

CS-13-195

RECEIVED

CONTRACT APPROVAL FORM

CONTRACT MANAGEMENT

(Contract Management Use only)

CONTRACT TRACKING NO.

CM2125

CONTRACTOR INFORMATION

2014 JUN -4 PM 1:26

Name: Nationwide Retirement Solutions ATTN: Loan Administrator

Address: PO Box 182797 Columbus, OH 43272-8450

Contractor's Administrator Name: Gene Weaver City: _____ State: _____ Zip: _____
 Title: _____

Tel#: 850-867-8586 Fax: UNK Email: weaverg4@nationwide.com

CONTRACT INFORMATION

Contract Name: Participant Loan Administrative Procedures Contract Value: \$0

Brief Description: Would allow employees enrolled in Nationwide the ability to take loans out on their deferred compensation account. Sets out duties to be performed by Nationwide on the County's behalf.

Contract Dates : From: Signature Date to End of Business w/ Nationwide Status: New Renew Amend# WA/Task Order

How Procured: Sole Source Single Source ITB RFP RFQ Coop. Other Added Benefits

If Processing an Amendment:

Contract #: _____ Increase Amount of Existing Contract: _____ No Increase

New Contract Dates: _____ to _____ TOTAL OR AMENDMENT AMOUNT: _____

APPROVALS PURSUANT TO NASSAU COUNTY PURCHASING POLICY, SECTION 6

1. Chili Pope 6/4/14 N/A
 Department Head Signature Date Funding Source/Acct #
2. Charlotte Young 6/6/14
 Contract Management Date
3. N/A (no funding)
 Office of Management & Budget Date
4. 5/17/14 [Signature] 6/27/14
 County Attorney (approved as to form only) Date

Comments: _____

COUNTY MANAGER - FINAL SIGNATURE APPROVAL

[Signature] 7/1/14
 Ted Selby Date

RETURN ORIGINAL(S) TO CONTRACT MANAGEMENT FOR DISTRIBUTION AS FOLLOWS:

- Original: Clerk's Services; Contractor (original or certified copy)
- Department Office of Management & Budget
- Contract Management
- Clerk Finance

RECEIVED
 CONTRACT MANAGEMENT
 2014 JUL -2 PM 4:16
 RECEIVED
 COUNTY MANAGER'S OFFICE
 14 JUL -2 AM 11:02
 RECEIVED
 COUNTY MANAGER'S OFFICE
 14 JUN -9 PM 2:00

RECEIVED
 COUNTY MANAGER'S OFFICE
 14 JUN 30 AM 9:06

NATIONAL ASSOCIATION OF COUNTIES DEFERRED COMPENSATION PROGRAM

PARTICIPANT LOAN ADMINISTRATIVE PROCEDURES

Nationwide Retirement Solutions, Inc. ("NRS"), as Third Party Administrator of the National Association of Counties Deferred Compensation Program, administers your Deferred Compensation Plan for Public Employees ("Plan"). Recently issued proposed regulations under Internal Revenue Code Section 457 provide that eligible governmental 457(b) plans may permit loans to Participants. NRS recommends that you, as Plan Sponsor and/or Employer (hereinafter collectively referred to as "Plan Sponsor"), consult with your own legal advisor in determining whether you wish to add this optional feature to your Plan.

In the event that you decide to offer loans from your Plan to Participants, you will need to return to NRS at **Nationwide Retirement Solutions, PO Box 182797, Columbus OH 43272-8450, Attn: Loans Administrator** a fully executed original of this document and a fully executed original of the enclosed Plan Document Amendment. NRS cannot begin processing Participant loans from your Plan until it receives fully executed originals of both of these documents.

NRS may need from time-to-time to make changes to the administrative procedures set forth herein and in the Plan Document Amendment. In such a case, NRS will provide you with timely notice of such changes as they become necessary.

The following administrative procedures shall govern the making of loans from your Plan:

- 1. Loan Administration.** Plan Sponsor delegates to NRS certain administrative duties regarding the administration of loans from the Plan, which are set forth herein and which may be modified by NRS upon timely notice to Plan Sponsor.
- 2. Loan Eligibility.** Any Plan Participant is eligible for a loan from the Plan. Each Participant is entitled to one (1) loan at any time. In addition, a Participant who has defaulted on a previous loan shall not be eligible for another loan from the Plan until all defaulted loans are repaid in full, including accrued interest and fees.
- 3. Loan Application and Loan Agreement.** In order to receive a loan from the Plan, an eligible Participant must complete a loan application and return it to NRS. A loan application fee of \$50.00* will be deducted from the Participant's account(s). Before a loan is issued, the Participant must enter into a legally enforceable loan agreement as provided by NRS. If the Plan Sponsor permits loans for the purchase of the Participant's principal residence, the Participant will be required to sign a Primary Residence Certificate form and provide NRS with a copy of the contract or other documents relating to the acquisition of the dwelling unit. If the source for a single loan includes both the Participant's Deferred Compensation and Eligible Rollover Accounts, the Participant will be required to complete a loan application and loan agreement for each account which will be treated as separate and distinct for all purposes herein except that they will be considered a single loan for purposes of Sections 2, 6, and 10 herein.
- 4. Loan Repayment/Maximum Loan Term.** Repayment of any loan made to a Participant shall be made in a manner and pursuant to the terms set forth in loan agreement. The Participant receiving a loan shall be required to furnish the information and authorization necessary to effectuate the foregoing payments prior to the commencement of a loan. The maximum term over which a loan may be repaid is five (5) years (fifteen (15) years if the Plan Sponsor permits loans for the purchase of the Participant's principal residence).

* These fees, rates, and minimums are subject to change by NRS upon reasonable notice to the Plan Sponsor. Loan fees will appear as administrative charges on Participant Statements.

In the event that a Participant elects to receive a distribution from the Plan (other than a distribution due to an unforeseeable emergency or other in-service withdrawal) at a time when such person has a Plan loan outstanding, the principal and any accrued interest with respect to such loan shall be taxable.

5. **Loan Amortization.** Each loan shall be amortized in substantially equal payments consisting of principal and interest during the term of the loan. Payments of principal and interest shall be made in a manner and pursuant to the terms set forth in the loan agreement on a monthly basis in equal amounts, except that the amount of the final payment may be higher or lower. Before the loan is made, the Participant will be notified of the date on which the first payment will be deducted and the dates on which subsequent payments are due.

6. **Loan Frequency/Renegotiations.** Each Participant may have only one (1) Plan loan outstanding at any given time. A Plan loan which is in default, even if the defaulted loan was treated as a "deemed distribution" under federal regulations, shall be treated as an outstanding loan until such Participant's account balance is offset by the amount of principal and accrued interest under the loan. NRS shall offset a defaulted loan at any time that is administratively practicable, including but not limited to severance from employment by the Participant or upon a request for a distribution from the Plan. A Participant will be granted a loan no more frequently than two (2) times in any twelve (12) month period. Under no circumstances may loan terms be renegotiated. A new loan shall not be granted prior to the repayment of an outstanding loan.

7. **Default.** The Participant must pay the full amount of each payment (principal and interest) on the date that it is due by having sufficient funds in the account designated for loan payments through the ACH process. If NRS is unable to process a payment on the date due because the Participant fails to have sufficient funds in the account on that date, NRS will assess a fee of \$25.00 that will be deducted from Participant's account(s) and will send written notification to the Participant. The Participant shall be in default for the entire amount of the loan UNLESS the Participant does each of the following: 1) contacts NRS at the Deferred Compensation Service Center, 2) mutually agrees with NRS on a date, which is within 30 days of the missed payment on which funds sufficient to cover the missed payment will be in the account and; 3) actually pays the missed payment. Failure to make such a payment through mutually agreeable terms shall cause the Participant to be in default for the entire amount of the loan. The loan also shall be defaulted upon the death of the Participant or if the Participant commences or has commenced against Participant a bankruptcy case. No additional loans shall be made to a Participant who has defaulted on a Plan loan and who has not repaid all defaulted loans in full, including accrued interest and fees.

8. **Loan Prepayment.** The entire amount of a loan, including outstanding principal and any accrued interest, may be paid without penalty prior to the end of the term of the loan in the manner prescribed by NRS. However, payments made that are less than the remaining principal amount of the loan and any accrued interest with respect to the loan, or which are not paid in the form prescribed by NRS, are not permitted.

9. **Loan Security.** By accepting a loan, the Participant is giving a security interest in his or her vested Plan balance as of the date of the Loan Process Date, together with all additions thereof, to the Plan that shall at all times be equal to 100% of the unpaid principal balance of the loan together with accrued interest.

10. **Maximum/Minimum Loan Amount.** The maximum amount of any loan permitted under the Plan is the lesser of (i) 50% of the Participant's vested account balance (not including any value attributable to applicable life insurance or deemed IRA account) less any outstanding loan balances under the Plan or (ii) \$50,000 less the highest outstanding loan balance during the preceding one-year period. The minimum loan amount permitted is \$1,000.00*. Loans shall be made in accordance with these limits and those limits imposed under federal regulations without regard to any other loans received by the Participant from any other investment provider under the Plan or any other plan of the employer. The Participant and not NRS shall at all times remain responsible for ensuring that any loan received under the Plan is in accordance with regard to any other loans received by the Participant under any other plans of the Participant's employer. Any tax reporting required as a

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result of the receipt by a Participant of a loan that exceeds the limits imposed by federal regulations shall not be the responsibility of NRS, unless it is determined that such limits were exceeded solely as a result of a loan made through NRS as service provider. Consequently, NRS shall not be required to account for loans made pursuant to a plan other than this Plan or loans made under this Plan that are made by an investment provider other than Nationwide Life Insurance Company.

11. **Suspension of Loan Payments.** NRS may suspend a Participant's obligation to repay any loan under the Plan during the period in which the Participant is performing service in the uniformed services as may be required by law. At the expiration of any suspension of loan payments period, the outstanding loan balance, including any accrued interest and fees, will be re-amortized and the Participant will be required to execute an amended Loan Agreement.

12. **Loan Interest Rate.** The interest rate for any loan shall be established by NRS. These interest rates shall commensurate with interest rates being charged by entities in the business of lending money under similar circumstances. Generally, the rate assumed will be Prime Rate + 1.00%*. The Prime Rate shall be the prime rate published by the Wall Street Journal two weeks prior to the end of the most recent calendar-year quarter. NRS may adjust the loan interest rate for Participants entering active duty in the military services as may be required by law.

13. **Annual Loan Maintenance and Asset Fees.** An annual loan maintenance fee of \$50.00* will also be deducted from the Participant's account until the loan is repaid in full. The amount of the outstanding loan balance will be subject to the Asset Fee equal to the maximum Variable Account Annual Expense Fee applicable under the Plan at the time the loan is issued.

14. **Loan Default Fee.** At the time when a default occurs, a \$50.00* loan default fee will be deducted from the Participant's account. This charge will only affect Participants who fail to make a required loan payment.

15. **Loans for the Purchase of a Principal Residence.** All loans issued by the Plan will be general loans to be repaid in five (5) years unless the Plan Sponsor affirmatively elects to offer loans for the purchase of the Participant's principal residence, which may be repaid in fifteen (15) years. Such loans shall be solely secured by the Participant's vested account balance. All administrative procedures set forth herein shall apply to such loans.

If the Plan Sponsor elects to permit loans for the purchase of the Participant's principal residence, please check this box.

The undersigned Plan Sponsor hereby adopts these Participant Loan Administrative Procedures, effective for loans issued on or after the effective date set forth in the Loans to Participants Amendment to Plan Document, and instructs NRS to administer loans made to Plan Participants in accordance with these terms.

The Plan Sponsor acknowledges the following: (i) that the Plan Sponsor has decided to offer loans under the Plan and is instructing NRS to administer loans under the Plan; (ii) that it understands that, as a result of offering loans under the Plan, the Plan Sponsor, its Participants, and/or the Plan could be subject to adverse tax consequences; (iii) that the Plan Sponsor has independently weighed this risk and has determined that offering loans under the Plan is in the best interest of the Plan Sponsor, its Participants, and the Plan; and (iv) NRS shall not be liable for any adverse tax consequences described in (ii), except as specifically stated under paragraph 10 herein, resulting from the Plan Sponsor's decision to offer loans under the Plan.

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Plan Sponsor
or Employer: Nassau County Board of County Commissioners

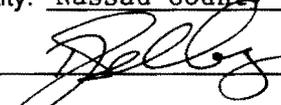
Street Address: 96135 Nassau Place, Suite 5

City, State, Zip Code: Yulee, Florida 32097

Plan Name: National Association of Counties Deferred Compensation Program

Entity No.: 37318001

Plan Entity: Nassau County Board of County Commissioners

By:  Ted Selby

Its: County Manager

E-mail Address: tselby@nassaucountyfl.com / cpope@nassaucountyfl.com

Date: 7/1/14

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