eight (8) weeks prior to transfer of assets date; 2. Deliver Participant transition/blackout communications, six (6) weeks prior to transfer of assets date; 3. Finalize payroll format and census data, three (3) weeks prior to transfer of assets date; 4. Conduct system training with plan sponsor, one (1) week prior to the transfer of assets date; 5. Complete Service Agreement for execution by Clark County, one (1) week prior to transfer of assets date; 6. Deliver first draft of Administrative Manual, one (1) week prior to transfer of assets date; 	
On-site meetings:	N/A; included in 18 on-site days annually.	\$0.00
Administration		
Contribution posting:	100% Accuracy; Processed same day money received if received before 1:00 p.m. PT and all associated data is in good order.	\$1,000 quarterly if the standard is not met with 99% of transactions
Withdrawals processed:	100% Accuracy; Processed within 2 business days following confirmation that it is in good order.	\$1,000 quarterly if the standard is not met with 99% of transactions

Emergency withdrawals processed:	100% Accuracy; Processed within 2 business days following confirmation that it is in good order.	\$1,000 quarterly if the standard is not met with 99% of transactions
Rollovers/transfers out:	100% Accuracy; Processed within 2 business days following confirmation that it is in good order.	\$1,000 quarterly if the standard is not met with 99% of transactions
Loan processing (if applicable):	100% Accuracy; Processed within 2 business days following confirmation that it is in good order.	\$1,000 quarterly if the standard is not met with 99% of transactions
Plan Sponsor Services		
Report Delivery:	Quarterly plan reviews within 45 days after quarter end — 100% of the time	\$1,000 quarterly
Training:	Initial website and administrative manual training following implementation (included in transition deliverables). Ongoing web training, including existing functionality and enhancements, as requested by Sponsor. Legislative, new regulations, Form 5500 and audit requirements, fiduciary responsibilities, and other topical webinars as needed.	\$0.00
Overall Satisfaction		
Draft and distribute survey:	Third party survey delivered to all members of the retirement committee, as well as other daily contacts between Lincoln Financial Group and Clark County. Survey recipients will be a population mutually agreeable to both parties.	\$5,000 annually
Satisfaction survey score:	Top 2 Box Score (6 or 7 rating) for Clark County's overall Plan Sponsor satisfaction; responses must be received by at	\$5,000 annually

	<p>least 40% of Clark County's survey recipients in order to qualify as valid survey.</p> <p>Survey recipients will be a population mutually agreeable to both parties.</p>	
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*Total penalty will not exceed 10% of annual fees each calendar year.



HR 1436

Governmental 457(b) Trust Agreement

between

Clark County, Washington

and

**Lincoln Financial Group Trust Company,
as Trustee**

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Governmental 457(b) Trust Agreement

This TRUST AGREEMENT (the "Agreement") is made as of this 1st day of September, 2014, by and between CLARK COUNTY, WASHINGTON (the "Employer"), and LINCOLN FINANCIAL GROUP TRUST COMPANY, a non-depository trust company organized under the laws of the State of New Hampshire (the "Trustee") (each a "Party" or collectively the "Parties").

Witnesseth

WHEREAS, Employer sponsors a plan under Section 457(b) of the Code, known as the Clark County 457 Deferred Compensation Plan ("Plan"), and

WHEREAS, Employer is either a State, a political subdivision of a State, or an agency or instrumentality of a State or political subdivision of a State so that Employer is eligible to sponsor an eligible deferred compensation plan pursuant to Code Section 457(b), and

WHEREAS, Employer wishes to establish a trust for the Plan pursuant to the requirements of Code Section 457(g), and

WHEREAS, Employer wishes to appoint Trustee as trustee of the Trust established under the Plan and Trustee hereby accepts such appointment.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the Employer and Trustee hereby mutually agree as follows:

Article I – Definitions

Section 1.1 Definitions

Unless the context otherwise requires or unless otherwise expressly provided, as used in this Agreement:

- (a) "Administrator" means, with respect to the Plan, the organization, entity, committee or other person responsible for benefit administration under the Plan, including any representative or delegate thereof designated in writing, authorized to act on behalf of such organization, entity, committee or other person, and may include the Employer.
- (b) "Code" means the Internal Revenue Code of 1986, as amended from time to time, and regulations issued thereunder.
- (c) "Investment Manager" means a bank, insurance company or registered investment adviser satisfying the requirements of Section 3(38) of ERISA appointed by the Employer to manage all or any portion of the Trust as designated by the Employer.
- (d) "ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.
- (e) "Trust" means all property, real, personal or mixed, of any kind or nature, contributed, paid or delivered to the Trustee hereunder, and all investments, reinvestments and proceeds thereof, and all gains, earnings and profits thereon.

Article II - Creation; Purpose; Etc.

Section 2.1 Creation

The Employer hereby creates the Trust. Under the terms of the Plan, the Employer has the power to appoint and hereby appoints Lincoln Financial Group Trust Company to act as Trustee; and Lincoln Financial Group Trust Company hereby accepts the appointment to serve as Trustee.

Section 2.2 Purpose

The Trust is established to fund the benefits payable to participants and their beneficiaries under the Plan.

Section 2.3 Exclusive Benefit

Except as otherwise permitted by law, at no time prior to the satisfaction of all liabilities with respect to participants and their beneficiaries under the Plan shall any part of the Trust be used for, or diverted to, any purposes other than for the exclusive benefit of the participants and their beneficiaries and for defraying the reasonable expenses of administering such Plan.

Section 2.4 Domestic Trust

The Trust shall at all times be maintained as a domestic trust in the United States.

Section 2.5 Prohibited Transactions

Neither Trustee, Employer, Investment Manager nor any participant shall knowingly enter into any transaction, engage in any activity, or direct the purchase or acquisition of any investment with respect to the Plan which would constitute a prohibited transaction under the Code for which a statutory or administrative exemption is not available.

Section 2.6 Directed Trustee

Trustee shall have no discretion or authority with respect to the investments of the Trust but shall act solely as a directed Trustee of the funds contributed hereunder. Trustee shall not have any responsibilities for money or property not deposited into the Trust. Trustee shall have no responsibility for money or properties held in any other trust Employer has established or will establish with respect to the Plan (unless specifically agreed to in writing by Trustee), or held by or deposited with any other trustee appointed by Employer.

Trustee will make distributions from the Plan in accordance with the written directions of the Administrator. To the extent Trustee follows such written direction, Trustee is not obligated in any manner to ensure a distribution complies with the terms of the Plan, that a participant or beneficiary is entitled to such a distribution, or that the amount distributed is proper under the terms of the Plan. If there is a dispute as to a payment from Trustee, Trustee may decline to make payment of such amounts until the proper payment of such amounts is determined by a court of competent jurisdiction, or Trustee has been indemnified to its satisfaction.

Section 2.7 Employer Representation

Employer represents that it is eligible to establish and maintain an eligible deferred compensation plan pursuant to Code Section 457(b). Employer represents that the Plan satisfies the requirement to be an eligible deferred compensation plan as defined in Code Section 457(b). Employer represents that the Plan is a governmental plan as defined in Code Section 414(d) and ERISA Section 3(32). Employer represents and warrants that the specifications, terms and conditions of the Plan are current and comply with applicable law, and that Employer has communicated such specifications, terms and conditions to Trustee in writing.

Article III – Administration of Plan

Section 3.1 Payment of Benefits

At the direction of the Administrator, Trustee shall pay moneys or other property directly to or for the benefit of participants and their beneficiaries, or to a paying or disbursing agent, which may be the Administrator. Any moneys or other property disbursed or paid over by Trustee pursuant to this Section 3.1 shall no longer be part of the Trust.

Section 3.2 Reliance on Administrator

Any directions pursuant to Section 3.1 may, but need not, specify the application to be made of payments so directed. Each direction to Trustee under Section 3.1 shall constitute a representation and warranty by the Administrator that such direction is in accordance with this Agreement, the Plan and applicable law, and Trustee shall have no duty to make any independent inquiry or investigation before acting upon such direction, or to see to the application of any moneys or other property so paid.

Section 3.3 Trustee Not Responsible for Plan Administration

Trustee shall not be responsible in any way for the determination, computation, payment or application of any benefit, or for any other matter affecting the administration of the Plan by the Employer or the Administrator or any organization, entity, committee or other person to whom such responsibility is delegated under the Plan.

Section 3.4 Trustee Not Responsible for Enforcing Contributions or for Sufficiency of Account

Trustee shall not be responsible for enforcing payment of any contribution to the Trust, for the timing or amount thereof, or for the adequacy of the Trust or any part thereof or the funding standards adopted for the Plan to meet or discharge any liabilities of the Plan or the Trust. Trustee has no duty to inquire into the source of any money or property transferred to it nor to inquire into the authority or right of the transferor of such money or property to transfer such money or property to Trustee. Trustee does not have any duty to see that the contributions received by it comply with the provisions of the Plan, nor is Trustee obligated to collect any contributions from the Employer; provided, however, Trustee will take such reasonable collection efforts as directed by the Employer.

Section 3.5 Plan-to-Plan Transfers/Rollovers

If the Plan permits plan-to-plan transfers and/or rollovers Trustee shall take such action as is necessary or desirable to accomplish any such matter, all pursuant to appropriate directions from the Administrator. The Administrator shall be responsible to determine that any such plan-to-plan transfers and/or rollovers comply with applicable law.

Article IV – Investment of Trust

Section 4.1 Employer Authority

Except as otherwise provided in Section 4.2 or 4.3, the Employer shall possess all discretionary authority for the management and control of the Trust. The Employer shall be responsible for determining the diversification policy (if and to the extent required), and for monitoring adherence by any Investment Manager or Investment Managers to such policy.

Section 4.2 Investment Managers

Discretionary authority for the management and control of all or any portion of the Trust may be delegated by the Employer, in its absolute discretion, to one or more Investment Managers. The terms and conditions of appointment, authority and retention of any Investment Manager shall be the sole responsibility of the Employer. The Employer shall promptly notify Trustee in writing of the appointment or removal of any Investment Manager and the portion of the Trust over which such Investment Manager shall have authority. Any notice of appointment pursuant to this Section 4.2 shall constitute a representation and warranty that the Investment Manager has been appointed in

accordance with the Plan and that any Investment Manager is an Investment Manager as defined in this Agreement. The Employer may limit, restrict or impose guidelines affecting the exercise of the discretion conferred on any Investment Manager, and shall be responsible for communicating, and monitoring adherence to, any such limitations, restrictions or guidelines.

Section 4.3 Individually Directed Accounts

As to each individually directed account permitted by the Plan, the applicable participant shall possess all of the investment and investment-related authority held by the Employer hereunder, and Trustee shall invest and reinvest such assets pursuant to the directions of the participant, as communicated in writing, via facsimile or by electronic transmission to Trustee by the Administrator or its delegate. Trustee shall be fully protected in relying upon the instructions of the Administrator or its delegate as to the participant's directions. Trustee shall not be liable to the participant or any of his or her beneficiaries for any loss resulting from any action taken at the direction of the participant.

Section 4.4 Reliance on Employer, Investment Managers, Participants

Trustee shall invest and reinvest the Trust pursuant to the directions of the Employer, participants – acting through the Administrator or its delegate - or the Investment Manager or Investment Managers, as the case may be. Trustee shall have no investment responsibility with respect to the Trust, and shall have no duty to inquire into the directions of the Employer, participants – acting through the Administrator or its delegate - any Investment Manager, as the case may be, to solicit such directions, to determine such directions are in compliance with the provisions of the Plan, or to review and follow the investments made pursuant to any such directions, other than to the extent required by law. Any such investment direction shall constitute a representation and warranty that the transaction will not constitute a prohibited transaction or other violation under the Code and that the investment is authorized under this Agreement, the Plan, any other applicable agreement affecting investment authority under the Plan, or any applicable law.

Trustee may refuse to comply with any directions in the event Trustee, in its sole discretion, deems such directions improper by virtue of applicable law. Trustee shall not be responsible or liable for any loss or expense which may result from Trustee's refusal and failure to comply with any such directions.

Section 4.5 Late Day Trading

Trustee does not engage in the practice of late day trading. In the event trade orders made by the Plan or its participants are received before the established cutoff time for Trustee or another party to receive such orders and such orders cannot be processed by the cutoff time, the Employer authorizes Trustee to process these orders after the cutoff time as if they were received and processed before the cutoff time.

Section 4.6 Reserved

Section 4.7 Plan Expense Account

The Employer hereby directs Trustee to establish a segregated sub-account within the Trust for the purpose of receiving certain amounts from mutual fund sub-transfer agents, administrative service fees, shareholder servicing fees or other revenue or annuity spread revenue (the "plan expense account"). As authorized by Employer, the plan expense account will be invested in an investment that has an investment objective of capital preservation and liquidity. The Employer hereby agrees that if included as an investment option under the Plan, such investment shall be a group fixed annuity or stable value investment issued by an affiliate of Trustee. If Employer chooses not to include such investment issued by an affiliate of Trustee, then the plan expense account will be invested in such other investment option as designated by the Employer.

From time to time, Trustee shall receive such fees or revenue and deposit or sweep it into the plan expense account. Such funds shall be considered Plan assets. The activity of the plan expense account shall be provided quarterly to the Employer. Any Plan expense to be paid from the plan

expense account shall be at the direction of the Administrator or its delegate to Trustee or its affiliate. At no time shall Trustee or its affiliates have discretion to make deposits into or payment out of the plan expense account. If the balance in the account is to be used as contributions to Plan participants, the Administrator or its delegate will notify Trustee or its affiliate of the amount in the plan expense account that will be used for participant contributions. The Plan's record keeper will coordinate the transfer of funds from the plan expense account to participant accounts.

Trustee is not responsible for ensuring the accuracy or adequacy of assets transferred to the plan expense account but will rely on its affiliated recordkeeper and service provider, Lincoln Retirement Services Company, LLC, to transfer the agreed amounts to the plan expense account. The Employer will have control over such account and will be responsible for any application or use of such funds in the plan expense account.

Article V – Powers of Trustee

Section 5.1 General Powers

Upon the directions of the Employer, the Investment Manager(s), or the Administrator on behalf of the participants with respect to individually directed accounts, as the case may be, Trustee shall be authorized and empowered to exercise any and all of the following rights, powers and privileges with respect to the Trust:

- (a) To invest and reinvest the principal and income of the Trust Fund, without distinction between principal and income, in such securities as but not limited to, common stocks, preferred stocks, bonds, bills, notes, commercial paper, debentures, mortgages, equipment trust certificates, investment trust certificates, partnership interests and also in other investments, whether real, personal or mixed property.
- (b) To receive any and all money and other property of whatsoever kind or nature due or owing or belonging to the Trust.
- (c) To settle, compromise, or submit any claims, debts or damages due or owing to or from the Trust; to commence or defend suits or legal proceedings; and to represent the Trust in all suits or legal proceedings in any court of law or equity or before any other body or tribunal, insofar as such suits or proceedings relate to any part of the Trust or the administration thereof.
- (d) To borrow money from any source as may be necessary or advisable to effectuate the purposes of the Trust.
- (e) To generally take all actions, execute all instruments, and exercise all rights and privileges with relation to the Trust, whether or not expressly authorized, as Trustee is directed or in its sole discretion deems necessary or desirable, subject however to the directions by an appropriate party as set forth in this Agreement.
- (f) To execute and deliver any vote, proxy, tender offer or similar rights incident to the ownership of any securities held in the Trust, except that Trustee shall exercise such rights only pursuant to the written instructions of the Employer, or the written instructions of plan participants or beneficiaries if the Plan gives such rights to participants or beneficiaries, or by the Investment Manager if an Investment Manager has been appointed pursuant to Section 4.2. If no such written directions are timely received from the appropriate party, Trustee shall not vote or exercise any such rights with respect to such securities.
- (g) To sell, exchange, convey, transfer or otherwise dispose of any such property at public or private sale, for cash or credit, or partly for cash and partly for credit, and with or without notice or advertisement of any kind.
- (h) To purchase whole or part interests in real property or in mortgages on real property, wherever situated, directly or through financial intermediaries or entities, such as, but not limited to, partnerships, and to mortgage or lease for any term any real property or part interest in real property; and to delegate to a manager the management and operation of any interest in such property or properties.

- (i) To purchase or sell, write or issue, puts, calls or other options, covered or uncovered, to enter into financial futures contracts, forward placement contracts and standby contracts, and in connection therewith, to deposit, hold or pledge assets of the Trust Fund.
- (j) To collect and receive any and all money and other property of whatsoever kind or nature due or owing or belonging to the Trust Fund and to give full discharge and acquittance therefore; and to extend the time of payment of any obligation at any time owing to the Trust Fund.
- (k) To transfer, from time to time, all or any part of the Trust Fund to any common, collective or commingled trust fund exempt from taxation under the Code ("Collective Trust") and/or to enter into the relevant trustee agreement on behalf of the Plan for such Collective Trust, to be held and administered subject to the terms and provisions of the relevant trust agreement, and such trust agreement shall be deemed adopted as part of this Agreement and the Plan to the extent that any portion of the Trust Fund is invested therein.
- (l) To apply for and procure from an insurance company as an investment of the Trust such annuity, or other contracts on the life of any participant as the Administrator shall deem proper; exercise, at any time or from time to time, whatever rights and privileges may be granted under such annuity, or other contracts; and collect, receive, and settle for the proceeds of any such annuity, or other contracts as and when entitled to do so under the provisions thereof.
- (m) To, upon the written direction of the Administrator, enter into a transfer agreement with the Trustee of another qualified retirement plan and to accept a transfer of assets from such retirement plan on behalf of any employee of the Employer. Trustee is also authorized, upon the written direction of the Administrator, to transfer some or all of a participant's vested account balance to another qualified retirement plan on behalf of such participant.

Section 5.2 Uninvested Cash and Float

With respect to uninvested cash and float, while Trustee may not at any time accept deposits of funds, it is understood that State Street Bank (or any successor thereto) (hereinafter, the "depository bank"), acting on behalf of Trustee, may from time to time, have on hand funds from (i) the receipt of contributions that are awaiting investment or (ii) the sale of assets which are awaiting reinvestment or distribution. The depository bank is authorized and empowered to hold uninvested cash from time to time, without liability for interest thereon, such sums of money for such limited period as is reasonably required for proper reconciliation, investment or disbursement of funds, notwithstanding the depository bank's receipt of "float" from such uninvested cash. While the depository bank holds such funds, such funds will generate float income to the bank until they are either invested in the plan's investment funds (for contributions and money into the plan) or redeemed (for distributions and money moving out of the plan).

Any such float, whether derived from the Trust or otherwise shall be additional compensation of the depository bank. Such float shall be used to pay banking fees that would otherwise be charged to the Trust (e.g., fees for deposit processing and cash management charges for: checks paid, deposits and deposited items, ACH items, wires and internal bank transfers; and monthly maintenance charges). Trustee expects that float on uninvested cash will generate income at the prevailing federal funds rate.

Section 5.3 Valuations

Trustee shall periodically determine the market value of the assets of the Trust or, in the absence of readily ascertainable market values, at such values as Trustee shall determine in accordance with methods consistently followed and uniformly applied. With respect to assets without readily ascertainable market values, Trustee may rely for all purposes of this Agreement on the latest valuation and transaction information submitted to it by the person responsible for the investment. The Employer shall cause such person to provide Trustee with all information needed by Trustee to discharge its obligations to value such assets and to account for such assets under this Agreement.

Article VI – Records and Accounts of Trustee

Section 6.1 Records

Trustee shall keep accurate and detailed accounts of all investments, receipts, disbursements and other transactions in the Trust and all accounts, books and records relating thereto shall be open to inspection and audit at reasonable times during normal business hours by any person designated by the Employer.

Section 6.2 Annual and Other Periodic Accounts

Within ninety (90) days following the close of each Plan year, and within sixty (60) days following the close of each Plan quarter, Trustee shall file with the Employer or the Administrator a written account setting forth the receipts and disbursements and the investments and other transactions effected by it with respect to the Trust during such Plan year or quarter, as the case may be. Unless otherwise requested, recipients will be set up for quarterly statements and access via the web for all trust account reporting. Upon the expiration of ninety (90) days from the date of mailing (or, if applicable, distribution via e-mail or other electronic means) of its annual or quarterly account, Trustee shall be forever released and discharged from all liability and further accountability to the Employer, the Administrator or any other person with respect to the accuracy of such accounting and all acts and failures to act of Trustee reflected in such account, except to the extent that the Employer or the Administrator shall, within such 90-day period, file with Trustee specific written objections to the account. Neither the Employer, the Administrator, any participant nor any other person shall be entitled to any additional or different accounting by Trustee and Trustee shall not be compelled to file in any court any additional or different accounting.

Section 6.3 Tax Returns and Tax Withholding and Reporting

Unless otherwise agreed to in writing by the Parties, Trustee shall prepare and file tax returns or other filings with respect to the Trust only if such returns or filings must be filed by Trustee rather than by the Administrator or the Employer. If Trustee disburses funds from the Trust to a Plan participant, Trustee shall withhold and remit to the Internal Revenue Service ("IRS") and other applicable taxing authorities the amount of any income tax withholding required by law. Unless otherwise agreed to in writing by the Parties, the Employer shall be responsible for preparing and filing all other applicable federal and state reports.

Article VII – Trustee's Rights/Limitation of Trustee's Responsibility

Section 7.1 No Implied Duties

The duties and responsibilities of Trustee shall be solely determined in accordance with this Agreement, shall not be deemed to be enlarged by the provisions of the Plan, and no other or further duties or responsibilities shall be implied against or imposed on Trustee.

Section 7.2 Evidence of Authority

The Employer shall furnish Trustee from time to time with a certificate evidencing the name, title and specimen signature of any person authorized to give instructions to Trustee on behalf of the Employer hereunder. The Employer shall also furnish Trustee from time to time or cause Trustee to be furnished from time to time with certified lists of the names and signatures of all other organizations, entities, committees or other persons authorized to act as the Administrator or in any manner authorized to issue notices, requests, directions, instructions or other communications to Trustee pursuant to this Agreement. The Employer shall cause each Investment Manager to furnish Trustee from time to time with the names and signatures of the persons authorized to direct Trustee on its behalf hereunder. Trustee shall be entitled to rely upon each such evidence of authority until it is revoked in writing.

Section 7.3 Reliance by Trustee

Trustee shall be entitled to rely upon each representation, information, notice, direction, certificate and other communication furnished by or on behalf of the Employer, the Administrator, and each Investment Manager; and Trustee shall be protected to the extent the law permits in acting in accordance with and relying upon such representations, information, notices, directions, certificates and other communications; and Trustee shall be under no duty to make any inquiry or investigation in connection therewith.

Section 7.4 Trustee May Employ Agents

Trustee may from time to time employ and consult with counsel (who may also serve as counsel for the Employer or Trustee) and shall be protected to the extent the law permits in acting upon such advice of counsel. Trustee may also from time to time employ accountants and other agents as may be reasonably necessary in administering and protecting the Trust, and Trustee may pay such counsel, accountants and other agents reasonable compensation, which shall be reimbursed to Trustee in accordance with Section 8.1. Trustee shall at no time be obligated to institute any legal action or to become a party to any legal action unless Trustee shall have been indemnified to its satisfaction for any fees, costs and expenses to be incurred in connection with such legal action.

Section 7.5 No Obligation to Act on Unsatisfactory Notice

Trustee shall not be liable for any failure to act pursuant to any notice, direction or any other communication from the Employer, the Administrator, any Investment Manager or any other person or delegate of any of them unless and until it shall have received directions in the form specified in this Agreement.

Article VIII – Compensation, Taxes, Expenses, Indemnity

Section 8.1 Payment of Compensation and Expenses

Trustee shall be entitled to receive reasonable compensation for its services and reimbursement of all reasonable costs and expenses incurred in connection with the administration of the Trust. Unless and until agreed otherwise in writing by the Employer and Trustee, the compensation of Trustee shall be as agreed upon from time to time among Trustee and the Employer; and in the event that Trustee shall be called upon to render any extraordinary services, it shall be entitled to additional compensation. Any change in Trustee's compensation or charges will be applicable only after reasonable notice to the Employer. If such compensation, costs and expenses are not paid by the Employer, they shall be paid from the Trust.

Section 8.2 Taxes

All income or other taxes of any kind whatsoever which may be properly levied or assessed under existing or future laws upon, or in respect of, the Trust shall, at the direction of the Administrator, be paid by Trustee out of the Trust, and, until paid, shall constitute a charge upon the Trust.

Section 8.3 Indemnification by Employer

In addition to any other remedies at law or in equity available to Trustee for breach of this Agreement by Employer, the Employer shall indemnify Trustee against, and agrees to hold Trustee harmless from, any and all damages, losses, costs, judgments, fines and expenses (including attorneys' fees and disbursements) of any kind and nature related to this Agreement including any such items arising out of any threatened, pending, or completed claim, action, suit, or proceeding, whether civil, criminal, administrative, or investigative (hereinafter in the aggregate referred to as the "Losses"), unless such Losses results from Trustee's intentional wrongdoing or negligent actions or omissions. Except as otherwise provided by the preceding sentence, the Employer also shall indemnify Trustee against, and agrees to hold Trustee harmless from, all Losses arising from any actions or breach of any responsibility by any party other than Trustee.

The Employer agrees to indemnify Trustee against any Losses arising as a result of any act taken or failure to act by Trustee, in accordance with the directions received from the Employer, Administrator, Investment Manager, participant, or a designee specified by the Administrator or the Employer.

Trustee shall not be responsible in any way for any actions taken, or failure to act, by a prior trustee or custodian. The Employer shall indemnify and hold harmless Trustee for any Losses for such prior trustee's or custodian's acts or inactions.

The Employer shall indemnify Trustee against, and agrees to hold Trustee harmless from any Losses resulting from Trustee's actions or inactions pursuant to the provisions of Section 5.1(f) pertaining to voting, proxies, tender offers or similar rights.

As a condition of indemnification, (i) Trustee shall give Employer timely notice in writing of any potential Losses promptly after Trustee becomes aware of them; (ii) Employer shall, at its option, have sole control of the defense of such Losses; and (iii) Trustee shall cooperate with Employer in the defense of such Losses. Employer shall not be responsible for the settlement of any claim, demand or lawsuit related to the Losses without Employer's written consent.

For purposes of this Section 8.3, the term Trustee shall include Trustee's officers, directors (or managers), employees and agents.

Section 8.4 Indemnification by Trustee

In addition to any other remedies at law or in equity available to Employer for breach of this Agreement by Trustee, Trustee will indemnify Employer, from and against any Losses imposed on or incurred by Employer and related to this Agreement where such Losses are the result of Trustee's intentional wrongdoing or its negligent actions or omissions. However, Trustee will have no liability with respect to claims of breach of its duties for (i) the inclusion, exclusion, or deletion of investments in the Plan, or (ii) the monitoring of such investments after the Employer's selection of them as an investment option for the Plan.

As a condition of indemnification, (i) Employer shall give Trustee timely notice in writing of any potential Losses promptly after Employer becomes aware of them; (ii) Trustee shall, at its option, have sole control of the defense of such Losses; and (iii) Employer shall cooperate with Trustee in the defense of such Losses. Trustee shall not be responsible for the settlement of any claim, demand or lawsuit related to the Losses without Trustee's written consent.

For purposes of this Section 8.4, the term Employer shall include Employer's officers, directors (or managers), employees and agents.

Article IX – Resignation or Removal of Trustee

Section 9.1 Removal or Resignation of Trustee

Trustee may be removed by the Employer at any time by 60 days prior written notice to Trustee. Trustee may resign at any time by written notice to the Employer. Such notice shall be effective 60 days after receipt by the Employer or such later date as shall be specified therein, or at an earlier date by the mutual agreement of the Parties. Upon the effective date of the removal or resignation of Trustee, Trustee shall deliver the Trust to a successor Trustee or Trustee designated by the Employer. If, for any reason, the Employer cannot or does not act promptly to appoint a successor Trustee, Trustee may apply to a court of competent jurisdiction for the appointment of a successor Trustee. Any expenses incurred by Trustee in connection therewith shall be charged to and paid from the Trust as an expense of administration.

Section 9.2 Reserve for Expenses

Trustee is authorized to reserve such sum of money (and for that purpose to liquidate property to produce such sum) as it may deem advisable for payment of all proper charges against the Trust,

including expenses in connection with such resignation or removal, and any balance of such reserve remaining after the payment of such charges shall be paid over to the successor Trustee or Trustee.

Article X – Amendment or Termination of Agreement

Section 10.1 Amendment of Agreement

Subject to Section 2.3, a Party may not alter, modify or amend this Agreement in whole or in part at any time, without the prior written consent of the other Party.

Section 10.2 Termination of Agreement

Subject to Sections 2.3 and 9.1, the Parties may at any time terminate this Agreement by written notice given to the other Party. The Parties may by mutual agreement determine an earlier time when such termination shall be effective. Such notice of termination shall be accompanied by a certified copy of a resolution of the 457 Deferred Compensation Plan Administrative Committee of the Employer approving such termination. In the event of the termination of this Agreement, the Trust shall be distributed pursuant to Article IX or XI hereof.

Article XI – Termination of Plan

Section 11.1 Amendment or Termination of Plan

Subject to Section 2.3, if Employer alters, modifies, amends or terminates the Plan in whole or in part, Employer shall give written notice to Trustee promptly of such alteration, modification or amendment. Such notice shall include a certified copy of a resolution of the 457 Deferred Compensation Plan Administrative Committee of the Employer or letter on Employer's letterhead and signed by an officer with authority over the Plan.

Section 11.2 Cessation of 457(b) Status

The Employer shall promptly notify the Trustee if the Plan becomes an ineligible deferred compensation plan pursuant to the provisions of Code Section 457(f), or if the Plan ceases for any reason to qualify as a Section 457(b) plan.

Section 11.3 Application of Funds on Termination

In the event of termination of the Plan, the interests of the Plan participants shall vest and be processed in accordance with the written directions of the Employer, accompanied by a certificate that such disposition is in accordance with the terms of the Plan.

Article XII – General Provisions

Section 12.1 Governing Law

To the extent not preempted by the provisions of any applicable federal law, this Agreement shall be administered, construed and enforced according to the laws of the State of Indiana, and shall be deemed to have been executed and delivered in that State.

Section 12.2 Entire Agreement

Trustee's duties and responsibilities to the Plan or any person interested therein shall be limited to those specifically set forth in this Agreement. No amendment to the Plan or any other document affecting the Plan shall affect Trustee's duties or responsibilities hereunder without its prior written consent.

Section 12.3 Notices

Except as otherwise provided in writing and agreed to by Trustee, all notices, reports, accounts and other communications from Trustee to the Employer, the Employer, the Administrator, the Investment Manager(s) or any other person shall be in writing or in such other form agreed to by the parties, including transmission by electronic means through the facilities of third parties or otherwise. Any paper communication shall be deemed to be duly given if mailed; postage prepaid, or otherwise placed for delivery by a national delivery service, shipping prepaid, or is delivered by hand to such person at the address appearing on the records of the Trustee. Any electronic notice shall be deemed to be duly given at the time the electronic notification is sent. Except as otherwise provided in writing and agreed by Trustee, all directions, notices, objections and other communications to Trustee shall be in writing or in such other form, including transmission by electronic means through the facilities of third parties or otherwise, specifically agreed to in writing by Trustee and shall be deemed to have been given when received by Trustee at its offices.

Section 12.4 Plan Documents

The Employer shall provide Trustee with complete, current copies of the Plan. Trustee shall be entitled to rely upon the Employer's attention to this obligation and shall be under no duty to request such documents or to inquire of any person as to the existence of any documents not provided hereunder.

Section 12.5 Spendthrift Provision

Except as may be required by law, no interest or claim of interest of any kind of any participant under the provisions of this Trust is assignable, nor may any such interest or claim be subject to garnishment, attachment, execution or levy of any kind, and no attempt to transfer, assign, pledge or otherwise encumber or dispose of such interest by act of the person involved or by operation of law will be recognized.

Section 12.6 Effect

All persons at any time interested in the Plan shall be bound by the provisions of this Agreement and, in the event of any conflict between this Agreement and the provisions of the Plan or any instrument or agreement forming part of the Plan, the provisions of this Agreement shall control.

Section 12.7 Severability

The illegality or unenforceability of any provisions of this Agreement or any instrument or agreement required hereunder shall not in any way affect or impair the legality or enforceability of the remaining provisions of this Agreement or any instrument or agreement required hereunder.

Section 12.8 Headings and Titles

The titles of the Articles and headings of Sections in this Trust Agreement are for convenience of reference only and in case of conflict the text of this Trust Agreement rather than such titles or headings shall control.

Section 12.9 Binding Agreement

This Agreement shall be binding upon Trustee and the Employer, their successors and assigns, and upon the participants and their beneficiaries, heirs, executors, administrators and assigns.

Section 12.10 Merger or Consolidation

Any legal entity into which Trustee may be merged, or with which it may be consolidated, or any legal entity resulting from any merger or consolidation to which Trustee may be a party, or any legal entity succeeding to the business of Trustee or to which substantially all of the assets of Trustee may be transferred, shall be the successor of Trustee hereunder without the execution or filing of any paper and without any further action on the part of the parties hereto, with like effect as if such successor Trustee had originally been named Trustee herein.

Section 12.11 Force Majeure

Trustee shall have no liability for any losses arising out of delays in performing the services which it renders under this Agreement which result from events beyond its control, including without limitation, interruption of the business of Trustee due to acts of God, acts of governmental authority, acts of war, riots, civil commotions, insurrections, labor difficulties (including, but not limited to, strikes and other work slippages due to slow-downs), or any action of any courier or utility, mechanical or other malfunction, or electronic interruption.

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Shareholder Communications Act

Trustee is obligated to provide to issuers of securities identifying information such as Employer's name(s), address(es), and share positions, unless Employer objects below or through subsequent notice to Trustee in writing.

_____ Employer requests that Trustee withhold Employer's identifying information from issuers.

IN WITNESS WHEREOF, the Employer and Trustee have caused this Agreement to be executed by their respective duly authorized officers, all as of the day and year first above written.

Employer

By: Tom Mielke Employer: Clark County, WA
Title: CHAIR, Board of Commissioners Signature: Tom Mielke

Attest: REBECCA TILTON
Title: CLERK Signature: Rebecca Tilton

Trustee

By: _____ Trustee: Lincoln Financial Group Trust
Title: _____ Company, as Trustee
Signature: _____

Attest: _____
Title: _____ Signature: _____