AGENDA

AUGUST 20, 2024

REGULAR MEETING
CITY COUNCIL
CITY OF YUBA CITY

4:00 P.M. CLOSED SESSION
SUTTER ROOM/VIRTUAL

6:00 P.M. REGULAR MEETING
COUNCIL CHAMBERS/VIRTUAL

MAYOR	•	Shon Harris
VICE MAYOR	•	Dave Shaw
COUNCILMEMBER	•	Marc Boomgaarden
COUNCILMEMBER	•	Wade Kirchner
COUNCILMEMBER	•	Michael Pasquale
CITY MANAGER	•	Diana Langley
CITY ATTORNEY	•	Shannon L. Chaffin

1201 Civic Center Blvd
Yuba City CA 95993

Wheelchair Accessible

The City has adopted a Reasonable Accommodations Policy that provides a procedure for receiving and resolving requests for accommodation to participate in this meeting. Please visit yubacity.net ADA & Accessibility Resources page. If you need assistance in order to attend the City Council meeting, or if you require auxiliary aids or services, e.g., hearing aids or signing services to make a presentation to the City Council, the City is happy to help. Accommodations should be requested as early as possible as additional time may be required in order to provide the requested accommodation; 72 hours in advance is suggested. Please contact City offices at (530) 822-4817 or ***(TTY: 530-822-4732),*** *so such aids or services can be arranged. Requests may also be made by email at cityclerk@yubacity.net or citymanager@yubacity.net or mail City Clerk, 1201 Civic Center Blvd, Yuba City, CA 95993.*

AGENDA
REGULAR MEETING
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Materials related to an item on this Agenda submitted to the Council after distribution of the agenda packet are available for public inspection in the City Clerk's office at 1201 Civic Center Blvd., Yuba City, during normal business hours. Such documents are also available on the City of Yuba City's website at www.yubacity.net, subject to staff's availability to post the documents before the meeting.

The Council Chambers will be open for public attendance and participation. The meeting will also be live streamed for public viewing, but not participation, at the following link: https://yubacity-net.zoom.us/webinar/register/WN_GbwmsUuARqWl-Zqoh3Ttmw. Emailed comments sent to cityclerk@yubacity.net at least 24 hours before the meeting will be distributed to the City Council prior to the meeting. Please identify the Agenda item(s) addressed by the comments.

Public Comment:
Any member of the public wishing to address the City Council on any item listed on the closed session agenda will have an opportunity to present testimony to the City Council in the Council Chamber prior to the City Council convening into closed session. Comments from the public will be limited to three minutes. No member of the public will be allowed to be present once the City Council convenes into closed session.

Closed Session

A. Conference with Labor Negotiators (Pursuant to Government Code, Section 54957.6.)
   Agency designated representatives: Diana Langley, City Manager, Natalie Springer, Human Resources Director, Ann Gillen, Community Services Director, Spencer Morrison, Finance Director, Ben Moody, Public Works and Development Services Director, Brian Baker, Police Chief, Jesse Alexander, Fire Chief
   Employee organizations: Yuba City Police Officers; Police Sergeants; Yuba City Firefighters Local 3793; Yuba City Fire Management; First Level Managers, Mid Managers, Police Sworn Mid Managers; and Public Employees Local No. 1
   Unrepresented employees: Confidential Employees, Executive Services Employees

Regular Meeting

Call to Order

Roll Call

__ Mayor Harris
__ Vice Mayor Shaw
__ Councilmember Boomgaarden
__ Councilmember Kirchner
__ Councilmember Pasquale

Invocation/Inspiration

Pledge of Allegiance to the Flag

City Attorney's Report on Closed Session Items, City Attorney Shannon Chaffin

Agenda Modifications

Ceremonial Presentations

1. Welcome of BAFB Installation and Wing Commander, Colonel Keagan L. McLeese

2. Retirement Proclamation - Sergeant Bill Williams

Public Communication

3. Appearance of Interested Citizens

You are welcome and encouraged to participate in this meeting. Public comment is taken on action items appearing on the Consent Calendar or Business Items on the Agenda when they are called. Public comment on any other items within the scope of the City's jurisdiction, including items not listed on the Agenda will be considered at this time. Public comment is limited to three minutes per speaker. Members of the public submitting written requests at least 24 hours prior to the meeting will be allotted five minutes to comment per speaker. Repetitive comments may be limited, and large groups are encouraged to select representatives to express the opinions of the group.

Consent Calendar

All matters listed under Consent Calendar are considered to be routine and can be enacted in one motion. There will be no separate discussion of these items prior to the time that Council votes on the motion unless members of the City Council request specific items to be discussed or removed from the Consent Calendar for individual action.

4. Minutes of the July 16, 2024 Regular Meeting of the City Council

Recommendation: Approve the Minutes of the July 16, 2024 Regular Meeting of the City Council

5. Transportation Development Act (TDA) Claim for FY 2023-2024 of $2,149,688 in Local Transportation Funds (LTF)

Recommendation: Adopt a Resolution authorizing submission of the City's FY 2023-2024 TDA claim to the Sacramento Area Council of Governments (SACOG)

6. Designation of Voting Delegates for the League of California Cities Annual Conference in October 2024

Recommendation: Designate Mayor Shon Harris to serve as the Voting Delegate for the 2024 League of California Cities Annual Conference in

October 2024, and designate Vice Mayor Dave Shaw to serve as an alternate

7. Presentation of Investment Report - Quarter Ended June 30, 2024

Recommendation: Note & File Quarterly Investment Report

8. Corporation Yard Elevator Replacement - Contract Award

Recommendation: Adopt a Resolution which takes the following actions:

A. Adopts a CEQA Class 1 Categorical Exemption
B. Awards a construction contract to TK Elevator in the amount of $144,850.00 through Sourcewell Contract No. 080420-TKE, with the finding that it is in the best interest of the City
C. Authorizes the City Manager to execute all necessary documents related to the Project

9. Consideration of an Amendment to the Staff Services Agreement between the City of Yuba City and the Sutter County Local Agency Formation Commission (Sutter LAFCO)

Recommendation: Authorize the Mayor to sign a First Amendment to the Staff Services Agreement between the City of Yuba City and Sutter LAFCO

10. WTP Alum Storage Tanks Replacement Project (Contract Award)

Recommendation: Adopt a Resolution awarding a construction contract to Pacific River Construction of Roseville, CA in the amount of their total bid of $321,000.00 and authorizing the City Manager to execute the contract on behalf of the City, subject to review and approval as to legal form by the City Attorney

11. 2434 Butte House Road Extraterritorial Water Service Agreement

Recommendation: Adopt a Resolution authorizing the City Manager to execute an extraterritorial service agreement with the property owner of 2434 Butte House Road, Rosa Elva Rojas Coss, for connection to City water service following approval as to legal form by the City Attorney

12. 2601 Railroad Avenue Extraterritorial Water Service Agreement

Recommendation: Adopt a Resolution authorizing the City Manager to execute an extraterritorial service agreement with the property owner of 2601 Railroad Avenue, The Lonnie G. Edwards Revocable Living Trust Dated August 7, 2007, for connection to City water service following approval as to legal form by the City Attorney

13. Appointments to City of Yuba City Personnel Board

Recommendation: Approve the Mayor's Recommendation of one (1) Appointment and one (1) Reappointment to the Personnel Board

<u>Business Items</u>

14. Contract with Lincoln Financial Group and BPAS for 457(b) Deferred Compensation and Section 115 Trust Plans

Recommendation: Adopt a Resolution authorizing the City Manager to finalize and execute agreements with Lincoln Financial Group and BPAS to

administer the City's 457(b) Deferred Compensation and Section 115 Trust Plans and other documents necessary for the implementation of these plans; and finalize and execute 457(b) Deferred Compensation and Section 115 Trust Plan documents

15. Purchase of Four (4) Chevrolet Tahoe Pursuit Vehicles

Recommendation: Adopt a Resolution which takes the following actions:

A. Awards the purchase of four (4) Chevrolet Tahoe Pursuit Vehicles to Winner Chevrolet, Inc., of Sacramento, CA, in the amount of $264,009.04
B. Authorizes the purchase and installation of equipment to Cop Shop Installations of Yuba City, CA, in the estimated amount of $101,729.90, with the finding that it is in the best interest of the City
C. Authorizes the purchase of four (4) APX 8500 all-band radios to Sutter Buttes Communication of Yuba City, CA, in the estimated amount of $38,890.36, with the finding that it is in the best interest of the City

16. Bogue Park Playground Replacement Project Award and Purchase

Recommendation: Adopt a Resolution which takes the following actions:

A. Adopts a CEQA Class 2 Categorical Exemption
B. Awards a construction contract to BCI Burke Company in the amount of $81,140.61 through Sourcewell Contract No. 010521-BUR, with the finding that it is in the best interest of the City
C. Authorizes the City Manager to execute all necessary documents related to the project

17. Harter Parkway Corridor Improvement Project (Contract Award)

Recommendation: Adopt a Resolution with the following actions:

A. Awards a construction contract to JPB Designs, of Orangevale, CA in the amount of their total bid of $1,300,860.00 and authorizes the City Manager to execute the contract on behalf of the City, subject to review and approval as to legal form by the City Attorney
B. Authorizes the Finance Director to make necessary budget adjustments and supplemental appropriations
C. Adopts a CEQA Class 1 categorical exemption

18. Sutter Bike Path Gap Closure (Plans and Specifications)

Recommendation: Adopt a Resolution adopting a CEQA Class 4 Categorical Exemption, approving the plans and specifications and authorizing advertisement for bids for the Sutter Bike Path Gap Closure Project

19. Citywide Signal Hardware Upgrades (Plans & Specifications)

Recommendation: Adopt a Resolution adopting a CEQA Class 1 Categorical

Exemption, approving the plans and specifications, and authorizing advertisement for bids for the Citywide Signal Hardware Upgrades Project (24-09)

20. Medical Priority Dispatch System

Recommendation: Adopt a Resolution awarding the purchase of a Medical Priority Dispatch System, ProQA, to Priority Dispatch of Salt Lake City, UT, in the amount of $113,102, with the finding that it is in the best interest of the City

21. 2024 Nagar Kirtan Sikh Parade

Recommendation: Receive an update from the Sikh Parade Ad Hoc Committee on the planning efforts for the 2024 Nagar Kirtan Sikh Parade

Future Agenda Items

22. Future Agenda Items

Reports and Communications

The following reports and communication items are provided for the Council's information. No action can be taken on items under this section unless the Council agrees to include it on a subsequent agenda

23. City Manager's Report

24. City Council Reports

Adjournment

Welcome

Colonel Keagan L. McLeese

Beale Air Force Base
Installation Commander and
9th Reconnaissance Wing Commander

Proclamation

of the City Council

POLICE SERGEANT BILL WILLIAMS

In Recognition of your retirement from the Yuba City Police Department

WHEREAS, Bill Williams began his law enforcement career in 1997 with the Santa Rosa Police Department, and was hired as a Police Officer by the City of Yuba City on December 17, 2003; and

WHEREAS, he has held the positions of Police Officer, Patrol Sergeant, and Traffic Sergeant, with lateral assignments as a Motor Officer, SWAT team operator, School Resource Officer, Rangemaster, Chaplain Liaison, and Wellness Program Coordinator; and

WHEREAS, he has been recognized with numerous awards and commendations for his exemplary professional performance including letters of appreciation from the public, peers and supervisors; and

WHEREAS, Sergeant Williams has served as an example of a true servant leader, and a team player in his capacity as an employee of the City of Yuba City. Bill has received three Chief's Unit of the Year Awards, two Police Achievement Awards, five Police Fitness Awards, two Police Unit Commendations, the Police Individual Commendation Award, the Police Commendation Medal and the Department's Spirit Award; and

WHEREAS, Bill Williams also served our country in the United States Air Force, active duty from January 1993 to December 1996, and as a Reserve from 1997 to 2018. He returned to active duty for over a year, due to 9/11, serving in Iraq during Operation Enduring Freedom; and

WHEREAS, Sergeant Williams took an oath to, "Preserve, Protect and Defend the Constitution," an oath he never broke; and

WHEREAS, Sergeant Williams kept faith with the public he so honorably served for more than 25 years.

NOW, THEREFORE, BE IT RESOLVED, that I, Shon Harris**,** Mayor of the City of Yuba City, on behalf of the entire Council and citizens we serve, do hereby thank Sergeant Bill Williams for his service both military and civilian and congratulate him on the occasion of his honorable retirement from the law enforcement service. We wish Sergeant Williams, the very best in his future.

Done on this 20th day of August 2024 at the City of Yuba City, County of Sutter, State of California

Public Communication

Members of the public may address the City Council on items of interest that are within the City's jurisdiction. Individuals addressing general comments are encouraged to limit their statements.

Procedure

You are welcome and encouraged to participate in this meeting. Complete a Speaker Card located in the lobby and give to the Clerk, public comment is taken on action items appearing on the Consent Calendar or Business Items on the Agenda when they are called. Public comment on any other items within the scope of the City's jurisdiction, including items not listed on the Agenda, will be considered at this time.

When a matter is announced, wait to be recognized by the Mayor to provide your comments to the Council. Comments should begin by providing your name and place of residence. A three minute limit is requested when addressing Council.

Request for additional time to address Council

Members of the public submitting written requests at least *24 hours* prior to the meeting will be allotted 5 minutes to comment per speaker. Repetitive comments may be limited, and large groups are encouraged to select representatives to express the opinions of the group.

Procedure

When requesting to comment, please indicate your name and the topic and mail to:

City of Yuba City
Attn: City Clerk
1201 Civic Center Blvd
Yuba City CA 95993

Or email to:

Jackie Sillman, City Clerk
cityclerk@yubacity.net

Agenda Item **4**

CITY OF YUBA CITY
STAFF REPORT

Date: August 20, 2024
To: Honorable Mayor & Members of the City Council;
From: Administration Department
Presentation By: Ciara Wakefield, City Clerk Administrator

Summary

Subject: Minutes of the July 16, 2024 Regular Meeting of the City Council
Recommendation: Approve the Minutes of the July 16, 2024 Regular Meeting of the City Council
Fiscal Impact: None

Attachments:
1. 07-16-2024 Regular Meeting Minutes (DRAFT)

Prepared By:
Ciara Wakefield
City Clerk Administrator

Submitted By:
Diana Langley
City Manager

ATTACHMENT 1

MINUTES

REGULAR MEETING
CITY COUNCIL - CITY OF YUBA CITY

JULY 16, 2024

6:00 P.M. REGULAR MEETING
COUNCIL CHAMBERS/VIRTUAL

Regular Meeting

The Regular Meeting of the City Council was called to order by Mayor Harris at 6:00 PM

Roll Call

Present: Mayor Harris and Councilmembers Boomgaarden, Kirchner, Shaw, and Pasquale

Absent: None

Invocation/Inspiration

Jonathan Orosco of Legacy Baptist Church

Pledge of Allegiance to the Flag

Mayor Shon Harris

Agenda Modifications

Item 8 - Staff prepared a revised Resolution which was provided to the Council. Copies were made available for the public in the lobby

Ceremonial Presentations

1. Downtown Business Association Summer Stroll Presentation

Sandee Drown & Teresa Schmidt from the Downtown Business Association (DBA) gave a presentation

2. Proclamation Recognizing Parks and Recreation Month

Mayor Harris presented a proclamation to Ann Gillen, Director of Community Services and Parks & Recreation staff

Public Communication

3. Appearance of Interested Citizens

Liz Cervantes spoke
Stephanie Ruscigno spoke

Consent Calendar

Councilmember Boomgaarden moved and Vice-Mayor Shaw seconded the motion to approve Consent Calendar items 4-5

4. Minutes from the July 2, 2024 Regular Meeting of the Successor Agency to the Redevelopment Agency and City Council

Approve the minutes of the July 2, 2024 Regular Meeting of the Successor Agency to the Redevelopment Agency and City Council

5. 2023 Ford F-550 - Capital Acquisition

Adopt **Resolution 24-098** authorizing Finance Director to record a supplemental appropriation of $5,000 to account 6610-69410 for the additional cost to purchase a Ford F- 550 Regular Cab or equivalent for the Parks Department

Business Items

[Councilmember Kirchner recused himself]

6. Richland Waterline Extension Project (Contract Award)

Councilmember Pasquale moved and Vice-Mayor Shaw seconded the motion to:

Adopt **Resolution 24-099** taking the following actions:

A. Accepts the bid withdrawal of the apparent low bidder, Newland Entities, Inc. of Yuba City, without forfeiting its bid security on the basis that documentation complying with Section 5103 of the California Public Contract Code has been provided affirming that a material and clerical error was made in assembling the bid
B. Awards a construction contract to LaFleur Engineering, Inc of Roseville, CA in the amount of their total bid of $1,314,417.00 and authorizes the City Manager to execute the contract on behalf of the City, subject to review and approval as to legal form by the City Attorney

The motion was passed with 4 votes *[Kirchner recused]*

7. Consideration of Inclusion of Delinquent Charges and Penalties for Water and Wastewater Services on Secured Tax Roll

Mayor Harris opened a Public Hearing

Stephanie Ruscigno spoke
Liz Cervantes spoke

Mayor Harris closed the Public Hearing

Councilmember Kirchner moved and Councilmember Pasquale seconded the motion to:

Adopt **Resolution 24-100** for the inclusion of delinquent charges and penalties for water and wastewater services on the secured tax roll in the same manner as the

general taxes and directing that a lien also be placed on the subject properties

The motion was passed unanimously

8. Consideration of Inclusion of Code Enforcement Citation Fines on Secured Tax Roll

Mayor Harris opened a Public Hearing

No public comment

Mayor Harris closed the Public Hearing

Councilmember Kirchner moved and Vice-Mayor Shaw seconded the motion to:

Adopt **Resolution 24-101** for the inclusion of unpaid Code Enforcement citation fines on the secured tax roll in the same manner as the general taxes and directing that a lien also be placed on the subject properties

The motion was passed unanimously

9. Consideration of November 2024 Ballot Measure to Authorize One-Cent Sales Tax

Lawrence Mertz spoke
Ed Diminick spoke
Liz Cervantes spoke
Stephanie Ruscigno spoke
Debra Desrosiers spoke

Councilmember Boomgaarden moved and Vice-Mayor Shaw seconded the motion to:

Adopt **Resolution 24-102** calling for the placement of a general tax measure on the ballot for the November 5, 2024, general municipal election for the submission to the voters of an ordinance to enact a general transaction and use tax (sales tax) at the rate of one percent

The motion was passed unanimously

Future Agenda Items

10. Future Agenda Items

No suggestions were made

Reports and Communications

11. City Manager's Report

12. City Council Reports

- Councilmember Boomgaarden
- Councilmember Kirchner
- Councilmember Pasquale
- Vice Mayor Shaw

- Mayor Harris

Adjournment

Mayor Harris adjourned the Regular Meeting of the City Council at 7:48 PM

_____

Shon Harris, Mayor

ATTEST:

_____

Ciara Wakefield, Deputy City Clerk

CITY OF YUBA CITY
STAFF REPORT

Date: August 20, 2024
To: Honorable Mayor & Members of the City Council;
From: Finance/IT Department
Presentation By: Diona Pope, Accounting Manager

Summary

Subject: Transportation Development Act (TDA) Claim for FY 2023-2024 of $2,149,688 in Local Transportation Funds (LTF)

Recommendation: Adopt a Resolution authorizing submission of the City's FY 2023-2024 TDA claim to the Sacramento Area Council of Governments (SACOG)

Fiscal Impact: $2,021,127 in revenue will be received by the City for TDA Fund projects on Yuba City Streets as approved in the FY 2023-2024 CIP Budget

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Purpose:

To secure funding to be used for road repair and maintenance.

Council's Strategic Goal:

This staff report addresses the City Council's Strategic Goal of fiscal responsibility.

Background:

The City Council is requested to approve the following allocation of the City's fiscal year Local Transportation Fund (LTF) revenues as indicated below:

1.	Yuba City Finding of Apportionment	$4,285,374
2.	Less: Sacramento Area Council of Governments (SACOG)	128,561
3.	Less: Yuba-Sutter Transit Authority (YSTA)	2,135,686
	Total	$2,021,127

Projects completed in recent years include:

- Striping and marking; and
- Drainage and traffic signal improvements; and
- Road rehabilitation at various locations

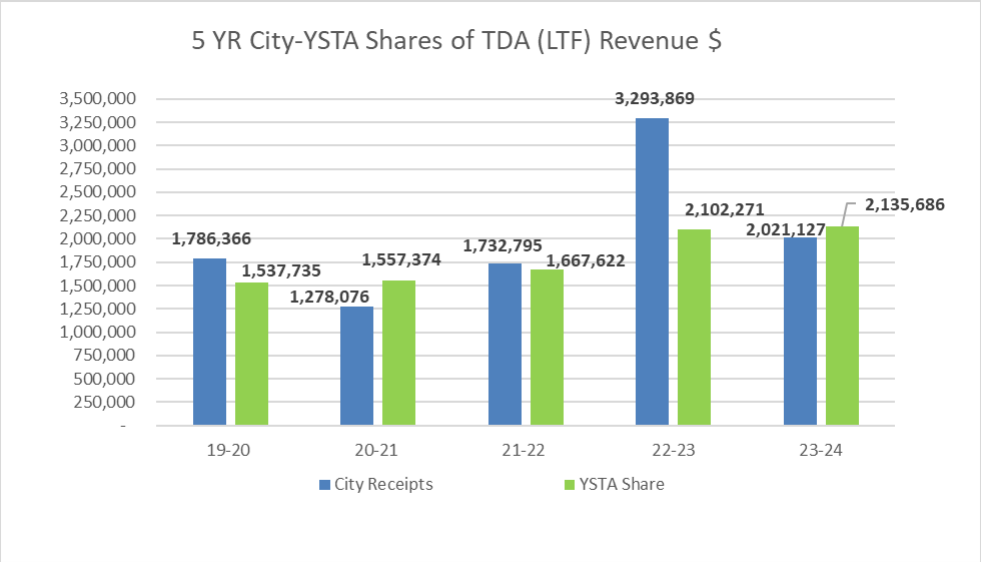
Analysis:

The Sales Tax rate in Sutter County is currently 7.25%. Of this rate, 0.25% is collected by the State of

California and allocated back to each city and county (based on population) for local transportation services and projects. The City of Yuba City's share of these funds for FY 2023-2024 totals $4,285,374, a decrease of 22.97% from the apportionment of $5,563,030 for FY 2022-2023. Of this amount, YSTA is apportioned a share (in accordance with our Joint Powers Agreement), SACOG receives a portion for planning costs, and the remainder is placed in the City's TDA project fund (305).

YSTA will use their portion, $2,135,686, to provide community-wide transit services. The YSTA portion has increased 1.59% from last year, and has increased an average of 9% per year over a five-year period, FY 2019-2020 through FY 2023-2024.

The following chart illustrates five years of the City's and YSTA's shares of TDA (LTF) claims:



The local share of TDA revenue distribution considers county June 30th LTF balance estimates and must be trued-up for the differential between the estimation and actual in the following year.
Per Michael Rosson from SACOG, the 58.69% apportionment increase from FY 2021-2022 to FY 2022-2023 is due to:

- higher State LTF Fund Balance as of 6/30/21; and
- higher State sales tax revenue projection for FY 2022-2023

Fiscal Impact:

$2,021,127 in revenue will be received by the City for TDA Fund projects on Yuba City streets as approved in the FY 2023-2024 CIP Budget.

Alternatives:

- City Council may determine that LTF revenue is not needed and forego the City's claim.
- City Council may use its seat at YSTA to help identify further unmet transportation needs, which would reduce or eliminate the City's LTF revenue claim.

Recommendation:

Adopt a Resolution authorizing submission of the City's FY 2023-2024 TDA claim to the Sacramento

Area Council of Governments (SACOG).

Attachments:

1. TDA Claim Reso FY 24-25 (Final)
2. 23-24 TDA Claim Form

Prepared By:
Diona Pope
Accounting Manager

Submitted By:
Diana Langley
City Manager

ATTACHMENT 1

RESOLUTION NO. 24-__

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUBA CITY AUTHORIZING SUBMISSION OF THE FY 2024-2025 TRANSPORTATION DEVELOPMENT ACT CLAIM TO THE SACRAMENTO AREA COUNCIL OF GOVERNMENTS

WHEREAS, the State of California enacted the Transportation Development Act (TDA) in 1972 to provide funds for transportation needs each fiscal year; and

WHEREAS, the Sacramento Area Council of Governments (SACOG) is designated as the Transportation Planning Agency for the City of Yuba City to receive claims for approval pursuant to TDA rules and regulations; and

WHEREAS, SACOG has adopted funding of apportionment for the Local Transportation Funds for Fiscal Year 2023-2024; and

WHEREAS, after transportation needs have been met, any unused funds may be used for street and road improvements.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Yuba City hereby approve and forward to SACOG the attached Fiscal Year 2023-2024 TDA claims, and that the Finance Director is hereby authorized to make the necessary budget amendments, transfers, accounting entries, etc. to carry out the Council's policies and directives related to this matter.

The foregoing Resolution was duly and regularly introduced, passed, and adopted by the City Council of the City of Yuba City at a regular meeting thereof held on the 20TH day of August, 2024.

AYES:

NOES:

ABSENT:

_____
Shon Harris, Mayor

ATTEST:

_____
Ciara Wakefield, Deputy City Clerk

APPROVED AS TO FORM
COUNSEL FOR YUBA CITY

_____
Shannon Chaffin, City Attorney
Aleshire & Wynder, LLP

TRANSPORTATION

DEVELOPMENT ACT

CLAIM PACKET

Sacramento Area Council of Governments
1415 L Street. Suite 300
Sacramento, CA 95814

TRANSPORTATION DEVELOPMENT ACT
CLAIM CHECKLIST

Please check the following, items as being either included with the attached TDA claim package or are on file at SACOG.

Item	Claimant	Attached	On file
• TDA-1 Annual Transportation Development Claim	All claimants	☒	N/A
• TDA-2 Project and Expenditure Plan (for the fiscal year of this claim and the prior fiscal year)	All claimants	☒	N/A
• TDA-3 Status of Previously Approved Projects	All claimants	☒	N/A
• TDA-4 Statement of Conformance	All claimants	☒	N/A
• TDA-5 TDA Claim Certification	All claimants	☒	N/A
• Resolution by governing body that authorized the claim	All claimants	☒	N/A
If Claimant is a Transit Agency or Jurisdiction is Contracting for Transit Service			
• CHP Safety Compliance Report (Completed within the past 13 months)	Claimants for transit service	☐	☐
• Adopted or proposed budget for the fiscal year of the claim	Claimants for transit service	☐	☐
• Signed copy of transit service contract	Claimants for transit service	☐	☐
• Area wide transfer agreement, resolution	Claimants that allow inter-system transfers	☐	☐
• Information establishing eligibility under efficiency criteria – STA Operator Qualifying Criteria calculation based on Section 99314.6	Claimants for revenue-based STA funds	☐	☐
• Certification that claim is consistent with Capital Improvement Program	Claimants for bike/ped facilities	☐	☐
• Compliance with PUC Sec. 99155 & 99155.5	Claimants for transit service	☐	☐
• Copy of Ten Year Capital & Operations Program	Claimants for transit service	☐	☐

TDA-1

TRANSPORTATION DEVELOPMENT ACT CLAIM

TO: Sacramento Area Council of Governments
1415 L Street, Suite 300
Sacramento, CA 95814

FROM: Claimant City of Yuba City
Address 1201 Civic Center Blvd
City Yuba City Zip Code 95993
Contact Person Spencer Morrison
Phone 530-822-4615 Email smorrison@yubacity.net

The above claimant hereby requests, in accordance with authority granted under the Transportation Development Act and applicable rules and regulations adopted by the Sacramento Area Council of Governments (SACOG), that its request for funding be approved as follows:

LTF $ 2,149,688 (FY 23 / 24)
_____ (FY ___/___)
_____ (FY ___/___)
_____ (FY ___/___)

STA _____ (FY ___/_____)
_____ (FY ___/___)
_____ (FY ___/___)

STA-SGR _____ (FY ___/___)
_____ (FY ___/___)

(Specify STA and/or STA-SGR)

Submitted By Spencer Morrison
Title Finance Director
Date _____

TDA-2

ANNUAL PROJECT AND EXPENDITURE PLAN

	Claimant:									**Fiscal Year:**
Project Title and TDA Article Number		**SOURCES OF FUNDING**								
	TDA LTF	TDA STA	TDA STA-SGR	Transit Fares	Measure A	Road Fund	Developer Fees/Const. Tax	Federal/ State	Other	**TOTAL**
Article Section 99400(a)	$2,021,127									$2,021,127
SACOG Planning	128,561									128,561
TOTAL REQUEST	$2,149,688	$	$	$	$	$	$	$	$	$2,149,688

TDA-3
STATUS OF PREVIOUSLY APPROVED PROJECTS

Instructions: Describe the status of all prior fiscal year TDA claim projects and any projects from previous
years, which are still active.

- Include both operating and capital projects
- Approved amounts should he as specified in TDA claims approved by SACOG
- Expenditures should be to date
- Project status should be either "Complete" or "Active"

Fiscal Year	Project Title	Amount Approved	Expenditures	Project Status
2015-16		$1,540,935	$1,540,935	Complete
2016-17		1,647,686	1,647,686	Complete
2017-18		957,774	957,774	Complete
2018-19		1,592,279	1,592,279	Complete
2019-20		1,686,643	1,686,643	Complete
2020-21		1,278,076	1,278,076	Complete
2021-22		1,732,795	1,221,067	Active
2022-23		3,293,869		Active
TOTAL		$ 13,730,057	$ 9,967,744	

TDA-4
STATEMENT OF CONFORMANCE

Form TDA-4 must be completed and signed by the Administrative Office of the submitting claimant.

The City of Yuba City hereby certifies that the Transportation Development Act claim for fiscal year(s) 2023-2024 in the amount of $ 2,149,688 (LTF), $ 0 (STA) and $ 0 (STA-SGR) for a total of $ 2,149,688 conforms to the requirements of the Transportation Development Act and applicable rules and regulations. (See Attachment A for listing of conformance requirements)

Certified by Chief Financial Officer _____
Title Finance Director
Date _____

TDA-5

TDA Claim Certification Form

I, Spencer Morrison, Chief Finance Officer for the City of Yuba City, do hereby attest, as required under the California Code of Regulations, Title 21, Division 3, Chapter 2, Section 6632, to the reasonableness and accuracy of the following:

(a) The attached budget or proposed budget for FY 2023/2024

(b) The attached certification by the Department of the California Highway Patrol verifying that City of Yuba City is in compliance with Section 1808.1 of the Vehicle Code, as required in Public Utilities Code Section 99251.

(c) The estimated amount of Article Section 99400(a) maximum eligibility for moneys from the local transportation fund and the state assistance fund, as defined in Section 6634, is $ 2,149,688.

_____
(Signature) Chief Financial Officer

City of Yuba City
(Agency Name)

_____
(Date)

ATTACHMENT A
CONFORMANCE - TDA CLAIMANTS
Standard Assurances

1) 180-Day Certified Fiscal Audit *(Applies to all claims; SACOG administers fiscal audits for all operators in the region, with the exception of the Sacramento Regional Transit District)* -Assurance that the claimant has submitted a satisfactory independent fiscal audit, with required certification, to SACOG and to the State Controller not more than 180 days after the end of the prior fiscal year (Sections 99245 and 6664).

2) 90-Day Annual State Controller Report (*Applies to all transit claims)* – Assurance that claimant has submitted this report to the State Controller in conformance with the uniform system of accounts and record not more than 90 days after the end of the prior fiscal year (110 days for electronically submissions) (Section 99243). Claimant should also supply a copy of the State Controller report (SCR) to SACOG no more than 120 days after the end of the prior fiscal year.

3) Use of Federal Funds (*Applies to all Article 4 claims)* –

- Claimant filing a claim for TDA funds for capital intensive projects pursuant to Section 99268.7 certifies that is has made every effort to obtain federal funding for any project which is funded pursuant to Section 99268.7.

- Claimant qualifying for funds pursuant to Section 99268.1 and tiling a claim for TDA funds in excess of the amount allowed by Section 99268 certifies that such funds are required in order to obtain maximum federal operating funds in the year such funds are claimed pursuant to Section 6633.1.

4) Elderly/Disabled (*Applies to all transit claims*) – That the transit operator is question is in compliance with Section 99155 pertaining to reduced transit fares for elderly and disabled persons and Section 99155.5 pertaining to dial-a-ride and paratransit services.

5) Farebox Recovery Ratio Requirements (*Applies to all transit claims*) – Claimant filing a claim for LTF or STA funds certifies that it will maintain for the project that ratio of fare revenues and local support to operating cost required under Sections 99268 (including all subparts), 99270.1, 99270.2, 99270.6, and under the "Farebox Requirements for Urbanized and Non-Urbanized Service' adopted by the SACOG Board of Directors on March 18, 1982, whichever is appropriate.

Exceptions:

6) 50% Expenditure Limitation (*Applies only to claims for LTF*) – Claimant certifies that it was in compliance with Section 99268 certifying that it (the claim) will not exceed 50% of the amount required to meet operating, maintenance, capital and debt service costs of the transit system after deduction of approved federal grants and STA funds estimated to be received for the system. (A claimant can received up to 100% of capital costs for grade-separated mass transit projects under Section 99268 and 99281, for capital intensive transit-related projects under Section 99268.7. and for extension of services under Section 6619.1 and 6633.8)

7) Extension of Services (*Applies only to LTF claims*) - Claimant who received an allocation of LTF funds for extension of service pursuant to Section 99268.8 certifies that it will file a report of these services pursuant to Section 6633.8(b) within 90 days after close of the fiscal year in which that allocation was granted.

8) Retirement System (*Applies only to LTF claims*) - Claimant certifies that (1) the current cost of its retirement system is fully funded with respect to the officers and employees of its public transportation system; or (2) the operator is implementing a plan approved by SACOG which will fully find the retirement system for such officers and

employees within 40 years; or (3) the operator has a private pension plan which sets aside and invests, on a current bases, funds sufficient to provide for the payment of future pension benefits and which is fully compliant with the requirements stated in Section 99272 and 99273.

9) Maximum Use of Local Transportation Funds *(Applies only to Sacramento Regional Transit District STA claim)* - That the operator is receiving the maximum allowable amount from the Local Transportation Fund.

10) Part-Time Employees *(Applies only to claims for STA)* - Claimant certifies that it is not precluded by any contract entered into on or after June 28, 1979 from employing part-time drivers or contracting with common carriers of persons operating under a franchise or license. Claimant further certifies that no person who was a full-time employee on June 28, 1979 shall have his/her employment terminated or his/her regular hours of employment, excluding overtime, reduced as a result of it employing part-time drivers or contracting with such common carriers.

11) Conformance with the Metropolitan (Regional) Transportation Plan *(Applies only to claims for STA)* - Claimant certifies that all of the purposes for claim expenditures are in conformance with the current Short Range Transit Plan, which is an appendix to the Metropolitan (Regional) Transportation Plan.

12) Full Use of Federal Funds *(Applies only to STA claims)* - Claimant certifies that it is making full use of federal funds available under the Urban Mass Transportation Act of 1964, as amended.

13) Implementation of Productivity Improvements *(Applies only to STA claims)* - Claimant certifies that the operator has made a reasonable effort to implement the productivity improvements recommended pursuant to Section 99244.

CITY OF YUBA CITY
STAFF REPORT

Date: August 20, 2024
To: Honorable Mayor & Members of the City Council;
From: Administration Department
Presentation By: Diana Langley, City Manager

Summary

Subject: Designation of Voting Delegates for the League of California Cities Annual Conference in October 2024

Recommendation: Designate Mayor Shon Harris to serve as the Voting Delegate for the 2024 League of California Cities Annual Conference in October 2024, and designate Vice Mayor Dave Shaw to serve as an alternate

Fiscal Impact: Account No. 1110-62801 - $5,700 (3 Councilmembers @ $1,900 each)

Purpose:

To ensure that Yuba City has a voice regarding policy direction at the 2024 League of California Cities (LOCC) Annual Conference.

Council's Strategic Goal:

The LOCC Conference offers multiple sessions over the three-day conference that address a variety of topics. Participating Councilmembers may select sessions that align and advance Council's goals.

Background:

The LOCC Annual Conference is being held October 16-18, in Long Beach, California. An important part of the Annual Conference is the Annual Business Meeting, scheduled for Friday, October 18. At this meeting, the LOCC membership considers and takes action on resolutions that establish LOCC policy.

Analysis:

In order to vote at the Annual Business Meeting, the City Council must designate a voting delegate. An alternate voting delegate may also be appointed. The LOCC's bylaws state that designating a voting delegate and alternate must be done by City Council action and cannot be accomplished by the individual action of the Mayor or City Manager. The names of the voting delegate and alternate must be submitted to the LOCC by September 25.

Fiscal Impact:

The registration fee for the LOCC Annual Conference is $700 per attendee, plus there are costs associated with airfare, hotel, and meals, estimated at approximately $1,200, for a total estimated cost of $1,900 per Councilmember. Funds were included in the FY 24/25 budget for all five Councilmembers to attend, though only three have registered at this time.

Alternatives:

Designate another Councilmember as the Voting Delegate or alternate.

Recommendation:

Designate Mayor Shon Harris to serve as the Voting Delegate for the 2024 League of California Cities Annual Conference in October 2024, and designate Vice Mayor Dave Shaw to serve as an alternate.

Attachments:

1. Attachment 1 - LOCC Annual Conference Voting Delegate Packet - Oct 2024

Prepared By:	Submitted By:
Diana Langley	Diana Langley
City Manager	City Manager

ATTACHMENT 1

LEAGUE OF CALIFORNIA CITIES

Council Action Advised by September 25, 2024

DATE: Wednesday, July 10, 2024

TO: Mayors, Council Members, City Clerks, and City Managers

RE: DESIGNATION OF VOTING DELEGATES AND ALTERNATES
League of California Cities Annual Conference and Expo, Oct. 16-18, 2024
Long Beach Convention Center

Every year, the League of California Cities convenes a member-driven General Assembly at the Cal Cities Annual Conference and Expo. The General Assembly is an important opportunity where city officials can directly participate in the development of Cal Cities policy.

Taking place on Oct. 18, the General Assembly is comprised of voting delegates appointed by each member city; every city has one voting delegate. Your appointed voting delegate plays an important role during the General Assembly by representing your city and voting on resolutions.

To cast a vote during the General Assembly, your city must designate a voting delegate and up to two alternate voting delegates, one of whom may vote if the designated voting delegate is unable to serve in that capacity. Voting delegates may either be an elected or appointed official.

Action by Council Required. Consistent with Cal Cities bylaws, a city's voting delegate and up to two alternates must be designated by the city council. Please note that designating the voting delegate and alternates **must** be done by city council action and cannot be accomplished by individual action of the mayor or city manager alone.

Following council action, please submit your city's delegates through the online submission portal by Wed., Sept. 25. When completing the Voting Delegate submission form, you will be asked to attest that council action was taken. You will need to be signed in to your My Cal Cities account when submitting the form.

Submitting your voting delegate form by the deadline will allow us time to establish voting delegate/alternate records prior to the conference and provide pre-conference communications with voting delegates.

Conference Registration Required. The voting delegate and alternates must be registered to attend the conference. They need not register for the entire conference; they may register for Friday only. Conference registration is open on the Cal Cities website.

For a city to cast a vote, one voter must be present at the General Assembly and in possession of the voting delegate card and voting tool. Voting delegates and alternates need to pick up their conference badges before signing in and picking up the voting delegate card at the voting delegate desk. This will enable them to receive the special sticker on their name badges that will admit the voting delegate into the voting area during the General Assembly.

Please view Cal Cities' event and meeting policy in advance of the conference.

Transferring Voting Card to Non-Designated Individuals Not Allowed. The voting delegate card may be transferred freely between the voting delegate and alternates, but *only* between the voting delegate and alternates. If the voting delegate and alternates find themselves unable to attend the General Assembly, they may *not* transfer the voting card to another city official.

Seating Protocol during General Assembly. At the General Assembly, individuals with a voting card will sit in a designated area. Admission to the voting area will be limited to the individual in possession of the voting card and with a special sticker on their name badge identifying them as a voting delegate.

The voting delegate desk, located in the conference registration area of the Long Beach Convention Center in Long Beach, will be open at the following times: Wednesday, Oct. 16, 8:00 a.m.-6:00 p.m. and Thursday, Oct. 17, 7:30 a.m.-4:00 p.m. On Friday, Oct. 18, the voting delegate desk will be open at the General Assembly, starting at 7:30 a.m., but will be closed during roll calls and voting.

The voting procedures that will be used at the conference are attached to this memo. Please share these procedures and this memo with your council and especially with the individuals that your council designates as your city's voting delegate and alternates.

Once again, thank you for submitting your voting delegate and alternates by Wednesday, Sept. 25. If you have questions, please contact Zach Seals at zseals@calcities.org.

Attachments:

- General Assembly Voting Guidelines
- Information Sheet: Cal Cities Resolutions and the General Assembly

LEAGUE OF CALIFORNIA CITIES

General Assembly Voting Guidelines

1. **One City One Vote.** Each member city has a right to cast one vote on matters pertaining to Cal Cities policy.

2. **Designating a City Voting Representative.** Prior to the Cal Cities Annual Conference and Expo, each city council may designate a voting delegate and up to two alternates; these individuals are identified on the voting delegate form provided to the Cal Cities Credentials Committee.

3. **Registering with the Credentials Committee.** The voting delegate, or alternates, may pick up the city's voting card at the voting delegate desk in the conference registration area. Voting delegates and alternates must sign in at the voting delegate desk. Here they will receive a special sticker on their name badge and thus be admitted to the voting area at the General Assembly.

4. **Signing Initiated Resolution Petitions**. Only those individuals who are voting delegates (or alternates), and who have picked up their city's voting card by providing a signature to the credentials committee at the voting delegate desk, may sign petitions to initiate a resolution.

5. **Voting.** To cast the city's vote, a city official must have in their possession the city's voting card and voting tool; and be registered with the credentials committee. The voting card may be transferred freely between the voting delegate and alternates but may not be transferred to another city official who is neither a voting delegate nor alternate.

6. **Voting Area at General Assembly.** At the General Assembly, individuals with a voting card will sit in a designated area. Admission to the voting area will be limited to the individual in possession of the voting card and with a special sticker on their name badge identifying them as a voting delegate.

7. **Resolving Disputes**. In case of dispute, the credentials committee will determine the validity of signatures on petitioned resolutions and the right of a city official to vote at the General Assembly.

LEAGUE OF CALIFORNIA CITIES

How it works: Cal Cities Resolutions and the General Assembly

Developing League of California Cities policy is a dynamic process that engages a wide range of members to ensure Cal Cities represents cities with one voice. These policies directly guide Cal Cities' advocacy to promote local decision-making, and lobby against statewide policies that erode local control.

The resolutions process and General Assembly is one way that city officials can directly participate in the development of Cal Cities policy. If a resolution is approved at the General Assembly, it becomes official Cal Cities policy. Here's how resolutions and the General Assembly work.

Prior to the Annual Conference and Expo

General Resolutions

Sixty days before the Annual Conference and Expo, Cal Cities members may submit policy proposals on issues of importance to cities. The resolution must have the concurrence of at least five additional member cities or individual members.

Policy Committees

The Cal Cities President assigns general resolutions to policy committees where members review, debate, and recommend positions for each policy proposal. Recommendations are forwarded to the Resolutions Committee.

During the Annual Conference and Expo

Petitioned Resolutions

The petitioned resolution is an alternate method to introduce policy proposals during the annual conference. The petition must be signed by voting delegates from 10% of member cities, and submitted to the Cal Cities President at least 24 hours before the beginning of the General Assembly.

Resolutions Committee

The Resolutions Committee considers all resolutions. General Resolutions approved[1] by either a policy committee or the Resolutions Committee are next considered by the General Assembly. General resolutions not approved, or referred for further study by both a policy committee and the Resolutions Committee do not go to the General Assembly. All Petitioned Resolutions are considered by the General Assembly, unless disqualified.[2]

General Assembly

During the General Assembly, voting delegates debate and consider general and petitioned resolutions forwarded by the Resolutions Committee. Potential Cal Cities bylaws amendments are also considered at this meeting.

Who's who

Cal Cities policy development is a member-informed process, grounded in the voices and experiences of city officials throughout the state.

The **Resolutions Committee** includes representatives from each Cal Cities diversity caucus, regional division, municipal department, and policy committee, as well as individuals appointed by the Cal Cities president.

Voting delegates are appointed by each member city; every city has one voting delegate.

The **General Assembly** is a meeting of the collective body of all voting delegates —one from every member city.

Seven **policy committees** meet throughout the year to review and recommend positions to take on bills and regulatory proposals. Policy committees include members from each Cal Cities diversity caucus, regional division, and municipal department, as well as individuals appointed by the Cal Cities president.

[1] The Resolution Committee can amend a general resolution prior to sending it to the General Assembly.
[2] Petitioned Resolutions may be disqualified by the Resolutions Committee according to Cal Cities Bylaws Article VI. Sec. 5(f).

For more information visit www.calcities.org/general-assembly

CITY OF YUBA CITY
STAFF REPORT

Date: August 20, 2024
To: Honorable Mayor & Members of the City Council;
From: Finance/IT Department
Presentation By: Spencer Morrison, Finance Director

Summary

Subject: Presentation of Investment Report - Quarter Ended June 30, 2024
Recommendation: Note & File Quarterly Investment Report
Fiscal Impact: Informational Item Only

Purpose:

To provide information regarding the investment and performance of City funds.

Council's Strategic Goal:

This staff report addresses the City Council's Strategic Goal of fiscal responsibility.

Background:

In accordance with the City's adopted Investment Policies, staff prepared the attached investment report for City Council review for the previous quarter (April, May, and June 2024).

Analysis:

Portfolio Highlights:

- As of June 30, 2024, the City's overall investment portfolio (estimated market value) totaled $161,459,570, an increase of $6,235,496 from the previous quarter.

- Notable transactions during the quarter that affected cash flow included:
  - Property tax remittance, assessments, and CSA-G revenue, $9.6 million
  - SBFCA expenses $1.0 million; revenue and assessments, $2.7 million;
  - Sales tax receipts, $4.1 million;

- The portfolio shows a "paper loss" of $539,164 as of June 30th. This represents the amount of value that the City would lose if it were to liquidate its entire portfolio at the end of the reporting period. However, such losses will not be realized if the investments are held until maturity

(which is the City's general investment strategy).

- The City's portfolio is still replacing lower yield instruments with higher yields for each maturing bond in this fixed income market, and the overall portfolio yield increased compared to past quarters. The portfolio remains positioned for a higher yield environment by keeping the maturity dates of our purchases in a longer position, currently 1.52 weighted average years to maturity, while remaining watchful for signs of an economic shift. For the quarter ended 6/30/24, 50 investments matured or sold, partially or whole, with an average yield of 1.07%. Excluding asset-backed security pay-downs, seven investments matured or sold with an average yield of 1.22%. These funds, along with LAIF holdings, were invested in eight instruments with an average yield of 4.67%. The Weighted Average Yield to Maturity of the City's total investment portfolio increased from 3.83% to 4.09% for the quarter.
- The City's cash flow needs will be met by roughly $70.9 million in liquid assets as of June 30th (approximately 44.8% of the City Held Investments portfolio value) that is currently invested in LAIF, CAMP, First American money management funds, and in the City's Wells Fargo checking account.

Outlook: The City's portfolio has enjoyed robust bond yields for several quarters to help offset the inflated cost of goods and services. The Fed will likely cut rates at least once before the end of the calendar year, and we expect the Fed to keep trying to force inflation down to 2%, bringing bond yields down with it. Expect to see the portfolio remain in a longer position in the foreseeable future to benefit from higher treasury bond yields.

Summary Overview: The City's investment portfolio remains safe and stable. Each investment complies with state law and the City's formal Investment Policies. Our three primary objectives for the City's portfolio are safety, liquidity, and yield in order of importance. Staff continue to conservatively look for opportunities in today's marketplace while remaining focused on our primary objectives.

Fiscal Impact:

Informational item only

Recommendation:

Note and file the Quarterly Investment Report for the period ending June 30, 2024.

Attachments:
1. 4Q24 Investment Report

Prepared By:
Spencer Morrison
City Treasurer

Submitted By:
Spencer Morrison
City Treasurer

ATTACHMENT 1

City of Yuba City

Treasurer's Quarterly Investment Report

AS PRESCRIBED BY CALIFORNIA GOVERNMENT CODE SECTION 53646

June 30, 2024

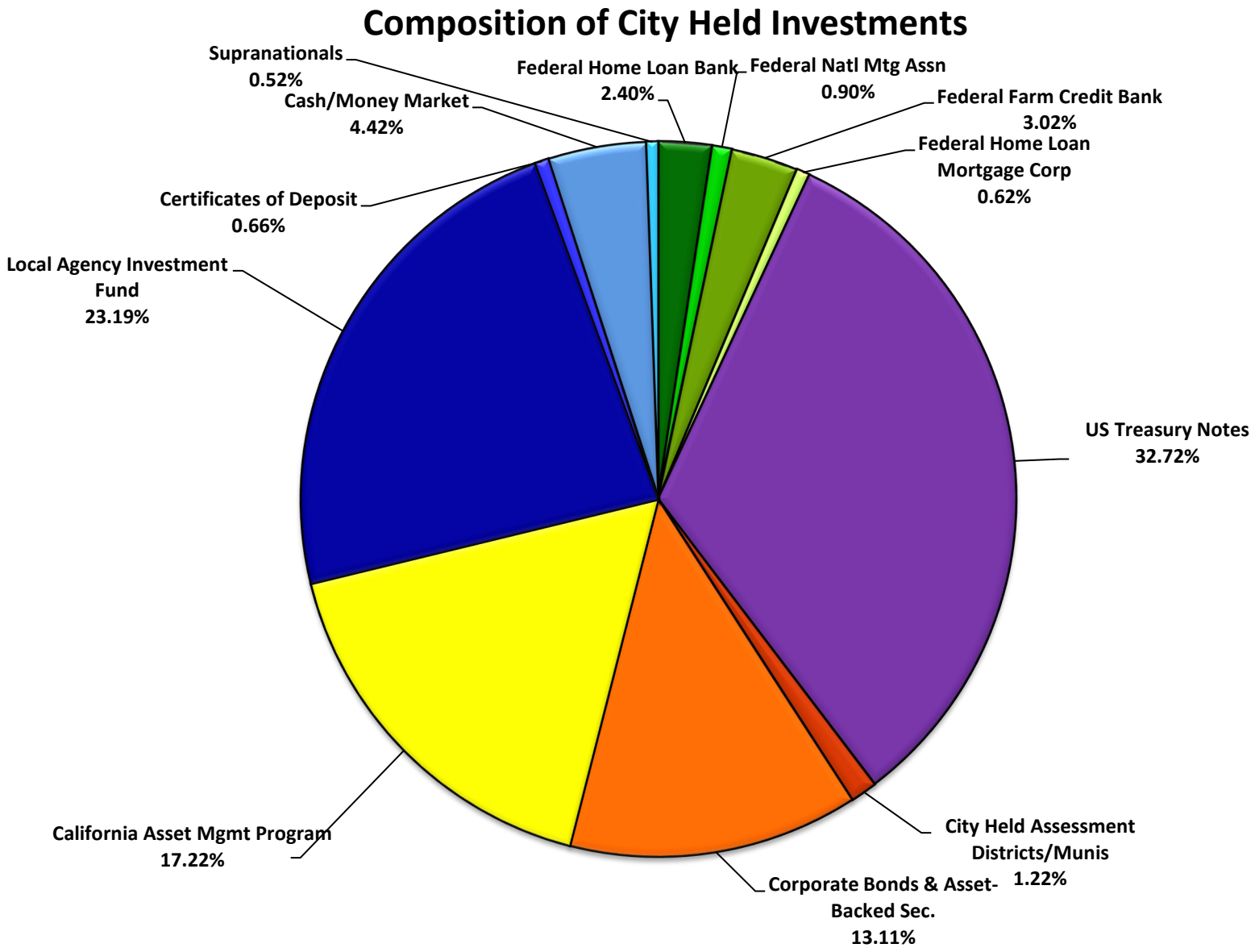
City of Yuba City – Month-By-Month Comparison Report
June 30, 2024

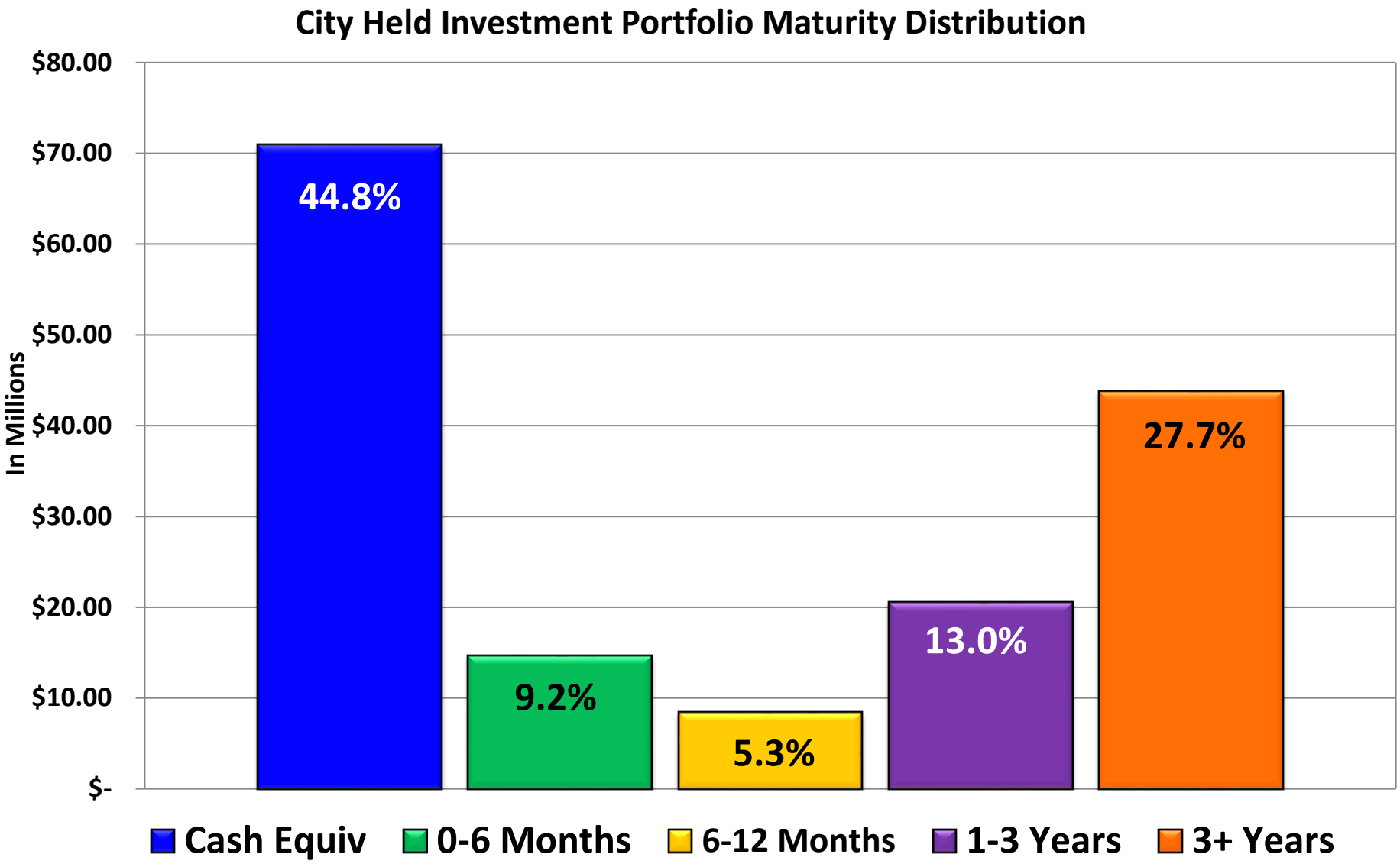
The following table provides a comparison of the portfolio for the quarter ending December, and the previous quarters ended April, May, and June 2024.

Portfolio Comparison				
	9/30/23	12/31/23	3/31/24	**6/30/24**
Cost Basis	$151,626,311	$146,021,344	$156,296,899	**$161,998,734**
Estimated Market Value	148,653,751	145,100,309	155,224,074	**161,459,570**
Unrealized Gains/(Losses) (1)	(2,972,560)	(921,034)	(1,072,825)	**(539,164)**
Liquidity	45.14%	42.52%	42.93%	**44.83%**
Weighted Average Years: Maturity of City Held Funds	1.19 years	1.20 years	1.24 years	**1.52 years**
LAIF Interest Rate	3.534%	4.000%	4.300%	**4.550%**
CAMP Interest Rate	5.24%	5.550%	5.480%	**5.430%**
Portfolio: Weighted Average Yield to Maturity at Market	3.31%	3.62%	3.83%	**4.09%**
CPI (Annualized)	3.7%	3.4%	3.5%	**3.0%**

Note: (1) This represents the amount of money that the City would gain (or lose) if it were to liquidate its entire portfolio at the end of the reporting period. However, such gains (or losses) will not be realized if the investments are held until maturity (which is the City's historical investment strategy).

City of Yuba City – Quarterly Investment Report
June 30, 2024




City Held Investment Portfolio Maturity Distribution
$80.00
$70.00
$60.00
$50.00
$40.00
$30.00
$20.00
$10.00
$-
In Millions
44.8%
9.2%
5.3%
13.0%
27.7%
Cash Equiv
0-6 Months
6-12 Months
1-3 Years
3+ Years

City of Yuba City
Monthly Investment Statement
City Held Investments

June 2024

No.	Description of Security	CUSIP NO.	Maturity Date	Coupon Rate	Yield to Maturity	Cost Basis	Estimated Market Value	Unrealized Gain/(Loss)
	U.S. Consumer Price Index (Inflation)		06/30/24		3.000%			
1	Local Agency Investment Fund (LAIF)	N/A	Daily	4.550%	4.550%	$ 36,832,251	$ 36,696,562	$ (135,688)
2	Calif. Asset Management Program (CAMP)	N/A	Daily	5.430%	5.430%	$ 27,243,719	$ 27,243,719	-
3	Wells Fargo Money Market & Checking Accts.	N/A	Daily (Sweep)	5.180%	5.180%	$ 6,398,666	$ 6,398,666	-
4	First American Institutional Prime	26200630S	Daily	4.840%	4.840%	$ 602,753	$ 602,753	-
5	US Treasury Notes	91282CEX5	06/30/24	3.000%	4.260%	$ 489,395	$ 500,000	10,605
6	US Treasury Notes	91282CCL3	07/15/24	0.375%	0.409%	$ 649,367	$ 648,752	(615)
7	US Treasury Notes	91282CCT6	08/15/24	0.375%	0.410%	$ 1,198,922	$ 1,192,572	(6,350)
8	Walt Disney Co Corporate Bonds	254687FK7	08/30/24	1.750%	1.836%	$ 273,878	$ 273,158	(721)
9	US Treasury Notes	912828YE4	08/31/24	1.250%	5.230%	$ 3,436,031	$ 3,574,872	138,841
10	Darrough Drive AD		09/02/24	6.000%	6.000%	$ 12,246	$ 12,246	-
11	Deere John Mtn	24422EVU0	09/10/24	0.625%	0.650%	$ 89,942	$ 89,113	(829)
12	Caterpillar Finl Mtn	14913R2P1	09/13/24	0.600%	0.650%	$ 224,694	$ 222,759	(1,935)
13	Toyota Motor Credit Corp	89236TJN6	09/13/24	0.625%	2.770%	$ 522,550	$ 544,550	22,000
14	Plumas Bank CD	269101799	09/17/24	0.000%	0.000%	$ 1,049,560	$ 1,049,560	-
15	Inter Amer Bk Mtn	4581X0DZ8	09/23/24	0.500%	0.520%	$ 584,567	$ 578,460	(6,107)
16	US Treasury Notes	912828YH7	09/30/24	1.500%	0.474%	$ 154,764	$ 148,535	(6,229)
17	Federal Farm Credit Bank	3133EMCN0	10/15/24	0.400%	0.432%	$ 948,813	$ 935,199	(13,614)
18	California St Dept Wtr Res Cent	13067WPG1	12/01/24	2.751%	1.486%	$ 179,348	$ 168,108	(11,240)
19	US Treasury Notes	912828YY0	12/31/24	1.750%	0.326%	$ 1,224,795	$ 1,138,445	(86,349)
20	US Treasury Notes	912828YY0	12/31/24	1.750%	0.180%	$ 961,945	$ 894,127	(67,818)
21	US Treasury Notes	912828YY0	12/31/24	1.750%	0.270%	$ 1,092,426	$ 1,015,409	(77,017)
22	US Treasury Notes	912828YY0	12/31/24	1.750%	0.280%	$ 955,793	$ 888,408	(67,384)
23	US Treasury Notes	912828YY0	12/31/24	1.750%	0.290%	$ 424,031	$ 394,137	(29,895)
24	US Treasury Notes	912828YY0	12/31/24	1.750%	2.940%	$ 387,875	$ 360,529	(27,346)
25	Federal Home Loan Mortgage Corp (Freddie Mac)	3137EAEP0	02/12/25	1.500%	5.280%	$ 951,970	$ 976,990	25,020
26	US Treasury Notes	91282CDZ1	02/15/25	1.500%	2.840%	$ 337,928	$ 341,814	3,886
27	American Express Co Corp Note	025816CQ0	03/04/25	2.250%	2.290%	$ 79,919	$ 78,260	(1,659)
28	John Deere Med Term Notes	24422EWB1	03/07/25	2.125%	3.030%	$ 975,850	$ 978,210	2,360
29	Roche Holdings Inc. (Callable) Corporate	771196BT8	03/10/25	2.130%	2.130%	$ 365,000	$ 356,886	(8,114)
30	Home Depot Inc Corporate Notes	437076CM2	04/15/25	2.700%	2.760%	$ 24,956	$ 24,493	(464)
31	US Treasury Notes	91282CEH0	04/15/25	2.625%	4.650%	$ 1,318,201	$ 1,323,351	5,150
32	Bank of New York Mellon	06406RAN7	04/24/25	1.600%	0.841%	$ 437,402	$ 411,961	(25,441)
33	US Treasury Notes	912828ZL7	04/30/25	0.375%	2.710%	$ 838,409	$ 865,062	26,653
34	Cintas Corporation	17252MAP5	05/01/25	3.450%	3.460%	$ 59,987	$ 58,984	(1,003)
35	USAA Capital Corp	90327QD89	05/01/25	3.375%	3.490%	$ 214,297	$ 211,330	(2,967)
36	Chevron Corp New Notes	166764BW9	05/11/25	1.554%	3.200%	$ 572,040	$ 580,848	8,808
37	Apple Inc.	037833BG4	05/13/25	3.200%	0.814%	$ 436,332	$ 393,152	(43,180)
38	The Goldman Sachs Group	38148LAE6	05/22/25	3.750%	1.026%	$ 222,856	$ 196,744	(26,112)

City of Yuba City
Monthly Investment Statement
City Held Investments

June 2024

No.	Description of Security	CUSIP NO.	Maturity Date	Coupon Rate	Yield to Maturity	Cost Basis	Estimated Market Value	Unrealized Gain/(Loss)
39	National Australia	63254ABD9	06/09/25	3.500%	3.500%	$ 250,000	$ 245,695	(4,305)
40	National Rural Med Term Notes	63743HFE7	06/15/25	3.450%	3.460%	$ 44,988	$ 44,125	(863)
41	US Treasury Notes	912828ZW3	06/30/25	0.250%	0.360%	$ 760,884	$ 738,653	(22,231)
42	US Treasury Notes	912828ZW3	06/30/25	0.250%	3.030%	$ 551,627	$ 571,860	20,233
43	JP Morgan Chase & Co	46625HMN7	07/15/25	3.900%	1.024%	$ 450,500	$ 393,840	(56,660)
44	IBM Corporate Notes	459200KS9	07/27/25	4.000%	4.000%	$ 200,000	$ 197,140	(2,860)
45	Federal National Mortgage (Fannie Mae)	3135G05X7	08/25/25	0.375%	0.410%	$ 499,070	$ 474,050	(25,020)
46	Federal National Mortgage (Fannie Mae)	3135G05X7	08/25/25	0.375%	3.050%	$ 918,880	$ 948,100	29,220
47	Buttes Vista 2000-1 AD, 2013 Refunding		09/02/25	2.730%	2.730%	$ 89,774	$ 89,774	-
48	Walmart Inc. Corporate Notes	931142EW9	09/09/25	3.900%	3.920%	$ 164,885	$ 163,083	(1,802)
49	Walmart Inc. Corporate Notes	931142EW9	09/09/25	3.900%	4.070%	$ 398,160	$ 393,809	(4,351)
50	Federal Farm Credit Bank	3133ENP95	09/30/25	4.250%	4.191%	$ 1,101,808	$ 1,090,980	(10,828)
51	United Health Group	91324PEN8	10/15/25	5.150%	5.150%	$ 69,994	$ 69,898	(96)
52	National Rural Med Term Notes	63743HFF4	10/30/25	5.450%	5.500%	$ 64,913	$ 65,014	101
53	Citigroup Inc. Corporate Notes (Callable)	172967ND9	11/03/25	1.281%	1.281%	$ 135,000	$ 132,891	(2,109)
54	HAROT 2021-3 A3	43815EAC8	11/18/25	0.410%	0.410%	$ 32,193	$ 31,715	(478)
55	Amazon	023135CN4	12/01/25	4.600%	4.600%	$ 624,963	$ 621,056	(3,906)
56	Bank of America Corp Notes (Callable)	06051GKE8	12/06/25	1.530%	1.530%	$ 225,000	$ 220,802	(4,199)
57	US Treasury Notes	91282CBC4	12/31/25	0.380%	0.728%	$ 368,965	$ 350,700	(18,265)
58	US Treasury Notes	9128285T3	12/31/25	2.625%	4.834%	$ 526,176	$ 532,081	5,905
59	HART 2021-B A3	44934KAC8	01/15/26	0.380%	0.390%	$ 33,148	$ 32,854	(295)
60	HAROT 2021-4 A3	43815GAC3	01/21/26	0.880%	0.885%	$ 51,934	$ 50,888	(1,046)
61	Bank of America Corp F/R	06051GGZ6	01/23/26	3.366%	1.326%	$ 219,558	$ 197,232	(22,326)
62	Morgan Stanley	61746BDZ6	01/27/26	3.875%	1.270%	$ 224,686	$ 195,508	(29,178)
63	State Street Corp	857477BR3	02/06/26	1.746%	1.750%	$ 65,000	$ 63,422	(1,578)
64	Federal Farm Credit Bank	3133EPCF0	03/02/26	4.500%	5.060%	$ 1,086,581	$ 1,093,763	7,182
65	HART 2021-C A3	44935FAD6	05/15/26	0.740%	0.745%	$ 37,793	$ 37,181	(612)
66	Carmx 2021-3 A3	14317DAC4	07/15/26	0.550%	0.550%	$ 64,358	$ 62,990	(1,369)
67	MBART 2021-1 A3	58772WAC7	06/15/26	0.460%	0.463%	$ 66,430	$ 65,212	(1,218)
68	TAOT 2022A A3	89239KAC5	06/15/26	0.000%	1.230%	$ 88,209	$ 86,484	(1,725)
69	GM Fin Cons Auto Rec TR 2021 A-3	380140AC7	06/16/26	0.480%	0.480%	$ 34,278	$ 33,696	(582)
70	Toyota Motor Credit Corp	89236TJK2	06/18/26	1.125%	1.204%	$ 224,145	$ 208,368	(15,777)
71	VALET 2021-1 A3	92868KAC7	06/22/26	1.020%	1.021%	$ 62,987	$ 61,854	(1,133)
72	COMET 2021-A1	14041NFW6	07/15/26	0.550%	0.550%	$ 279,989	$ 279,373	(616)
73	US Treasury Notes	91282CCP4	07/31/26	0.625%	3.030%	$ 910,781	$ 931,332	20,550
74	US Treasury Notes	91282CCP4	07/31/26	0.625%	3.040%	$ 1,274,984	$ 1,303,752	28,768
75	US Treasury Notes	91282CCP4	07/31/26	0.625%	3.330%	$ 405,545	$ 414,695	9,151
76	US Treasury Notes	91282CCP4	07/31/26	0.625%	3.460%	$ 807,785	$ 826,012	18,226
77	US Treasury Notes	91282CCP4	07/31/26	0.625%	3.930%	$ 1,998,633	$ 2,043,729	45,096

City of Yuba City
Monthly Investment Statement
City Held Investments

June 2024

No.	Description of Security	CUSIP NO.	Maturity Date	Coupon Rate	Yield to Maturity	Cost Basis	Estimated Market Value	Unrealized Gain/(Loss)
78	Federal Home Loan Bank	3130AWTQ3	09/11/26	4.625%	4.750%	$ 647,680	$ 648,583	904
79	COPAR 2021-1 A3	14044CAC6	09/15/26	0.770%	0.770%	$ 58,602	$ 57,212	(1,390)
80	DCENT 2021-A1 A1	254683CP8	09/15/26	5.500%	4.751%	$ 249,946	$ 247,350	(2,596)
81	TAOT 2022-B A3	89238FAD5	09/15/26	2.931%	2.931%	$ 62,879	$ 61,912	(967)
82	GM Fin Cons Auto Rec TR 2021-4 A-3	362554AC1	09/16/26	0.680%	0.681%	$ 49,198	$ 48,054	(1,144)
83	Citigroup Inc. Corporate Notes	172967NX5	09/29/26	5.610%	5.610%	$ 150,000	$ 149,918	(83)
84	WOART 2021-D A3	98163KAC6	10/15/26	0.810%	0.813%	$ 65,151	$ 63,786	(1,365)
85	US Treasury Notes	912828U24	11/15/26	2.000%	4.060%	$ 857,648	$ 870,444	12,795
86	COMET 2021-A3 A3	14041NFY2	11/16/26	1.040%	1.043%	$ 324,955	$ 319,443	(5,513)
87	Federal Home Loan Bank	3130AQF65	12/21/26	1.250%	4.122%	$ 625,591	$ 644,546	18,955
88	Target Corporation	87612EBM7	01/15/27	1.950%	1.990%	$ 39,932	$ 37,224	(2,708)
89	Microsoft Corp	594918BY9	02/06/27	3.300%	4.360%	$ 673,813	$ 675,220	1,407
90	Berkshire Hathaway Financial Notes	084664CZ2	03/15/27	2.300%	2.690%	$ 417,261	$ 398,382	(18,879)
91	US Treasury Notes	91282CEF4	03/31/27	2.500%	4.404%	$ 795,716	$ 805,673	9,957
92	CARMAX 2022-3 A3	14318MAD1	04/15/27	0.000%	3.970%	$ 192,679	$ 190,315	(2,364)
93	US Treasury Notes	91282CEN7	04/30/27	2.750%	3.730%	$ 841,572	$ 833,639	(7,934)
94	UnitedHealth Group	91324PEG3	05/15/27	3.700%	3.710%	$ 39,978	$ 38,709	(1,270)
95	NAROT 2022-B A3	65480JAC4	05/17/27	4.580%	4.460%	$ 174,964	$ 173,474	(1,490)
96	US Treasury Notes	91282CEW7	06/30/27	3.250%	4.544%	$ 478,810	$ 482,440	3,630
97	US Treasury Notes	91282CFB2	07/31/27	2.750%	3.510%	$ 2,523,016	$ 2,519,078	(3,937)
98	US Treasury Notes	91282CFB2	07/31/27	2.750%	4.060%	$ 1,663,799	$ 1,661,202	(2,597)
99	US Treasury Notes	91282CFB2	07/31/27	2.750%	4.150%	$ 2,463,805	$ 2,459,960	(3,845)
100	US Treasury Notes	91282CFB2	07/31/27	2.750%	4.420%	$ 1,385,751	$ 1,383,588	(2,163)
101	US Treasury Notes	91282CFB2	07/31/27	2.750%	4.550%	$ 1,568,873	$ 1,566,425	(2,448)
102	MBART 2022-1 A3	58768PAC8	08/16/27	5.210%	5.210%	$ 349,931	$ 349,328	(603)
103	Buttes Vista 2002-1 AD, 2013 Refunding		09/02/27	2.730%	2.730%	$ 177,822	$ 177,822	-
104	Apple Inc	037833DB3	09/12/27	2.900%	3.940%	$ 286,863	$ 283,332	(3,531)
105	Apple Inc	037833DB3	09/12/27	2.900%	4.135%	$ 473,730	$ 472,220	(1,510)
106	DCENT 2022-A4 A	254683CX1	10/15/27	0.001%	5.030%	$ 239,969	$ 239,107	(862)
107	Pepsico	713448DY1	10/15/27	3.000%	4.238%	$ 711,060	$ 708,870	(2,190)
108	US Treasury Notes	91282CFZ9	11/30/27	3.875%	4.770%	$ 1,063,133	$ 1,056,171	(6,962)
109	US Treasury Notes	91282CFZ9	11/30/27	3.875%	4.200%	$ 3,755,617	$ 3,731,025	(24,593)
110	US Treasury Notes	91282CFZ9	11/30/27	3.875%	4.060%	$ 1,440,371	$ 1,430,939	(9,432)
111	US Treasury Notes	91282CFZ9	11/30/27	3.875%	3.983%	$ 1,887,309	$ 1,874,950	(12,359)
112	US Treasury Notes	91282CGC9	12/31/27	3.875%	3.983%	$ 747,044	$ 735,615	(11,429)
113	Federal Farm Credit Bank	3133EN5N6	01/06/28	4.000%	3.891%	$ 433,099	$ 423,259	(9,840)
114	American Honda Finance	02665WED9	01/12/28	4.700%	4.341%	$ 608,940	$ 594,174	(14,766)
115	Bristol Myers Squibb	110122DE5	02/20/28	3.900%	4.930%	$ 334,380	$ 337,978	3,598
116	US Treasury Notes	91282CGP0	02/29/28	4.000%	4.200%	$ 1,613,384	$ 1,613,250	(134)
117	US Treasury Notes	91282CGP0	02/29/28	4.000%	4.480%	$ 1,351,421	$ 1,351,309	(112)
118	US Treasury Notes	91282CGP0	02/29/28	4.000%	4.680%	$ 1,196,193	$ 1,196,094	(99)

City of Yuba City
Monthly Investment Statement
City Held Investments

June 2024

No.	Description of Security	CUSIP NO.	Maturity Date	Coupon Rate	Yield to Maturity	Cost Basis	Estimated Market Value	Unrealized Gain/(Loss)
119	Astrazeneca Finance	04636NAF0	03/03/28	4.875%	4.920%	$ 324,344	$ 324,539	195
120	Mastercard	57636QAW4	03/09/28	4.875%	4.900%	$ 324,685	$ 326,736	2,051
121	Federal Home Loan Bank	3130ATS57	03/10/28	4.500%	4.114%	$ 1,017,260	$ 998,770	(18,490)
122	Nestle Holdings, Inc	641062BF0	03/14/28	5.000%	5.010%	$ 674,825	$ 677,315	2,491
123	Home Depot Inc Corporate Notes	437076CE0	03/15/28	0.900%	4.193%	$ 511,974	$ 522,678	10,704
124	JP Morgan Chase & Co	46647PDA1	04/26/28	4.323%	4.800%	$ 466,289	$ 463,377	(2,912)
125	Merck & Co Inc Corp Notes	58933YBH7	05/17/28	4.050%	4.070%	$ 139,887	$ 137,056	(2,831)
126	US Treasury Notes	91282CCE9	05/31/28	1.250%	3.991%	$ 1,228,395	$ 1,241,184	12,789
127	DCENT 2023-A2 A	254683CZ6	06/15/28	0.000%	4.930%	$ 349,953	$ 348,548	(1,405)
128	US Treasury Notes	91282CCH2	06/30/28	1.250%	4.490%	$ 2,026,785	$ 2,034,787	8,002
129	Bank of America Medium Term Notes	06051GKW8	07/22/28	4.985%	4.970%	$ 449,568	$ 446,382	(3,186)
130	US Bancorp MTNS Bank Notes	91159HJF8	07/22/28	4.548%	4.903%	$ 988,920	$ 977,540	(11,380)
131	US Treasury Notes	912810FE3	08/15/28	5.500%	4.751%	$ 722,504	$ 730,982	8,478
132	Citibank NA Senior Notes	17325FBB3	09/29/28	5.803%	4.850%	$ 571,522	$ 565,048	(6,474)
133	US Treasury Notes	91282CJF9	10/31/28	4.875%	4.659%	$ 680,906	$ 687,602	6,696
134	US Treasury Notes	9128285M8	11/15/28	3.125%	4.697%	$ 515,004	$ 522,264	7,260
135	John Deere Med Term Notes	24422EXH7	01/16/29	4.500%	4.550%	$ 399,036	$ 393,208	(5,828)
136	Eli Lilly & Co Bonds	532457CK2	02/09/29	4.500%	4.787%	$ 987,780	$ 991,570	3,790
137	Cisco Systems Inc Bonds	17275RBR2	02/26/29	4.850%	4.862%	$ 999,310	$ 999,820	510
138	Federal Home Loan Bank	3130ATS57	03/09/29	4.500%	4.733%	$ 1,484,835	$ 1,506,300	21,465
139	Federal Farm Credit Bank	3133EP5U5	03/20/29	4.125%	4.284%	$ 1,241,138	$ 1,235,663	(5,475)
140	Staple/Ashley/Cornwell AD		09/02/30	6.000%	6.000%	$ 69,309	$ 69,309	-
141	WWTP Solar System (DS, June 30)		06/30/33	4.000%	4.000%	$ 1,405,736	$ 1,405,736	-
								-
								-
	Total City Held Investments					**$ 158,789,926.11**	**$ 158,250,761.85**	**$ (539,164)**

City of Yuba City Investment Report
Investments Held By Trustees
June 2024

No.	Description of Debt Issuance	Account Type	Description of Security	Maturity Date	Coupon Rate	Yield to Maturity	Cost Basis	Estimated Market Value	Unrealized Gain/(Loss)
142	2013 Water Rev COP	Debt Service	Blackrock T-Fund	Daily	5.190%	5.190%	$ 1,481	1,481	-
143		Interest	Blackrock T-Fund	Daily	5.000%	5.000%	0	0	-
144	TABs Refunding - 2015	Debt Service	Blackrock T-Fund	Daily	5.190%	5.190%	776	776	-
145		Interest	Blackrock T-Fund	Daily	5.190%	5.190%	255	255	-
146		Interest	Blackrock T-Fund	Daily	0.000%	0.000%	-	-	-
147		Principal	Blackrock T-Fund	Daily	0.000%	0.000%	-	-	-
148		Reserve	Blackrock T-Fund	Daily	5.190%	5.190%	130,565	130,565	-
149		Reserve	Assured Guaranty	Daily	0.340%	0.000%	1,870,568	1,870,568	-
150		Reserve	Blackrock T-Fund	Daily	5.190%	5.190%	486,730	486,730	-
151	Gauche Park Refunding - 2015	Debt Service	Blackrock T-Fund	Daily	5.190%	5.190%	699	699	-
152		Debt Service	Blackrock T-Fund	Daily	0.000%	0.000%	-	-	-
153		Reserve	Assured Guaranty	Daily	0.000%	0.000%	650,031	650,031	-
154	CFD Refund 2015	Debt Service	Blackrock T-Fund	Daily	5.190%	5.190%	1,404	1,404	-
155		Reserve	Blackrock T-Fund	Daily	5.190%	5.190%	43,339	43,339	-
156		I-Bank Paymnt	Blackrock T-Fund	Daily	5.190%	5.190%	109	109	-
157	Wastewater Revenue Bonds (CREBS) - 2017	Bond	Blackrock T-Fund	Daily	5.190%	5.190%	419	419	-
158	Authority 2018 Wastewater Revenue Bonds	Bond	Blackrock T-Fund	Daily	0.000%	0.000%	-	-	
159		Bond	Blackrock T-Fund	Daily	0.000%	0.000%	1,101	1,101	
160		Project	First Am Treas Obl	Daily	4.910%	4.910%	21,331	21,331	
	Total Trustee-Held Investments						**$ 3,208,808**	**$ 3,208,808**	**$ -**

TOTAL CITY & TRUSTEE-HELD INVESTMENTS	**$ 161,998,734**	**$ 161,459,570**	**$ (539,164)**

I certify to the best of my knowledge: (i) That this statement reflecting all City investments is accurate and complete; (ii) That each investment conforms with the City's investment policies, as well as California's Government Code; and (iii) That sufficient cash flow liquidity is available to meet the next six months of estimated disbursements.

Signed: /s/ Spencer Morrison
Spencer Morrison, City Treasurer

Date: 7/25/2024

City of Yuba City - Quarterly Investment Transaction Report
June 2024 - Market Value Summary

Account Types	Balance 3/31/2024	Balance 6/30/2024	Period Activity
City Held Investments			
Local Agency Investment Fund	$ 41,829,972	$ 36,696,562	$ (5,133,409)
California Asset Management Program	17,000,326	27,243,719	10,243,393
Cash/Money Market	6,436,114	7,001,419	565,305
Federal Agency Securities	10,950,443	10,976,203	25,760
US Treasuries	50,769,325	51,787,446	1,018,121
Certificates of Deposit	1,049,560	1,049,560	0
Corporate Bonds and Asset Backed Sec.	21,250,686	20,748,703	(501,983)
City-held Assessment Districts & Municipals	1,922,235	1,922,994	759
Supranationals	816,891	824,155	7,264
Total City Held Investments	**$ 152,025,552**	**$ 158,250,762**	**$ 6,225,210**
Trustee Held Investments			
Water Refunding 2013	$ 315	$ 1,481	$ 1,166
TABs Refunding - 2015	2,481,997	2,488,894	6,897
Gauche Park Refunding	650,168	650,730	562
Sunsweet CFD Refund	44,272	44,852	580
Wastewater Revenue Bonds - 2017	156	419	263
Wastewater Revenue Bonds - 2018	21,614	22,432	819
Total Trustee Held Investments	**3,198,522**	**3,208,808**	**$ 10,286**
Total	**$ 155,224,075**	**$ 161,459,570**	**$ 6,235,495**

Investment Activity
April, May, June 2024

Description of Security	Broker	Settlement Date	Maturity Date	Trade Date	Activity Type	Coupon Rate	Yield to Maturity	Cost Basis
SALES/REDEMPTIONS								
US Treasury Notes		04/01/24	03/31/24	03/31/24	Matured	2.125%	1.673%	662,444
US Treasury Notes		04/11/24	06/30/24	04/09/24	Sale	2.000%	1.419%	917,807
Capital One Prime Trust		04/15/24	09/15/26	04/15/24	Sale	0.770%	0.770%	6,180
CARMAX Auto Owner Trust		04/15/24	06/15/26	04/15/24	Sale	0.550%	0.550%	7,337
Hyundai Auto Receivables Trust		04/15/24	01/15/26	04/15/24	Sale	0.380%	0.380%	8,880
Hyundai Auto Receivables Trust		04/15/24	05/15/26	04/15/24	Sale	0.740%	0.740%	5,416
Mercedes Benz Auto Owners Trust		04/15/24	06/15/26	04/15/24	Sale	0.460%	0.460%	8,525
Toyota Auto Receivables Owners Trust		04/15/24	09/15/26	04/15/24	Sale	2.930%	2.930%	5,041
Toyota Auto Receivables Owners Trust		04/15/24	06/15/26	04/15/24	Sale	1.230%	1.230%	9,347
World Omni Auto Receivables Trust		04/15/24	10/15/26	04/15/24	Sale	0.810%	0.810%	6,977
GM Consolidated Auto Receivables		04/16/24	09/16/26	04/16/24	Sale	0.680%	0.680%	5,063
GM Consolidated Auto Receivables		04/16/24	06/16/26	04/16/24	Sale	0.480%	0.480%	4,860
Honda Auto Receivables Owners Trust		04/18/24	11/18/25	04/18/24	Sale	0.410%	0.410%	5,751
Honda Auto Receivables Owners Trust		04/22/24	01/21/26	04/22/24	Sale	0.880%	0.880%	6,363
Volkswagen Auto Loan Enhanced Trust		04/22/24	06/22/26	04/22/24	Sale	1.020%	1.020%	8,162
Federal Home Loan Bank		04/23/24	04/23/24	04/23/24	Matured	0.350%	0.350%	1,500,000
US Treasury Notes		04/30/24	04/30/24	04/30/24	Matured	2.000%	1.591%	509,004
US Treasury Notes		05/06/24	06/30/24	05/02/24	Sale	3.000%	0.270%	1,028,363
IBM Corporation Bonds		05/15/24	05/15/24	05/15/24	Matured	3.000%	0.715%	1,075,570
Capital One Prime Trust		05/15/24	09/15/26	05/15/24	Sale	0.770%	0.770%	5,743
CARMAX Auto Owner Trust		05/15/24	04/15/27	05/15/24	Sale	3.970%	3.970%	5,412
Hyundai Auto Receivables Trust		05/15/24	01/15/26	05/15/24	Sale	0.380%	0.380%	8,311
Hyundai Auto Receivables Trust		05/15/24	05/15/26	05/15/24	Sale	0.740%	0.740%	5,023
Mercedes Benz Auto Owners Trust		05/15/24	06/15/26	05/15/24	Sale	0.460%	0.460%	9,158
Toyota Auto Receivables Owners Trust		05/15/24	09/15/26	05/15/24	Sale	2.930%	2.930%	5,059
Toyota Auto Receivables Owners Trust		05/15/24	06/15/26	05/15/24	Sale	1.230%	1.230%	9,410
World Omni Auto Receivables Trust		05/15/24	10/15/26	05/15/24	Sale	0.810%	0.810%	7,205
GM Consolidated Auto Receivables		05/16/24	06/16/26	05/16/24	Sale	0.480%	0.480%	4,753
GM Consolidated Auto Receivables		05/16/24	09/16/26	05/16/24	Sale	0.680%	0.680%	5,049
Caterpillar Med Term Notes		05/17/24	05/17/24	05/17/24	Matured	0.450%	0.497%	998,750
Honda Auto Receivables Owners Trust		05/20/24	11/18/25	05/18/24	Sale	0.410%	0.410%	5,568
Volkswagen Auto Loan Enhanced Trust		05/20/24	06/22/26	05/20/24	Sale	1.020%	1.020%	8,359
Honda Auto Receivables Owners Trust		05/21/24	01/21/26	05/21/24	Sale	0.880%	0.880%	6,236
US Treasury Notes		06/13/24	06/30/24	06/11/24	Sale	2.000%	1.653%	1,088,600
US Treasury Notes		06/13/24	06/30/24	06/11/24	Sale	2.000%	1.566%	783,031
GM Consolidated Auto Receivables		06/17/24	06/16/26	06/16/24	Sale	0.480%	0.480%	4,769
Toyota Auto Receivables Owners Trust		06/17/24	09/15/26	06/15/24	Sale	2.930%	2.930%	5,055
Toyota Auto Receivables Owners Trust		06/17/24	06/15/26	06/15/24	Sale	1.230%	1.230%	8,858
GM Consolidated Auto Receivables		06/17/24	09/16/26	06/16/24	Sale	0.680%	0.680%	4,951
CARMAX Auto Owner Trust		06/17/24	06/15/26	06/15/24	Sale	0.550%	0.550%	7,142

Description of Security	Broker	Settlement Date	Maturity Date	Trade Date	Activity Type	Coupon Rate	Yield to Maturity	Cost Basis
Mercedes Benz Auto Owners Trust		06/17/24	06/15/26	06/15/24	Sale	0.460%	0.460%	8,155
Capital One Prime Trust		06/17/24	09/15/26	06/15/24	Sale	0.770%	0.770%	5,762
CARMAX Auto Owner Trust		06/17/24	04/15/27	06/15/24	Sale	3.970%	3.970%	11,904
Hyundai Auto Receivables Trust		06/17/24	01/15/26	06/15/24	Sale	0.380%	0.380%	8,387
Hyundai Auto Receivables Trust		06/17/24	05/15/26	06/15/24	Sale	0.740%	0.740%	4,977
World Omni Auto Receivables Trust		06/17/24	10/15/26	06/15/24	Sale	0.810%	0.810%	6,976
Honda Auto Receivables Owners Trust		06/18/24	11/18/25	06/18/24	Sale	0.410%	0.410%	5,441
Volkswagen Auto Loan Enhanced Trust		06/20/24	06/22/26	06/20/24	Sale	1.020%	1.020%	8,081
Honda Auto Receivables Owners Trust		06/21/24	01/21/26	06/21/24	Sale	0.880%	0.880%	6,087
American Honda Med Term Notes		06/27/24	06/27/24	06/27/24	Matured	2.400%	2.430%	249,603
Total Sales/Redemptions								**9,082,905**
PURCHASES								
US Treasury Notes	Morgan Stanley & Co LLC	04/11/24	10/31/28	04/10/24	Buy	4.875%	4.659%	680,906
US Treasury Notes	BMO Capital Markets Corp	04/11/24	02/29/28	04/09/24	Buy	4.000%	4.480%	1,351,421
Federal Home Loan Bank	Jefferies LLC	04/23/24	03/09/29	04/23/24	Buy	4.500%	4.733%	1,484,835
US Treasury Notes	Bank of Montreal	04/30/24	11/15/28	04/29/24	Buy	3.125%	4.697%	515,004
US Treasury Notes	Morgan Stanley & Co LLC	05/06/24	02/29/28	05/02/24	Buy	4.000%	4.680%	1,196,193
Cisco Systems Inc Bonds	BNP Paribas NY	05/15/24	02/26/29	05/09/24	Buy	4.850%	4.862%	999,310
Eli Lilly & Co Bonds	BNP Paribas NY	05/17/24	02/09/29	05/14/24	Buy	4.500%	4.787%	987,780
US Treasury Notes	BMO Capital Markets Corp	06/13/24	06/30/28	06/11/24	Buy	1.250%	4.490%	2,026,785
Total Purchases								**$ 9,242,234**

CITY OF YUBA CITY
STAFF REPORT

Date: August 20, 2024
To: Honorable Mayor & Members of the City Council;
From: Public Works
Presentation By: Joshua Wolffe, Associate Engineer

Summary

Subject: Corporation Yard Elevator Replacement - Contract Award

Recommendation: Adopt a Resolution which takes the following actions:

A. Adopts a CEQA Class 1 Categorical Exemption
B. Awards a construction contract to TK Elevator in the amount of $144,850.00 through Sourcewell Contract No. 080420-TKE, with the finding that it is in the best interest of the City
C. Authorizes the City Manager to execute all necessary documents related to the Project

Fiscal Impact: $166,577.50 – Account No. 1028 (Improvements to Buildings and Grounds)

$144,850.00 – Contract Award Amount
$ 21,727.50 – (15%) Construction Contingency

Purpose:

To replace the existing obsolete elevator at the Corporation Yard with a new elevator.

Council Strategic Goal:

This project addresses the Council Strategic Goal of infrastructure. This project will replace an elevator which is beyond it's useful life, with a new elevator that meets all current State codes, reducing annual maintenance and operations costs while maintaining the building's ADA accessibility.

Background:

The elevator in the Corporation Yard office/shop complex was installed in 1992, coinciding with the building's original construction. Having been in service for 32 years, it has surpassed the typical lifespan of 20-30 years for elevators. In the last five years, the elevator has experienced an increase in malfunctions, occasionally resulting in staff being trapped inside. Moreover, due to its age, replacement parts are no longer manufactured, which complicates maintenance and impacts the elevator's reliability.

Analysis:

The proposed elevator replacement project will replace the current elevator and its mechanical, electrical, and hydraulic components, modernizing the system. This will reduce malfunctions and subsequent repairs, operational costs, and energy use costs. The new elevator system is proposed to be manufactured and installed by TK Elevator Corporation (TKE), a well-known and trusted elevator manufacturing company. Additionally, TKE proposes to subcontract with Ultimate Construction Services (UCS) for Electrical, Fire Life Safety, and other related services, to ensure that the new elevator meets all current state codes, and the project is turn-key.

Sourcewell gathers nationwide bids for products and services resulting in time and cost efficiencies through the procurement process, and better purchasing leverage due to a nationwide scope. The City has utilized Sourcewell on various occasions in recent years for purchases and construction contracts, with great results. Some of these include: purchase of playground equipment, purchase of Public Works equipment, design/build contract for the bike park at Didar S. Bains Park, and design/build contract for the Blackburn Talley LED Stadium Lighting Retrofit.

Staff's recommendation is to utilize Sourcewell for the procurement of the Corporation Yard Elevator Replacement construction contract, as is allowed under the City's Purchasing Policies and Procedures, to capitalize on the cost savings of the nationwide contract.

Fiscal Impact:

Based on the Sourcewell quote, the contract amount is $144,850.00. Additionally, staff is requesting a 15-percent construction contingency of $21,727.50 for any unforeseen circumstances that may arise during construction, creating a total project cost of $166,577.50. The project will be funded through CIP Account No. 1028 (Improvements to Buildings and Grounds), as follows:

Account No.	Current Balance	Proposed Elevator Funding	Remaining Balance[1]
901028	$359,000	$107,000	$252,000
931028	$ 26,000	$ 0	$ 26,000
921028	$ 44,000	$ 20,000	$ 24,000
971028	$ 41,000	$ 20,000	$ 21,000
981028	$201,000	$ 20,000	$181,000
Total	$671,000	$167,000	$504,000

Table Notes:
1. Additional funds budgeted in FY 24/25 include Corp Yard roof and in-wall gutter repairs, WWTF lab repairs, and Madden House roof/dry rot repairs.

Environmental:

Staff has performed a preliminary environmental assessment of this project and has determined that it falls within the Class 1 Categorical Exemption set forth in CEQA Guidelines Section 15301, as the replacement of an existing elevator within an existing City facility is defined as a minor alteration of existing public facilities, involving negligible or no expansion. Further, none of the exceptions to Categorical Exemptions set forth in CEQA Guidelines 15300.2 apply to this project.

Alternatives:

1. Direct staff to conduct a formal bid process, which will cause project delay and increased costs.
2. Provide other options to staff for funding the project.

Recommendation:

Adopt a Resolution which takes the following actions:

A. Adopts a CEQA Class 1 Categorical Exemption

B. Awards a construction contract to TK Elevator in the amount of $144,850.00 through Sourcewell Contract No. 080420-TKE, with the finding that it is in the best interest of the City

C. Authorizes the City Manager to execute all necessary documents related to the Project

Attachments:

1. Attachment 1 - Resolution
2. Exhibit A - Sourcewell Contract

Prepared By:	Submitted By:
Josh Wolffe	Diana Langley
Senior Civil Engineer	City Manager

ATTACHMENT 1

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUBA CITY ADOPTING A CEQA CLASS 1 CATEGORICAL EXEMPTION; AWARDING A CONSTRUCTION CONTRACT TO TK ELEVATOR IN THE AMOUNT OF $144,850.00 THROUGH SOURCEWELL CONTRACT NO. 080420-TKE, WITH THE FINDING THAT IT IS IN THE BEST INTEREST OF THE CITY; AND AUTHORIZING THE CITY MANAGER TO EXECUTE ALL NECESSARY DOCUMENTS RELATED TO THE PROJECT

WHEREAS, the City of Yuba City desires to utilize Sourcewell Cooperative Contract No. 080420-TKE for the procurement of the Corporation Yard Elevator Replacement contract at a competitively bid, negotiated price; and,

WHEREAS, Sourcewell Cooperative awarded Contract No. 080420-TKE to TK Elevator, of Atlanta, GA following a nationwide competitive Request for Quotation process; and,

WHEREAS, the City desires to award the bid to TK Elevator of Atlanta, GA through the Sourcewell Cooperative Contract No. 080420-TKE negotiated price of $144,850.00.

NOW, THEREFORE, be it resolved by the City Council of Yuba City as follows:

Section 1. The City Council finds and determines that a Class 1 Categorical Exemption set forth in the California Environmental Quality Act (CEQA) Guidelines, Section 15301, applies to this project, as the replacement of an existing elevator within an existing City facility is defined as a minor alteration of existing public facilities, involving negligible or no expansion. Further, none of the exceptions to Categorical Exemptions set forth in CEQA Guidelines 15300.2 apply to this project.

Section 2. The City Council awards the construction contract to TK Elevator of Atlanta, GA by piggybacking on the Sourcewell Cooperative Contract No. 080420-TKE negotiated price of $144,850.00, with the finding that it is in the best interest of the City.

Section 3. The City Manager is authorized to execute any agreement or other document required for the purchase subject to approval as to legal form by the City Attorney.

Section 4. This Resolution shall take effect immediately.

The foregoing Resolution was duly and regularly introduced, passed, and adopted by the City Council of the City of Yuba City at a regular meeting thereof held on the 20th day of August 2024.

AYES:

NOES:

ABSENT:

_____
Shon Harris, Mayor

ATTEST:

_____
Ciara Wakefield, City Clerk Administrator

APPROVED AS TO FORM
COUNSEL FOR YUBA CITY:

_____
Shannon Chaffin, City Attorney
Aleshire & Wynder, LLP

Attachment(s):

A. Exhibit A – Quote: Sourcewell Contract Number TKE-080420

EXHIBIT A

Modernization Proposal

June 10, 2024

Sourcewell Awarded Contract

TK Elevator

Elevators, Escalators, & Moving Walks

#080420-TKE

Maturity Date: 08/28/2024

Yuba City Corporate Yard – July 2024

Purchaser:	City Of Yuba City	Location:	Yuba City Corporate Yard
Address:	1185 Market St Yuba City, CA 95991-3412	Address:	1185 Market St Yuba City, CA 95991-3412

TK Elevator Corporation (hereinafter "TK Elevator") is dedicated to delivering City Of Yuba City (hereinafter "Purchaser") the safest, highest quality vertical transportation solutions. I am pleased to present this customized Proposal (the "Proposal") in the amount of **$144,850.00** inclusive of all applicable sales and use taxes to modernize the elevator equipment described in the pages that follow at the above-referenced location.

Our modernization package is engineered specifically for your elevator system and will include the elevator mechanical and electrical components being replaced, refurbished or retained.

Benefits of Modernization include:

- Increased durability and reliability
- Improved fire and life safety features
- Decreased waiting times
- Reduced energy consumption
- Reduced operational cost
- Reduced troubleshooting time

This Proposal shall remain in effect for the next thirty (30) days unless it is revoked earlier by TK Elevator in writing. The price above is subject to escalation - even after Purchaser's acceptance of this Proposal – under certain circumstances including TK Elevator being subjected to increased charges by its suppliers for any of the applicable materials and/or components due to supply chain issues; the imposition of new or increased taxes, tariffs, or other charges imposed by applicable governmental authorities; TK Elevator being subjected to increased charges from its shippers and/or freight forwarders; any material called for in this Proposal being released into production more than 6 months following the written acceptance of this Proposal; or any work described in this Proposal is not completed by June 30, 2025.

In the event you have any questions regarding the content of this Proposal, please do not hesitate to contact me. We appreciate your consideration.

Sincerely,
Steve Boisvert, Sr Sales Executive, steve.boisvert@tkelevator.com, +1 (916) 813-9668

Modernization Proposal

SCOPE OF WORK

Grouping Name: PASSENGER

Equipment Type: Hydraulic	Speed: 100 fpm
2 Stops (2 Front /0 Rear)	Capacity: 2000 lbs.

Units Included

Building Address	Nickname	TKE Serial #
1185 Market St	PASSENGER	US276527

Description of Work

Misc

- This proposal now includes updates to Electrical, Fire Life Safety & Other (See Appendix #1)

Controller

- Microprocessor Controller (Includes Options listed below)
  - 24 VDC Signal Voltage
  - Auto Light and Fan Feature
  - Car Independent Service
  - Door Bypass Operation
  - Electronic Door Detector Interface
  - Hoistway Access and Enable
- Seismic Features
- Solid State Starters (6 or 12 leads) 208 VAC
- Battery Lowering in Controller
- eMax Monitoring Device Provisions

Power Unit & Valves (Retain)

Jack

- Packing
- Pipe Stands

Car

- 21" Toe guard (As needed)
- Cab Wiring Material

Hoistway

- Steel Tape with Mounting hardware, Selector and magnets (terminal limits included)
- Wiring Package Includes single traveling cable, hoistway wiring, interlock wiring, interlock connectors, and serial wiring.

Pit

- Pit Stop Switch

Cab (Retain)

Door Equipment

- Micro Light (Front)
- LD-16 Plus Drive Only (FRONT)
    - includes Car Top Inspection station (w/ alarm signal)

Car Fixtures

- Main Car Station Includes Options Below
- • Swing Return (Mini-Swing (Column type) for New/Existing Dover/tkE Cabs)
- Reuse Back Box
- Vandal Resistant Floor Buttons
- Debranded Car Station (No Logo)
- Cast Braille Plates for Car Features
- Standard Key Switch Package
    - Fan
    - Light
    - Independent
    - Stop
    - Inspection/Hoistway Enable)
- Emergency Light mounted in COP
- 2004 and later Fire Service Phase II Features (includes instructions signage)
- Handicap Signal (Passing signal)
- Position Indicator (2" CE Segmented)
- ADA Phone System integral with COP (Rath)
- Speaker Pattern for Intercom System/ADA Phone
- Locked Service Cabinet
- Certificate Window
- Default Engravings
- GFI Outlet
- #4 Stainless Steel Finish (441)
- Emergency Light Test Button (constant pressure)

Hall Fixtures

- Fire Service Phase I Key Switch
- Fire Service Phase I Engraved Instructions
- Hoistway Access Switch (in Hall Station)
- Hoistway Jamb Braille (Pair of Standard) (# of Floors)
- Car Identification Plate for Main Egress Floor (Section 2.29)
- Fusion Hall Lanterns (Standard) White Up/Down LED's #4 S/S (304)
- Terminal Hall Stations (Surface Mounted) with
    - Appendix O (Polycarbonate insert flame with engraved verbiage)
    - Fusion (#4 S/S (304))

Modernization Proposal

1. Key Tasks and Approximate Lead Times

Key Tasks to be performed to be performed by Purchaser prior to equipment fabrication:

a. Execution of this Proposal
b. Payment for pre-production and engineering
c. Approval of layout (if applicable)
d. Execution of TK Elevator's Material Release Form

Approximate Durations/Lead Times

Contract execution (can run concurrently with layout drawing package preparation and approval)	Varies
Survey and Order of Materials (additional time required for cab, signal, entrance preparation and approval, if applicable)	4 - 6 Weeks
Fabrication time (from receipt of all approvals, fully executed contract, Material Release Form and initial progress payment)	11 Weeks
Crew Scheduling	Varies
Modernization of elevator system (Per Unit): (Upon completion of all required preparatory work by others)	3 - 5 Weeks

The durations or lead times listed above are strictly approximations that can vary due to factors both within and outside of TK Elevator's control, are subject to change without notice to Purchaser and shall not be binding on TK Elevator.

2. Payment Terms

50% of the price set forth in this Proposal as modified by options selected from the section entitled “Value Engineering Opportunities & Alternates” (if applicable) will be due and payable as an initial progress payment within 30 days from TK Elevator's receipt of a fully executed copy of this Proposal. This initial progress payment will be applied to project management, permits, engineering and shop drawings, submittals, and drilling mobilizations (if required). The material will not be ordered until this payment is received, and the parties have both executed this Proposal and the Material Release Form.
25% of the price set forth in this Proposal as modified by options selected from the section entitled “Value Engineering Opportunities & Alternates” (if applicable) shall be due and payable when the material described above has been furnished. Material is considered furnished when it has been received at the jobsite or TK Elevator staging facility. Supporting documentation of materials stored shall be limited to stored materials certificates of insurance and bills of lading. Receipt of this payment is required prior to mobilization of labor.

25% of the price set forth in this Proposal shall be made as progress payments throughout the life of the project. In the event TK Elevator fails to receive payment within thirty (30) days of the date of a corresponding invoice, TK Elevator reserves the right to demobilize until such a time that the payments have been brought up to date, and TK Elevator has the available manpower.

It is agreed that there will be no withholding of retainage from any billing and by the customer from any payment.

The payment terms breakdown above shall be considered the Schedule of Values for the project as written. Billing shall be submitted on or before the 25th day of the month according to the payment schedule above and accompanied by a form of G702-703 pay application/schedule of values and a conditional waiver, the format of which is hereby acknowledged and accepted.

The use of online Portals for the submission of billing shall follow the terms of the Proposal and Customer agrees to permit billing in accordance with the executed contract terms. Portal access and usage is to be provided free of additional charge to TK Elevator and any additional cost for such use is to be reimbursed to TK Elevator via a reimbursable change order immediately upon acceptance.

Purchaser agrees that TK Elevator shall have no obligation to complete any steps necessary to provide Purchaser with full use and operation of the installed equipment until such time as TK Elevator has been paid 100% both of the price reflected in this Proposal and for any other work performed by TK Elevator or its subcontractors in furtherance of this Proposal. Purchaser agrees to waive any and all claims to the turnover and/or use of that equipment until such time as those amounts are paid in full.

Proposal price:		$144,850.00
Initial progress payment:	(50%)	$72,425.00
Material furnished:	(25%)	$36,212.50
Total of remaining progress payments:	(25%)	$36,212.50

Any work that Purchaser may require prior to turnover of the equipment that is outside of the scope described in this Proposal - other than Temporary Use as described below - will be performed only after the full execution of a mutually agreeable change order and only at the following rates:

Mechanic (Standard) per hour	$380.00
Mechanic (OT) per hour	$641.00
Team (Standard) per hour	$684.00
Team (OT) per hour	$1,154.00

Rates are not inclusive of any per diem, mileage or other expenses which may be dependent on jobsite location.

3. Warranty

TK Elevator warrants any equipment it installs as described in this Proposal against defects in material and workmanship for a period of one (1) year from the date of Purchaser's execution of TK Elevator's "Final Acceptance Form" on the express conditions that all payments made under this Proposal and any mutually agreed-to change orders have been made in full and that such equipment is currently being serviced by TK Elevator. In the event that TK Elevator's work is delayed for a period greater than six (6) months, the warranty shall be reduced by the amount of

the delay. This warranty is in lieu of any other warranty or liability for defects. TK Elevator makes no warranty of merchantability and no warranties which extend beyond the description in this Proposal, nor are there any other warranties, expressed or implied, by operation of law or otherwise. Like any piece of fine machinery, the equipment described in this Proposal should be periodically inspected, lubricated, and adjusted by competent personnel. This warranty is not intended to supplant normal maintenance service and shall not be construed to mean that TK Elevator will provide free service for periodic examination, lubrication, or adjustment, nor will TK Elevator correct, without a charge, breakage, maladjustments, or other trouble arising from normal wear and tear or abuse, misuse, improper or inadequate maintenance, or any other causes other than defective material or workmanship. In order to make a warranty claim, Purchaser must give TK Elevator prompt written notice at the address listed on the cover page of this Proposal and provided all payments due under the terms of this Proposal and any mutually agreed to written change orders have been made in full, TK Elevator shall, at its own expense, correct any proven defect by repair or replacement. TK Elevator will not, under any circumstances, reimburse Purchaser for cost of work done by others, nor shall TK Elevator be responsible for the performance of any equipment that has been the subject of service, repair, replacement, revisions or alterations by others. If there is more than one (1) unit which is the subject of work described in this Proposal, this section shall apply separately to each unit as accepted.

4. Preventative Maintenance Program

This Proposal does not include any maintenance, service, repair or replacement of the equipment or any other work not expressly described herein. TK Elevator may submit a separate proposal to Purchaser covering the maintenance and repair of this equipment to be supplied to Purchaser at an additional cost. In the event the Purchaser and TK Elevator have a new or existing maintenance Agreement in effect at the time of the acceptance of this proposal and/or during the scope of this work, the terms of the Agreement shall remain in full force and effect throughout the performance of this scope of work and continue throughout the duration of the stated term in that Agreement.

5. Work Not Included

There are certain items that are not included in this Proposal, many of which must be completed by Purchaser prior to and as a condition precedent to TK Elevator's performance of its work as described in this Proposal. In order to ensure a successful completion of this project, it shall be solely Purchaser’s responsibility to coordinate its own completion of those items with TK Elevator. The following is a list of those items that are not included in this Proposal:

A. Hoistways and Equipment Rooms

1. Purchaser shall provide the following:
   a. A dry legal hoistway, properly framed and enclosed, and including a pit of proper depth and overhead. This is to include steel safety beam, inspection or access platforms, access doors, sump pump, lights, waterproofing and venting as required; dewatering of pit(s) and required permanent screening/
   b. A dry legal machine/control room, with clear rollable access adequate for the elevator equipment, including floors, trap doors, properly sized legal machine room doors, gratings, machine room or roof access platforms, roof/loading protection, ladders, railings, foundations, all hoist beams, lighting, ventilation sized per the TK Elevator shop drawings and/or code requirements. Purchaser must maintain machine/control room (or machine/control space within the shaft for MRL equipment) temperature between 55 and 90 degrees Fahrenheit, with relative humidity less than 95% non-condensing at all times.
   c. Adequate bracing of entrance frames to prevent distortion during wall construction.

d. All grouting, fire caulking, cutting, x-ray and removal of walls and floors, patching, coring, setting of sleeves/knockouts, penetrations and painting (except as specified) and removal of obstructions required for elevator work; along with all proper trenching and backfilling for any underground piping and/or conduit.
e. All labor and materials necessary to support the full width of the hoistway at each landing for anchoring or welding TK Elevator sill supports, steel angles, sill recesses;
f. The furnishing, installing and maintaining of the required fire rating of elevator hoistway walls, including the penetration of firewall by elevator fixture boxes;
g. Ensuring that the elevator hoistways and pits are dewatered, cleaned and properly waterproofed;

B. Electrical and Life Safety:

1. Purchaser shall provide a dedicated, analog telephone or data line to the elevator telephone or communication device; one additional data line per group of elevators for diagnostic capability wired to designated controller;

2. Purchaser shall provide the following:
a. suitable connections from the power main to each controller and signal equipment feeders as required, including necessary circuit breakers and fused mainline disconnect switches per N.E.C. prior to installation. Suitable power supply capable of operating the new elevator equipment under all conditions;
b. piping and wiring to controller for mainline power, car lighting, and any other building systems that interface with the elevator controls per N.E.C. Articles 620-22 and 620-51;
c. any required hoistway / wellway, machine room, pit lighting and/or 110v service outlets;
d. conduit and wiring for remote panels to the elevator machine room(s) and between panels. Remote panels required by local jurisdictions are not included in this proposal;
e. a bonded ground wire, properly sized, from the elevator controller(s) to the primary building ground; and all remote wiring to the outside alarm bell as requested by all applicable code provisions;
f. installed sprinklers, smoke/heat detectors on each floor, machine room and hoistways / wellways, shunt trip devices (not self-resetting) and access panels as may be required as well as normally open dry contacts for smoke/heat sensors, which shall be terminated by Purchaser at a properly marked terminal in the elevator controller;
g. a means to automatically disconnect the main line and the emergency power supply to the elevator prior to the application of water in the elevator machine room that shall not be self-resetting;
h. emergency power supply including automatic time delay transfer switch and auxiliary contacts with wiring to the designated elevator controller and along with electrical cross connections between elevator machine rooms for emergency power purposes;
i. the following emergency power provisions are not included: interface in controller, pre-testing and testing, emergency power keyswitches;
j. emergency power operation is included as part of the design of the elevator control system and based on each car in the group only, to properly sequence, one at a time to the programmed landing, and park. The design requires that the generator, transfer switch, and related circuitry are sufficient to run this function or any other function for any building other system that is associated with this project. In the event that the generator, transfer switch, and related circuitry are not sufficient, TK Elevator will provide Purchaser with a written change order for Purchaser's execution.
k. a dry set of contacts which close 20 seconds prior to the transfer from normal power to emergency power or from emergency power to normal power whether in test mode or normal operating conditions in the event that an emergency power supply will be provided for the elevator;
l. confirmation that the emergency standby power generator and/or building can accept the power generated to and from the elevator during both Hi-Speed and Deceleration. In cases where the generator and/or building load is not electrically sized to handle the power return from the regen drive, additional separate chopper and resistor

units are available for purchase but not included in this proposal. The additional chopper and resistor units allow regenerated power to be dissipated in the resistor bank and not sent back into the building grid.

C. Miscellaneous:

1. Purchaser shall provide all work relating to the finished cab flooring including, but not limited to, the provision of materials and its installation to comply with all applicable codes;
2. Hydraulic jack replacement:
   a. the excavation of the elevator cylinder well hole in the event drilling is necessary through soil that is not free from rock, sand, water, building construction members and obstructions. Should obstructions be encountered, TK Elevator will proceed only after written authorization has been received from the Purchaser. The contract price shall be increased by the amount of additional labor at TK Elevator's standard labor rates as per the local office along with any additional expenses and materials required;
   b. adequate ingress and egress, including ramping, for rail-mounted or truck-mounted drill rig;
   c. Purchaser is responsible for pumping truck contractor to remove and dispose of spoils from the site. In the event that unforeseen and unfavorable below ground conditions are encountered, including but not limited to concrete around the cylinder, construction debris, adverse water and/or soil conditions, erosion, cavitations, oil contamination, or circumstances necessitating increased hole depth, etc., which require the employment of specialized contractors, TK Elevator shall immediately advise the Purchaser and costs will be extra to the contract;
   d. in ground protection systems other than TK Elevator's standard HDPE or PVC protection system with bottomless corrugated steel casing;
   e. any required trenching and backfilling for underground piping or casings, and conduit as well as any compaction, grouting, and waterproofing of block-out;
   f. engineering, provision and installation of methane barriers or coordination/access;
   g. access to 2" pressurized water supply within 100'-0" of the jack hole location;
   h. a safe, accessible storage area for placement of D.O.T. 55 gallon containers for the purpose of spoils containment; obtaining of local environmental or disposal permits
   i. any spoils or water testing;

6. Working Hours, Logistics and Mobilization

a. All work described in this Proposal shall be performed during TK Elevator's regular working days – defined as Monday thru Friday and excluding IUEC recognized holidays – and regular working hours – defined as those hours regularly worked by TK Elevator modernization mechanics at the TK Elevator branch office that will provide labor associated with the performance of the work described in this Proposal - unless otherwise specified and agreed to in writing by both TK Elevator and Purchaser (hereinafter TK Elevator's regular working days and regular working hours shall be collectively defined as “normal working hours”). TK Elevator shall be provided with uninterrupted access to the elevator hoistway and machine room areas to perform work during normal working hours.
b. Purchaser shall provide on-site parking to all TK Elevator personnel at no additional cost to TK Elevator.
c. Purchaser shall provide traffic control, lane closures, permits and flagmen to allow suitable access/unload of tractor trailer(s).
d. Purchaser agrees to provide unobstructed tractor-trailer access and roll-able access from the unloading area to the elevator or escalator hoistways or wellways (as applicable).
e. Purchaser will be required to sign off on the Material Release Form, which will indicate the requested delivery date of equipment to the site. If Purchaser is not ready to accept delivery of the equipment within ten (10) business days of the agreed upon date, Purchaser will immediately make payments due for equipment and

designate an area adjacent to the elevator shaft where Purchaser will accept delivery. If Purchaser fails to provide this location or a mutually agreeable alternative, TK Elevator is authorized to warehouse the equipment at the TK Elevator warehouse or designated distribution facility at Purchaser's risk and expense. Purchaser shall reimburse TK Elevator for all costs due to extra handling and warehousing. Storage beyond ten (10) business days will be assessed at a rate of $100.00 per calendar day for each unit listed in this Proposal, which covers storage and insurance of the elevator equipment and is payable prior to delivery.
f. Purchaser agrees to provide a dry and secure area adjacent to the hoistway(s) at the ground level for storage of the elevator equipment and tools within ten (10) business days from receipt at the local TK Elevator warehouse. Any warranties provided by TK Elevator for vertical transportation equipment will become null and void if equipment is stored in any manner other than a dry, enclosed building structure. Any relocation of the equipment as directed by Purchaser after initial delivery will be at Purchaser's expense.
g. TK Elevator includes one mobilization to the jobsite. A mobilization fee of $5,000.00 per crew per occurrence will be charged for pulling off the job or for any delays caused by others once material has been delivered and TK Elevator's work has commenced.
h. Access for this project shall be free and clear of any obstructions. A forklift for unloading and staging material shall also be provided by Purchaser at no additional cost.
i. Purchaser shall provide an on-site dumpster. TK Elevator will be responsible for cleanup of elevator/ escalator packaging material; however, composite cleanup participation is not included in this Proposal.
j. The hiring of a disposal company which MUST be discussed prior to any material being ordered or work being scheduled. TK Elevator will provide environmental services ONLY if this is specifically included under the "Scope of Work" section above. TK Elevator assumes no responsibility and/or liability in any way whatsoever for spoils or other contamination that may be present as a result of the cylinder breach and/or other conditions present on the work site.
k. One or more of the units described in this Proposal will be out of service and unavailable to move passengers and/or property during entire duration of the performance of the work described in this Proposal until re-certified by the applicable authority(ies) having jurisdiction and in good standing with payment schedules.
l. If site specific rules and regulations classify the elevator pit as confined space, elevator pits will need to reclassify a permit-required space to a non-permit required space prior to mobilization.

7. Temporary Use, Inspection and Turnover

a. Unless required by specification, TK Elevator will not provide for “temporary use” of the elevator(s) described in this Proposal prior to completion and acceptance of the complete installation. Temporary use shall be agreed to via a change order to this Proposal which shall require Purchaser’s execution of TK Elevator's standard Temporary Use Agreement. Cost for temporary use of an elevator shall be $200.00 per calendar day per hydraulic elevator and $250.00 per calendar day for each traction elevator for rental use only, excluding personnel to operate. All labor and parts, including callbacks required during the temporary use period will be billed at TK Elevator's standard local billing rates. In the event that an elevator must be provided for temporary use, TK Elevator will require 30 days to perform final adjustments and re-inspection after the elevator has been returned to TK Elevator with all protection, intercoms and temporary signage removed. This duration does not include any provisions for finish work or for repairs of same, which shall be addressed on a project-by-project basis. Cost for preparation of controls for temporary use, refurbishment due to normal wear and tear, readjustment and re-inspection is $5,000.00 per elevator up to 10 floors. For projects above 10 stops, an additional cost of $1,500.00 / 10 floors shall apply. These costs are based on work performed during normal working hours. Temporary use excludes vandalism or misuse. Any required signage, communication devices, elevator operators, and protection are not included while temporary use is being provided. All overtime premiums for repairs during the temporary use period will be billed at TK Elevator's local service billing rates.

b. The Proposal price set forth above includes one (1) inspection per unit by the applicable authority having jurisdiction if required by the government of the locality where the equipment is located. In the event the equipment fails that inspection due to no fault of TK Elevator, TK Elevator will charge Purchaser for both the cost of each re-inspection which shall be $1,500.00 and a remobilization fee which shall be $5,000.00 via change order prior to scheduling a re-inspection.
c. Upon notice from TK Elevator that the installation and/or modernization of the equipment is complete, Purchaser will arrange to have present at the jobsite a person authorized to make the final inspection and to execute TK Elevator's "Final Acceptance Form." The date and time that such person will be present at the site shall be mutually agreed upon but shall not be more than ten (10) business days after the date of TK Elevator's notice of completion to Purchaser unless both TK Elevator and Purchaser agree to an extension of that ten (10) day period in writing. Such final inspection and execution of TK Elevator's "Final Acceptance Form" shall not be unreasonably delayed or withheld.
d. Should the Purchaser or the local authority having jurisdiction require TK Elevator's presence at the inspection of equipment installed by others in conjunction with the work described in this Proposal, Purchaser agrees to compensate TK Elevator for its time at TK Elevator's current billing rate as posted at its local office.
e. At the conclusion of its work, TK Elevator will remove all equipment and unused or removed materials from the project site and leave its work area in a condition that, in TK Elevator's sole opinion, is neat and clean.
f. Purchaser agrees to accept a live demonstration of equipment's owner-controlled features in lieu of any maintenance training required in the bid specifications.
g. Purchaser agrees to accept TK Elevator's standard owner's manual in lieu of any maintenance, or any other, manual(s) required in the bid specifications.

8. MAX

MAX is a cloud based Internet of Things (IoT) platform that we, at our election, may connect to your elevators and escalators by means of installation of a remote-monitoring device or modem (each a "device"). MAX will analyze the unique signal output of your equipment 24/7 and when existing or potential outages are identified, MAX will automatically communicate with our dispatch centers. When appropriate, the dispatch center will alert our technicians during normal working hours. These MAX alerts provide the technician with precise diagnostics detail, which greatly enhances our ability to fix your equipment right the first time, MAXimizing the equipment uptime.

a. Purchaser authorizes TK Elevator and its employees to access purchaser's premises to install, maintain and/or repair the devices and, upon termination of the service agreement, to remove the same from the premises if we elect to remove.
b. TK Elevator is and shall remain the sole owner of the devices and the data communicated to us by the devices. The devices shall not become fixtures and are intended to reside where they are installed. TK Elevator may remove the devices and cease all data collection and analysis at any time.
c. If the service agreement between TK Elevator and Purchaser is terminated for any reason, TK Elevator will automatically deactivate the data collection, terminate the device software and all raw data previously received from the device will be removed and/or expunged or destroyed.
d. Purchaser consents to the installation of the devices in your elevators and to the collection, maintenance, use, expungement and destruction of the daily elevator data as set forth in this agreement.
e. The devices installed by TK Elevator contain trade secrets belonging to us and are installed for the use and benefit of our personnel only.
f. Purchaser agrees not to permit purchaser personnel or any third parties to use, access, tamper with, relocate, copy, disclose, alter, destroy, disassemble or reverse engineer the device while it is located on purchaser's premises.

g. The installation of this equipment shall not confer any rights or operate as an assignment or license to you of any patents, copyrights or trade secrets with respect to the equipment and/or any software contained or imbedded therein or utilized in connection with the collection, monitoring and/or analysis of data.

9. Additional Terms and Conditions

a. In no event shall TK Elevator be responsible for liquidated, consequential, indirect, incidental, exemplary, and special damages associated with the work described in this Proposal.
b. This Proposal is made without regard to compliance with any special purchasing, manufacturing or construction/installation requirements including, but not limited to, any socio-economic programs, such as small business programs, minority or woman owned business enterprise programs, or local preferences, any restrictive sourcing programs, such as Buy American Act, or any other similar local, state or federal procurement regulations or laws that would affect the cost of performance. Should any such requirements be applicable to the work described in this Proposal, TK Elevator reserves the right to modify this Proposal or rescind it altogether.
c. TK Elevator is an equal opportunity employer.
d. TK Elevator's performance of the work described in this Proposal is contingent upon Purchaser furnishing TK Elevator with any and all necessary permission or priority required under the terms and conditions of government regulations affecting the acceptance of this Proposal or the manufacture, delivery or installation of the equipment. All applicable sales and use taxes, permit fees and licenses imposed upon TK Elevator as of the date of the Proposal are included in the price of the Proposal. Purchaser is responsible for any additional applicable sales and use taxes, permit fees and licenses imposed upon TK Elevator after the date of the Proposal or as a result of any law enacted after the date of the Proposal.
e. All taxes, tariffs, duties, permit and/or license fees imposed upon TK Elevator as of the date of the execution of this Proposal are included in the price of the Proposal. After the date of acceptance of this Proposal and in addition to the Proposal price, Purchaser is also responsible to pay TK Elevator for any new (or any increase in): (1) applicable taxes, tariffs, duties, permit and/or license fees; (2) charges from its suppliers for any of the applicable materials and/or components: (A) due to supply chain issues, the imposition of new or increased taxes, tariffs, or other charges by applicable governmental authorities; (B) if the release of materials called for in this Proposal occurs after the mileston mentioned earlier in this Proposal; and/or (C) if the completion of work called for in this Proposal occurs after the milestone mentioned earlier in this Proposal; and/or (3) charges from TK Elevator's shippers and/or freight forwarders.
f. Purchaser agrees to provide TK Elevator's personnel with a safe place in which to work and TK Elevator reserves the right to discontinue work at the jobsite whenever, in TK Elevator's sole opinion, this provision is being violated.
g. The pricing set forth in this Proposal assumes that the elevator pits will not be classified as a confined space. TK Elevator will follow its standard safety policy and procedures. Any job specific safety requirements over and above TK Elevator's standard practices and policies may require additional costs.
h. TK Elevator will furnish and install all equipment in accordance with the terms, conditions, scope and equipment nomenclature as noted herein. Requested changes or modifications to such provisions will require a written change order issued on the Purchaser’s letterhead and accepted by TK Elevator in writing prior to the execution of such work. This change order shall detail the current contract price, the amount of the change, and new contract value.
i. This Proposal does not include a schedule for the work described and any such schedule shall be mutually agreed upon by an authorized representative of both TK Elevator and Purchaser in writing before becoming effective.

j. In the event asbestos material is knowingly or unknowingly removed or disturbed in any manner at the jobsite, Purchaser shall monitor TK Elevator's work place and prior to and during TK Elevator's manning of the job, Purchaser shall certify that asbestos in the environment does not exceed .01 fibers per cc as tested by NIOSH 7400. In the event TK Elevator's employees or those of TK Elevator's subcontractors are exposed to an asbestos hazard, PCP's, lead or other hazardous substances, Purchaser agrees, to the fullest extent permitted by law, to indemnify, defend, and hold TK Elevator harmless from all damages, claims, suits, expenses, and payments resulting from such exposure. Identification, notification, removal and disposal of asbestos containing material, PCP's lead or other hazardous substances are the responsibility of the Purchaser.
k. TK Elevator retains title to and a security interest in all equipment it supplies – which TK Elevator and Purchaser agree can be removed without material injury to the real property – until all payments including deferred payments and any extensions thereof, are made. In the event of any default by Purchaser on any payment, or any other provision of this Proposal, TK Elevator may take immediate possession of the equipment and enter upon the premises where it is located – without legal process – and remove such equipment or portions thereof, irrespective of the matter of its attachment to the real estate or the sale, mortgage or lease of the real estate. Pursuant to the Uniform Commercial Code, and at TK Elevator's request, Purchaser agrees to execute any financial or continuation statements which may be necessary for TK Elevator to file in public offices in order to perfect TK Elevator's security interest in such equipment.
l. TK Elevator reserves the right to assign payments owed to TK Elevator under this Proposal.
m. TK Elevator shall not be liable for any loss, damage or delay caused by acts of government, labor troubles, strikes, lockouts, fire, explosion, theft, floods, riot, civil commotion, war, malicious mischief, acts of God or any cause beyond its control.
n. The rights of TK Elevator under this Proposal shall be cumulative and the failure on the part of the TK Elevator to exercise any rights hereunder shall not operate to forfeit or waive any of said rights. Any extension, indulgence or change by TK Elevator in the method, mode or manner or payment or any of its other rights shall not be construed as a waiver of any of its rights under this Proposal.
o. In the event TK Elevator engages a third party to enforce the terms of this Proposal, and/or to collect payment due hereunder, either with or without suit, Purchaser agrees to pay all costs thereof together with reasonable attorney's fees. Purchaser does hereby waive trial by jury and does hereby consent to the venue of any proceeding or lawsuit under this Proposal to be in the county where the work covered by this Proposal is located.
p. TK Elevator can furnish Certificate of Workers' Compensation, Bodily Injury and Property Damage Liability Insurance coverage to Purchaser upon written request.
q. Should loss of or damage to TK Elevator's material, tools or work occur at the project site, Purchaser shall compensate TK Elevator for such loss, unless such loss or damage results from TK Elevator's own acts or omissions.
r. Purchaser, in consideration of TK Elevator performing the services set forth in this Proposal, to the fullest extent permitted by law expressly agrees to indemnify, defend, save harmless, discharge, release and forever acquit TK Elevator Corporation, TK Elevator Manufacturing, Inc., their respective employees, officers, agents, insurers, affiliates, and subsidiaries (hereinafter singularly a "TK Elevator party" and collectively the "TK Elevator parties") from and against any and all claims, demands, suits, and proceedings for loss, property damage (including damage to the equipment which is the subject matter of this Proposal), personal injury or death that are alleged to either have arisen out of or be connected with the sale, marketing, presence, use, misuse, maintenance, installation, removal, modernization, manufacture, design, operation or condition of the equipment that is the subject matter of this Proposal or the labor and materials furnished in connection with this Proposal. Purchaser's duty to indemnify a TK Elevator party does not apply to the extent that the loss, property damage (including damage to the equipment which is the subject matter of this Proposal), personal injury or death is determined to be caused by or resulting from the negligence of that TK Elevator party. Purchaser recognizes that its obligation to defend the TK Elevator parties under this clause, which is separate and apart

from its duty to indemnify the TK Elevator parties, includes payment of all attorneys' fees, court costs, judgments, settlements, interest and any other expenses of litigation arising out of such claims, demands, suits or proceedings.

s. Purchaser further expressly agrees to name Tk Elevator Corporation and TK Elevator Manufacturing, Inc. along with their respective officers, agents, affiliates and subsidiaries as additional insureds in Purchaser's liability and any excess (umbrella) liability insurance policy(ies). Such insurance must insure TK Elevator Corporation and TK Elevator Manufacturing, Inc. for those claims and/or losses referenced in the above paragraph and those claims and/or or losses arising from the negligence of TK Elevator Corporation and TK Elevator Manufacturing, Inc. Such insurance must specify that its coverage is primary and non-contributory. Purchaser hereby waives its right of subrogation.

t. TK Elevator's participation in any controlled insurance program is expressly conditioned upon review and approval of all controlled insurance program information and documentation prior to enrollment. Any insurance credits if applicable, will be provided at that time.

u. Unless so mutually agreed upon in a separate signed agreement, TK Elevator shall not be required to interact or correspond with any third party with whom Subcontractor is not in privity of contract concerning matters pertinent to this Agreement.

v. The Purchaser must inform TK Elevator if Purchaser is, or becomes, an individual or entity that is - or that is majority owned or controlled by a party that is - included on any list of restricted parties maintained by (i) the United States of America; (ii) the United Nations; (iii) the European Union or any EU member state; (iv) the UK; or (v) any other national authority binding the parties of this contract.

In case the Purchaser, or any other beneficiary of this transaction, e.g. the end-user, is or becomes an individual or entity that is - or that is majority owned or controlled by a party that is - included on any list of restricted parties, TK Elevator reserves the right to cancel this Proposal immediately.

If the goods subject to this Proposal would be exported, re-exported, resold, used, transferred or otherwise disposed of in violation of any sanctions applicable to TK Elevator, TK Elevator also reserves the right to cancel this Proposal immediately. In this respect, the Purchaser shall be obliged to disclose the final delivery address, end-user and end-use of the goods upon request - insofar as legally permissible - and to notify TK Elevator of all circumstances that indicate an aforementioned infringement.

"Sanctions" means here any economic, trade or financial sanctions, laws, regulations, embargoes or restrictive measures imposed, enacted, administered or enforced by any Sanctions Authority. "Sanctions Authority" means (i) the US;(ii) the UN Security Council;(iii) the EU and any EU member state;(iv) the UK; or(v) any governmental institutions of any of the foregoing which administer Sanctions, including HM Treasury, OFAC, the US State Department and the US Department of the Treasury.

10. Project Clarifications

a. For elevator modernization projects, each elevator cab will be weighed prior to the start of the modernization process of each individual unit. If the existing cabs are less or over 5% of the allowable weight and contracted capacity as noted on the original crosshead data tag and/or the elevators are out of balance, any additional scope of work to make code compliant will be determined on an elevator by elevator case basis and a change order for this work will proposed accordingly. In addition, TK Elevator will not be responsible for any building structural items due to elevator exceeding the 5% allowable weight nor the under-sizing of the equipment proposed using the crosshead data tag information. Should additional or higher-rated equipment be required due to a discrepancy in the actual vs. car top crosshead data tag, additional cost may apply and will be provided via change order.

b. The rails and Power Unit shall be retained. If any work is required on retained equipment, a change order will be provided detailing additional required scope and pricing.

c. The following related work is included in the proposal: Update to Electrical, Fire Life Safety & Other. See Appendix #1 for Scope of work included. If any additional work required beyond this scope, a change order will be provided detailing additional required scope and pricing.

Modernization Proposal

Appendix #1 – Scope of Work included – Electrical

ULTIMATE CONSTRUCTION SERVICES
Contractor of Related Elevator Work

6700 Interstate Hwy 35 N
New Braunfels, TX 78130
Phone (833)-4UR-CREW / (833)-487-2739
Fax (763) 559-7311
License: 1069314

BID PROPOSAL

PROJECT ADDRESS:	Yuba City Public Works 1185 Market St. Yuba City, CA 95991	**Bid Date:** **Wage Type:**	7/2/2024 Prevailing
PROJECT DESCRIPTION:	Related work for an elevator modernization	**No. of Elevators:** **No. of Landings:** **Type:**	1 2 Hydraulic

General Construction For Elevator Modernization -

UCS agrees to furnish labor, materials, equipment and supervision for all general, mechanical, electrical and smoke detection systems related to the modernization of the above stated elevator(s) as listed below.
This proposal is based on UCS vendors being utilized. If a preferred vendor is required, it may result in a change order.
Construction and inspections are to be completed during normal business hours unless stated otherwise.
The work to be performed may be in conjunction with a modernization, working with an elevator contractor.
This proposal is based on work being completed during normal business hours unless stated otherwise.
If afterhours or overtime work is required, pricing may need to be adjusted.

Machine Room -

General patching and fire caulking for walls and ceiling.
Retain the existing machine room door.
[1] ALT: Supply and install a code compliant machine room door equipped with all required hardware.
Supply and install all required signage and extinguishers.
We will leave the T-bar ceiling as is.
[2] ALT: Demo T-bar ceiling and supply and install fire rated hard top ceiling inside machine room.
We will leave the existing HVAC "AS IS."
If the existing HVAC does not meet code requirements it will be handled by change order.
Supply and install new 100 amp heavy duty mainline disconnect with dry contacts.
Supply and install piping for main feeder into controller from main disconnect.
No shunt is included in the base bid. If shunt is required by AHJ it will be handled on a change order basis.
Supply and install car light circuit with lockable disconnect.
Supply and install feeder from the load side of the car light disconnect to controller.
Supply and install (1) LED lamp guarded fixture.
Supply and install machine room GFI.
Supply and install positive earth ground to main controller.
No short circuit coordination, arc flash, or selective coordination studies are included.
This proposal is based on a new motor same HP as existing.
Supply and install piping for phone line into new controller.
Note: Owner must ensure a single use phone line is brought to the elevator machine room from the main building service connection/demarcation point. This line must be ordered at the start of the modernization so as to be available at time of inspection.
Owner to provide demark connection, maintenance and phone line service charges.
Any modifications or relocating of card access, CCTV, Security or other low voltage items to be completed by owner. They are not included.

Lobbies -

No cutting and patching is included in this proposal. If this is required, it will be handled with a change order.

Hoistway -

General patching and fire caulking for walls and ceiling.
[3] ALT: Remove (1) sprinkler from top of the hoistway.
There are no provisions for hoist way ventilation included in this proposal.

Pit -

General patching and fire caulking for pit walls.
Supply and install pit light switch.
Supply and install guarded LED fixture.
Supply and install GFI.
Leaving the existing pit ladder "AS IS."
Pit ladder will be the responsibility of the elevator contractor if any modifications need to be made.
There are no provisions for a sump pump included in this proposal. Elevator contractor to install moisture sensor.

Smoke Detection and Recall System -

Permits are included for FLS work if required by AHJ.
Supply and install (1) smoke detector and (3) relays for elevator recall inside machine room.
Programming of new devices into existing panel.
Provide FLS technician for pre-test with elevator contractor and for final acceptance testing with State AHJ.
If there are additional items required by the local AHJ, it would be handled on a change order.
Note: CAD Drawings are not included in this proposal. If CAD drawings are not available, it will be handled on a change order.
If elevator drawings or other elevator submittals are required to be submitted with the fire permit application,
the elevator company must supply them for the permit at no cost to UCS.
Note: The building owner is responsible for maintaining an existing operating FACP system with current service provider.

Emergency Power -

Supply and install conduit and presignal wire from ATS to elevator controller.
There are no provisions for any upgrades to the existing ATS included in this proposal.

Car Top Time -

Our estimated car top time needed for this project is: 2 Hours.
Our estimated pit time needed for this project is: 6 Hours.
Car top time and pit access time will be provided by the elevator company at no cost to UCS.
If we exceed our estimated car top time or pit access time it would be provided at no charge.

Other General Conditions, Inclusions or Exclusions -

We will be responsible for clean-up and disposal of debris generated from our scope of work.

Alternates:

[1] Alt 1 - Supply and install fire rated door slab	$3,740
[2] Alt 2 - Demo T-bar ceiling and install hard lid	$3,499
[3] Alt 3 - Remove sprinkler from top of hoistway	$3,199

Existing HVAC systems not supplied by UCS is assumed to operate 24/7, 12 months a year to meet equipment needs and code.
If this assumption is not correct a change order will be issued to supply a stand alone HVAC System.
No provisions have been made for liquidated damages, nor will any be paid.
No asbestos or lead based paint testing, removal or encapsulation is included unless specifically stated.
Construction drawings with equipment placement must be submitted to GC. Changes in layout may result in a change order.
Bond requirements and fees will be addressed separately, if applicable.
Proposal pricing is not compliant with Davis Bacon Act or prevailing wage rates
30% non-refundable down payment required upon acceptance of proposal, monthly billing on percentage of completion of line items.
Our Credit terms are: **"Due Upon Receipt"**. Accounts 30 days or more past due may be charged interest at the rate of 1 1/2% per month or the maximum legally allowable rate in the purchasers state of residence. Accounts 90 days past due may be placed with a collection agency. Credit charges, court costs and reasonable attorney fees may be added to amount due unless other arrangements are made with our Accounts Receivable Department. Continued delinquency may result in a cease work order for similar projects.
This proposal is good for 60 days from the above stated date.

Thank you for the opportunity to present this proposal.

Modernization Proposal

Acceptance

Purchaser's acceptance of this Proposal and its approval by an authorized manager of TK Elevator will constitute exclusively and entirely the agreement between the parties for the goods and services herein described and full payment of the sum of One Hundred Forty Four Thousand Eight Hundred Fifty Dollars ($144,850.00) inclusive of all applicable sales and use taxes.

All other prior representations or regarding this work, whether written or verbal, will be deemed to be merged herein and no other changes in or additions to this Proposal will be recognized unless made in writing and properly executed by both parties as a change order. Should Purchaser's acceptance be in the form of a purchase order or other similar document, the provisions of this Proposal will exclusively govern the relationship of the parties with respect to this transaction. No agent or employee shall have the authority to waive or modify any of the terms of this Proposal without the prior written approval of an authorized TK Elevator manager.

City Of Yuba City (Purchaser):	TK Elevator Corporation Management Approval
By:	By:
(Signature of Authorized Individual) Anthony Brunson	(Signature of Branch Representative) Robert Preston Branch Manager
_____ (Print or Type Name)	
_____ (Print or Type Title)	
(Date of Acceptance)	(Date of Execution)

Agenda Item **9**

CITY OF YUBA CITY
STAFF REPORT

Date: August 20, 2024
To: Honorable Mayor & Members of the City Council;
From: Development Services Department
Presentation By: Ben Moody, Public Works & Development Services Director

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Summary

Subject: Consideration of an Amendment to the Staff Services Agreement between the City of Yuba City and the Sutter County Local Agency Formation Commission (Sutter LAFCO)

Recommendation: Authorize the Mayor to sign a First Amendment to the Staff Services Agreement between the City of Yuba City and Sutter LAFCO

Fiscal Impact: None. City incurred costs will be reimbursed by Sutter LAFCO per the Staff Services Agreement

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Purpose:

To amend the existing Staff Services Agreement with Sutter LAFCO to provide for support personnel, as needed, to assist LAFCO Executive Officer, Doug Libby, in carrying out the duties of LAFCO.

Council's Strategic Goal:

This item supports the "Enhance Partnerships" and "Fiscal Stability" goals of the Council.

Background:

On July 18, 2023, the City Council approved entering a Staff Services Agreement with the Sutter County Local Agency Formation Commission (Sutter LAFCO) to utilize Deputy Development Services Director, Doug Libby as the LAFCO Executive Officer. This Agreement was separately approved by the Sutter LAFCO Commission on July 13, 2023.

Relatedly, in July 2023, Sutter LAFCO entered into an agreement with Sutter County to utilize County Counsel as LAFCO Counsel and for the County to provide GIS services to Sutter LAFCO.

Analysis:

An amendment to the Staff Services Agreement is proposed to provide for support personnel, as needed, to the Executive Officer. Support will range from clerk duties to assistance processing LAFCO proposals. It is envisioned that Development Services staff will fill this role; however, the Agreement does not restrict the source of City staff support.

As part of preparing this amendment, in coordination with the City's Human Resources Department,

meetings were held with impacted bargaining units (First Level Managers and Public Employees' Union, Local 1/AFSCME 57), regarding duties and responsibilities related to LAFCO. As a result of these discussions, First Level Managers and Local 1 staff will provide services to support LAFCO under the direction of the Department Head.

LAFCO will continue to compensate the City at the latest adopted rates consisting of the fully burdened cost (salary, benefits, retirement contributions, etc.) that the City expends for employees.

Under the existing Agreement, LAFCO also pays the actual cost of delivery fees, postage, photocopying, mileage, etc. if City equipment or resources are used.

The existing agreement already provides that LAFCO will incur the cost to defend, hold harmless, and indemnify any claims made by a third party connected with the provisions of services, including claims under the California Government Claims Act naming or otherwise involving the Executive Officer or other person(s) providing services.

Additionally, the agreement specifies that Sutter LAFCO acknowledges that as an employee of the City, there may be circumstances where the Executive Officer, or any other support staff provided by City, may have a conflict. Such circumstances may arise when the City is also an applicant or directly affected by a reorganization affecting the City. Within the agreement, LAFCO expressly recognizes and agrees that personnel provided by the City may continue to work on items for the City even though they may be recused from providing services to Sutter LAFCO for a particular item, and LAFCO expressly waives any claims under such conflict. Finally, if the Executive Officer is required to recuse himself from a proposal, Sutter LAFCO is solely responsible for utilizing other resources to provide services as to the conflicted item.

The proposed amendment will be presented to Sutter LAFCO at its September 12, 2024, regular meeting.

Fiscal Impact:

None. Time spent toward by City staff on LAFCO duties will reduce salary impacts to the City General Fund.

Alternatives:

The City Council may decide not to enter into an amended Staff Services Agreement with Sutter County LAFCO.

Recommendation:

Authorize the Mayor to sign a First Amendment to the LAFCO Staff Services Agreement between the City of Yuba City and Sutter LAFCO.

Attachments:
1. Proposed Amendment

Prepared By:	Submitted By:
Doug Libby, AICP	Diana Langley
Deputy Development Services Director	City Manager

Attachment 1

FIRST AMENDMENT TO THE LAFCO STAFF SERVICES AGREEMENT
(City of Yuba City)

This FIRST AMENDMENT TO THE LAFCO STAFF SERVICES AGREEMENT ("First Amendment") is entered into effective this 12th day of September, 2024 by and between by and between the CITY of Yuba City ("CITY"), and the Sutter County Local Agency Formation Commission ("LAFCO"), both of which are public agencies.

RECITALS:

A. LAFCO and CITY entered into a certain LAFCO Staff Services Agreement ("Agreement") dated July 13, 2023, regarding the provision of Executive Officer and staffing services by CITY to LAFCO. While it contemplated the use of support personnel, due to time constraints the Agreement reserved the issue to a future date.

B. The parties now desire to amend the Agreement to specifically address the provision of staffing services to support the Executive Officer, including the provision of said services on an as-needed basis as may be required, by entering into this First Amendment.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth below, LAFCO and CITY agree as follows:

1. Recitals: The foregoing recitals are true and correct and incorporated herein by reference.

2. Section 1(b): Section 1(b) of the Agreement is amended to read in its entirety as follows (additions underlined, deletions in ~~strike through~~):

> b. ~~[Reserved -anticipated for future support personnel]~~ Support Personnel. CITY shall make available CITY employees to serve as support personnel to the Executive Officer, who shall perform the duties as established by the Executive Officer consistent with applicable State and local law for LAFCO. LAFCO expressly acknowledges and agrees that any such support personnel shall remain solely as employees of CITY; will still have responsibility to provide services to CITY that may require the support personnel to balance performance of those services in their reasonable discretion; may result in flexible hours of work as set by the CITY; and the support personnel may be temporarily unavailable during vacation, sick leave, holidays, or other benefits provide by CITY to said support personnel.

3. Section 2 of the Agreement is amended to read in its entirety as follows (additions underlined, deletions in ~~strike through~~):

> 2. CITY ~~purposes~~ proposes employee Doug Libby to provide services as the Executive Officer. LAFCO accepts the proposal and appoints Doug Libby as the Executive Officer. If Mr. Libby or any other appointed person providing Services under this Agreement resigns or is no longer employed CITY, the upon notification by CITY to LAFCO of the same, that person shall no longer by appointed by LAFCO for the purposes of this Agreement.

4. Section 4: Section 4 of the Agreement is amended to read in its entirety as follows (additions underlined, deletions in ~~strike through~~):

> 4. Compensation and Payment of Expenses. LAFCO shall pay CITY for Services at the latest adopted CITY rates ~~(SEE EXHIBIT A), which are based on~~ consisting of the fully-loaded cost (salary, benefits, retirement contributions, etc.) that CITY expends for the employee(s). LAFCO shall reimburse CITY for all reasonable expenses incurred in providing the Services. LAFCO shall also pay the following:
>
> a. The cost of any fidelity or other bonds required by law for LAFCO.
>
> b. The cost to defend, hold harmless, and indemnify any claims made by a third party connected with the provision of Services, including claims under the California Government Claims Act naming or otherwise involving the Executive Officer or other person(s) providing Services.
>
> c. If specifically requested or required by LAFCO, the costs of specialized training (such as annual conferences), membership in organizations, or other events (such as out-of-town meetings or travel), etc.
>
> d. The actual cost of delivery fees, postage, photocopying, mileage, etc., if CITY equipment or resources are used.

5. Exhibit A: Exhibit "A" of the Agreement is deleted in its entirety.

6. Reaffirmation of Agreement: Except as amended by this First Amendment, the Agreement shall remain unchanged and is hereby reaffirmed, ratified and confirmed in its entirety. If there is any conflict, inconsistency or ambiguity between the Agreement and this First Amendment, then this First Amendment shall govern and control.

7. Entire Agreement: The Agreement, as amended by this First Amendment, constitutes the entire agreement and supersedes any prior written or oral agreements among the parties with respect to the specific matters addressed herein.

8. Execution in Counterparts: This First Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which shall be deemed but one and the same instrument, and a facsimile copy of such execution shall be deemed an original.

[Signatures on next page]

IN WITNESS WHEREOF, this First Amendment has been executed by LAFCO and the CITY as of the dates below.

SUTTER COUNTY LOCAL AGENCY FORMATION COMMISSION

By: _____
Mat Conant, LAFCO Chair

Date: _____

APPROVED AS TO FORM

By: _____
William Vanasek
LAFCO Counsel

CITY OF YUBA CITY, a municipal corporation

By: _____
Shon Harris, Mayor

Date: _____

ATTEST:

_____
Ciara Wakefield, Deputy City Clerk

APPROVED AS TO FORM:
Aleshire & Wynder

By: _____
Shannon Chaffin, City Attorney

CITY OF YUBA CITY
STAFF REPORT

Date: August 20, 2024
To: Honorable Mayor & Members of the City Council;
From: Public Works
Presentation By: Ben Moody, Public Works & Development Services Director

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Summary

Subject: WTP Alum Storage Tanks Replacement Project (Contract Award)

Recommendation: Adopt a Resolution awarding a construction contract to Pacific River Construction of Roseville, CA in the amount of their total bid of $321,000.00 and authorizing the City Manager to execute the contract on behalf of the City, subject to review and approval as to legal form by the City Attorney

Fiscal Impact: $377,175.00 – Total Project Cost
$321,000.00 - Contract Award Amount
$48,150.00 - Construction Contingency (15%)
$8,025.00 - City Administration (2.5%)

Purpose:

To maintain the City's water treatment operational effectiveness through proactive rehabilitation and major maintenance.

Council's Strategic Goal:

This project addresses the City Council's Strategic Goal of improving the City's Infrastructure.

Background:

Aluminum Sulfate (Alum) is utilized in the water treatment process as a coagulant. Alum has been used as a coagulant in the City's water treatment process since 1969 (original WTP construction). The Alum system consists of two storage tanks, various chemical conveyance pipelines, and pumps that feed the Alum into the treatment process at three points that include a raw water pipeline, raw water rapid mixer chamber, and the membrane filtration system flash mixer.

One of the Alum storage tanks is a 55-year-old rubber-lined steel tank with a capacity of 8,275 gallons. The second Alum storage tank is a 25-year-old insulated high-density polyethylene (HDPE) tank with a capacity of 9,432 gallons. Both Alum tanks have reached their useful life expectancy, have damaged side walls that actively leak Alum into a secondary chemical spill containment area, and the exposed PVC piping and valving are at risk of failure due to age and ongoing exposure to the elements.

This project aims to replace both tanks with new 8,900-gallon HDPE tanks, tank plumbing, valves, and install new OSHA approved ladders, wind and seismic restraints, and other appurtenances as required

to complete the installation. Additionally, the 25-year-old concrete containment area will receive concrete repairs and a chemical resistant coating in order to maximize its 50-year life expectancy.

Analysis:

The WTP Alum Storage Tanks Replacement Project (Project) was advertised for bids beginning July 17, 2024. Plans and specifications were posted on publicpurchase.com and provided to local builder/contractor exchanges. On August 6, 2024, six (6) bids were received and opened by the City Clerk. A list of the bids received and the Engineer's Estimate are shown below.

Company	Total Bid
Pacific River Construction, Roseville	$321,000.00
BWD General Engineering Contractors, Lincoln	$333,600.00
Dos Rios, Inc., Colusa	$338,264.91
Koch & Koch, Inc., Grass Valley	$342,776.00
Swierstock Enterprise, Inc. dba Pro Builders, Orangevale	$388,800.00
TNT Industrial Contractors, Inc., Sacramento	$430,125.00
Engineer's Estimate	*$406,000.00*

Pacific River Construction of Roseville, CA is the low, responsible, and responsive bidder.

Staff is proposing a 15% construction contingency which equates to approximately $48,150.00 in contingency funds.

Contract administration, including construction management and inspection, will be performed by Public Works Department staff.

Fiscal Impact:

The estimated total project cost is approximately $377,175.00 which consists of the following components:

Construction Contract	$321,000.00
Construction Contingency (15%)	$48,150.00
City Administration (2.5%)	$8,025.00
Total	$377,175.00

The project will be funded through CIP Account No. 1324 (Alum Tank Replacement). There is approximately $800,000 in this account.

Environmental:

On September 19, 2023, City Council adopted a California Environmental Quality Act (CEQA) Class 1 Categorical Exemption. There has not been any substantial new information acquired nor changes to the project since it was evaluated, and no further evaluation for this portion of the project is required under CEQA.

Alternatives:

1. Reject all bids and rebid the project.
2. Provide other direction.

Attachments:

1. Resolution - WTP Alum Storage Tanks Replacement Project

Prepared By:	Submitted By:
Nick Menezes	Diana Langley
Associate Civil Engineer	City Manager

ATTACHMENT 1

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUBA CITY AWARDING A CONSTRUCTION CONTRACT TO PACIFIC RIVER CONSTRUCTION IN THE AMOUNT OF THEIR TOTAL BID OF $321,000.00 (WTP ALUM STORAGE TANKS REPALCEMENT PROJECT)

WHEREAS, the City of Yuba City (City) advertised for bids for the City's WTP Alum Storage Tanks Replacement Project (Project); and,

WHEREAS, in response to the advertisement, the City received six (6) bids for the Project in the following bid amounts:

Pacific River Construction, Roseville	$321,000.00
BWD General Engineering Contractors, Lincoln	$333,600.00
Dos Rios, Inc., Colusa	$338,264.91
Koch & Koch, Inc., Grass Valley	$342,776.00
Swierstock Enterprise, Inc. dba Pro Builders, Orangevale	$388,800.00
TNT Industrial Contractors, Inc., Sacramento	$430,125.00; and

WHEREAS, the City Public Works Department reviewed the six (6) bids, and examined Pacific River Construction and its bid response, found it to be both the lowest qualified responsive and responsible bidder, and has recommended it for award of this project; and,

WHEREAS, the City desires to award the bid to Pacific River Construction of Roseville, CA and enter into an agreement with Pacific River Construction to construct the Project; and,

NOW, THEREFORE, be it resolved by the City Council of Yuba City as follows:

1. The City Council of the City of Yuba City does hereby accept the six (6) bids received as noted above, finds that Pacific River Construction is the lowest responsive and responsible bidder, and awards the construction contract to Pacific River Construction in the total amount bid of $321,000.00 for the WTP Alum Storage Tanks Replacement Project. Said contract agreement shall substantially comply with the terms and conditions presented in the draft agreement attached to this Resolution, shall be subjected to review and approval as to legal form by the City Attorney, and the City Manager shall be authorized to execute the same on behalf of the City of Yuba City.

2. The City Council adopted a Class 1 Categorical Exemption under CEQA Guidelines Section 15301. There has not been any substantial new information acquired nor changes to the project since it was evaluated, and no further evaluation for this portion of the project is required under CEQA.

The foregoing resolution was duly and regularly introduced, passed, and adopted by the City Council of the City of Yuba City at a regular meeting thereof held on the 20th day of August, 2024.

AYES:

NOES:

ABSENT:

Shon Harris, Mayor

ATTEST:

Ciara Wakefield, City Clerk Administrator

APPROVED AS TO FORM
COUNSEL FOR YUBA CITY:

Shannon Chaffin, City Attorney
Aleshire & Wynder, LLP

Exhibit(s):

A. (Draft) Agreement – Pacific River Construction Contract No. 23-04

EXHIBIT A
CITY OF YUBA CITY
DEPARTMENT OF PUBLIC WORKS

CONTRACT AGREEMENT

WATER TREATMENT PLANT ALUMINUM SULFATE TANK REPLACEMENT PROJECT
CONTRACT NO. 23-04

THIS AGREEMENT, made and concluded this ____ day of _____ 2024, between the City of Yuba City, party of the first part, and _____, Contractor, party of the second part.

ARTICLE I. – WITNESSETH, that for and in consideration of the payments and agreements hereinafter mentioned to be made and performed by the said party of the first part under the conditions expressed in the two bonds bearing even date with these presents and hereunto annexed, the said party of the second part agrees with the said party of the first part, at his own proper cost and expense, to do all the work and furnish all the materials, except such as are mentioned in the specifications to be furnished by said party of the first part, necessary to construct and complete in a good, workmanlike and substantial manner and to the satisfaction of the Department of Public Works, construction on various roads, all in accordance with the Special Provisions hereto annexed and also in accordance with the Standard Specifications of the State of California Department of Transportation dated May 2010, the Standard Plans dated May 2010, the "Labor Surcharge" and "Equipment Rental Rates" in effect on the date the work is accomplished, and the "General Prevailing Wage Rates" of the State of California Department of Transportation, which said Special Provisions, Standard Plans, Standard Specifications are hereby specially referred to and by such reference made a part hereof.

The Special Provisions and the project plans for the work to be done are entitled:

WATER TREATMENT PLANT ALUMINUM SULFATE TANK REPLACEMENT PROJECT
CONTRACT NO. 23-04

Which are hereby made part of this contract.

ARTICLE II. – The said Contractor agrees to receive and accept the following prices as full compensation for furnishing all materials and for doing all the work contemplated and embraced in this Agreement; also for all loss or damage arising out of the nature of the work aforesaid, or from the action of the elements, or from any unforeseen difficulties or obstructions which may arise or be encountered in the prosecution of the work until its acceptance by the City of Yuba City and for all risks of every description connected with the work; also for all expenses incurred by or in consequence of the suspension or discontinuance of work and for well and faithfully completing the work, and the whole thereof, in the manner and according to the plans and specifications and the requirements of the Engineer under them, to wit.

ARTICLE III. – The said party of the first part hereby promises and agrees with the said Contractor to employ, and does hereby employ, the said Contractor to provide the materials and to do the work according to the terms and conditions herein contained and referred to, for the prices hereinafter set forth, and hereby contracts to pay the same at the time, in the manner and upon the conditions above set forth; and the said parties for themselves, their heirs, executors, administrators, successors and assigns, do hereby agree to the full performance of the covenants herein contained.

ARTICLE IV. – By my signature hereunder, as Contractor, I certify that I am aware of the provisions of Section 3700 of the Labor Code which requires every employer to be insured against liability for Workers Compensation or to undertake self-insurance in accordance with the provisions of that Code, and I will comply with such provisions before commencing the performance of the work of this contract.

ARTICLE V. – It is further expressly agreed by and between the parties hereto that should there be any conflict between the terms of this instrument and the bid or proposal of said Contractor, then this instrument shall control and nothing herein shall be considered as an acceptance of the said terms of said proposal conflicting herewith.

ARTICLE VI. – The City of Yuba City hereby employs Contractor to provide material and to do the work according to the terms and conditions herein contained and referred to for the following prices to be paid at the time, in the manner and upon the conditions hereinafter set forth.

ARTICLE VII. – The improvement contemplated in the performance of this contract is an improvement over which the City of Yuba City shall exercise general supervision.

ARTICLE VIII. – The statement of prevailing wages appearing in the General Prevailing Wage Rates is hereby specifically referred to and by this reference is made a part of this contract. It is further expressly agreed, by and between the terms of this instrument and the bid or proposal of said Contractor, that this instrument shall control and nothing herein shall be considered as an acceptance of the said terms of said proposal conflicting herewith.

WATER TREATMENT PLANT ALUMINUM SULFATE TANK REPLACEMENT PROJECT
CONTRACT NO. 23-04

Item No.	Item Description	Unit of Measure	Est. Qty.	Item Price	Total Amount
1	Mobilization/Demobilization	LS	1	$16,000.00	$16,000.00
2	Demolition (Includes demolition of existing tanks, piping, valves, concrete)	LS	1	$30,000.00	$30,000.00
3	Tanks (Includes furnishing and installation of tanks, tank appurtenances, anchors, and	LS	1	$120,000.00	$120,000.00

	hardware)				
4	Piping Improvements (Includes furnishing and installation of all piping, valves, and fittings)	LS	1	$15,000.00	$15,000.00
5	Pipe Stands and Racks (Includes furnishing and installation of all pipe supports, racks, and hardware)	LS	1	$8,000.00	$8,000.00
6	Electrical Improvements (Includes furnishing and installation of all conduits, and wire)	LS	1	$32,000.00	$32,000.00
7	Concrete Containment Area Improvements (Includes furnishing and installation of rebar, grout, and concrete)	LS	1	$38,000.00	$38,000.00
8	Concrete Resistive Coating (Includes furnishing, surface prep, and installation)	LS	1	$60,000.00	$60,000.00
9	Startup & System Testing	LS	1	$2,000.00	$2,000.00
					TOTAL: $321,000.00

Approved as to form:

_____
City Attorney
City of Yuba City

CITY OF YUBA CITY

_____
Diana Langley
City Manager

_____
Date

CONTRACTOR

_____
Company Name

_____
By and Title (signature)

_____
Date

By and Title (printed)

Address

Telephone Number

CITY OF YUBA CITY
STAFF REPORT

Date: August 20, 2024
To: Honorable Mayor & Members of the City Council;
From: Public Works
Presentation By: Ben Moody, Public Works & Development Services Director

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Summary

Subject: 2434 Butte House Road Extraterritorial Water Service Agreement

Recommendation: Adopt a Resolution authorizing the City Manager to execute an extraterritorial service agreement with the property owner of 2434 Butte House Road, Rosa Elva Rojas Coss, for connection to City water service following approval as to legal form by the City Attorney

Fiscal Impact: Water connection fees payable by the property owner to the City estimated to be $19,969.87, plus monthly water usage fees.

Purpose:

To provide a Sutter County resident within the City's Sphere of Influence with City water service.

Council's Strategic Goal:

This project addresses the City Council's Strategic Goals of improving the City's Infrastructure and providing services that serve and protect residents.

Background:

On June 18, 2024, the owners of 2434 Butte House Road, Rosa Elva Rojas Coss, inquired with City staff regarding options to connect to the City's water service. The residents expressed adverse reactions to the water supplied by the well on site, and desired to connect to City water in hopes of avoiding these adverse effects. The owner desires to have the house connected to City water, but keep the existing well active for landscape and irrigation needs.

The property is located outside the current City limits, but is within the City's Sphere of Influence. At the March 5, 2019 City Council meeting, policy was established to allow existing homes within the Sphere of Influence, but outside the City limits, to connect to City services if the parcel is willing to enter into an extraterritorial service agreement.

City staff have consulted with the residents of the property and discussed the process of connecting to the City's water system. The owner was provided a quote for the fees associated with connecting to City water and is willing to pay the full connection fees. The owner is agreeable to signing an extraterritorial service agreement (Attachment 1, Exhibit A) and will also pay all construction costs to connect to City water. The agreement will establish guidelines for the connection to the City's water

system, such as documenting any additional equipment needed for preventing a cross connection, the fees schedule, the terms of the agreement, etc.

Analysis:

The City maintains an existing 16-inch transmission line on Redding Ave. It will be the owner's responsibility to connect to the existing transmission line by coordinating with a licensed plumber and through the City, to complete the water service installation from the existing transmission line to a new meter at the property line. All additional plumbing from the meter to the house will also be the owner's responsibility.

The owner has an existing well on the property and will need to install a backflow regulator to ensure there is no cross contamination with the City's water distribution system. The extraterritorial service agreement will require proper equipment to be installed and establish procedures if the area is annexed in the future.

Fiscal Impact:

Water connection fees payable by the property owner to the City are estimated to be $19,969.87, including fees for water service connection, extension, cellular meter, and service fees. The owner will also be assessed monthly usage fees based on the size of the meter installed in accordance with the City's fee schedule.

Alternatives:

1. Do not approve the agreement for a water service connection. The owner would need to pursue other solutions to improve the well water.
2. Modify the terms of the agreement by providing direction to staff.

Attachments:

1. Resolution - 2434 Butte House Rd. Extraterritorial Water Service Agreement

Prepared By:	Submitted By:
Nick Menezes	Diana Langley
Associate Civil Engineer	City Manager

ATTACHMENT 1

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUBA CITY AUTHORIZING THE CITY MANAGER TO EXECUTE AN EXTRATERRITORIAL SERVICE AGREEMENT WITH ROSA ELVA ROJAS COSS FOR THE PROPERTY LOCATED AT 2434 BUTTEHOUSE ROAD FOR CONNECTION TO CITY WATER SERVICES

WHEREAS, the property owner of 2434 Butte House Road has approached the City with a written request to connect to the City's water system; and

WHEREAS, the property is located outside of the current City limits, but within the sphere of influence; and

WHEREAS, at the March 5, 2019 City Council meeting, policy was established, in coordination with Sutter LAFCO authorization, to allow existing homes within the sphere of influence, but outside City limits, to connect to City services if the parcel is willing to enter into an extraterritorial service agreement; and

WHEREAS, the property owner is informed of the required connection fees and terms of the extraterritorial service agreement (Exhibit A) and agreeable to entering into said agreement.

NOW, THEREFORE, the City Council of the City of Yuba City resolves as follows:

1. The City Council finds that all of the facts set forth in the recitals above are true and correct and incorporated herein.

2. The City Council hereby authorizes the City Manager to execute an extraterritorial service agreement with Rosa Elva Rojas Coss, owner of the property located at 2434 Butte House Road, for connection to City water service, following approval as to legal form by the City Attorney.

The foregoing resolution was duly and regularly introduced, passed, and adopted by the City Council of the City of Yuba City at a regular meeting thereof held on the 20th day of August, 2024.

AYES:

NOES:

ABSENT:

_____
Shon Harris, Mayor

ATTEST:

_____
Ciara Wakefield, City Clerk Administrator

APPROVED AS TO FORM
COUNSEL FOR YUBA CITY:

_____

Shannon Chaffin, City Attorney
Aleshire & Wynder, LLP

Exhibit “A” – Draft Extraterritorial Water Service Agreement

Recording Requested by and
When Recorded Return to:

City Clerk
City of Yuba City
1201 Civic Center Blvd
Yuba City, CA 95993

NO FEE-Government Code §6103

(Space Above This Line for Recorder's Office Use Only)

EXTRATERRITORIAL WATER SERVICE AGREEMENT

This **EXTRATERRITORIAL WATER SERVICE AGREEMENT** ("Agreement") is made and entered into this _____ day _____, 2024 (the "Commencement Date"), by and between **Rosa Elva Rojas Coss**, ("Owner"), and the **CITY OF YUBA CITY, a California municipal corporation** ("City").

RECITALS

A. Owner represents it has acquired lawful title to property identified by Sutter County Assessor's Parcel Number 17-151-011, located at 2434 Butte House Road, Yuba City, CA, 95993 (the "Property"), as more particularly described in **Exhibit "A."**

B. The Property is located outside of the incorporated boundaries of City within Sutter County, and neither Sutter County nor any other public agency currently provides water service to the Property. The Property is located within the City's sphere of influence, but outside the City's existing boundaries.

C. California Government Code § 56133(b) permits a City to provide new or extended services by agreement outside its jurisdictional boundaries but within its sphere of influence, in anticipation of a later change of organization, and with written approval from Sutter Local Agency Formation Commission ("LAFCO"), which may have previously been provided by resolution.

D. The City and Owner both agree it is not necessary for the Property to be annexed into the City at this time.

E. City currently owns and operates a water distribution system and storage tank which conveys potable water originating in its service area through the City's transmission system. This water distribution system includes a 16-inch transmission main along Redding Ave terminating at Butte House Road. In response to a request by Owner, City recently produced a

quote of the costs for connecting to the City's water system and the Owner would like to connect to water service at Owner's cost. The City's water distribution system is referred to herein as "Distribution System." The City's water service line is referred to herein as "City Water Service Line."

F. Owner has agreed to make payments described herein with respect to the water service for the Property in accordance with the fees and rates set by the City for its users, and to comply with City's Municipal Code as may be amended from time to time, as more fully set forth herein.

G. This Agreement is intended to comply with LAFCO requirements for an extra-territorial water service agreement with City.

H. The City has identified options to provide water supply to the Owner to accommodate the Owner's water demands at the Extraterritorial Property, provided the Owner meet certain conditions as set forth below.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto, agree as follows:

ARTICLE I. RIGHTS AND OBLIGATIONS

1. Recitals Incorporated. The recitals set forth above are true and correct and are hereby incorporated into and made a part of this Agreement.

2. Term, Ownership, and Effectiveness of Agreement: This Agreement shall become effective when executed by both parties hereto. The Agreement shall continue in perpetuity or until such time as the Property is annexed into the corporate boundaries of City. At such time, the Owner shall have such rights, privileges, and duties, including fees and rates, as all other City citizens for the then current water service classification. The City and Owner agree that should the City ultimately annex the Property in the future into the City, the Owner will not contest annexation. Owner intends that this Agreement shall constitute its written consent to the annexation of the lands described herein and shall bind its heirs, successors, grantees and/or assigns, and all persons having or acquiring any interest subsequent hereto in said lands, and shall constitute by this Agreement a covenant running with the land and binding upon said successors, grantees and/or assigns that they in fact consent to the annexation of said lands to City and shall execute whatever documentation as may be necessary and do all things required of them to effectuate the annexation at such time as City deems annexation to be in its best interest.

3. Location for Connection to City Water Distribution System. Owner and City acknowledge the nearest City municipal water distribution system to serve the Property will be at the Connection Point. The Connection Point is defined as the downstream side of the water meter. Connection to City's Water Distribution System by Owner shall be made at this location.

City shall connect, at Owner's sole cost and expense, the service line from the City's 16-inch Water Transmission Main on the Redding Avenue.

4. Metered Service Connection. The City will install a meter on Owner's property. The Owner will pay for installation, maintenance and repair of the meter, unless damaged by the City. All costs and expenses incident to any connection to the Water Distribution System from private property are to be borne by the property owner or water user, who shall indemnify the City from any loss or damage that may directly or indirectly be occasioned by the installation of water lines or appurtenances thereto.

5. New Water Service Line. Owner, at their sole expense and without reimbursement from the City, shall be required to install a water line as necessary to connect to the City's Water Distribution System from the Property downstream from the meter. Owner shall represent, warrant, and covenant to the City that Owner completed all necessary construction/installation from the Property to the Connection Point ("New Water Service Line") after receiving all respective County of Sutter and City permits and that the New Water Service Line was constructed in accordance with all respective laws and standards. Both the County of Sutter and the City have signed off on all permits for the construction of the New Water Service Line.

6. System Facilities. Owners shall be responsible for the operation, maintenance and repair of all components of the New Water Service Line downstream from the meter. Under no circumstances shall the City be required to maintain, repair or replace the New Water Service Line unless and until the City, at its sole discretion and option, accepts dedication of the water system or any portion thereof in increments at some future date. Any other water system installed by Owner on the Property connected to a well or other source of water not from the City's Water Distribution System is not part of the New Water Service Line, and shall be private ("Private Water System"). It is the sole responsibility of Owner to repair, maintain, and replace all Private Water System, and City shall have no responsibility or liability for these Private Water System. Owner shall obtain all necessary permits or other approvals necessary for constructing and connecting Owner's Private Water System.

7. Disconnecting of Existing On-Site Private Water System(s). Owner shall disconnect all existing on-site Private Water System(s) on the Property per County standards, and any Private Water System shall be fully separated from and not connected to the City's Water Distribution System and New Water Service Line effective as soon as the service line is extended from Redding Avenue to the Connection Point and the meter is installed. A backflow regulator shall be installed at Owner's expense to ensure no future connections can contaminate the City's Water Distribution System. Owner will be required to comply with City's Municipal Code as may be amended from time to time. Owner shall not apply any water obtained from onsite wells to the City's Water System.

8. No Representation Regarding Water Service, Pressure, or Volume For Any Private Water System. The Owner agrees that there is no guarantee, warranty, or other representation regarding water service, pressure, volume, or quality from the City or associated with water service from the City. This would include no guarantee, warranty or representation

that the Owner or any other users on the Property will not have allergic or other reactions to the City's water. The City specifically disclaims any kind of representation, warranty, or guaranty, of any private water system.

9. City to Provide Water Services. Upon Owner's full and complete performance of all of Owner's obligations and responsibilities under this Agreement and completion of construction of the City's expansion of a 1-inch water line from the existing termination at Redding Avenue to the Connection Point, City agrees to provide Owner's Property with water services from City's Water Distribution System and Water Treatment Plant. City's obligation to provide Owner's Property with water services from City's Water Distribution System is conditioned upon City and Owner obtaining the consent of all applicable governmental agencies. As a condition to providing water service, City shall have the right of access to water meters, including any required irrigation meter(s), whether located on City-owned real property, New Water Service Line, or the Property. Owner shall promptly notify the City of any repairs or replacement of damaged water meters. The City shall respond to such notifications in a reasonable amount of time.

10. Obligations and Responsibilities of Owner to Pay for Municipal Utility Services Provided by City. Owner agrees to promptly pay to City any and all statutory and/or customary connection and service fees adopted by the City for users connecting to the City's water system and related items, as well as any cost of construction of a water line to the Connection Point. A detailed quote with current fees can be found in **Exhibit "B"** attached hereto and incorporated by reference. Owner agrees to apply to City for a municipal utility water account, maintain its water municipal utility water service account with City in a current status and comply with – and be subject to – City's Municipal Code, as subsequently updated or amended. Owner acknowledges and agrees that if the water bill is not paid on or before the 45th day after the bill was sent, service may be discontinued. A delinquency charge will be made and collected prior to renewing service following the discontinuance. Payments must be made prior to 8:30 a.m. on the scheduled discontinuance day. A payment drop box is available at the entrance of City Hall.

11. Inspection. City shall have the right to inspect and examine the Water Distribution System at any time, including during construction and operation of any portion of the New Water Service Line, and the right to access all water meters.

12. Indemnification of City: To the greatest extent allowed by law, Owner shall indemnify, hold harmless and defend City and each of its officers, officials, employees, agents and volunteers from any and all loss, liability, fines, penalties, forfeitures, costs, and damages (whether in contract, tort, or strict liability, including but not limited to personal injury, death at any time, and property damage) incurred by City, Owner or any other person, and from any and all claims, demands, liabilities, damages, and actions in law or equity (including attorney's fees and litigation expenses incurred by City or held to be the liability of the City, including plaintiff's attorneys' fees if awarded), arising or alleged to have arisen directly or indirectly out of (a) the making of this Agreement; (b) the performance of this Agreement; (c) the performance of any or all work to be done in and upon the street rights-of-way, upon the Property or premises adjacent thereto pursuant to this Agreement; (d) arising or alleged to have arisen directly or indirectly in any way related to the design, construction, installation, maintenance and operation

of City Water Distribution System or New Water Line by anyone occupying any portion of the Property, including, without limitation, any such claims, causes of action, damages, liabilities, fees, costs, expenses, and attorney fees arising from inadequate flow, blockage, backflow, water quality, etc. Owner' obligations under the preceding sentence shall apply regardless of whether Owner or any of its officers, officials, employees, agents, or volunteers are passively negligent, but shall not apply to any loss, liability, fines, penalties, forfeitures, costs, or damages caused by the active or sole negligence, or the willful misconduct, of City or any of its officers, officials, employees, agents, or volunteers. This section shall survive termination or expiration of this Agreement.

13. Covenants Running with the Land. Owner acknowledges and agrees all of Owner' covenants, agreements, promises, representations, and warranties as set forth in this Agreement are covenants running with Owner' Property as defined in the applicable provisions of Sections 1457 et seq. of the California Civil Code, shall be in favor of and for the benefit of City and shall be enforceable by City. Owner' covenants, agreements, promises, representations and warranties as contained in this Agreement, shall run with the Property and shall be binding on Owner and Owner' successors, assigns, lessees and all parties and persons claiming under them. Owner consents to this Agreement being recorded as covenant running with the Property.

14. Successors and Assigns. The covenants and agreements contained in this Agreement shall be binding upon and shall inure to the benefit of the heirs, successors and assigns of the parties hereto.

15. Notices. Any notice required or intended to be given to either party under the terms of this Agreement shall be in writing and shall be deemed to be duly given if delivered personally, transmitted by facsimile followed by telephone confirmation of receipt, or sent by United States registered or certified mail, with postage prepaid, return receipt requested, addressed to the party to which notice is to be given at the party's address set forth on the signature page of this Agreement, or at such other address as the parties may from time to time designate by written notice. Notices served by United States mail in the manner above described shall be deemed sufficiently served or given at the time of the mailing thereof. All notices regarding any new or increased fee or rate increases affecting the applicable fees and rates in this Agreement, shall be provided in the same manner provided to all customers subject to the new or increased fees and charges.

16. Binding. Once this Agreement is signed by all parties, it shall be binding upon, and shall inure to the benefit of, both parties.

17. Compliance with the Law. In providing the services required under this Agreement, Owner shall at all times comply with all applicable laws of the United States, the State of California, and City, and with all applicable regulations promulgated by federal, state, regional, or local administrative and regulatory agencies, now in force and as they may be enacted, issued, or amended during the term of this Agreement. Owner, not City, is responsible for determining applicability of and compliance with all local, State and federal laws including, without limitation, the California Labor Code, Public Contract Code, Public Resources Code, Health & Safety Code, and Government Code; and the Yuba City Municipal Code. City makes

no representations regarding the applicability of any such laws to this Agreement, the project, or the parties' respective rights or obligations hereunder including, without limitation, payment of prevailing wages, competitive bidding, subcontractor listing, or other matters. City shall not be liable or responsible, in law or equity, to any person for Owner' failure to comply with any such laws, whether City knew or should have known of the need for Owner to comply, or whether City failed to notify Owner of the need to comply.

18. Waiver. The waiver by either party of a breach by the other of any provision of this Agreement shall not constitute a continuing waiver or a waiver of any subsequent breach of either the same or a different provision of this Agreement. No provisions of this Agreement may be waived unless in writing and signed by all parties to this Agreement. Waiver of any one provision herein shall not be deemed to be a waiver of any other provision herein.

19. Public Health, Safety and Welfare. Nothing contained in this Agreement shall limit City's authority to exercise its police powers, governmental authority, or take other appropriate actions to address issues of public health, safety, and welfare as deemed appropriate by City in its sole determination and discretion.

20. Governing Law and Venue. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of California, excluding, however, any conflict of laws rule which would apply the law of another jurisdiction. Venue for purposes of the filing of any action regarding the enforcement or interpretation of this Agreement and any rights and duties hereunder shall be Sutter County, California.

21. Headings. The section headings in this Agreement are for convenience and reference only and shall not be construed or held in any way to explain, modify, or add to the interpretation or meaning of the provisions of this Agreement.

22. Severability. The provisions of this Agreement are severable. The invalidity or unenforceability of any one provision in this Agreement shall not affect the other provisions.

23. Interpretation. The parties acknowledge that this Agreement in its final form is the result of the combined efforts of the parties and that, should any provision of this Agreement be found to be ambiguous in any way, such ambiguity shall not be resolved by construing this Agreement in favor of or against either party, but rather by construing the terms in accordance with their generally accepted meaning.

24. Attorney's Fees. If either party is required to commence any proceeding or legal action to enforce or interpret any term, covenant or condition of this Agreement, the prevailing party in such proceeding or action shall be entitled to recover from the other party its reasonable attorney's fees, costs and legal expenses.

25. Exhibits. Each exhibit and attachment referenced in this Agreement is, by the reference, incorporated into and made a part of this Agreement.

26. Precedence of Documents. In the event of any conflict between the body of this Agreement and any exhibit or attachment hereto, the terms and conditions of the body of this Agreement shall control and take precedence over the terms and conditions expressed within the exhibit or attachment. Furthermore, any terms or conditions contained within any exhibit or attachment hereto, which purport to modify the allocation of risk between the parties, provided for within the body of this Agreement shall be null and void.

27. Time of Essence. Time is of the essence in the fulfillment by the parties hereto of their obligations under this Agreement.

28. Amendment, Etc. No amendment or waiver of any provisions of this Agreement, or consent to any departure from its terms, shall be effective unless the same shall be in writing and signed by the parties hereto.

29. Cumulative Remedies. No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity, except Owner (i) cannot seek money damages or pursue an action in law; and (ii) is instead limited to bringing a proceeding in the nature of specific performance, injunctive relief or mandamus, or any other action in equity to require good-faith compliance with this Agreement, such as an action to provide Owner's Property with sewer services from City's Water Distribution System.

30. No Third Party Beneficiaries. The rights, interests, duties, and obligations defined within this Agreement are intended for the specific parties hereto as identified in the preamble of this Agreement. Notwithstanding anything stated to the contrary in this Agreement, it is not intended that any rights or interests in this Agreement benefit or flow to the interest of any third parties.

31. Extent of Agreement. Each party acknowledges that they have read and fully understand the contents of this Agreement. This Agreement represents the entire and integrated agreement between the parties with respect to the subject matter hereof and supersedes all prior negotiations, representations, or agreements, either written or oral. This Agreement may be modified only by written instrument duly authorized and executed by both City and Owner.

32. Third Party Approvals. The Parties acknowledge that there are approvals from third parties (such as those involving public utilities, railroad right-of-way, etc.) that are required to allow the City providing Owner's Property with water services from the City's Water Distribution System. The approvals are conditions precedent to performance, and the City shall seek said third-party approvals in good faith.

33. Execution in Counterparts. This Agreement may be executed in counterparts, all of which taken together shall constitute an original hereof.

IN WITNESS WHEREOF, the parties have executed this Agreement at Yuba City, California, the day and year first above written.

CITY:

CITY OF YUBA CITY,
a California municipal corporation

By: _____
Shon Harris, Mayor

ATTEST:

By: _____
Ciara Wakefield, City Clerk Administrator

APPROVED AS TO FORM:

By: _____
Shannon L. Chaffin
City Attorney

****SIGNATURES CONTINUE ON NEXT PAGE ****

"OWNER":
Rosa Elva Rojas Coss

By: _____
Signature Notarized

Address: 2434 Butte House Road,
Yuba City, CA

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Sutter)

On _____, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

"OWNER":
Rosa Elva Rojas Coss

By: _____
Signature Notarized

Address: 2434 Butte House Road,
Yuba City, CA

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Sutter)

On _____, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

EXHIBIT "A"
LEGAL DESCRIPTION OF PROPERTY

RECORDING REQUESTED BY

Placer Title Company
Escrow Number: P-262268
Branch: 1201

AND WHEN RECORDED MAIL TO

Rosa Elva Rojas Coss
2434 Butte House Road
Yuba City, CA 95993

2018-0006303

Recorded
Official Records
County of
Sutter
Donna M. Johnston
Clerk Recorder

11:02AM 11-May-2018

REC FEE 19.00
HOUSING FEE 75.00

LS
Page 1 of 2

A.P.N.: 17-151-011

SPACE ABOVE THIS LINE FOR RECORDER'S USE

GRANT DEED

R $T 11911

The undersigned grantor(s) declare(s):
Documentary transfer tax is $0.00 City Transfer Tax: $0.00
(X) Unincorporated Area ( ) City of Yuba City
(X) computed on full value of property conveyed, or
( ) computed on full value less value of liens and encumbrances remaining at time of sale.

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

Rose Elva Rojas Coss, a single woman, who acquired title as Rosa E. Rojas Coss, a single woman

Hereby GRANT(S) to **Rosa Elva Rojas Coss, a single woman**

The land described herein is situated in the State of California, County of Sutter, unincorporated area, described as follows:

Portion of Lot 22, as shown on that certain Map entitled, "Map of Subdivision of a portion of Lot No. 1 of Subdivision No. 2 of the Elmer Tract", filed in the Office of the County Recorder of the County of Sutter, State of California, on November 5, 1908 in Book 1 of Surveys, Page 69; being more particularly described as follows:

Beginning at the intersection of the Southerly line of that certain county road leading from Yuba City to Sutter City and known as the "Butte House Road" with a line drawn parallel to and 20.00 feet Westerly and measured at right angles from the Westerly line of said Lot 22 of said Subdivision, said line drawn parallel to and 20.00 feet Westerly from said Westerly line of said Lot 22, being the present Easterly line of that certain county road running along said Westerly line of Lot 22; running thence Southerly parallel to said Westerly line of Lot 22, a distance of 73.92 feet; thence Easterly at right angles to said Westerly line of lot 22 to a point on a line running parallel to and 160 feet Northwesterly measured at a right angle from the Northwesterly line of the parcel convey by Samuel McClean and Ruth McClean, his wife, to Ferdinand Tredway, by deed dated July 5, 1939 and recorded July 22, 1939 in Book 133 of Official Records, Page 115; thence North 20 degrees East to a point on the Northwesterly line of said Lot 22; thence along said Northeasterly line, beginning the Southwesterly line of the "Butte House Road", North 70 degrees West to the point of beginning.

APN: 17-151-011

MAIL TAX STATEMENTS TO PARTY SHOWN ON FOLLOWING LINE; IF NO PARTY SHOWN, MAIL AS DIRECTED ABOVE

SAME AS ABOVE

Name | Street Address | City & State

Grant Deed - Sale

4

Dated: May 7, 2018

2

Rosa Elva Rojas Coss

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
) ss.
County of Sutter)

On May 7, 2018 before me,
Ana R Campos,
Notary Public personally appeared
Rosa Elva Rojas Coss who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct. WITNESS my hand and official seal.

SIGNATURE

ANA R. CAMPOS
COMM. # 2184278
NOTARY PUBLIC • CALIFORNIA
SUTTER COUNTY
Comm. Exp. MARCH 23, 2021

Grant Deed - Sale

END OF DOCUMENT

EXHIBIT "B"
WATER CONNECTION QUOTE

BLD24-01216 - RESIDENTIAL ALTERATIONS-CONNECT TO CITY WATER

A notice was added to this record on 2024-07-10.
Condition: Severity: Notice
Total conditions: 1 (Notice: 1)

View notice

Menu Add Delete Void Invoice Invoice & Pay ReCalc Help

Fee Calc. Factor: Job Value(Contractor)$6,000.00 **Fee Total** $19,969.87

Showing 1-8 of 8

Invoice #	Fee Item	Quantity	Unit	Fees	Status	Balance	Payment Period	Notes	Date Assessed	Fee Code	Account Code 1	Adjusted	Subgroup
63314	Seismic Fee - Residential	6,000	Valuation	$0.78	INVOICED	$0.00	PRINT PERMIT		06/28/2024	SEIS_020	701-20903		
63314	Water Connection - 1" (25 GPM)	1	Each	$8,944.81	INVOICED	$0.00	FINAL INSPECT		06/28/2024	PWW_180	509-44525		
63314	Building Permit Fee	6,000	Valuation	$252.76	INVOICED	$0.00	PRINT PERMIT		06/28/2024	BLD_040	100-42220		PCC, PCR
63314	GIS/Technology Fee	6,000	Valuation	$5.70	INVOICED	$0.00	PRINT PERMIT		06/28/2024	BLD_020	100-42221		
63314	Green Building Standards Fee	1	Valuation	$1.00	INVOICED	$0.00	PRINT PERMIT		06/28/2024	BLD_030	701-20966		
63314	Water Extension - Others	118.92	Lineal Ft	$4,779.39	INVOICED	$0.00	PRINT PERMIT		06/28/2024	PWW_170	509-44515		
63314	Water Meter - 1"	1	Each	$714.08	INVOICED	$0.00	PRINT PERMIT		06/28/2024	PWW_060	509-44535		
63314	Water Service for 1" Meter	1	Each	$5,271.35	INVOICED	$0.00	PRINT PERMIT		06/28/2024	PWW_030	507-44540		

Page 1 of 1

CITY OF YUBA CITY
STAFF REPORT

Date: August 20, 2024
To: Honorable Mayor & Members of the City Council;
From: Public Works
Presentation By: Ben Moody, Public Works & Development Services Director

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Summary

Subject: 2601 Railroad Avenue Extraterritorial Water Service Agreement

Recommendation: Adopt a Resolution authorizing the City Manager to execute an extraterritorial service agreement with the property owner of 2601 Railroad Avenue, The Lonnie G. Edwards Revocable Living Trust Dated August 7, 2007, for connection to City water service following approval as to legal form by the City Attorney

Fiscal Impact: Water connection fees payable by the property owner to the City estimated to be $15,186.41, plus monthly water usage fees.

Purpose:

To provide a Sutter County resident within the City's Sphere of Influence with City water service.

Council's Strategic Goal:

This project addresses the City Council's Strategic Goals of improving the City's Infrastructure and providing services that serve and protect residents.

Background:

On June 18, 2024, the owner of 2601 Railroad Avenue, Lonnie G. Edwards, trustee of The Lonnie G. Edwards Revocable Living Trust Dated August 7, 2007, inquired with City staff regarding options to connect to the City's water service. The owner expressed adverse reactions to the water supplied by the well on site, and desired to connect to City water in hopes of avoiding these adverse effects. The owner desires to have the house connected to City water, but keep the existing well active for landscape and irrigation needs.

The property is located outside the current City limits, but is within the City's Sphere of Influence, as well as the Bogue Stewart Master Plan area. At the March 5, 2019 City Council meeting, policy was established to allow existing homes within the Sphere of Influence, but outside the City limits, to connect to City services if the parcel is willing to enter into an extraterritorial service agreement.

City staff have consulted with the residents of the property and discussed the process of connecting to the City's water system. The owner was provided a quote for the fees associated with connecting to City water and is willing to pay the full connection fees. The owner is agreeable to signing an extraterritorial service agreement (Attachment 1, Exhibit A) and will also pay all construction costs to

connect to City water. The agreement will establish guidelines for the connection to the City's water system, such as documenting any additional equipment needed for preventing a cross connection, the fee schedule, the terms of the agreement, etc.

Analysis:

The existing 14-inch transmission line is currently being extended south on Railroad Ave from Tuscan Road as part of the Barry School Elementary Waterline Extension Project (Project) in 2024. It will be the owner's responsibility to connect to the new transmission line by coordinating with a licensed plumber and through the City, to complete the water service installation from the new transmission line to a new meter at the property line. All additional plumbing from the meter to the house will also be the owner's responsibility.

The owner has an existing well on the property and will need to install a backflow regulator to ensure there is no cross contamination with the City's water distribution system. The extraterritorial service agreement will require proper equipment to be installed and establish procedures if the area is annexed in the future.

Fiscal Impact:

Water connection fees payable by the property owner to the City are estimated to be $15,186.41, including fees for water service connection, extension, cellular meter, and service fees. The owner will also be assessed monthly usage fees based on the size of the meter installed in accordance with the City's fee schedule.

Alternatives:

1. Do not approve the agreement for a water service connection. The owner would need to pursue other solutions to improve the well water.
2. Modify the terms of the agreement by providing direction to staff.

Attachments:

1. Resolution - 2601 Railroad Ave Extraterritorial Water Service Agreement

Prepared By:	Submitted By:
Nick Menezes	Diana Langley
Associate Civil Engineer	City Manager

ATTACHMENT 1

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUBA CITY AUTHORIZING THE CITY MANAGER TO EXECUTE AN EXTRATERRITORIAL SERVICE AGREEMENT WITH THE LONNIE G. EDWARDS REVOCABLE LIVING TRUST DATED AUGUST 7, 2007 FOR THE PROPERTY LOCATED AT 2601 RAILROAD AVENUE FOR CONNECTION TO CITY WATER SERVICES

WHEREAS, the property owner of 2601 Railroad Avenue has approached the City with a written request to connect to the City's water system; and

WHEREAS, the property is located outside of the current City limits, but within the sphere of influence, as well as the Bogue Stewart Master Plan area; and

WHEREAS, at the March 5, 2019 City Council meeting, policy was established, in coordination with Sutter LAFCO authorization, to allow existing homes within the sphere of influence, but outside City limits, to connect to City services if the parcel is willing to enter into an extraterritorial service agreement; and

WHEREAS, the property owner is informed of the required connection fees and terms of the extraterritorial service agreement (Exhibit A) and agreeable to entering into said agreement.

NOW, THEREFORE, the City Council of the City of Yuba City resolves as follows:

1. The City Council finds that all of the facts set forth in the recitals above are true and correct and incorporated herein.

2. The City Council hereby authorizes the City Manager to execute an extraterritorial service agreement with The Lonnie G. Edwards Revocable Living Trust Dated August 7, 2007, owner of the property located at 2601 Railroad Avenue, for connection to City water service, following approval as to legal form by the City Attorney.

The foregoing resolution was duly and regularly introduced, passed, and adopted by the City Council of the City of Yuba City at a regular meeting thereof held on the 20th day of August, 2024.

AYES:

NOES:

ABSENT:

_____
Shon Harris, Mayor

ATTEST:

_____
Ciara Wakefield, City Clerk Administrator

APPROVED AS TO FORM
COUNSEL FOR YUBA CITY:

_____

Shannon Chaffin, City Attorney
Aleshire & Wynder, LLP

Exhibit “A” – Draft Extraterritorial Water Service Agreement

EXHIBIT “A”

Recording Requested by and
When Recorded Return to:

City Clerk
City of Yuba City
1201 Civic Center Blvd
Yuba City, CA 95993

NO FEE-Government Code §6103

(Space Above This Line for Recorder's Office Use Only)

EXTRATERRITORIAL WATER SERVICE AGREEMENT

This **EXTRATERRITORIAL WATER SERVICE AGREEMENT** ("Agreement") is made and entered into this _____ day _____, 2024 (the "Commencement Date"), by and between **The Lonnie G. Edwards Revocable Living Trust Dated August 7, 2007,** ("Owner"), and the **CITY OF YUBA CITY, a California municipal corporation** ("City").

RECITALS

A. Owner represents it has acquired lawful title to property identified by Sutter County Assessor's Parcel Number 23-430-008, located at 2601 Railroad Avenue, Yuba City, CA, 95991 (the "Property"), as more particularly described in **Exhibit "A."**

B. The Property is located outside of the incorporated boundaries of City within Sutter County, and neither Sutter County nor any other public agency currently provides water service to the Property. The Property is located within the City's sphere of influence, but outside the City's existing boundaries.

C. California Government Code § 56133(b) permits a City to provide new or extended services by agreement outside its jurisdictional boundaries but within its sphere of influence, in anticipation of a later change of organization, and with written approval from Sutter Local Agency Formation Commission ("LAFCO"), which may have previously been provided by resolution.

D. The City and Owner both agree it is not necessary for the Property to be annexed into the City at this time.

E. City currently owns and operates a water distribution system and storage tank which conveys potable water originating in its service area through the City's transmission system. This water distribution system includes a 14-inch transmission main along Railroad Avenue terminating at Tuscan Road. In response to a request by the State Water Board Division

of Drinking Water regarding water quality, the City will expand its water distribution system and extend the 14-inch transmission main south along Railroad Avenue beginning at Tuscan Road. In response to a request by Owner, City recently produced a quote of the costs for connecting to the City's water system and the Owner would like to connect to water service at Owner's cost. The City's water distribution system is referred to herein as "Distribution System." The City's water service line is referred to herein as "City Water Service Line."

F. Owner has agreed to make payments described herein with respect to the water service for the Property in accordance with the fees and rates set by the City for its users, and to comply with City's Municipal Code as may be amended from time to time, as more fully set forth herein.

G. This Agreement is intended to comply with LAFCO requirements for an extra-territorial water service agreement with City.

H. The City has identified options to provide water supply to the Owner to accommodate the Owner's water demands at the Extraterritorial Property, provided the Owner meet certain conditions as set forth below.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto, agree as follows:

ARTICLE I. RIGHTS AND OBLIGATIONS

1. Recitals Incorporated. The recitals set forth above are true and correct and are hereby incorporated into and made a part of this Agreement.

2. Term, Ownership, and Effectiveness of Agreement: This Agreement shall become effective when executed by both parties hereto. The Agreement shall continue in perpetuity or until such time as the Property is annexed into the corporate boundaries of City. At such time, the Owner shall have such rights, privileges, and duties, including fees and rates, as all other City citizens for the then current water service classification. The City and Owner agree that should the City ultimately annex the Property in the future into the City, the Owner will not contest annexation. Owner intends that this Agreement shall constitute its written consent to the annexation of the lands described herein and shall bind its heirs, successors, grantees and/or assigns, and all persons having or acquiring any interest subsequent hereto in said lands, and shall constitute by this Agreement a covenant running with the land and binding upon said successors, grantees and/or assigns that they in fact consent to the annexation of said lands to City and shall execute whatever documentation as may be necessary and do all things required of them to effectuate the annexation at such time as City deems annexation to be in its best interest.

3. Location for Connection to City Water Distribution System. Owner and City acknowledge the nearest City municipal water distribution system to serve the Property will be at the Connection Point. The Connection Point is defined as the downstream side of the water

meter. Connection to City's Water Distribution System by Owner shall be made at this location. City shall connect, at Owner's sole cost and expense, the service line from the City's 14-inch Water Transmission Main on the west side of Railroad Avenue downstream to the Connection Point.

4. Metered Service Connection. The City will install a meter on Owner's property. The Owner will pay for installation, maintenance and repair of the meter, unless damaged by the City. All costs and expenses incident to any connection to the Water Distribution System from private property are to be borne by the property owner or water user, who shall indemnify the City from any loss or damage that may directly or indirectly be occasioned by the installation of water lines or appurtenances thereto.

5. New Water Service Line. Owner, at their sole expense and without reimbursement from the City, shall be required to install a water line as necessary to connect to the City's Water Distribution System from the Property downstream from the meter. Owner shall represent, warrant, and covenant to the City that Owner completed all necessary construction/installation from the Property to the Connection Point ("New Water Service Line") after receiving all respective County of Sutter and City permits and that the New Water Service Line was constructed in accordance with all respective laws and standards. Both the County of Sutter and the City have signed off on all permits for the construction of the New Water Service Line.

6. System Facilities. Owners shall be responsible for the operation, maintenance and repair of all components of the New Water Service Line downstream from the meter. Under no circumstances shall the City be required to maintain, repair or replace the New Water Service Line unless and until the City, at its sole discretion and option, accepts dedication of the water system or any portion thereof in increments at some future date. Any other water system installed by Owner on the Property connected to a well or other source of water not from the City's Water Distribution System is not part of the New Water Service Line, and shall be private ("Private Water System"). It is the sole responsibility of Owner to repair, maintain, and replace all Private Water System, and City shall have no responsibility or liability for these Private Water System. Owner shall obtain all necessary permits or other approvals necessary for constructing and connecting Owner's Private Water System.

7. Disconnecting of Existing On-Site Private Water System(s). Owner shall disconnect all existing on-site Private Water System(s) on the Property per County standards, and any Private Water System shall be fully separated from and not connected to the City's Water Distribution System and New Water Service Line effective as soon as the service line is extended from Railroad Avenue to the Connection Point and the meter is installed. A backflow regulator shall be installed at Owner's expense to ensure no future connections can contaminate the City's Water Distribution System. Owner will be required to comply with City's Municipal Code as may be amended from time to time. Owner shall not apply any water obtained from onsite wells to the City's Water System.

8. No Representation Regarding Water Service, Pressure, or Volume For Any Private Water System. The Owner agrees that there is no guarantee, warranty, or other

representation regarding water service, pressure, volume, or quality from the City or associated with water service from the City. This would include no guarantee, warranty or representation that the Owner or any other users on the Property will not have allergic or other reactions to the City's water. The City specifically disclaims any kind of representation, warranty, or guaranty, of any private water system.

9. City to Provide Water Services. Upon Owner's full and complete performance of all of Owner's obligations and responsibilities under this Agreement and completion of construction of the City's expansion of a 1-inch water line from the existing termination at Railroad Avenue to the Connection Point, City agrees to provide Owner's Property with water services from City's Water Distribution System and Water Treatment Plant. City's obligation to provide Owner's Property with water services from City's Water Distribution System is conditioned upon City and Owner obtaining the consent of all applicable governmental agencies. As a condition to providing water service, City shall have the right of access to water meters, including any required irrigation meter(s), whether located on City-owned real property, New Water Service Line, or the Property. Owner shall promptly notify the City of any repairs or replacement of damaged water meters. The City shall respond to such notifications in a reasonable amount of time.

10. Obligations and Responsibilities of Owner to Pay for Municipal Utility Services Provided by City. Owner agrees to promptly pay to City any and all statutory and/or customary connection and service fees adopted by the City for users connecting to the City's water system and related items, as well as any cost of construction of a water line to the Connection Point. A detailed quote with current fees can be found in **Exhibit "B"** attached hereto and incorporated by reference. Owner agrees to apply to City for a municipal utility water account, maintain its water municipal utility water service account with City in a current status and comply with – and be subject to – City's Municipal Code, as subsequently updated or amended. Owner acknowledges and agrees that if the water bill is not paid on or before the 45th day after the bill was sent, service may be discontinued. A delinquency charge will be made and collected prior to renewing service following the discontinuance. Payments must be made prior to 8:30 a.m. on the scheduled discontinuance day. A payment drop box is available at the entrance of City Hall.

11. Inspection. City shall have the right to inspect and examine the Water Distribution System at any time, including during construction and operation of any portion of the New Water Service Line, and the right to access all water meters.

12. Indemnification of City: To the greatest extent allowed by law, Owner shall indemnify, hold harmless and defend City and each of its officers, officials, employees, agents and volunteers from any and all loss, liability, fines, penalties, forfeitures, costs, and damages (whether in contract, tort, or strict liability, including but not limited to personal injury, death at any time, and property damage) incurred by City, Owner or any other person, and from any and all claims, demands, liabilities, damages, and actions in law or equity (including attorney's fees and litigation expenses incurred by City or held to be the liability of the City, including plaintiff's attorneys' fees if awarded), arising or alleged to have arisen directly or indirectly out of (a) the making of this Agreement; (b) the performance of this Agreement; (c) the performance of any or all work to be done in and upon the street rights-of-way, upon the Property or premises

adjacent thereto pursuant to this Agreement; (d) arising or alleged to have arisen directly or indirectly in any way related to the design, construction, installation, maintenance and operation of City Water Distribution System or New Water Line by anyone occupying any portion of the Property, including, without limitation, any such claims, causes of action, damages, liabilities, fees, costs, expenses, and attorney fees arising from inadequate flow, blockage, backflow, water quality, etc. Owner' obligations under the preceding sentence shall apply regardless of whether Owner or any of its officers, officials, employees, agents, or volunteers are passively negligent, but shall not apply to any loss, liability, fines, penalties, forfeitures, costs, or damages caused by the active or sole negligence, or the willful misconduct, of City or any of its officers, officials, employees, agents, or volunteers. This section shall survive termination or expiration of this Agreement.

13. Covenants Running with the Land. Owner acknowledges and agrees all of Owner' covenants, agreements, promises, representations, and warranties as set forth in this Agreement are covenants running with Owner' Property as defined in the applicable provisions of Sections 1457 et seq. of the California Civil Code, shall be in favor of and for the benefit of City and shall be enforceable by City. Owner' covenants, agreements, promises, representations and warranties as contained in this Agreement, shall run with the Property and shall be binding on Owner and Owner' successors, assigns, lessees and all parties and persons claiming under them. Owner consents to this Agreement being recorded as covenant running with the Property.

14. Successors and Assigns. The covenants and agreements contained in this Agreement shall be binding upon and shall inure to the benefit of the heirs, successors and assigns of the parties hereto.

15. Notices. Any notice required or intended to be given to either party under the terms of this Agreement shall be in writing and shall be deemed to be duly given if delivered personally, transmitted by facsimile followed by telephone confirmation of receipt, or sent by United States registered or certified mail, with postage prepaid, return receipt requested, addressed to the party to which notice is to be given at the party's address set forth on the signature page of this Agreement, or at such other address as the parties may from time to time designate by written notice. Notices served by United States mail in the manner above described shall be deemed sufficiently served or given at the time of the mailing thereof. All notices regarding any new or increased fee or rate increases affecting the applicable fees and rates in this Agreement, shall be provided in the same manner provided to all customers subject to the new or increased fees and charges.

16. Binding. Once this Agreement is signed by all parties, it shall be binding upon, and shall inure to the benefit of, both parties.

17. Compliance with the Law. In providing the services required under this Agreement, Owner shall at all times comply with all applicable laws of the United States, the State of California, and City, and with all applicable regulations promulgated by federal, state, regional, or local administrative and regulatory agencies, now in force and as they may be enacted, issued, or amended during the term of this Agreement. Owner, not City, is responsible for determining applicability of and compliance with all local, State and federal laws including,

without limitation, the California Labor Code, Public Contract Code, Public Resources Code, Health & Safety Code, and Government Code; and the Yuba City Municipal Code. City makes no representations regarding the applicability of any such laws to this Agreement, the project, or the parties' respective rights or obligations hereunder including, without limitation, payment of prevailing wages, competitive bidding, subcontractor listing, or other matters. City shall not be liable or responsible, in law or equity, to any person for Owner' failure to comply with any such laws, whether City knew or should have known of the need for Owner to comply, or whether City failed to notify Owner of the need to comply.

18. Waiver. The waiver by either party of a breach by the other of any provision of this Agreement shall not constitute a continuing waiver or a waiver of any subsequent breach of either the same or a different provision of this Agreement. No provisions of this Agreement may be waived unless in writing and signed by all parties to this Agreement. Waiver of any one provision herein shall not be deemed to be a waiver of any other provision herein.

19. Public Health, Safety and Welfare. Nothing contained in this Agreement shall limit City's authority to exercise its police powers, governmental authority, or take other appropriate actions to address issues of public health, safety, and welfare as deemed appropriate by City in its sole determination and discretion.

20. Governing Law and Venue. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of California, excluding, however, any conflict of laws rule which would apply the law of another jurisdiction. Venue for purposes of the filing of any action regarding the enforcement or interpretation of this Agreement and any rights and duties hereunder shall be Sutter County, California.

21. Headings. The section headings in this Agreement are for convenience and reference only and shall not be construed or held in any way to explain, modify, or add to the interpretation or meaning of the provisions of this Agreement.

22. Severability. The provisions of this Agreement are severable. The invalidity or unenforceability of any one provision in this Agreement shall not affect the other provisions.

23. Interpretation. The parties acknowledge that this Agreement in its final form is the result of the combined efforts of the parties and that, should any provision of this Agreement be found to be ambiguous in any way, such ambiguity shall not be resolved by construing this Agreement in favor of or against either party, but rather by construing the terms in accordance with their generally accepted meaning.

24. Attorney's Fees. If either party is required to commence any proceeding or legal action to enforce or interpret any term, covenant or condition of this Agreement, the prevailing party in such proceeding or action shall be entitled to recover from the other party its reasonable attorney's fees, costs and legal expenses.

25. Exhibits. Each exhibit and attachment referenced in this Agreement is, by the reference, incorporated into and made a part of this Agreement.

26. Precedence of Documents. In the event of any conflict between the body of this Agreement and any exhibit or attachment hereto, the terms and conditions of the body of this Agreement shall control and take precedence over the terms and conditions expressed within the exhibit or attachment. Furthermore, any terms or conditions contained within any exhibit or attachment hereto, which purport to modify the allocation of risk between the parties, provided for within the body of this Agreement shall be null and void.

27. Time of Essence. Time is of the essence in the fulfillment by the parties hereto of their obligations under this Agreement.

28. Amendment, Etc. No amendment or waiver of any provisions of this Agreement, or consent to any departure from its terms, shall be effective unless the same shall be in writing and signed by the parties hereto.

29. Cumulative Remedies. No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity, except Owner (i) cannot seek money damages or pursue an action in law; and (ii) is instead limited to bringing a proceeding in the nature of specific performance, injunctive relief or mandamus, or any other action in equity to require good-faith compliance with this Agreement, such as an action to provide Owner's Property with sewer services from City's Water Distribution System.

30. No Third Party Beneficiaries. The rights, interests, duties, and obligations defined within this Agreement are intended for the specific parties hereto as identified in the preamble of this Agreement. Notwithstanding anything stated to the contrary in this Agreement, it is not intended that any rights or interests in this Agreement benefit or flow to the interest of any third parties.

31. Extent of Agreement. Each party acknowledges that they have read and fully understand the contents of this Agreement. This Agreement represents the entire and integrated agreement between the parties with respect to the subject matter hereof and supersedes all prior negotiations, representations, or agreements, either written or oral. This Agreement may be modified only by written instrument duly authorized and executed by both City and Owner.

32. Third Party Approvals. The Parties acknowledge that there are approvals from third parties (such as those involving public utilities, railroad right-of-way, etc.) that are required to allow the City providing Owner's Property with water services from the City's Water Distribution System. The approvals are conditions precedent to performance, and the City shall seek said third-party approvals in good faith.

33. Execution in Counterparts. This Agreement may be executed in counterparts, all of which taken together shall constitute an original hereof.

IN WITNESS WHEREOF, the parties have executed this Agreement at Yuba City California, the day and year first above written.

CITY:

CITY OF YUBA CITY,
a California municipal corporation

By: _____
Shon Harris, Mayor

ATTEST:

By: _____
Ciara Wakefield, City Clerk Administrator

APPROVED AS TO FORM:

By: _____
Shannon L. Chaffin
City Attorney

****SIGNATURES CONTINUE ON NEXT PAGE ****

"OWNER":
The Lonnie G. Edwards Revocable Living Trust Dated August 7, 2007

By: _____
Signature Notarized

Address: 2601 Railroad Avenue,
Yuba City, CA

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Sutter)

On _____, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

"OWNER":
The Lonnie G. Edwards Revocable Living Trust Dated August 7, 2007

By: _____
Signature Notarized

Address: 2601 Railroad Avenue,
Yuba City, CA

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Sutter)

On _____, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

EXHIBIT "A"
LEGAL DESCRIPTION OF PROPERTY

2020-0003623

Recorded
Official Records
County of
Sutter
Donna M. Johnston
Clerk Recorder

10:15AM 06-Mar-2020

REC FEE	19.00
HFE-00	0.00

MJ
Page 1 of 2

RECORDING REQUESTED BY:
First American Title Company

MAIL TAX STATEMENT
AND WHEN RECORDED MAIL DOCUMENT TO:
Lonnie G. Edwards
2601 Railroad Avenue
Yuba City, CA 95991

Space Above This Line for Recorder's Use Only

A.P.N.: 23-430-008

File No.: 12023-6134904 (KK)

GRANT DEED

The Undersigned Grantor(s) Declare(s): DOCUMENTARY TRANSFER TAX $0; CITY TRANSFER TAX $; SURVEY MONUMENT FEE $

Building Homes and Jobs Act Exemption
GC 27388.1 (a)(2): Residential-owner occupied

[x] computed on the consideration or full value of property conveyed, OR
[ ] computed on the consideration or full value less value of liens and/or encumbrances remaining at time of sale,
[X] unincorporated area; [ ] City of **Yuba City**, and
[X] Exempt from transfer tax; Reason: R+T 11930

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,
Lonnie G. Edwards as Trustee of The Lonnie G. Edwards Revocable Living Truste Dated August 7, 2007 who acquired title as Lonnie G. Edwards as Trustee of The Lonnie G. Ewards Revocable Living Trust Dated August 7, 2007

hereby GRANT(s) to **Lonnie G. Edwards as Trustee of The Lonnie G. Edwards Revocable Living Trust Dated August 7, 2007**

the following described property in the unincorporated area of the County of **Sutter**, State of **California**:

LOT 8, AS SHOWN ON THAT CERTAIN MAP ENTITLED "RANCHO BRAVOS ESTATES", FILED IN THE COUNTY OF SUTTER COUNTY, STATE OF CALIFORNIA, ON APRIL 25, 1971, IN BOOK 11, PAGE (S) 33, OF SURVEYS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SUTTER COUNTY, CALIFORNIA.

EXCEPTING THEREFROM ALL OIL, GAS, MINERALS, AND OTHER HYDROCARBON SUBSTANCES LYING BELOW THE SURFACE OF SAID LAND, BUT WITH NO RIGHT OF SURFACE ENTRY, AS PROVIDED IN DEEDS OF RECORD.

Mail Tax Statements To: **SAME AS ABOVE**

Date: **03/02/2020**

A.P.N.: 23-430-008

File No.: 12023-6134904 (KK)

Dated: March 02, 2020

The Lonnie G. Edwards Revocable Living Trust

Lonnie G. Edwards, Trustee

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CA)SS
COUNTY OF SUTTER)

On 3/2/20, before me, Kelly Keith-Finley, Notary Public, personally appeared Lonnie G. Edwards, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

This area for official notarial seal

Notary Signature

KELLY KEITH-FINLEY
COMM. #2256239
Notary Public - California
Sutter County
My Comm. Expires Sep. 10, 2022

NRO1 NRO1

End Of Document

EXHIBIT "B"
WATER CONNECTION QUOTE

Effective July 1, 2023

EXHIBIT B
CITY OF YUBA CITY
Development Services Department - Building Division

BUILDING PERMIT FEE CALCULATION WORKSHEET

Date	12/5/23	**Project Type:**	
Address	2618 Railroad Ave	Assessor's Parcel Number	23-101-046
Occupancy Class		Type of Construction	
Square Footage		Valuation	

Building Fees
(◆ Fee applied to all permits)

Building Permit Fee Calculation Table

Project Valuation *(see Building Valuation Data sheet)*	Valuation Multiplier
0 – 5,300	252.76 Flat Fee
5,301 – 25,000	.033
25,001 – 50,000	.020
50,001 – 250,000	.010
250,001 – 500,000	.009
500,001 – 1,000,000	.006
Over 1,000,000	.007

◆ BUILDING FEE: (Minimum Building Fee $252.76) (Parking lot permit is minimum fee)

Building Permit Fee *(Valuation X Valuation Multiplier-see table above)*	=	252.76
➢ OR: Water Heater Permit, $168.06	=	
➢ OR: Demolition or Occupancy Permit, $337.49	=	
➢ OR: Residential Solar Panel Permit, $504.18	=	
➢ OR: Manufactured dwelling/coach, $843.03	=	

PLAN CHECK FEE: (Applies to permits requiring plans)

Residential: 50% of Building Permit Fee (hourly after 3rd check @ $168.06/hr)	=	
Commercial: 65% of Building Permit Fee (hourly after 3rd check @ $168.06/hr)	=	

◆ SEISMIC (SMIP) FEE: *Per $1,000 of Valuation (min. $0.50)*

Resid. - Valuation		X	$0.13/1k	=	0.50
Cmml. – Valuation		X	$0.28/1k	=	

◆ GIS/ TECHNOLOGY FEE: *Per $1,000 of Valuation (min. $0.95)*

Valuation		X	$0.95/1k	=	1.43

◆ GREEN BUILDING FEE: *Per $1,000 of Valuation-fee rounded up to next whole $*

Valuation		X	$0.04/1k	=	1.00

CITY BUSINESS LICENSE FEE: *Per $1,000 of Valuation (contractor's only)*

Valuation		X	$0.44/1k	=	

GILSIZER DRAINAGE DISTRICT FEE: *(see map of district)*

$0.184 per square foot of new impervious area

	Sq. Ft.	X	$0.184	=	

AIR QUALITY: *(applies only to new construction)*

Residential	$15.00 X		Units	=	
Commercial	$0.06 X		Sq. Ft.	=	
Industrial	$0.04 X		Sq. Ft.	=	

MISCELLANEOUS PLAN REVIEW FEES:

Fire Department Plan Review (24% of Bldg Plan review, minimum $197)	=	
Planning Dept Plan Review *(See Planning Fee Schedule)*	=	
Engineering Plan Review fee (2% of engineer's estimate of civil site work)	=	
Bldg Admin. Fee (permit tech plan review fee/OTC review), $210.39/ea.	=	

MISCELLANEOUS PERMIT FEES:

After Business Hours Inspection, $252.76 per hour (2 hr. min.)	=	
Re-inspection Fee or Special Inspection, $168.06 per hour	=	

SPECIAL DISTRICT AND SPECIAL ASSESSMENT FEES:

West Yuba City Sewer Trunk, Residential - $2,044.92.10/lot *(see map of district)*	=	
West Yuba City Sewer Trunk, Commercial $81.72/plumbing fixture unit *(see map)*	=	

DEVELOPMENT IMPACT FEES (applies to all new construction)

IMPACT FEE:	CITY	COUNTY	=	Combined Total
Single Family (per unit)	$15,052.62	$3,596.00	=	
Duplex (per unit)	$14,725.36	$3,116.00	=	
Multi-Family (per unit)	$9,875.29	$2,577.00	=	
Mobile Home(per unit)	$9,337.37	$2,145.00	=	
Office (per sq. ft.)	$4.27984	$0.823	=	
Commercial (per sq. ft.)	$6.13856	$0.577	=	
Industrial (per sq. ft.)	$0.86572	$0.289	=	

Special District Impact Fees:

Butte Vista Neighborhood Impact Fee: *(see map of district)*

Single Family (per unit)	$1,832.04	X		Units	=
Duplex (per unit)	$1,701.19	X		Units	=
Multi-Family (per unit)	$1,406.71	X		Units	=

Water & Sewer Fees

SEWER CONNECTION: *(proportionate share of treatment plant)*

Single Family Dwelling (each)		X	$6,753.17	=
Multi-Family (per unit)		X	$6,077.54	=

Commercial/Industrial $273.50 per fixture unit *(new fixtures/fixture units added)*

Lavatory/wash basin (1 unit)	1 X		X $273.50	=
Bathtub/shower (2 units)	2 X		X $273.50	=
Water closet (tank) (4 units)	4 X		X $273.50	=
Urinals (2 units)	2 X		X $273.50	=
Sink/laundry tub (3 units)	3 X		X $273.50	=
Dishwasher/clothes washer (3 units)	3 X		X $273.50	=

Drainage fixture unit equivalents based on trap size for other types of fixtures/drains:

1 ¼" trap size (1 unit)	1 X		X $273.50	=
1 ½" trap size (3 units)	3 X		X $273.50	=
2" trap size (4 units)	4 X		X $273.50	=
3" trap size (6 units)	6 X		X $273.50	=
4" trap size (8 units)	8 X		X $273.50	=
TOTAL				=

SEWER EXTENSION FEES: *(reimbursement of main line construction cost)*

Property Front Footage		X $41.45	=

WATER CONNECTION: *(proportionate share of treatment plant)*

1" (each)	25 GPM		X	$8,944.81	= 8,944.81
1 ½" (each)	50 GPM		X	$17,889.61	=
2" (each)	100 GPM		X	$35,779.24	=
3" (each)	400 GPM		X	$143,116.96	=
4" (each)	800 GPM		X	$286,233.86	=
TOTAL					=

WATER SERVICE TIE-IN: *(cost of labor for City to stub in new service from main line)*

Price quote for water services larger than 2" available upon request.

1" (each)		X	$5,271.35	= 5,271.35
1 ½" (each)		X	$6,379.14	=
2" (each)		X	$6,799.88	=
TOTAL				=

WATER METER: (every new non-private meter is assessed a connection fee)

Price quote for water meter sizes larger than 2" available upon request.

1" (each)		X	$714.08	= 714.08
1 ½" (each)		X	$967.55	=
2" (each)		X	$1,246.75	=
1" Dual–Fire Serv.		X	$904.51	=
TOTAL				=

WATER EXTENSION FEES: *(reimbursement of main line construction cost)*

Residential Property Front Footage		X $37.25	=
Cmml./Ind. Property Front Footage		X $40.19	=

HOT TAP FOR FIRE SERVICE:

4"		X	$5,484.91	=
6"		X	$5,742.23	=
8"		X	$6,330.26	=

RELOCATE WATER METER:

Each Meter		X	$1,242.89	=

BUILDING PERMIT FEE PAYMENT SCHEDULE:

PLAN CHECK FEES: due at application	=	0.48
PERMIT FEES: due at permit issuance	=	
SWR[i]/WTR[ii] CONNECTION FEES:	=	
IMPACT FEES[iii]: due at permit or certificate of occupancy*	=	
TOTAL PERMIT FEES:	=	15,186.41

*** Note, gas tag will not be issued prior to payment of sewer/water and development impact fees.**

☒ **ESTIMATED FEE** ☐ **ACTUAL FEE**

Prepared By:

Other fees not included in quote:
School District Fees – contact YCUSD 822-7621
Sutter County Drainage Zone Fee – contact Sutter County 822-7450

[i] Water Connection

The amount of the connection charges to be paid shall be those charges in effect at the time of building permit issuance.
per Sec.6-6.05 (k)

[ii] Sewer Connection

The amount of the impact fees to be paid shall be those fees in effect at the time the fees are paid at either the issuance of a building permit or certificate of occupancy.
per Sec.6-5.503 (b)

[iii] Impact Fees

The Development impact fee shall be paid at the option of the developer at either the issuance of a building permit or at a certificate of occupancy for a proposed development project – not at the date of application for a building permit. The amount of the impact fees to be paid shall be those fees in effect at the time the fees are paid at either the issuance of a building permit or certificate of occupancy. Exceptions to this requirement may be negotiated between the developer and the City as part of the entitlement and agreement process, subject to City Council approval.
Per Resolution 11-016

CITY OF YUBA CITY
STAFF REPORT

Date: August 20, 2024
To: Honorable Mayor & Members of the City Council;
From: Administration Department
Presentation By: Ciara Wakefield, City Clerk Administrator

Summary

Subject: Appointments to City of Yuba City Personnel Board
Recommendation: Approve the Mayor's Recommendation of one (1) Appointment and one (1) Reappointment to the Personnel Board
Fiscal Impact: None

Purpose:

To fill (2) vacancies on the City of Yuba City Personnel Board.

Background:

Recently, Mayor Harris held interviews for the Personnel Board.

The following recommendations are being made at this time:

Recommendation	Commission	Term Ending
Leonard Brunelle	Personnel Board	06/30/2028
Tanna Thomas*	Personnel Board	06/30/2028

*The initial appointment of Tanna Thomas on 11/1/22, allowed her to complete the unexpired term of a vacant seat. This term ended 06/30/24. Because the duration of Tanna Thomas' initial term was limited, Mayor Harris recommends that she be re-appointed to full 4-year term (Expiring 6/30/28).

Fiscal Impact: None

Recommendation:

Approve the Mayor's Recommendation of one (1) Appointment and one (1) Reappointment to the Personnel Board.

Attachments:
None

Prepared By:
Ciara Wakefield
City Clerk Administrator

Submitted By:
Diana Langley
City Manager

Agenda Item **14**

CITY OF YUBA CITY
STAFF REPORT

Date: August 20, 2024
To: Honorable Mayor & Members of the City Council;
From: Human Resources Department
Presentation By: Natalie Springer, Human Resources Director

Summary

Subject: Contract with Lincoln Financial Group and BPAS for 457(b) Deferred Compensation and Section 115 Trust Plans

Recommendation: Adopt a Resolution authorizing the City Manager to finalize and execute agreements with Lincoln Financial Group and BPAS to administer the City's 457(b) Deferred Compensation and Section 115 Trust Plans and other documents necessary for the implementation of these plans; and finalize and execute 457(b) Deferred Compensation and Section 115 Trust Plan documents

Fiscal Impact: Costs are paid for by Plan participants as a percentage of assets.

Purpose:

To enter into contracts for 457(b) Deferred Compensation and Section 115 Trust plans with Lincoln Financial Group and BPAS to provide retirement plan administration and recordkeeping for the City.

Council's Strategic Goal:

This addresses the City Council's Strategic Goal of Fiscal Responsibility. Selecting an appropriate plan administrator can ensure long-term success for the City's 457(b) deferred compensation and Section 115 Trust plans on behalf of its participants and beneficiaries.

Background:

The City is committed to providing a comprehensive benefits package for employees. Part of a comprehensive benefits package is offering a deferred compensation plan. As a reminder, a deferred compensation plan helps employees save money for retirement and the Section 115 Trust plans help employees save money tax free for health costs in retirement. (Note: Retirement health savings plans are commonly known as Section 115 Trust plans. The City's incumbent, MissionSquare, has branded Section 115 Trust plans as Retirement Health Savings Accounts (RHS or RHSA).) Since contributions to the Section 115 trust plans are mandatory, contributions must be negotiated for the City's represented employees with the various employee organization and reflected in memoranda of understanding.

An independent consultant, Hyas Group, was retained by the City to analyze the City's 457(b) Deferred Compensation and Section 115 Trust plans and the current administrator for these plans,

MissionSquare. This analysis included a thorough Plan review, along with an evaluation of both investment funds and costs.

The Hyas Group is a leading retirement plan consulting firm that works with over 100 public agencies, including cities and counties, on the west coast. Having been a consultant for the City in the past, the Hyas Group is familiar with the City's needs and structure and have been successful in providing support to the City specifically with 457(b) Deferred Compensation and Section 115 Trust plans.

The Hyas Group issued a formal Request for Proposal (RFP) on the City's behalf to provide retirement plan administration, recordkeeping, education, communications, and investment related services for the Plan Sponsor's 457(b) Deferred Compensation Plan and Section 115 Trust plans.

As indicated above, the City has been contracting with MissionSquare (formerly ICMA-RC) to provide record keeping and other administrative services for the City's 457(b) Deferred Compensation and Section 115 Trust plans. MissionSquare is the incumbent record-keeper, currently providing the City investment and administrative services.

The main objectives of the RFP were:

1. Improve the overall competitiveness of the Plans
2. Evaluate competitive pricing structures and reduce plan expenses
3. Improve participant education and communication services
4. Enhance participant retirement outcomes
5. Offer the most appropriate investment menu for the 457(b) and Section 115 Trust plans

There were nine (9) vendors that provided responses to the RFP. After thorough review and scoring by an Evaluation Committee, comprised of bargaining unit representatives, four (4) vendors were selected for further evaluation.

Analysis:

The Evaluation Committee conducted interviews with each of the four (4) finalists. The respective firms presented their teams, discussed their offering, and demonstrated their technology. After all the interviews were concluded, the Evaluation Committee convened to discuss the various offerings, weigh the advantages of each, and determine a recommendation. The Evaluation Committee unanimously selected Lincoln Financial as well as offered a vote of confidence for MissionSquare, the incumbent record-keeper.

The Hyas Group, in conjunction with the Evaluation Committee, conducted an evaluation project assessing the proposals by both Lincoln Financial and MissionSquare. The main goals were as follows:

1. Analyzing the overall competitiveness of the Plans
2. Evaluating competitive pricing structures and reducing plan expenses
3. Improving participant education and communication services
4. Enhancing participant retirement outcomes
5. Offering the most appropriate investment menu for the 457(b) and Section 115 Trust plans
6. Enhancing the formal education for the Deferred Compensation Committee
7. Fee transparency and reducing participant plan expenses for both the 457(b) and Section 115 Trust plans
8. Providing robust on-line transaction and information capabilities for participants and integrated

administration/reporting for the Plans
9. Providing for an orderly and timely transition of assets and services if necessary
10. Formalizing the recordkeeper/Committee working relationship.

The comparisons of the offerings between MissionSquare and Lincoln Financial have been assessed and the selection of Lincoln Financial for administration of the Plans is being recommended.

MissionSquare

MissionSquare has served the City for over 30 years. However, recently there have been service issues at both the participant and plan sponsor level. Many of the recent challenges have been due to recent operational changes by MissionSquare, where they outsourced much of their administrative platform. MissionSquare has communicated they have renewed commitment to the City and are solving their administrative issues.

MissionSquare offers the following:

- Additional support for HR and Finance
- Additional participant support, including 8 days onsite for one-on-one and group meetings
- Lower administrative fees than current
- Integrated RHS platform

Lincoln Financial Group

Lincoln Financial is an insurance company based in Fort Wayne, Indiana but has a significant focus on serving as a retirement plan record-keeper to government entities. Lincoln Financial serves several of Yuba City's surrounding government agency counties such as Placer and Tehama County. Lincoln Financial also provides services to cities (such as the City of Richmond) and special districts. Lincoln Financial offers a robust platform with updated technology, participant support/education, and support for HR and Finance. Lincoln Financial offers the following:

- Additional support for HR and Finance
- Lower administrative fees than currently with MissionSquare
- Engaging participant support, including 4 days onsite for one-on-one and group meetings with unlimited virtual one-on-one meetings
- Certified Financial Planner (CFP) planning program free of charge
- Robust technology and app for mobile devices

Lincoln Financial uses BPAS to provide additional recordkeeping and administration services. BPAS is a national provider of retirement plans, benefit plans, fund administration, and institutional trust services. BPAS will administer the Section 115 Trust plans on behalf of Lincoln Financial.

Both vendors are neutral to which investments are offered in the plan, therefore whether choosing Lincoln or MissionSquare, the investment menus will be the same, with the exception of the fixed account. The fixed account is a "capital preservation" investment option that offers safety and protection from stock market volatility. It should be noted there is a City Financial Committee comprised of bargaining unit representatives, Hyas Group, and the Finance Department that review investment offerings. This Financial Committee meets quarterly and is engaged in the management of the 457(b) Deferred Compensation and Section 115 Trust plans.

Both Lincoln Financial and BPAS have prepared various form agreements and documents necessary

for these companies to provide services to the City for its 457(b) Deferred Compensation and Section 115 Trust plans, including updated 457(b) Deferred Compensation and Section 115 Trust plan documents. Some of the documents will require further review and revision prior to finalization. Therefore, City staff is requesting that the City Council adopt a Resolution, which would approve the material terms of the documents and authorize the City Manager to finalize and execute the documents necessary for the implementation of these plans, with agreements subject to approval of the City Attorney.

City staff anticipates that these plans will be implemented effective November 5, 2024. With the Lincoln Financial implementation, participant accounts will not be significantly impacted through the transition period. As part of the transition, there will be at most a three (3) week blackout period (the black out period is anticipated to be less than seven (7) business days). During the blackout period employees won't be able to make changes to their accounts, but the funds are still invested. The transfer of assets will likely happen overnight, or a day or two at most. The biggest impact has to do with a new website/login and new participant education resources. The City's Financial Committee is excited to expand retirement education services to employees. Lincoln Financial's fund lineup will largely be the same with a few updates that the City's Financial Committee has been briefed on.

Fiscal Impact:

Costs are paid for by Plan participants as a percentage of assets.

Alternatives:

1. Do not execute a contract with Lincoln Financial Group/ BPAS and execute an agreement with MissionSquare, the incumbent vendor providing investment and administrative services to the City.
2. Reject the RFP results and direct staff to work with the Hyas Group to re-submit the RFP.

Recommendation:

Adopt a Resolution authorizing the City Manager to finalize and execute agreements with Lincoln Financial Group and BPAS to administer the City's 457(b) Deferred Compensation and Section 115 Trust plans; and finalize and execute 457(b) Deferred Compensation and Section 115 Trust Plan documents.

Attachments:

1. Resolution
2. Lincoln Financial Documents
3. BPAS Documents

Prepared By:	Submitted By:
Aricka Espinoza	Diana Langley
Administrative Analyst II	City Manager

ATTACHMENT 1

RESOLUTION NO.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUBA CITY AUTHORIZING THE CITY MANAGER TO FINALIZE AND EXECUTE AGREEMENTS WITH LINCOLN FINANCIAL GROUP AND BPAS TO ADMINISTER THE CITY'S 457(b) DEFERRED COMPENSATION AND SECTION 115 TRUST PLANS AND OTHER DOCUMENTS NECESSARY FOR THE IMPLEMENTATION OF THESE PLANS; AND FINALIZE AND EXECUTE 457(B) DEFERRED COMPENSATION AND SECTION 115 TRUST PLAN DOCUMENTS

WHEREAS, the City of Yuba City desires to provide quality and diverse benefits for its employees;

WHEREAS, the City of Yuba City provides its employees with the opportunity to invest in a 457(b) Deferred Compensation plan and Section 115 Trust plans;

WHEREAS, the Hyas Group issued a formal Request for Proposal (RFP) on behalf of the City to evaluate the City's 457(b) Deferred Compensation plan and Section 115 Trust plan administrator;

WHEREAS, an evaluation committee comprised of bargaining unit representatives determined it is in the best interest of City employees to select Lincoln Financial Group as the new administrator of the City's 457(b) deferred compensation and Section 115 Trust plans;

WHEREAS, Lincoln Financial Group subcontracts with BPAS to provide additional recordkeeping and administration services for the Section 115 Trust plans; and

WHEREAS, the City of Yuba City anticipates that Lincoln Financial Group and BPAS would commence providing services as the new administrator of the City's 457(b) deferred compensation and Section 115 Trust plans effective November 5, 2024, subject to the City Manager finalizing and executing the necessary agreements and documents.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Yuba City as follows:

The City Council approves the material terms of the agreements and documents necessary for the City to contract with Lincoln Financial Group and BPAS for retirement plan administration, recordkeeping, education, communications, and investment related services for 457(b) Deferred Compensation and Section 115 Trust plans, as well as the 457(b) Deferred Compensation plan documents and Section 115 Trust plan documents.

The City Manager is authorized to finalize and execute all agreements and documents necessary, subject to the approval of the City Attorney, for the City to contract with Lincoln Financial Group and BPAS for retirement plan administration, recordkeeping, education, communications, and investment related services for the 457(b) Deferred Compensation and Section 115 Trust plans by providing the services set forth in the agreements and documents.

The City Manager is authorized to finalize and execute the City's 457(b) Deferred Compensation plan documents and all documents necessary for plan implementation.

The City Manager is authorized to finalize and execute the City's Section 115 Trust plan documents and all documents necessary for plan implementation.

The forgoing Resolution of the City Council of the City of Yuba City was duly introduced, passed and adopted at a regular meeting thereof held on the 20th day of August 2024.

AYES:

NOES:

ABSENT:

ATTEST:

_____
Shon Harris, Mayor

_____
Ciara Wakefield, City Clerk

APPROVED AS TO FORM
COUNCIL FOR YUBA CITY:

_____
Shannon Chaffin, City Attorney
Aleshire & Wynder, LLP

ATTACHMENT 2

Governmental 457(b) Trust Agreement

between

City of Yuba City

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 the 5th day of November 2024, by and between CITY OF YUBA CITY (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 City of Yuba City 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, except Trustee will take instruction from Employer regarding any group annuity issued by an affiliate of Trustee that Employer or Plan Sponsor owns. 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 Employer further represents and warrants that its underlying business and/or the plan will not cause or put Trustee in position to violate any federal, state or local law, regulation, rule or ordinance.

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 Self-Directed Brokerage Accounts

In the event the Plan now or hereafter provides for self-directed brokerage accounts ("Participant SDBAs") as an investment option, the Employer and Trustee agree that the provisions set forth on the Self Directed Brokerage Accounts Addendum attached hereto shall be deemed incorporated into this Agreement. The Employer agrees to give Trustee reasonable advance notice of its intention to offer Participant SDBAs.

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. While there is not an explicit fee debited from plan assets as float revenue, a noninterest-bearing omnibus bank account has been established at depository bank in which to temporarily place cash to facilitate purchases and liquidations into and out of the Plan. The account is a noninterest bearing account, so no explicit direct float income is earned on the cash in transit. However, the account does earn banking credits based on the following formula: The Fed Funds Rate x 1/360 treasury rate. Contributions into the account are generally held in the account for one to two days. Distributions from the account are generally in the account for less than one day for wires and ACH transfers and three or more days for distributions. The length of time cash stays in this account can vary depending on how quickly the check is redeemed by the participant or how quickly payroll is processed. Credits earned are used entirely to pay banking fees and other fees that would otherwise be charged to Trustee and its clients.

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. 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, acting through its affiliate Lincoln Retirement Services Company, LLC ("LRSC") 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, acting through LRSC, 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 Authorized Agent

The Employer may authorize, at its own discretion, the person, or persons (including a financial representative or Investment Manager) to whom they have granted authority to give instructions to Trustee on behalf of the Employer hereunder. The Employer may notify Trustee from time to time, or cause Trustee to be notified from time to time, of the names of other organizations, entities, committees, or other persons authorized to act as or on behalf of the Administrator, the Named Fiduciary, Investment Manager, or in any manner authorized to issue notices, requests, directions, instructions, or other communications to Trustee pursuant to this Agreement. Trustee is entitled to rely upon and assume, without further inquiry, that any instructions or directions received by or on behalf of the Employer, or a duly authorized representative of Employer as defined above, shall have been deemed to originate from the Employer.

Section 7.3 Reliance by Trustee

Trustee shall be entitled to rely upon each representation, information, notice, direction, and other communication furnished by or on behalf of the Employer, the Administrator, each Named Fiduciary 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, 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 provided it has given Employer prior written notice of such charges prior to rendering any extraordinary services. 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 result 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

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 Section 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 evidence of formal City action approving such termination (for example City Council minutes or resolution). 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

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 Board of Directors 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

Upon execution of this Agreement, Trustee hereby requests the Employer to provide complete, current copies of the Plan documents. Trustee shall be entitled to rely upon the Employer's attention to this obligation and shall be under no duty to request such documents again 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.

Section 12.2 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.

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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: _____ Employer: **City of Yuba City**

Title: _____ Signature: _____

Trustee

By: John Luviano Trustee: Lincoln Financial Group Trust Company, as Trustee

Title: President Signature: _____

Self-Directed Brokerage Accounts Addendum

Effect of Addendum

This Addendum is part of the Trust Agreement between the Employer and the Trustee upon Employer establishing self-directed brokerage accounts (SDBAs) for its participants as described herein. Except as otherwise provided in this Addendum, Participant SDBAs (as hereafter defined) shall be subject to all of the terms and conditions of the Trust Agreement and the TD Ameritrade Documents (as hereafter defined) governing the Participant SDBAs.

Participant SDBAs

The Plan provides that certain self-directed brokerage accounts (the "Participant SDBAs") may be invested by a participant in investments selected solely by the participant, subject to such limitations as may be determined by the Employer from time to time, and not solely from among the eligible investments otherwise applicable to all participant accounts or the Trust in its entirety. The Employer shall communicate any such limitations in writing to the Trustee. The Employer acknowledges and agrees that the Trustee, if and as directed by the Administrator or other person or entity authorized to give instructions under the Agreement on behalf of a participant, shall establish accounts representing Participant SDBAs through TD Ameritrade, Inc. ("TD Ameritrade"), a registered broker-dealer, and shall enter into an agreement or agreements with TD Ameritrade governing such Participant SDBAs (the "TD Ameritrade Documents"). Participant SDBAs shall be subject to the TD Ameritrade Documents and to such terms and procedures as are agreed upon by the Trustee, the Employer and the Administrator or its delegate from time to time, and also to such other terms and procedures as may be reasonably required by TD Ameritrade from time to time and communicated in writing by TD Ameritrade or the Trustee to the Employer and the Administrator or other person or entity authorized to give instructions under the Agreement on behalf of a participant.

Authority of Participants Regarding Participant SDBAs, Etc.

Once a Participant SDBA is established through TD Ameritrade, a participant shall communicate all investment and investment related instructions relating to such account to TD Ameritrade, and TD Ameritrade, on behalf of the Trustee, shall invest the Participant SDBAs pursuant to the directions of the participant. The participant shall be solely responsible for managing his or her Participant SDBA subject to the terms and conditions applicable to such Participant SDBA. The Employer shall be responsible for communicating to participants (or causing to be communicated to participants) all applicable terms and conditions. Notwithstanding the foregoing, unless and until otherwise agreed in writing by the Employer and the Trustee, the Administrator or its delegate shall direct the Trustee with respect to: (i) the terms and conditions of all transfers of cash and/or other property between a Participant SDBA and the remainder of the Trust, including, without limitation, any sale or liquidation instructions associated with such transfers; and (ii) all withdrawals and distributions on behalf of each participant.

Reliance on Participants, Etc.

The Trustee and TD Ameritrade shall be fully protected in relying upon the directions of the participant with respect to investments and investment related decisions within Participant SDBAs. The 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 or the Administrator, or other person or entity authorized to give instructions under this Addendum. Neither the Trustee nor TD Ameritrade shall have any investment responsibility with respect to the Participant SDBAs, or any duty to inquire into the directions of the participants, to solicit such directions or to review and follow the investments made pursuant to any such directions. Any such investment direction by a participant shall constitute a representation and warranty that the transaction will not constitute a non-exempt prohibited transaction under the Code and that the investment is authorized under the Agreement, the Plan and any other applicable agreement affecting the participant's investment authority under the Plan. Further, the Trustee and TD Ameritrade shall also be fully protected in relying upon the directions of the Administrator, or other person or entity authorized to give instructions under this Addendum.

Costs of Participant SDBAs

The costs and expenses of establishing and maintaining Participant SDBAs shall be borne by the respective participants and Participant SDBAs, except to the extent otherwise paid by the Employer or the Trust. TD Ameritrade shall be entitled to the payment of fees for each Participant SDBA, including without limitation as TD Ameritrade's compensation for executing securities transactions, without diminution of the compensation otherwise payable to Trustee under the Agreement.

AMENDMENT AND ELECTION FORM
FOR THE
CODE SECTION 457(b) DEFERRED COMPENSATION PLAN
TO COMPLY WITH
THE CORONAVIRUS AID, RELIEF AND ECONOMIC SECURITY ACT ("CARES ACT"),
THE BIPARTISAN AMERICAN MINERS ACT OF 2019 ("MINERS ACT"),
AND THE
SETTING EVERY COMMUNITY UP FOR RETIREMENT ENHANCEMENT ACT OF 2019 ("SECURE ACT")
AS ESTABLISHED BY THE FURTHER CONSOLIDATED APPROPRIATIONS ACT 2020

Plan Name City of Yuba City Deferred Compensation Plan

Adoption of this interim amendment (the "Amendment") is intended as good-faith compliance with certain provisions of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), the Bipartisan American Miners Act of 2019 ("Miners Act"), and The Setting Every Community Up for Retirement Enhancement Act of 2019 ("SECURE Act") as established with the enactment of the Further Consolidated Appropriations Act 2020. This Amendment supersedes any conflicting provisions of the Code Section 457(b) Deferred Compensation Plan, administrative policy, funding policy, and/or any previously-adopted "good faith" amendment of the same subject matter, as applicable.

This Amendment is made in "good faith" and provides both explanation and election of certain provisions. With respect to the Miners Act, the SECURE Act and the CARES Act, the deadline to adopt this amendment and any such date or dates identified in this Amendment may be extended by official notice, announcement, or other capacity, as promulgated by the Department of the Treasury.

Distribution from the Plan

Definitions and Rules Relating to Designated Beneficiaries. Effective for Participants who die after December 31, 2021, the terms below have the following meanings as they relate to required minimum distributions under Code Section 401(a)(9) and the determination of beneficiary under Code Section 401(a)(9)(E):

(a) **Designated Beneficiary.** The term *Designated Beneficiary* means any individual designated as a Beneficiary by the Participant (or surviving Spouse).

(b) **Eligible Designated Beneficiary.** The term *Eligible Designated Beneficiary* means any Designated Beneficiary, with respect to the Participant, who is (1) the surviving Spouse of the Participant; (2) subject to (c) below, a child of the Participant who has not reach the age of 21; (3) disabled; (4) a chronically ill individual (within the meaning of Code Section 7702B(c)(2), except that the requirements of subparagraph (A)(i) thereof shall only be treated as met if there is a certification that, as of such date, the period of inability described in such subparagraph with respect to the individual is an indefinite one which is reasonably expected to be lengthy in nature); or (5) an individual not described in any of the preceding subclauses who is not more than 10 years younger than the Participant. The determination of whether a Designated Beneficiary is an Eligible Designated Beneficiary shall be made as of the date of death of the Participant.

(c) **Special Rule for Children.** Subject to Code Section 401(a)(9)(F), an individual described at (b)(2) above shall cease to be an Eligible Designated Beneficiary as of the date the individual reaches the age of 21 and any remainder of the portion of the individuals' interest to which subparagraph (b) above applies shall be distributed within 10 years after such date.

Modifications to Required Minimum Distribution Rules. Required minimum distributions are hereby revised according to Code Section 401(a)(9)(H) and generally apply to Participants who die after December 31, 2021, and to any Beneficiary of a Participant's Designated Beneficiary who died after December 31, 2019, (when the Participant died before January 1, 2022). In such case, the Participant's Designated Beneficiary shall be treated as an Eligible Designated Beneficiary for purposes of Code Section 401(a)(9)(H)(ii). Where a Participant dies before the distribution of such Participant's entire interest, the following shall apply:

(a) **In General.** Except in the case of a Beneficiary who is not a Designated Beneficiary, Code Section 401(a)(9)(B)(ii) shall be applied by substituting "10 years" for "5 years" and shall apply whether or not required distributions of the Participant's interests have begun according to Code Section 401(a)(9)(A).

(b) **Exception for Eligible Designated Beneficiary.** The application of Code Section 401(a)(9)(B)(iii) where a Participant dies after distribution has begun but before the entire interest has been distributed and where the exception to the 5-year rule for certain amounts payable over the life of the Designated Beneficiary may apply, shall apply only in the case of an Eligible Designated Beneficiary.

Effective November 5, 2024, the Participant or Eligible Designated Beneficiary may elect to apply either the 10-year rule or the life expectancy rule to determine the required minimum distributions when the Participant dies before his/her Required Beginning Date. For an Eligible Designated Beneficiary who is the surviving Spouse of the Participant, if no election is timely made, the life expectancy rule applies. For an Eligible Designated Beneficiary who is other than the surviving Spouse of the Participant, if no election is timely made, the 10-year rule applies.

(c) **Rules Upon Death of Eligible Designated Beneficiary.** If an Eligible Designated Beneficiary dies before the portion of the Participant's interest to which this subparagraph applies is entirely distributed, the exception noted at (b) above shall not apply to any Beneficiary of such Eligible Designated Beneficiary and the remainder of such portion shall be distributed within 10 years after the death of such Eligible Designated Beneficiary.

(d) **Special Rule in Case of Certain Trusts for Disabled or Chronically Ill Beneficiaries.** In the case of an "applicable multi-beneficiary trust", if under the terms of the trust (i) it is to be divided immediately upon the death of the Participant into separate trusts for each Beneficiary, or (ii) no individual (other than an Eligible Designated Beneficiary described in Code Section 401(a)(9)(E)(ii)(III) or (IV)) has any right to the Participant's interest in the Plan until the death of all such Eligible Designated Beneficiaries with respect to the trust, for purposes of a trust described at (i) herein, clause (b) above shall be applied separately with respect to the portion of the Participant's interest that is payable to any Eligible Designated Beneficiary described in Code Section 401(a)(9)(E)(ii)(III) or (IV); and for purposes of a trust described at (ii) herein, Code Section 401(a)(9)(B)(iii) shall not apply to the distribution of the Participant's interest and any Beneficiary who is not an Eligible Designated Beneficiary shall be treated as a Beneficiary of the Eligible Designated Beneficiary upon the death of such Eligible Designated Beneficiary. For purposes of this paragraph, "applicable multi-beneficiary trust" means a trust which has more than one beneficiary, all of the Beneficiaries of which are treated as Designated Beneficiaries for purposes of determining the distribution period pursuant to this paragraph, and where at least one of the Beneficiaries of which is an Eligible Designated Beneficiary described at Code Section 401(a)(9)(E)(ii)(III) or (IV).

Required Beginning Date for Mandatory Distributions. Effective for Participants who attain age 70½ in calendar year 2020, or thereafter, the term *Required Beginning Date* means the April 1 of the calendar year following the later of the calendar year in which the Participant attains age 72 or retires due to Severance from Employment.

Distribution from the Plan

In-Service Withdrawals for Birth or Adoption. If selected, a Participant may request an in-service distribution in connection with the qualified birth or adoption of a child who has not attained age 18 (excluding a Spouse's child) or a child who is physically or mentally incapable of self-support, regardless of age. For this purpose, a qualified birth or adoption distribution" ("QBAD") means a distribution to a Participant with respect to any child or eligible adoptee who meets the terms above, and for which the Participant includes the name, age, and the taxpayer identification number of the child or eligible adoptee on the Participant's tax return for the taxable year in which the distribution is made.

Any such distribution made under this provision may be made in Plan Years beginning after December 31, 2019, will not be

subject to the penalty tax under Code Section 72(t), is not subject to mandatory withholding under Code Section 3405, is not treated as an eligible rollover distribution for purposes of the direct rollover rules of Code Section 401(a)(31), and must be made within the 1-year period following the birth of such child or the legal adoption of a child is finalized. The maximum amount available per individual per child is $5,000 from all plans maintained by the Employer (and any member of any controlled group which includes the Employer).

If the Plan permits Rollover Contributions and such Participant is eligible to make a Rollover Contribution at the time of the request, a Participant may recontribute a QBAD (or portion thereof) as if it were a direct trustee-to-trustee transfer of an Eligible Rollover Distribution as provided by Code Section 402(c)(4). If the Plan does not permit Rollover Contributions, or the Participant is not eligible to make a Rollover Contribution at the time of the request, such Participant may rollover a QBAD to an Eligible Retirement Plan in which the Participant is a beneficiary and to which a rollover can be made as provided by Code Sections 402(c), 403(a)(4), 403(b)(8), 408(d)(3), or 457(e)(16), as applicable.

A QBAD is not related to any other provision or reason that may or may not permit in-service distributions from the Plan. When determining the Participant's eligibility for a QBAD, the Plan Sponsor or Administrator may rely on reasonable representations from the Participant, unless the Plan Sponsor or Administrator has actual knowledge to the contrary.

☒ Distribution made from the Plan on account of birth, adoption, or placement of a child is hereby adopted effective November 5, 2024.

In-Service Withdrawals. Effective as of the date adopted (in no event earlier than the Plan Year beginning after December 31, 2019 and no later than the last day of the Plan Year in which effective), the age limit for in-service withdrawals is decreased from no less than age 70½ to no less than age 59½. No distribution may be made while employed (other than any portion thereof which is attributable to Rollover Contributions) prior to age 59½.

☒ Effective November 5, 2024, a Participant who has reached age 59½ *(cannot be earlier than age 59½)* and who has not yet terminated employment may elect to receive a distribution of his or her Vested Account Balance.

Portability of Lifetime Income Options. Effective with Plan Years beginning after December 31, 2019, in the case where a lifetime income investment is no longer authorized to be held as an investment option under the Plan, the Administrator of the Plan may during the 90-day period before such lifetime income investment option becomes unavailable under the Plan, allow affected Participants to make a direct trustee-to-trustee transfer to another employer-sponsored retirement plan or an IRA of any eliminated lifetime income investments or request an in-service distribution of any such lifetime income investment in the form of a qualified plan distribution annuity.

Rollover Rules for Qualified Plan Loan Offset Amounts. The Plan is hereby amended for Section 1.402(c)-3 affecting plan loan offset amounts, including qualified plan loan offset amounts, distributed on or after January 1, 2021, unless applied earlier to distributions made on or after August 20, 2020.

Unless specifically excluded, an Eligible Rollover Distribution means any distribution to a Participant (or to a Spouse Beneficiary) of all or any portion of the balance to the credit of the Employee in a Qualified Plan, including a distribution of a "qualified plan loan offset amount" (QPLO). For this purpose, a QPLO amount means a distribution that occurs when, under the Plan terms governing the loan, the balance in the Participant's Account is reduced or offset upon a Participant's severance from employment or request for distribution, in order to repay an outstanding or defaulted loan, but does not include a deemed distribution under Code Section 72(p). Any such amount that does not exceed the plan loan offset amount may be rolled over by the Participant (or Spouse Beneficiary) to an Eligible Retirement Plan by the individual's tax filing due date (plus extensions) for the taxable year in which the offset occurs unless the plan offset amount fails to be an Eligible Rollover Distribution for another reason. This extended period in which to complete a rollover of the QPLO amount will apply even if such taxpayer does not request an extension to file and instead files his or her return by the unextended tax filing due date.

For this purpose, a "QPLO" is a plan loan offset amount that is treated as a distribution to a Participant or Beneficiary solely by reason of either the termination of the Employer's Qualified Plan, or the failure to meet the repayment terms of the loan because of the Participant's severance from employment, provided such loan met the requirements of Code Section 72(p)(2) immediately prior to the termination of the Employer's Qualified Plan or the Participant's severance from employment, as applicable. A QPLO amount is treated as distributed from a Qualified Plan to a Participant or Beneficiary solely by reason of the failure to meet the Plan loan repayment terms because of severance from employment if the plan loan offset (i) relates to a failure to meet the repayment terms of the plan loan, and (ii) occurs within the period beginning on the date of the employee's severance from

employment and ending the first anniversary of that date.

CARES Act Provisions

Required Minimum Distributions (RMDs). All distributions from the Plan will be determined and made in accordance with the Regulations under Code Section 401(a)(9) and the minimum distribution incidental benefit requirement of Code Section 401(a)(9)(G). Notwithstanding the provisions of the Plan to the contrary, a Participant or Beneficiary who would have been required to receive a required minimum distribution in calendar year 2020 but for the enactment of Code Section 401(a)(9)(I) ("2020 RMD"), and who elected to receive the RMD based on scheduled installments received the 2020 RMD, unless the Participant elected not to receive it. All other Participants received the 2020 RMD only if a request was submitted to the Plan Administrator. If no request was made, the 2020 RMD was not distributed. For Beneficiaries of deceased Participants, calendar year 2020 will not be counted as part of the five (5) year period during which they must take a distribution.

☒ A Participant who elected to receive RMDs based on scheduled installments received the 2020 RMD, unless the Participant elected not to receive it. All other Participants received the 2020 RMD only if a request was submitted to the Plan Administrator. If no request was made, the 2020 RMD was not distributed.

Direct Rollovers. Notwithstanding the provisions of the Plan to the contrary, and solely for purposes of applying the direct rollover provisions of the Plan, the additional distributions in 2020 checked below (if any) will be treated as eligible rollover distributions. However, if no election is made below, a direct rollover will be offered only for distributions that would be eligible rollover distributions without regard to Code Section 401(a)(9)(I).

☐ 2020 RMDs and Extended 2020 RMDs (as defined above).

☒ 2020 RMDs (as defined above) but only if paid with an additional amount that is an eligible rollover distribution without regard to Code Section 401(a)(9)(I).

☐ **Coronavirus-Related Distributions from Retirement Plans.** If elected, the term "coronavirus-related distribution" means any distribution from an eligible retirement plan (as defined by Code Section 402(c)(8)(B)) made on or after the date of the enactment of the CARES Act and before December 31, 2020, (or such later date as the Secretary of the Treasury or its delegate may prescribe) to an individual:

- who is diagnosed with the virus SARS-CoV-2 or with coronavirus disease 2019 (COVID-19) by a test approved by the Centers for Disease Control and Prevention,
- whose spouse or dependent (as defined in Code Section 152) is diagnosed with such virus or disease by such a test, or
- who experiences adverse financial consequences as a result of being quarantined, being furloughed or laid off or having work hours reduced due to such virus or disease, being unable to work due to lack of childcare due to such virus or disease, closing or reducing hours of a business owned or operated by the individual due to such virus or disease, or other factors as determined by the Secretary of the Treasury (or the Secretary's delegate).

The aggregate amount of distributions received by an individual for any coronavirus-related distributions from all plans maintained by the employer (and any member of any controlled group as defined in Code Sections 414(b), (c), (m) or (o) which includes the employer) for any taxable year shall not exceed $100,000 and Code Section 72(t) shall not apply.

For purposes of Code Sections 401(a)(31), 402(f), and 3405, coronavirus-related distributions shall not be treated as eligible rollover distributions and will therefore not be subject to mandatory withholding. For purposes of making unforeseeable distributions, a coronavirus-related distribution shall be treated as meeting the requirements of Code Sections 401(k)(2)(B)(i), 403(b)(7)(A)(i), 403(b)(11), and 457(d)(1)(A).

An individual who receives a coronavirus-related distribution may, at any time during the 3-year period beginning on the day after the date on which such distribution was received, make one or more contributions in an aggregate amount (not to exceed the amount of such distribution) to an eligible retirement plan of which such individual is a beneficiary and to which a rollover contribution of such distribution could be made under Code Sections 402(c), 403(a)(4), 403(b)(8), 408(d)(3), or 457(e)(16), as

the case may be. If such contribution is made with respect to a coronavirus-related distribution from an eligible retirement plan other than an individual retirement plan, then the individual shall, to the extent of the amount of the contribution, be treated as having received the coronavirus-related distribution in an eligible rollover distribution (as defined in Code Section 402(c)(4)) and as having transferred the amount to the eligible retirement plan in a direct trustee to trustee transfer within 60 days of the distribution. In the case of any coronavirus-related distribution, unless the taxpayer elects not to have this paragraph apply for any taxable year, any amount required to be included in gross income for such taxable year shall be so included ratably over the 3-taxable-year period beginning with such taxable year.

☐ **Expanded Loan Provisions.** If elected, in the case of any loan from a qualified employer plan (as defined under Code Section 72(p)(4)) to a qualified individual (as defined at Section 1 above) made during the 180-day period beginning on the date of the enactment of the CARES Act (or such later date as the Secretary of the Treasury or its delegate may prescribe), clause (i) of Code Section 72(p)(2)(A) shall be applied by substituting "$100,000" for "$50,000", and clause (ii) of such section shall be applied by substituting "the present value of the nonforfeitable accrued benefit of the employee under the plan" for "one-half of the present value of the nonforfeitable accrued benefit of the employee under the plan".

☐ If elected, in the case of a qualified individual with an outstanding loan (on or after the date of the enactment of this Act) from a qualified employer plan with a due date for any repayment with respect to such loan occurring during the period beginning on the date of the enactment of this Act and ending on December 31, 2020, such due date shall be delayed for 1 year (or such later date as the Secretary of the Treasury or its delegate may prescribe), any subsequent repayments with respect to any such loan shall be appropriately adjusted to reflect the delay in the due date and any interest accruing during such delay. In determining the 5-year period and the term of a loan under subparagraph (B) or (C) of Code Section 72(p)(2), the period described herein shall be disregarded.

Signature of Sponsoring Employer

The Plan is hereby amended, as indicated above, and includes by reference all other relevant provisions of the SECURE Act, effective November 5, 2024, and as of the dates indicated herein.

Signature _____ Title _____

PLEASE SIGN & DATE

Print Name _____ Date _____

Lincoln Financial Group®

You're In Charge®

RETIREMENT PLAN SERVICES

Administration Manual

Lincoln Alliance® program

Issued November 5, 2024

RPS22210-AL-NE

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Appendix A

Introduction

This *Lincoln Alliance*® program Administration Manual (the "Manual") represents information gathered from a variety of sources, including:

- Input from City of Yuba City ("Employer") regarding the provisions of the 457(b) Plan(s) participating in the *Lincoln Alliance*® program (the "Program").
- Information found in the Plan document(s).
- Input from Lincoln Retirement Services Company, LLC ("LRSC") regarding generally-accepted Plan procedures and administrative practices that result in efficient, accurate Plan administration.

The primary purpose of this document is to serve as a standard administration guide. All of the services and processes described may not apply to your Plan(s). As such, this Manual includes the following information:

- Administrative processes
- Overview of valuation processing
- Roles and responsibilities of:
  - Employer
  - LRSC
  - Lincoln (Affiliates of Lincoln National Corporation include, but are not limited to, The Lincoln National Life Insurance Company, Lincoln Life & Annuity Company of New York, and Lincoln Retirement Services Company, LLC, herein separately or collectively referred to as "Lincoln".)
  - Lincoln Financial Group Trust Company, Inc. ("LFGTC") Trustee for the 457(b) Plan(s)

It is critical that this document is maintained and updated as Plan provisions, practices, and procedures change. Although LRSC will incorporate all changes into this document, it is the responsibility of the Employer to notify LRSC of any changes by contacting your account manager. To ensure copies are updated, an issue date will be placed in the lower left-hand corner of the cover of the Manual. In the event of a conflict between the terms of this Manual and the terms of the Recordkeeping Service Agreement (the "Service Agreement"), the Service Agreement executed between LRSC and the Employer will prevail. Terms defined in the Service Agreement will have the same meaning when used in this Manual unless otherwise specified.

This Manual will occasionally be subject to modification, consistent with the policies of LRSC. If the Manual is amended, it will be done with notice to the Employer pursuant to the terms of the Service Agreement. In the event of any pertinent change in the Code, federal law, or other applicable law, this Manual will be deemed automatically amended for all legally required changes.

Transaction processing responsibilities

All times stated in this Manual are stated in Eastern Time and refer to business days on which the New York Stock Exchange is open. Trading restrictions may apply on days when the New York Stock Exchange is open but the Federal Reserve is closed. All transaction cut-off times may be adjusted to reflect an earlier than normal closing time for the New York Stock

Exchange. Normal closing time for the New York Stock Exchange is 4:00 pm unless it is an early market close.

Guidelines for transaction processing responsibilities

The timing and completion of all transactions described in this Manual are dependent upon receipt from Employer, Plan(s), or Plan participant, as applicable, of all necessary information and funds in good order "(IGO)". "Good order" is defined as complete and accurate information. Specific requirements to be considered in good order are outlined in later sections of this Manual. The processing of all such transactions described in this Manual will begin with the receipt of all required information and funds in good order.

Subject to express limits that may be imposed under the Code and subject to the limitation of liability and indemnification provisions of Article 3 of the Service Agreement, the processing of any contribution, distribution, or other transaction may be delayed for any legitimate business reason (including, but not limited to: failure of systems or computer programs, failure of the means of the transmission of data, force majeure, the failure of LRSC to timely receive values or prices, and correction for errors or omission or the errors or omissions of any service provider). The processing date of a transaction will be binding for all purposes of the Plan(s).

Accelerated transition and special services

LRSC makes all reasonable efforts to comply with its target timelines consistent with the terms of this Manual and the Service Agreement. However, sometimes an Employer may desire or require an accelerated transition or other service. LRSC will use its best efforts to meet the Employer's needs. However, if the Employer demands performance faster than that set forth by the Manual and the Service Agreement, the Employer waives all remedies provided in this Manual or in the Service Agreement for incidental errors that occur as a result, except in cases of gross negligence by LRSC.

Investments

The following describes the administrative responsibilities of the parties.

Default investments

LRSC will track those participants who have not made their own investment selections and who have been defaulted. LRSC will send a confirmation notice to participants when they are defaulted or when they affirmatively make their own investment elections based on the default rules established by the Employer. You will be able to produce a report of these participants.

Fund trade restrictions

Fund trading restrictions are requested by the fund company. These may or may not apply to the funds selected for your Plan. The restrictions act as a preventative method to avoid higher fees as a result of short term trading and market timing. Though fund companies may request these types of restrictions, they are not limited to these restrictions. A fund company may request a participant be restricted from a fund at any time and for any reason. Please review

the fund prospectus, prior to electing a fund, for further information. LRSC will notify the Employer prior to the calendar quarter the restriction is in place.

- **Redemption fee**
  This is a fee incurred when shares are redeemed. The requirements of the fund company include a specific time period and a percentage of the cash raised on the redemption to be used for a fee. When a participant makes a purchase into a fund, they cannot sell back out of that fund within the specified time period unless they pay the percentage fee. The Securities Exchange Commission (SEC) limits redemption fees to 2%. These fees are paid directly to the fund company**.**

- **Purchase block**
  This is a block on a purchase into a fund for a specified time period after shares are redeemed out of that fund. The fund company will specify the time period and may also specify a dollar amount threshold for the purchase block. If a dollar amount threshold is specified by the fund company, the dollar amount of the redemption must be greater than the specified dollar amount threshold in order for the purchase block to apply.

- **Limit round trip**
  This is a block on purchasing shares or redeeming shares of a fund after a purchase followed by a sale or a sale followed by a purchase within a pre-determined number of days. The fund company specifies the number of days.

Trade monitoring

Each fund company is required to enter into a written agreement with each of its financial intermediaries under which each intermediary must provide the fund company, upon request, participant level transaction information (SEC Rule 22c-2). Fund companies can use this information to monitor trading and identify participants in omnibus accounts engaged in frequent trading that is inconsistent with the investment fund company's market timing policies. This rule also requires the agreement with financial intermediaries to contain a provision under which the intermediary agrees to execute the fund company's instructions to restrict or prohibit further purchases or exchanges by a participant who has engaged in trading that violates the fund's market timing policies.

Fund changes

- The Employer will consult with LRSC prior to adding or deleting investment funds. A lead-time of at least eight weeks is required to ensure that proper authorization for new fund(s) is implemented and transition for daily trading of affected fund(s) is not interrupted.
- The account executive and/or the account manager assigned to your case will be available to support the process of implementing a fund change once a request is received in writing.
- Mutual fund changes will go through a 3-day blackout period for the Plan(s).
- LRSC will support fund changes to your Plan(s) once per year. Additional fund changes may result in additional cost to the Employer.

Dividend allocations and earnings accruals

- Earnings are adjusted on a daily basis as the unit value changes. Accrued income is calculated independently at the fund level and is reconciled on a monthly basis. Refer to each fund's prospectus for specific details related to these calculations.
- The Lincoln Stable Value Account will be unitized and a daily price which builds in the daily increase attributable to interest earned for each day will be applied to reflect earnings.
- A daily interest accrual factor will be calculated on the Lincoln Stable Value Account and any other daily interest earned fund and applied to participant accounts. Values are reviewed and reconciled.
- LRSC will allocate dividends to only those participants in the funds on the record date (date upon which an investor must own shares of a mutual fund in order to participate in declared dividends). The date upon which dividends are posted will be driven by the dividend reporting procedures of the investment fund or vehicle.
- Reinvested income distributions, such as dividends and capital gains, will be allocated to participant accounts within a reasonable time after completed dividend information is reported by the fund company.

  Complete income distribution information will include the dollar value of the reinvested income, units purchased and the unit base for the Plan's holding in the fund on the record date of the distribution. Income distributions paid at the end of a quarter by a fund company may not be reflected on the current quarter's participant statement. Participant balances accessed through the Interactive Voice Response Unit (IVR) and the internet will reflect income as of the prior market day's close, plus any dividends that were posted during the current day.

Eligibility and enrollment plan provisions

The following describes the administrative responsibilities of the parties. The Employer confirms that Appendix A, along with the administrative processes detailed below, accurately reflect such responsibilities.

- LRSC or the Employer will determine when an employee has satisfied the Plan eligibility requirements based on the data provided through ongoing payroll feeds. Once it has been determined that the employee is eligible, the Employer will add them to the payroll file and provide them with an enrollment kit. If this data is inaccurate, out-of-date, or missing, any losses or adjustments that are necessary will be the responsibility of the Employer.
- Generally, when LRSC is determining eligibility for a specified entry, it is done 30 to 60 days in advance using the most current data received. Employees will be made eligible within the recordkeeping system so a welcome letter is mailed. If applicable, the newly eligible report is sent to the Employer for their records.
- LRSC will set up an account on its recordkeeping system for a participant either based on the payroll information received or through an enrollment form if paper enrollments are utilized. The following information is required in order to establish an account for the participant:
  - Participant first name, last name, and middle initial
  - Social Security number
  - Home address
  - Date of birth

- Gender
- Marital Status
- Date of hire
- Date of termination (if applicable)
- Employment status
- Eligibility status
- Participation status

- The Employer will provide the information needed for a newly-eligible participant to enroll in the plan(s). If an enrollment kit is utilized, they can be requested by contacting your account manager.
- LRSC will generate and provide a welcome letter which contains information necessary to allow all newly-eligible employees to log into either the website or IVR to access their balances, make an election, or change existing elections.

  Participants can make elections according to the following chart:

Election	Website	Customer Contact Center	IVR	Paper enrollment**
Contribution rate changes*	Yes	Yes	Yes	Yes
Personalized investment elections	Yes	Yes	Yes	Yes
LifeSpan℠ or *YourPath*® portfolios investment elections*	Yes	Yes	No	Yes
Beneficiary designations*	Yes	Yes	No	Yes

* May not be available for all Plan(s).
** May not be available for all Plan(s). If used, must only be used for initial elections and not changes to elections

- If paper enrollment forms are utilized, LRSC will review the forms to ensure all of the above information is available before establishing an account for a participant. In addition to reviewing the required information above, LRSC ensures the form is signed by the employee and that the elections are completed accurately. If any of the required information is missing, LRSC will work with the participant and/or the Employer to collect the incomplete data.
- LRSC will process forms once they are in good order and any information and/or elections will supersede any existing information and/or elections completed via any other media, even if completed after the date the form was signed.
- Generally, LRSC will send a confirmation letter to the participant following completion of the request.

Investment elections

The following describes the administrative responsibilities of the parties.

- A participant may direct the investment of his or her account by completing the appropriate section of the enrollment form.
  - Investment election changes must be made in 1% increments through the IVR, Customer Contact Center, or the internet. In the absence of investment elections set forth by the Plan participants, LRSC will process contributions to any default investment selected by the Employer.
  - Once it is determined that an investment election change request is complete and in good order, it will be processed as soon as administratively practical.
- Generally, LRSC will send a confirmation letter to the participant following completion of the request.
- All future contributions and loan payments will be posted based on the new election until another investment election is received in good order and processed.

Fund-to-fund transfers

Core investment funds (includes all funds except Self-Directed Brokerage Accounts):

Fund-to-fund transfers	
Participant makes a transfer request via IVR or internet.	24 hours a day, seven days a week
Participant makes a transfer request via the Customer Contact Center.	8:00 am to 8:00 pm each business day
IVR and the internet reflect impacts of pended transfer.	Upon request
LRSC processes exchanges and updates participant accounts.	During the nightly trade cycle for all transactions received prior to the stock market close of 4:00 p.m. (ET)
LRSC sends confirmation to the employee of their transfer.	3 to 5 business days following the transfer

Plan contributions

The following describes the administrative responsibilities of the parties. The Employer confirms that Appendix A, along with the administrative processes detailed below, accurately reflect such responsibilities.

Administrative procedures

Payroll may be submitted online via our website or through submission of an electronic data file.

Trade requests are subject to the receipt of completed instructions from the Employer or participant in good order.

LRSC must receive data in good order first and will not request the funds until all data issues are resolved. Late receipt of data or data issue resolution could cause delays in the investment of contributions. Any losses due to late receipt of data or inaccurate data from the Employer will be the Employer's responsibility.

Definition of good order for payroll data files includes control totals balancing to pre-specified data fields such as contributions and loan payments. Data file should also be in approved layout without missing data elements from individual records. All outstanding data edits related to missing and inaccurate data should be resolved by the Employer.

Contributions and payroll deducted loan payments	
The Employer provides the payroll data via Managed File Transfer System to LRSC. A user name, password, and instructions for this system will be sent to the Employer during the implementation process. To obtain another copy of the instructions for the Managed File Transfer System, please contact your account manager.	Day 1 per pre-defined schedule
LRSC edits file and notifies the Employer of problems.	Within 2 to 5 business days after receipt of file by 1:00 pm
The Employer sends contributions to State Street Bank and Trust (via wire, Automated Clearing House (ACH), or ACH debit transfer). By using the ACH debit funding method, funds are automatically invested, and participant accounts are updated.	After receipt of funding confirmations from LRSC
LRSC will process the Plan contribution and update the participant's account. At that point the IVR and internet reflect the pending transactions and the data processed.	Each business day upon receipt of funding

Contributions submitted Online	
During the implementation process, LRSC will provide the Employer with a payroll format and login instructions to Lincoln's website. The Employer will load the payroll using instructions given by LRSC. The Account Manager will be available to troubleshoot any issues that the Employer can't solve using the instructions.	Day 1 per pre-defined schedule

The Employer sends contributions to State Street Bank and Trust (via wire, Automated Clearing House (ACH), or ACH debit transfer). By using the ACH debit funding method, funds are automatically invested, and participant accounts are updated.	After completion of Employer loading payroll file
LRSC will process the Plan contribution and update the participant's account. At that point the IVR and internet reflect the pending transactions and the data processed.	Each business day upon receipt of funding

Company contribution allocations

- Processing as part of the payroll process (e.g., company match), requires up to five business days.
- Processing not part of the payroll process (e.g., annual profit sharing or quarterly match), is based on the frequency and timing determined for each Employer based on the complexity of the calculation and the integrity of the data.
- Once the calculation has been determined and approved by the Employer, LRSC will process the file based on the steps outlined for payroll files. Refer to Plan document for calculation.

Contribution rate changes	
Participant submits request(s) through Salary Reduction Agreement to the Employer's Human Resources Department or via IVR or the internet.	Each business day upon receipt
Employer to login to the Lincoln plan sponsor website and generate a *Payroll Notification* report for those submitted through IVR or the internet. Employer updates payroll system(s) with new salary reduction information for those submitted to the Employer's Human Resources Department. A user name and password will be provided to the Employer during the implementation process. To request access to the Lincoln plan sponsor website, please contact your account manager.	Prior to each payroll or as determined by the Employer
LRSC will report and update all contribution rate changes received via IVR, the internet, or via payroll (per payroll schedule).	Per the rate change frequency
LRSC provides the employee with a confirmation statement if contribution rates are received via IVR or internet.	After receiving the request

Rollovers/Plan-to-plan transfers

The following describes the administrative responsibilities of the parties. The Employer confirms that Appendix A, along with the administrative processes detailed below, accurately reflect such responsibilities.

Rollovers

The Employer may delegate to LRSC the administrative task of processing the rollover request based on criteria established in the Manual or Service Agreement. If a participant completes a rollover request form and does not have an existing account on the LRSC recordkeeping system, the participant must also include a completed enrollment form with the following information:

- Social Security number
- Name
- Address
- Date of birth
- Date of hire

The steps below are required to coordinate the rollover with the prior vendor and to update the participant's balance once the funds are received. The process may take several business days to complete once the form is determined to be in good order. Other forms may be required by the prior vendor. It is the Employer's responsibility to identify these forms and make them available to the employees.

1. The participant completes the enrollment form and rollover request form and send to LRSC at the address provided on the forms. The forms are available via the Customer Contact Center or internet.

2. LRSC reviews the paperwork to ensure that it is in good order and contains the following information:
   - Participant's name, address, date of birth, date of hire, Social Security number, and signature
   - Complete and accurate information for the prior Plan
   - Complete investment elections for the rollover monies. In the absence of investment elections set forth by the Plan participants, LRSC will process contributions to any default investment selected by the Employer.
   - Complete required documentation, such as retirement statement, distribution request form, or IRS Letter of Determination from the prior Plan or a letter from the prior Employer that identifies the Plan type from which the rollover is being made
   - Employer approval, if appropriate

3. LRSC will send a letter of acceptance to the prior vendor requesting that assets be liquidated and sent to LRSC only if the prior vendor requires a letter of acceptance.

4. The prior vendor should generate a rollover check payable to Lincoln Financial Group Trust Company, Inc. for the benefit of [Plan name] [participant name] and [participant Social Security number].

5. The check should be sent directly to the Plan at the following address:

   City of Yuba City
   Processing Agent
   c/o Lincoln Retirement Services Company
   P.O. Box 7876
   Fort Wayne, IN 46801-7876

6. Upon receipt of assets, LRSC will review the check and will invest the funds as soon as administratively possible according to the rollover paperwork on file.

   Note: If a rollover check is received without the required rollover paperwork, LRSC will attempt to obtain the paperwork. LRSC will send back the check within five business days if paperwork is not received.

Plan-to-plan transfers in

If a participant completes a plan-to-plan transfer form and does not have an existing account on the LRSC recordkeeping system, LRSC will add the participant to the recordkeeping system based on the following information on the form:

- Social Security number
- Name
- Address
- Date of birth
- Date of hire

The steps below are required to coordinate the plan-to-plan transfer with the prior vendor and to update the participant's balance once the funds are received. The process may take several business days to complete once the form is determined to be in good order.

1. The participant completes the plan-to-plan transfer form for assets and sends it to LRSC at the address on the form.

2. LRSC reviews the paperwork to ensure that it is in good order and contains the following information:
   - Participant's name, address, date of birth, date of hire, Social Security number, and signature
   - Complete and accurate information for the prior vendor
   - Complete investment elections for the transferred monies
   - Prior vendor's distribution paperwork attached, if necessary

3. LRSC will send a letter of acceptance to the prior vendor requesting that assets be liquidated and sent to LRSC only if the prior vendor requires a letter of acceptance.

4. The prior vendor should generate a plan-to-plan transfer check payable to Lincoln Financial Group Trust Company, Inc. for the benefit or [Plan name] [participant name] and [participant Social Security number].

Plan-to-plan transfers out

The Employer may delegate to LRSC the administrative task of processing the plan-to-plan transfer out request based on criteria established in the Manual or Service Agreement. To request a plan-to-plan transfer out, the participant must complete a "distribution request" form. The steps below are required to coordinate the plan-to-plan transfer with the new vendor. The process may take several business days to complete once the form is determined to be in good order.

1. The participant completes the distribution request form and sends it to LRSC at the address on the form.

2. LRSC reviews the paperwork to ensure that it is in good order and contains the following information:
   - Participant's name, address, date of birth, date of hire, Social Security number, and signature
   - Complete and accurate information for the new vendor
   - Prior vendor's distribution paperwork attached, if necessary

3. A letter of acceptance is required only at the direction of the Plan.

4. A plan-to-plan transfer check will be generated payable to the requested vendor for the benefit of [Plan name] [participant name] and [new vendor's account number].

Domestic Relations Orders (DROs)

The following describes the administrative responsibilities of the parties.

Procedure for processing DRO requests

The review of a DRO can be performed by the Employer or delegated to LRSC. If elected by the Employer, the delegation of this responsibility and any changes in the process may be turned over to LRSC. This election must be communicated to the account manager. Whether the DRO is reviewed by the Employer or delegated to LRSC, qualification of the DRO as a Qualified Domestic Relations Order (QDRO) remains the responsibility of the Employer. The following steps will be taken in the processing of DRO requests:

LRSC Reviewing/Processing the Domestic Relations Order request

Upon receipt of a DRO, the Order will be reviewed to ensure compliance with all Internal Revenue Code and/or ERISA guidelines by LRSC.	10 business days from receipt
Once a DRO has been received, the participant account(s) will be “frozen,” meaning no distributions/withdrawals or loans will be processed.	10 business days from receipt
If LRSC is to complete the review: Upon completion of the review, a summary letter will be sent to the participant, alternate payee, as well as any legal representative designated by the involved parties. Orders received by the Employer should be forwarded to LRSC for review and acceptance or denial. LRSC will contact the participant to collect any other required information. LRSC’s acceptance of the DRO is deemed to be the qualification of the Employer of the DRO as a QDRO for purposes of ERISA.	10 business days following the acceptance or denial
A distribution form will also be provided to the alternate payee by LRSC/Employer. The QDRO must be IGO and LRSC must be able to process the request.	10 business days from receipt in IGO
Employer Approving the Domestic Relations Order request	
Upon receipt of a DRO by either the Employer or LRSC, the Order will be reviewed by the Employer or LRSC to ensure compliance with all Internal Revenue Code and/or ERISA guidelines as highlighted in Appendix A. If the Employer is to approve the DRO request, requests received without Employer’s approval will be returned before any action is taken.	If LRSC reviews: 10 business days from receipt
Once a DRO has been received, the participant account(s) will be “frozen,” either upon the Employer’s direction or LRSC’s initiative (depending on whether the Employer or LRSC received the DRO initially), meaning no distributions/withdrawals or loans will be processed.	If LRSC receives DRO: 10 business days from receipt
DROs are to be sent to the Employer for review and qualification approval. The Employer is then to submit the DRO to LRSC with documentation that the DRO has been received, reviewed and qualified as a QDRO. The Employer may refer the DRO to LRSC for LRSC’s review before the Employer qualifies the DRO. A copy of the QDRO should be retained by the Employer for their records.	If Employer refers DRO to LRSC for review: 10 business days from receipt
A distribution form will also be provided to the alternate payee by LRSC/Employer. The QDRO must be IGO and LRSC must be able to process the request.	10 business days from receipt in IGO

Withdrawals

The following describes the administrative responsibilities of the parties. The Employer confirms that Appendix A, along with the administrative processes detailed below, accurately reflect such responsibilities.

For paperless requests, if the withdrawal request is not completed within 45 days from the day it was requested, the withdrawal request will expire and a new withdrawal will need to be requested.

In-service withdrawals

The Employer may delegate to LRSC the administrative task of processing the in-service withdrawal request based on criteria established in the Manual or Service Agreement. If elected by the Employer, the delegation of this responsibility to LRSC and any changes in the process are to be communicated to the account manager. These withdrawal types will be processed according to the steps outlined below. Other withdrawal types, such as withdrawals of after-tax dollars or rollover money, may be offered and may not be subject to documentation requirements. These withdrawals will be processed in accordance with the provisions in the Plan document.

Additional restrictions may be placed on withdrawals from the Lincoln Group Fixed Annuity, Lincoln Separate Account Stable Value Account, or Lincoln Stable Value Account. Please refer to the Group Fixed Annuity contract for more details.

LRSC Approval
A distribution request is available via the internet or by calling the Customer Contact Center. The participant provides all necessary information by completing the distribution request.
LRSC will review the request for completeness and either submit for processing or notify the participant of any exceptions.

Each day upon receipt, LRSC will process the distribution and update the participant's account.

Distribution checks are mailed the following business day. If direct deposit is requested, funds will be received within five business days.

Unforeseeable emergency withdrawal

The Employer may delegate to LRSC the administrative task of processing an unforeseeable emergency request based on criteria established in the Manual or Service Agreement. An unforeseeable emergency is a severe financial hardship to the participant or beneficiary resulting from an illness or accident of the participant or beneficiary, the participant's or beneficiary's spouse, or the participant's or beneficiary's dependent (as defined in Code Section 152(a)); loss of the participant's or beneficiary's property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by homeowner's insurance, e.g., as a result of a natural disaster); or other similar extraordinary

and unforeseeable circumstances arising as a result of events beyond the control of the participant or the beneficiary.

The Plan must contain provisions for allowing unforeseeable emergency withdrawals and the term “unforeseeable emergency” must be defined in the Plan document.

Vesting and forfeitures plan provisions

The following describes the administrative responsibilities of the parties. The Employer confirms that Appendix A, along with the administrative processes detailed below, accurately reflect such responsibilities.

LRSC will calculate vesting based on Plan rules as well as on data provided through ongoing payroll feeds. In order to accurately track and update vesting and forfeitures, LRSC must receive accurate and timely data regarding dates of hire, termination dates, rehire dates, and hours worked, if applicable. Inaccurate or missing data, as well as delays in receiving accurate information, will detrimentally impact the accuracy of vesting calculations on the system. Any losses resulting from inaccurate or non-timely data will be the responsibility of the Employer.

- All forfeitures incurred in the plan year are held in a forfeiture account and invested in the Lincoln Stable Value Account or fund elected by the Employer.
- Earnings are credited to forfeitures in the account.
- Forfeitures will be taken from the participant’s account and transferred to the forfeiture account when a final distribution is processed or based on data provided by the Employer. LRSC will process forfeitures prior to distribution to those employees designated by the Employer.
- The Employer will provide instructions to their account manager at LRSC via e-mail on how and when forfeitures should be used.
- Upon receiving the required instructions and information from the Employer, LRSC will reinstate vesting and accounts for a rehired employee. In addition, LRSC will work with the Employer to determine the amount forfeited and the participant will redeposit this amount to the Plan before reinstatement is complete. The required information includes:
  - Date of hire
  - Original date of termination
  - Rehire date
  - Amount to be reinstated
  - Number of breaks in service since termination date

Final distributions

The following describes the administrative responsibilities of the parties. The Employer confirms that Appendix A, along with the administrative processes detailed below, accurately reflect such responsibilities.

The Employer may delegate to LRSC the administrative task of processing the final distribution request based on criteria established in the Manual or Service Agreement. A distribution is available to a participant who has experienced a distributable event in

accordance with the Plan document, such as normal retirement, disability, death, or severance from employment.

Final distributions will be processed according to the review process outlined below and in accordance with the provision in the Plan document.

The participant may request a distribution through our Customer Contact Center or via the internet.

The distribution request includes the following items:

- Distribution Application
- Systematic withdrawal request form, if applicable
- Special Tax Notice, if applicable

Administered by LRSC
If LRSC is administering the final distribution, LRSC will review the request for completeness and submit for processing or notify the participant of any exceptions.

Each day upon receipt, LRSC will process the distribution and update the participant's account.

Distribution checks are mailed the following business day. If direct deposit is requested, funds will be received within five business days.

Involuntary cash-outs* – if applicable

The Employer may select an involuntary cash-out provision which follows one of the following scenarios:

- No cash-outs of small accounts
- Cash-out of $1,000 or less in cash
- Cash-out of $1,000 or less in cash and amounts over $1,000 but $5,000 or less to the Lincoln SSIRA or the WMSI as selected by the Employer.
- Cash-out of $5,000 or less to the Lincoln SSIRA or the WMSI as selected by the Employer.

If a participant's vested account balance falls below the amount prescribed by the Plan, (including active loans), an involuntary cash-out will be processed. The Employer has the option to determine if rollover accounts will be included in determining the cash-out criteria.

Involuntary cash-out	
LRSC will process Involuntary Cash-Outs based on the account value and the option(s) chosen by the Employer in the Plan Document.	Per agreed upon frequency pursuant to LRSC business processes and procedures
LRSC will send a letter containing the options to roll over the vested portion to another eligible retirement Plan or IRA of the participant's choice.	Participants are given a timeframe to respond
LRSC will process any distribution forms that are received from the participants.	As received
If the participant does not request a distribution within the prescribed number of days, the vested account balance of the terminated participant will be distributed based on the account value and the option(s) chosen by the Employer.	Processing will begin after the timeframe for participant response

Please note, any plan and/or participant who falls into one of the below categories will be excluded from the automated cash-out process described in this section:

- Plan and/or participant has years of service, vesting or other data inaccuracies in the system of record at Lincoln that impact the cash out population
- Plan and/or participant has assets at another recordkeeper
- Participant does not pass ID verification
    - Identified as deceased
    - Over age 70

The Employer must work with the account manager outside of this automated process to correct data inaccuracies, reconcile assets with the other recordkeeper(s), and or address "know your customer" verification process for deceased and age 70 participants in order to process remaining cash-out distributions.

**When a third party force out IRA provider is selected fee information related to the force out solution will be delivered by that provider to impacted plan participants. Lincoln will have no responsibility or liability for the delivery of that information on behalf of the plan.*

Required Minimum Distributions (RMD)

LRSC will be responsible for administering the Required Minimum Distribution (RMD) rules of Code Section 401(a)(9) as they apply to the Plan, based on information provided to LRSC by the participant and the Employer.

An RMD is the amount of money that a participant must withdraw from their retirement account each year once they reach their required beginning date (RBD). The RBD is defined below.

The first RMD must be made to the participant by no later than their RBD and then no later than December 31 thereafter. A participant can wait until their RBD to take their first RMD, but then they will need to take the second RMD by the end of the same calendar year. Or a participant may take their first RMD in the "first distribution calendar year" (the calendar year prior to the RBD) to avoid having two payments made in the same taxable year. A participant is not allowed to delay their first required minimum distribution beyond their RBD.

RMD Age is based on the participant's birth date:

Date of birth	RMD Age
Born on or before June 30, 1949	70½
Born **after** June 30, 1949, but **before** January 1, 1951	72
Born in 1951 through 1959	73
Born in 1960 or later	75

The RBD is established by the Internal Revenue Code and varies depending on whether the participant is a >5% owner of the employer sponsoring the retirement plan.

- **Not a 5% owner:**
  - RBD is April 1 following the calendar year in which the later of the following occurs:
    - Participant attains RMD Age.
    - Participant retires from the employer (or related employer) sponsoring the retirement plan.
- **>5% owner:**
  - RBD is April 1 following the calendar year in which the participant attains RMD Age, regardless of whether they retire.

Each year, LRSC will begin the RMD process based on the participant data received through payroll feeds. A participant who will have attained the RMD Age as defined above, by the end of the calendar year in which the aforementioned RMD Age is attained, will be mailed a communication from LRSC to the address on file, notifying them of the RMD requirements. LRSC will process the annual RMD as requested by the participant. If the participant does not respond to the RMD communication, LRSC will distribute the required amount prior to the end of the year. LRSC will continue to send a communication each year until new instructions are received.

If a participant has been identified as a lost or missing participant and LRSC and the Employer have taken reasonable actions to locate the participant, or the participant has requested a "stop mail" status, the affected participant will not be included in LRSC's automated RMD distribution process.

Please note, any plan and/or participant that has years of service, vesting or other data inaccuracies in the system of record at Lincoln that impact the RMD population will be excluded from the RMD administration described in this section. The Employer must work with the account manager outside of this automated process to correct data inaccuracies in order to process RMD distributions. In addition, the Employer may request that the plan be removed if they do not want LRSC to oversee the RMD administration described in this section.

Other special considerations

- If a residual balance exists, participant must complete a new distribution request.

Compliance requirements

The following describes the administrative responsibilities of the parties. The Employer confirms that Appendix A, along with the administrative processes detailed below, accurately reflect such responsibilities.

Participant level compliance

LRSC may rely, without making its own investigation, on the information provided by the Employer, or its representatives, including, but not limited to accountants, business managers, and current and/or former investment or service providers. Failure to meet the requirements described below can result in refunds and additional taxation of Plan participants and ultimately, Plan disqualification, if not corrected.

Required Minimum Distributions (RMD) – 401(a)(9)

LRSC will monitor the Plan for participants who are subject to the RMD rules and above based on dates of birth supplied by the Employer. LRSC will contact the participant for written RMD elections for the RMD calculation. The Employer will provide data needed for LRSC to calculate the RMD via the payroll feed. The Employer or participant may direct LRSC to defer the RMD payment to a specific date or indefinitely. This information can be sent via e-mail to the account manager and should contain the participant's name. LRSC will calculate the RMD amount and process the distribution prior to December 31 of the appropriate year.

Annual deferral limit – 402(g), 457(c)

The Employer and/or LRSC will monitor the elective deferrals of each Plan participant for compliance with limits imposed under Code sections 402(g) (with the exception of 402(g)(7), Special Rule for Certain Organizations) or 457(c) (with the exception of 457(b)(3), Special Section 457 Catch-up). The Employer and LRSC agree to make timely corrections of any excess deferrals.

Annual additions limit – 415(c)

The Employer and/or LRSC will perform the Annual Additions Limitation (415) test at year-end. The Internal Revenue Code section 415(c) limits the amount of annual additions that may be credited to an individual participant's account during a year. Annual additions include Employer contributions, employee contributions (both voluntary and mandatory), and forfeitures. Failure to comply can result in disqualification.

Annual compensation limit – 401(a)(17)

The Employer and/or LRSC will limit contributions based on the published 401(a)(17)

compensation limits. These limits also apply to eligible compensation supplied by the Employer to be used for any required year-end nondiscrimination testing.

Notices

Universal availability notice
If applicable, LRSC will provide the notices annually about universal availability to the Employer for distribution to all applicable participants.

Reports and statements

The following describes the administrative responsibilities of the parties.

LRSC have many types of reports and data extracts available on the website to help make your job easier. All reports can be run as you need them and you have the ability to store them for 30 days.

Several reports are available via the Lincoln plan sponsor website. A user name and password will be provided to the Employer during the implementation process. To request access to the Lincoln plan sponsor website, please contact your account manager. Access to the website, including access to Plan level reports and individual participant accounts, can be granted by submitting a request to LRSC in writing via e-mail to your account manager. It is the responsibility of the Employer to notify LRSC in writing of changes to authorized access to the Lincoln plan sponsor website. Please contact your account manager with questions about access to the Lincoln plan sponsor website.

Plan participant statements

LRSC will generate quarterly plan participant statements. These statements will be made available to the participant within ten business days after quarter-end. Custom messaging is available for you at the company level subject to space limitations.

LRSC has many more helpful tools to share with you. Please note that a description of all available reports will be sent to you with your login information.

If you have any questions regarding reports, statements, message customization or have concerns regarding access, please do not hesitate to contact your account manager.

Tax reporting

Tax reporting, withholdings, production and submission of applicable tax forms to the IRS for federal income tax purposes will be completed by the Party indicated in the Trustee/Custodial agreement for the Plan(s) noted.

Outstanding checks

The Employer is responsible for reviewing the *Outstanding Distribution Checks Report*. The report details all outstanding checks and is automatically run and available on a monthly basis on the Lincoln plan sponsor website.

The Employer must attempt to locate these participants via the methods described in the Plan document and determine if they are now located at a new address. If the Plan document is silent on this issue, please review the Department of Labor (https://www.dol.gov/agencies/ebsa/employers-and-advisers/guidance/field-assistance-bulletins/2014-01) or Internal Revenue Service websites for generally accepted search methods.

Once the participant has been located, the Employer will provide instructions to the account manager (Reissue check to old address, reissue check to new address, forfeit the funds, rollover the funds, etc.), as applicable to the provisions in your Plan document.

Employer Direction Regarding Uncashed Checks

If a check is issued from the Plan to a participant who does not cash the check within 180 days of check issuance, the responsible Plan fiduciary hereby directs LRSC handle the check in an appropriate manner based on the terms of the plan and trust, if applicable.

Lincoln Financial Group® Privacy Practices Notice

What Does Lincoln Financial Group Do with Your Personal Information?

The Lincoln Financial Group companies* are committed to protecting your privacy. To provide the products and services you expect from a financial services leader, we must collect personal information about you. This Notice describes our current privacy practices. While your relationship with us continues, we will update and send our Privacy Practices Notice as required by law. Even after that relationship ends, we will continue to protect your personal information. You do not need to take any action because of this Notice, but you do have certain rights as described below.

We are committed to the responsible use of information and protecting individual privacy rights. As such, we look to leading data protection standards to guide our privacy program. These standards include collecting data through fair and lawful means, such as obtaining your consent when appropriate.

Financial companies choose how they share your personal information. Federal and state law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this carefully to understand what we do.

Information We May Collect and Use

We collect personal information about you:

- to help us identify you as a consumer, our customer or our former customer;

- to process your requests and transactions;
- to offer investment, insurance, retirement and other financial services to you;
- to pay your claim;
- to analyze in order to enhance our products and services;
- to tell you about our products or services we believe you may want and use; and
- as otherwise permitted by law.

The types of personal information we collect depend on your relationship and on the products or services you request and may include the following:

- **Information from you:** When you submit your application or other forms, you give us information such as your name; address; Social Security number; your financial health; and employment history. We may also collect voice recordings or biometric data for use in accordance with applicable law.
- **Information about your transactions:** We maintain information about your transactions with us, such as the products you buy from us; the amount you paid for those products; your account balances; payment details and your payment and claims history.
- **Information from outside our family of companies:** If you are applying for or purchasing insurance products, we may collect information from consumer reporting agencies, such as your credit history; credit scores; and driving and employment records. With your authorization, we may also collect information (such as medical information, retirement information, and information related to Social Security benefits), from other individuals or businesses.
- **Information from your employer:** If your employer applies for or purchases group products from us, we may obtain information about you from your employer or group representative to enroll you in the plan.

When you are no longer our customer, we continue to share your information as described in this notice.

How We Share and Use Your Personal Information

We may share your personal information within our companies and with certain service providers. They may use this information:

- to process transactions you, your employer, or your group representative have requested;
- to provide customer service;
- to analyze in order to evaluate or enhance our products and services;
- to gain customer insight; to provide education and training to our workforce and customers; and/or
- to inform you of products or services we offer that you may find useful.

Our service providers may or may not be affiliated with us. Affiliates are companies related by common ownership or control. Nonaffiliates are companies not related by common ownership or control. They include:

- Financial service providers: third party administrators; broker-dealers; insurance agents and brokers; registered representatives; reinsurers and other financial services

companies with which we have joint marketing agreements. A joint marketing agreement is a formal agreement between nonaffiliated financial companies that together market financial products or services to you. Our joint marketing partners include, but are not limited to, insurance providers and financial technology solutions.

- Non-financial companies and individuals: consultants; vendors; and companies that perform marketing services on our behalf.

Information we obtain from a report prepared by a service provider may be kept by the service provider and shared with other persons; however, we require our service providers to protect your personal information and to use or disclose it only for the work they are performing for us, or as permitted by law. We may execute agreements with our service providers that permit the service provider to process your personal information outside of the United States, when not prohibited by our contracts and permitted by applicable law.

When you apply for one of our products:

- We may share information about your application with credit bureaus.
- We may provide information to group policy owners or their designees (for example, to your employer for employer- sponsored plans and their authorized service providers).
- We may provide information to regulatory authorities, law enforcement officials, and to other nonaffiliated or affiliated parties as permitted by law.
- In the event of a sale of all or part of our businesses, we may share customer information with the acquiror as part of the sale.
- **We do not sell or release your information to outside marketers who may want to offer you their own products and services unless we receive your express consent; nor do we release information we receive about you from a consumer reporting agency.**

All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Lincoln chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Lincoln share?	Can you limit this sharing?
For our everyday business purposes—such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes—to offer our products and services to you	Yes	No
For joint marketing with other financial companies	Yes	No
For our affiliates' everyday business purposes—information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes—information about your creditworthiness	No	We Don't Share
For our affiliates to market to you	No	We Don't Share
For nonaffiliates to market to you	Yes	Yes

		(We don't share unless we receive your express consent)

Federal law gives you the right to limit only:

- sharing for our affiliates' everyday business purposes – information about your creditworthiness;
- sharing for our affiliates to market to you; and
- sharing for nonaffiliates to market to you.

State laws and individual companies may give you additional rights to limit sharing. California residents can review our California Privacy Notice located at

https://www.lincolnfinancial.com/public/general/privacy/californiaprivacynotice

Security of Information

We have an important responsibility to keep your information safe. We use safeguards to protect your information from unauthorized disclosure. To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. Our employees are authorized to access your information only when they need it to perform their job responsibilities. Employees who have access to your personal information are required to keep it confidential. Employees are required to complete privacy training annually.

Your Rights Regarding Your Personal Information

This Privacy Notice describes how you can exercise your rights regarding your personal information. Lincoln complies with all applicable laws and regulations regarding the provision of personal information. The rights provided to you in this Privacy Notice will be administered in accordance with your state's specific laws and regulations.

Access to personal information: You must submit a written request to receive a copy of your personal information. You may see your personal information in person, or you may ask us to send you a copy of your personal information by mail or electronically, whichever you prefer. We will need to verify your identity before we process the request. Within 30 business days of receiving your request, we will, depending on the specific request you make, (1) inform you of the nature and substance of the recorded personal information we have about you; (2) permit you to obtain a copy of your personal information; and (3) provide the identity (if recorded) of persons to whom we disclosed your personal information within two years prior to the request (if this information is not recorded, we will provide you with the names of those insurance institutions, agents, insurance support organizations or other persons to whom such information is normally disclosed). If you request a copy of your information by mail, we may charge you a fee for copying and mailing costs.

Changes to personal information: If you believe that your personal information is inaccurate or incomplete, you may ask us to correct, amend, or delete the information. Your request must be in writing and must include the reason you are requesting the change. We will respond within 30 business days from the date we receive your request.

If we make changes to your records as a result of your request, we will notify you in writing

and we will send the updated information, at your request, to any person who may have received your personal information within the past two years. We will also send the updated information to any insurance support organization that gave us the information and any insurance support organization that systematically received personal information from us within the prior 7 years unless that support organization no longer maintains your personal information.

If we deny your request to correct, amend or delete your information, we will provide you with the reasons for the denial. You may write to us and concisely describe what you believe our records should say and why you disagree with our denial of your request to correct, amend, or delete that information. We will file this communication from you with the disputed information, identify the disputed information if it is disclosed, and provide notice of the disagreement to the recipients and in the manner described in the paragraph above.

Basis for adverse underwriting decision: You may ask in writing for the specific reasons for an adverse underwriting decision. An adverse underwriting decision is where we decline your application for insurance, offer to insure you at a higher than standard rate, or terminate your coverage.

Your state may provide for additional privacy protections under applicable laws. We will protect your information in accordance with these additional protections.
If you would like to exercise your rights regarding your personal information, please provide your full name, address and telephone number and either email your inquiry to our Data Subject Access Request Team at DSAR@lfg.com or mail to: Lincoln Financial Group, Attn: Corporate Privacy Office, 1301 South Harrison St., Fort Wayne, IN 46802. The DSAR@lfg.com email address should only be used for inquiries related to this Privacy

For general account service requests or inquiries unrelated to this Privacy Notice, please call 1-877-ASK-LINC.

*This information applies to the following Lincoln Financial Group companies:

First Penn-Pacific Life Insurance Company
Lincoln Financial Distributors, Inc.
Lincoln Financial Group Trust Company, Inc.
Lincoln Financial Investments Corporation (formerly Lincoln Investment Advisors Corporation)
Lincoln Life & Annuity Company of New York
Lincoln Life Assurance Company of Boston
Lincoln Retirement Services Company, LLC
Lincoln Variable Insurance Products Trust
Lincoln Financial Insurance Agency Incorporated
The Lincoln National Life Insurance Company

Fraud

Residents of all states except Alabama, Arkansas, California, Colorado, District of Columbia, Florida, Kansas, Kentucky, Louisiana, Maine, Maryland, New Jersey, New Mexico, New York, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, Tennessee, Vermont, Virginia and Washington, please note: Any person who knowingly, and with intent to defraud any insurance company or other person, files or submits an application or statement of claim containing any materially false or deceptive information, or conceals, for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and may subject such person to criminal and civil penalties.

For Alabama residents only: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or who knowingly presents false information in an application for insurance is guilty of a crime and may be subject to restitution fines or confinement in prison, or any combination thereof.

For Arkansas, Louisiana, and Rhode Island residents only: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

For California residents only: Any person who knowingly presents false or fraudulent information to obtain or amend insurance coverage or to make a claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.

For Colorado, Kentucky, Maine, and Tennessee residents only: Any person who, knowingly and with intent to injure, defraud or deceive any insurance company or other person, files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and may subject such person to criminal and civil penalties, fines, imprisonment, or a denial of insurance benefits.

For District of Columbia residents only: WARNING: it is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.

For Florida residents only: Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

For Kansas residents only: Any person who knowingly, and with intent to defraud any insurance company or other person, files or submits an application or statement of claim containing any materially false or deceptive information, or conceals, for the purpose of misleading, information concerning any fact material thereto, may be guilty of fraud as determined by a court of law.

For Maryland residents only: Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

For New Jersey residents only: Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

For New Mexico residents only: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to civil fines and criminal penalties.

For New York residents only: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and shall also be subject to civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

For Ohio residents only: Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application, or files a claim containing a false or deceptive statement is guilty of insurance fraud.

For Oklahoma residents only: WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete, or misleading information is guilty of a felony.

For Oregon residents only: Any person who knowingly, and with intent to defraud any insurance company or other person, files or submits an application, or statement of claim containing any materially false or deceptive information, or conceals, for the purpose of misleading, information concerning any

fact material thereto, may commit a fraudulent insurance act, which may be a crime and may be subject such person to criminal and civil penalties.

For Pennsylvania residents only: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

For Vermont residents only: Any person who knowingly presents a false statement in an application for insurance may be guilty of a criminal offense and subject to penalties under state law.

For Virginia residents only: Any person who, with the intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement may have violated the state law.

For Washington residents only: It is a crime to knowingly provide false, incomplete, or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines, and denial of insurance benefits.

Lincoln Financial Group inadvertent processing error correction policy

As your retirement plan's administrative service provider, Lincoln strives to process transaction orders received in good order from the plan accurately and on a timely basis. Lincoln seeks to avoid transaction processing errors to the greatest extent possible, but inadvertent processing errors may occur. Inadvertent processing errors are exclusively defined as incorrect or untimely processing by Lincoln of transactions that are received in good order. Inadvertent processing errors do not include errors made by plan sponsors, third parties or processes delayed by transaction requests received that are not in good order.

Lincoln will correct any identified inadvertent processing error caused by Lincoln as soon as practicable after Lincoln has sufficient information to correct the error. In no event will Lincoln exercise discretionary authority or control over the correction of inadvertent processing errors.

The Lincoln Financial Group Inadvertent Processing Error Correction Policy is designed to restore the plan to the position it would have been in had the error not occurred, including restoration of the benefits and rights they would have had if the error had not occurred.

Accordingly, once an inadvertent processing error is identified, Lincoln will promptly take action to place the plan in a position financially equivalent to the position they would have been in had the error not occurred.

Such action may include, but is not limited to, Lincoln making the plan whole for any loss to the plan resulting from correcting the inadvertent processing error.

Our policy results in the participant receiving the benefit of what he or she requested, regardless of whether there is a gain or loss. This policy is consistent with Internal Revenue Service guidelines for correcting plan errors.

Please keep a copy of this policy with your plan records. Please contact Lincoln with any questions.

Lincoln National Corporation Continuity Plan Summary

Lincoln National Corporation (“LNC”) headquartered in Radnor, PA, is the parent corporation of, among others, The Lincoln National Life Insurance Company, First Penn-Pacific Life Insurance Company, and Lincoln Life & Annuity Company of New York. LNC’s subsidiaries have offices located in Atlanta, GA; Boston, MA; Charlotte, NC; Fort Wayne, IN; Greensboro, NC; Hartford, CT; Omaha, NE; Philadelphia, PA; Phoenix, AZ; Radnor, PA; Dover, NH; and Syracuse, NY. Lincoln Financial Advisors Corporation, Lincoln Financial Distributors, Inc., and Lincoln Financial Securities Corporation have business locations throughout the USA. Unless the context otherwise implies, as used herein LNC refers to LNC and its subsidiaries.

LNC is committed to safeguarding the interests of its clients and customers in the event of an emergency or significant business disruption ("SBD"). LNC’s broad business continuity strategy is designed to enable LNC to meet its existing obligations to its clients and customers in the event of an emergency or SBD by safeguarding employees and property, making a financial and operational assessment, recovering, and resuming operations, protecting LNC’s books and records, and allowing customers to conduct business.

Business Continuity Planning

LNC has a documented corporate policy requiring each Business Unit to develop a business continuity plan. In support of this policy, LNC’s Business Resilience area has the full-time responsibility of coordinating the development, testing and maintenance of all LNC Business Continuity Plans. Business Resilience determines and drives appropriate strategies for the development of a resilient business environment with formal systematic processes with auditable controls that enforces the corporate policy on continuity.

LNC’s Business Continuity Plans address advance preparations and actions to be taken in response to disruptions of various magnitudes. The Business Continuity Plans address the potential impact of varying risks of disruptions to LNC employees, equipment, computer and telecommunications systems, and office facilities. While it is impossible to anticipate every type of disruption that could affect LNC’s businesses, LNC takes an ‘all hazards’ approach to planning which encompasses reduction in workforce, loss of facility and loss of data.

Crisis Management

Local crisis management teams are in place in all LNC locations. These local crisis teams are charged with recording and managing any potential or actual crisis at the site from the time a situation occurs to the resolution of the incident and resumption of normal business operations.

Backup and Recovery

With the use of a co-located alternate Disaster Recovery data center solution LNC maintains back-up systems and power supplies that allow critical computer and telecommunications systems and facility functions to be maintained in the event of significant business disruption("SBD"). The duration of the disruption will depend on the nature and extent of the emergency or SBD.

In the event of an SBD, where it is not possible to conduct business from one of LNC’s offices, the company will utilize work from home solutions as well as the use of alternate sites equipped with resources to support critical business operations.

LNC's Business Continuity Plans are reviewed as necessary, and at least annually, to ensure they account for technology, business, operations, structure, or location.

Critical Infrastructure and Application Test

LNC's testing strategy incorporates the use of a Business Impact Analysis ("BIA") for developing enterprise-wide and Information Technology ("IT") Disaster Recovery ("DR") testing strategies. The strategy identifies key roles and responsibilities and establishes the minimum requirements for testing, including baseline requirements for frequency, objectives, and reporting test results. It also drives the requirements for creating and updating Disaster Recovery Plans and Validation Recovery documentation. Testing allows for the evaluation of the level of preparedness that exists in our environment and supports recommendations for resources and funding needed for compliance with applicable federal laws and regulations.

Lincoln completes scheduled annual testing focused on pre-defined parts of critical infrastructure. Tests are designed to establish and/or validate recovery time objectives. Additional tests are done periodically to recover individual applications based on criticality.

As an example, the scope of the tests may include:

- Evaluation of infrastructure (ex: computers, network, hardware) to demonstrate the anticipated operation of the components and system. Tests are often performed as part of normal operations and maintenance. Disaster Recovery tests are often included within these exercises.

- Operational readiness testing ("ORT") is used to conduct operational readiness (pre-release) of a product, service, or system and/or physical infrastructure (ex: building systems, generators, utilities). ORT may include checking the backup/restore facilities, IT disaster recovery procedures, maintenance tasks and periodic check of security vulnerabilities.

- Activities performed to evaluate a plan relative to specified objectives or measurement criteria.

Record Retention Policy

Lincoln Retirement Services Company, LLC (LRSC) will maintain records of or access to information and/or documents directly associated with the Plan that are in the possession of Lincoln for a period six years following the date the applicable document came into the possession of Lincoln, including, but not limited to:

- Alliance Service Agreement, including related documentation and amendments thereto
- *Lincoln SelectSolution*® IRA Agreement
- Lincoln Small Account IRA Agreement
- payroll files
- Plan compliance testing
- Form 5500 documentation
- Participant forms and related paperwork
- Participant written correspondence

- Plan sponsor written correspondence
- Quarterly participant pension benefit statements
- Plan trust agreement and amendments thereto

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Lincoln Financial Group is the marketing name for Lincoln National Corporation and its affiliates.

Affiliates are separately responsible for their own financial and contractual obligations.

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RPS22210-AL-NE

You're In Charge®

Mutual funds in the *Lincoln Alliance*® program are sold by prospectus. An investor should consider carefully the investment objectives, risks, and charges and expenses of the investment company before investing. The prospectus and, if available, the summary prospectus contains this and other important information and should be read carefully before investing or sending money. Investment values will fluctuate with changes in market conditions so that, upon withdrawal, your investment may be worth more or less than the amount originally invested. Prospectuses for any of the mutual funds in the *Lincoln Alliance*® program are available at 800-234-3500.

The Lincoln Alliance program includes certain services provided by Lincoln Financial Advisors Corp. (LFA), a broker-dealer (member FINRA, SIPC) and retail and financial planning affiliate of Lincoln Financial Group, 1301 S. Harrison St., Fort Wayne, IN 46802. Unaffiliated broker-dealers also may provide services to customers. Account values are subject to fluctuation, including loss of principal.

The Lincoln Stable Value Account is a fixed annuity contract issued by The Lincoln National Life Insurance Company, Fort Wayne, IN 46802 on Form 28866-SV 01/01, 28866-SV20 05/04, 28866-SV90 05/04, AN 700 01/12, or AR 700 10/09. **Guarantees for the Lincoln Stable Value Account are subject to the claims-paying ability of the issuer.**

The *Lincoln SelectSolution*® IRA is a custodial account and is solely invested in a group fixed annuity contract issued by The Lincoln National Life Insurance Company, 1301 S. Harrison St., Fort Wayne, IN 46802, on contract form AN-700, to the Lincoln Financial Group Trust Company, Inc., held in trust for the benefit of the owners of the *Lincoln SelectSolution* IRA.

State Street Bank and Trust is not an affiliate of Lincoln Financial Group.

Affiliates of Lincoln National Corporation include, but are not limited to, The Lincoln National Life Insurance Company, Lincoln Life & Annuity Company of New York, Lincoln Retirement Services Company, LLC, and Lincoln Financial Group Trust Company, Inc., herein separately and collectively referred to as Lincoln.

Lincoln Financial Group Trust Company, Inc. (a New Hampshire company) is a wholly owned subsidiary of Lincoln Retirement Services Company, LLC.

APPENDIX A
Version Date: 7/19/2024

Plan information

Employer name City of Yuba City | Plan code YUBA-001

Plan name City of Yuba City Deferred Compensation Plan | Plan type 457(b)

Roles and responsibilities

- Contract exchange reviewed by N/A
- Transfer(s) reviewed by LRSC
- Vesting tracked by Employer
- Final distribution(s) reviewed by LRSC
- Employer contribution(s) calculated by Employer
- Eligibility tracked by Employer
- Hardship(s) reviewed by N/A
- In-service withdrawal(s) reviewed by LRSC
- QDRO(s) reviewed by LRSC
- Rollover(s) reviewed by LRSC
- Loan(s) approved by N/A
- Unforeseeable emergency(ies) reviewed by LRSC
- Qualified birth or adoption distribution(s) reviewed by LRSC
- Signature ready Form 5500 and 8955-SSA completed by N/A for and beyond
- Applicable plan level required annual coverage and non-discrimination testing for and beyond completed by N/A
- Applicable participant level compliance for and beyond completed by LRSC

Morningstar Investment Management LLC Form ADV Part 2A: Firm Brochure

Institutional Advisory Services

22 West Washington Street, Chicago, IL 60602
Phone: 312.696.6000
www.corporate.morningstar.com

March 25, 2024

This brochure provides information about the qualifications and business practices of Morningstar Investment Management LLC. If you have any questions about the contents of this brochure, please contact us at 312.696.6000 or send an email to compliancemail@morningstar.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about Morningstar Investment Management LLC is available on the SEC's website at www.adviserinfo.sec.gov.

Morningstar Investment Management LLC is registered with the SEC as a registered investment adviser. Registration with the SEC does not imply a certain level of skill or training. Please retain this brochure for future reference.

All current versions of our firm brochures are available in the Part 2 Brochures section of this record on the SEC's website. You can also request a copy of our current brochure free of charge by contacting our Compliance Department at 312.696.6000, or by email to compliancemail@morningstar.com. In your request, please indicate the name of the company (Morningstar Investment Management) and the service brochure(s) (Retirement Plan Services for Individuals or Institutional Advisory Services) you are requesting.

Item 2. Material Changes

The *Institutional Advisory Services* Firm Brochure dated March 25, 2024 contains the following material changes since our last annual update dated March 27, 2023:

Item 4. Advisory Business, Item 5. Fees and Compensation, and *Item 8. Methods of Analysis, Investment Strategies, & Risk of Loss* were updated to remove the Morningstar Wealth advisory service where model portfolios are offered through certain retirement service providers as investment options for their retirement plan participants and to add additional information about the Morningstar Retirement Personal Target-Date Fund Service.

The *Institutional Advisory Services* Firm Brochure contains the following non-material changes since our last annual update:

All mentions of "Morningstar's Investment Management group" were removed from the Firm Brochure in favor of using the brand names Morningstar Retirement and Morningstar Wealth.

Item 4. Advisory Business was updated to reflect our assets under management and advisement as of December 31, 2023.

Item 8. Methods of Analysis, Investment Strategies, and Risk of Loss was updated to provide updated information about the Global Investment Committee and the Custom Model Portfolios six-step process to construct investment portfolios, and to add a security type risk for mutual funds and collective investment trusts.

Item 10. Other Financial Industry Activities and Affiliations was updated to provide information about Morningstar Wealth's Affinity Program. It was also updated to note that Morningstar Investment Management and Morningstar Research Services employee may have dual reporting or organizational lines and that separate office "neighborhoods" are used instead of separate floors when mitigating conflicts of interest. We removed a statement noting that we do not solicit Morningstar Research Services' input prior to making investment decisions or recommendations. As a result of an internal reorganization, investment professionals of Morningstar Investment Management and Morningstar Research Services may consult each other prior to making an investment decision or creating a written analysis of a security, but they may not share material non-public information and all decisions and analyses must be made by the appropriate entity without inappropriate influence from the other. Finally, we replaced all mentions of "DBRS Morningstar" with its new name, "Morningstar DBRS."

The Brochure Supplement accompanying this Firm Brochure was updated since the last annual update to note updated investment team responsibilities and supervisors.

We made other edits where necessary to correct grammar or punctuation, to provide clarification or further information, for consistency in terminology or content, or to improve the readability of the brochure.

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Item 4. Advisory Business

Firm Information

Morningstar Investment Management LLC is a Delaware limited liability company that was incorporated in 1999. Morningstar Investment Management is a wholly owned subsidiary of Morningstar, Inc.

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("Morningstar"). Morningstar is a publicly traded company (Nasdaq Ticker: MORN) with Mr. Joseph Mansueto, Executive Chairman of Morningstar, holding more than 35% of Morningstar's outstanding shares. Because of that ownership, Mr. Mansueto is an indirect owner of Morningstar Investment Management.

Morningstar Investment Management is registered with the SEC under Section 203(c) of the Investment Advisers Act of 1940, as amended ("Advisers Act"). Morningstar Investment Management has filed the appropriate notices to conduct business in all 50 states, the District of Columbia, Guam, and the Commonwealth of Puerto Rico. Morningstar Investment Management is registered with the U.S. Commodity Futures Trading Commission as a Commodity Pool Operator ("CPO") and is a member of the U.S. National Futures Association.

Morningstar Investment Management, along with other Morningstar subsidiaries authorized in appropriate jurisdictions to provide investment management and advisory services, is part of a global investment team composed of investment analysts, portfolio managers, and other investment professionals. These investment and operations teams span the globe, with primary offices in Chicago, London, and Sydney.

This brochure focuses on the products and services we provide to institutional clients. You can obtain a copy of our brochure describing our products and services for individuals (managed account, advice, and personal target-date fund services for retirement investors) by following the instructions above.

Advisory Services We Offer – Overview

Morningstar Investment Management offers various investment advisory services that focus on our core capabilities in asset allocation, investment selection, and portfolio construction to financial or other institutions including, but not limited to, asset management firms, banks, broker/dealers, consultants, endowments, foundations, insurance companies, investment advisers, investment fiduciaries, plan sponsors of retirement plans, providers of retirement plan services, trusts, and other business entities (collectively "Institutional Clients" or individually, an "Institutional Client".)

Morningstar Wealth and Morningstar Retirement each offer certain advisory services provided by Morningstar Investment Management.

The advisory service below is offered through both Morningstar Wealth and Morningstar Retirement:

Institutional Asset Management

For Institutional Clients who sponsor registered or pooled investment products, we serve as a portfolio manager, portfolio construction adviser, or sub-adviser. We provide recommendations for asset class allocation targets and/or selection of underlying holdings to fulfill each asset class allocation target. Underlying holdings may include, but are not limited to, open-end mutual funds, exchange-traded funds ("ETFs"), and collective investment trusts. The universe of underlying holdings is generally defined by the Institutional Client and can include investment products that are affiliated with that Institutional Client. This service typically includes ongoing responsibilities such as monitoring the underlying holdings and reviewing and updating asset allocation percentages and/or underlying holdings as necessary.

We are an investment adviser to Morningstar Funds Trust, registered with the SEC as an open-end management investment company under the Investment Company Act of 1940, as amended. We have overall supervisory responsibility for the general management and investment of the fund portfolios within the Morningstar Funds Trust ("Morningstar Funds"), which are managed in a multimanager structure. Subject to the review and approval by the Morningstar Funds Trust's board, we set each Morningstar Fund's overall investment strategy. We are also responsible for the oversight and evaluation of each Morningstar Fund's sub-advisers. The Morningstar Funds will be used as the underlying holdings for certain model portfolios, most notably mutual fund model portfolios, offered by Morningstar Investment Management and our subsidiary, Morningstar Investment Services LLC The Morningstar Funds include the Morningstar Alternatives Fund, Morningstar Defensive Bond Fund, Morningstar Global Income Fund, Morningstar International Equity Fund, Morningstar Multisector Bond Fund, Morningstar Municipal Bond Fund, Morningstar Total Return Bond Fund, Morningstar U.S. Equity Fund, and the Morningstar Global Opportunistic Equity Fund. More information about the Morningstar Funds is at http://connect.rightprospectus.com/Morningstar.

Wealth

The advisory services below are offered through Morningstar Wealth:

Model Portfolios and Separately Managed Accounts

For Institutional Clients who offer a proprietary advisory program, or a platform that makes investment strategies available for use by other financial institutions, we create model portfolios and separately managed accounts (collectively, "Portfolios") for use through such programs or platforms. The Portfolios are typically designed for use by a financial professional with their retail investor clients, and can include risk- or target date-based asset allocation portfolios, portfolios designed to address a certain financial planning need or goal, or relatively focused stock or bond portfolios. We generally provide sales support on behalf of the Institutional Client by educating financial professionals who use the program or platform about the strategies we provide. In providing this service, we act as either a discretionary investment manager or a non-discretionary model manager. We select and monitor the asset allocation and underlying holdings of each Portfolio based on a universe of investments typically defined by the Institutional Client. In general, we provide ongoing monitoring of the Portfolios, along with rebalancing and reallocating recommendations. As an investment manager, we invest each investor's account in their chosen Portfolio(s), taking into consideration any requested reasonable restrictions, and submit trade instructions to the investor's custodian. The investor's financial professional or the investor is responsible for suitability, choice of custodian, and other services as detailed in the agreement between the Institutional Client and us. As a model manager, the Institutional Client or the financial professional using the advisory program or platform has discretion over the accounts invested in each Portfolio and has the ability to deviate from our recommendations.

In addition, our subsidiary, Morningstar Investment Services LLC, offers Portfolios on a discretionary and non-discretionary basis. Morningstar Investment Management's investment professionals provide portfolio construction and ongoing monitoring of those Portfolios on behalf of Morningstar Investment Services.

The Portfolios, most notably those utilizing mutual funds, may have underlying holdings that include one or more of the Morningstar Funds. The Morningstar Funds became accessible through certain Portfolios in November 2018. Each Morningstar Funds' summary prospectus, prospectus, statement of additional information ('SAI"), and other regulatory filings are available at http://connect.rightprospectus.com/Morningstar.

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Asset Allocation Services
We provide Institutional Clients and their financial representatives tools for identifying their clients' investment goals and risk tolerance (such as risk tolerance questionnaires), and a mechanism to match those goals and risks with an appropriate asset allocation strategy. Asset allocation services are typically used by our Institutional Clients in their investment products, wrap programs, variable annuity asset allocation programs, or similar programs. If included in an agreement with an Institutional Client, asset allocation models are periodically reviewed and adjusted as needed. We may provide Institutional Clients with rebalancing triggers and recommendations on when the allocations for asset classes should be revisited or adjusted.

Investment Analytics, Monitoring, and Comparative Analysis Reports
We offer Institutional Clients investment performance and style monitoring reports. These reports range from a one-page snapshot view of multiple investments, such as those investments in a defined contribution plan lineup to multi-page, in-depth reports on a single investment that provides information on various aspects of the investment such as profile, style and sector analysis, total return/risk summary, performance, expense, portfolio metrics, top holdings, and an optional written analysis of the investment. To fulfill any monitoring responsibilities, we follow the same comprehensive due diligence process that we use to facilitate our investment selection research in these reports.

Morningstar Retirement
Morningstar Retirement is committed to helping people improve their financial health and prepare for retirement by offering investment advice and managed accounts, custom model portfolios, and fiduciary services to plan providers, employers, and retirement investors. The advisory services below are offered through Morningstar Retirement:

Custom Model Portfolios
We construct custom asset allocation model portfolios for use with employer-sponsored retirement plan accounts using the investment options available in a plan's lineup. Model portfolios can be time-based, risk-based, or a combination of time- and risk-based. Model portfolios, including target-date glide paths where relevant, are customized to the specific plan, and can take into account a wide range of factors including the presence of defined benefit assets, company stock holdings, savings rates, and account balances. We provide monitoring of the model portfolios (and glide paths), making recommendations to change investment allocations, and/or to add, remove, or modify the model portfolios' underlying investment options when necessary. Our recommendations and investment decisions are limited to those investment options available under the client's retirement plan lineup.

Fiduciary Services
We provide Institutional Clients with retirement plan services that include the construction, monitoring, and/or management of plan lineups. These services typically include automated reporting capabilities, marketing and sales support, and an online reporting delivery mechanism. We provide documentation of the process used to select, review, monitor, and update the funds chosen. We offer a workforce profile questionnaire designed to help a plan sponsor identify the investment sophistication, funding status, investment goals, and/or risk tolerance of the retirement plan or its participants. We also typically provide methodology documents, an investment policy statement, quarterly fund and plan performance reports, annual summary reports, and a quarterly market summary.

In providing these services, we serve as a fiduciary, as defined in section 3(21)(A) ERISA, as amended, and may additionally serve as an investment manager, as defined in section 3(38) of ERISA.

We construct a list of lineup options (including, but not limited to, collective investment trusts and/or mutual, money market, and/or stable value funds) from the universe of investment options defined by the Institutional Client. We provide asset-class requirements for the lineup, with specific investment options identified for each asset class, for use in developing a lineup for a defined contribution or defined benefit retirement plan. This process is designed to provide the Institutional Client with investment choices that will result in a lineup that is appropriately diversified with a sufficient broad range of risk/return characteristics.

Under our standard 3(21) service, we serve as a fiduciary with respect to the investment selection and monitoring we provide, but the Institutional Client retains responsibility for investing plan assets in accordance with our recommendations. We provide ongoing monitoring of the specific investments in the approved investment list and monitor individual plans to ensure they are meeting our asset-class requirements and investing in approved funds. Typically, if we recommend modifications to a lineup, we provide notice to the Institutional Client who has discretion to implement our recommended changes.

For our "flexible" 3(21) service, we offer the services outlined under our standard 3(21) service but allow the Institutional Client the flexibility to choose investments from our approved investment list along with non-approved investment options for their lineup. Our fiduciary support covers the use of investment options from our approved list only. Under this service, we do not provide any fiduciary coverage on the end lineup.

In some cases, Institutional Clients delegate discretionary management responsibilities to us. For our standard 3(38) service, we serve as a fiduciary with respect to the investment selection and monitoring we provide and we act as an investment manager for the plan, with full authority to select, remove and replace investment options from the plan lineup. We provide periodic monitoring of the specific investments in the approved investment list and monitor individual plans to ensure they are meeting our asset-class requirements and investing in approved funds.

For our "flexible" 3(38) service, we offer the services outlined in our standard 3(38) service but allow the Institutional Client the flexibility to request some variability in our standard process, such as the ability to include more approved investment options in asset classes than we allow under our standard service. This service is designed to help avoid too much disruption as Institutional Clients convert their plans to our service.

We offer Morningstar® Plan Advantage℠, an online platform designed to help retirement plan sponsors served by financial professionals of Institutional Clients (1) identify a category-level plan lineup, (2) choose a plan provider from those available through Morningstar Plan Advantage (choice of plan provider can be further limited by the Institutional Client), and (3) access 3(21) or 3(38) fiduciary services as part of a bundled offering. Once enrolled, plan sponsors and their designated plan advisor can review their lineup and access reports, view notifications, and learn more about plan lineup changes.

Managed Accounts, Advice, and Guidance
We offer services to Institutional Clients for use with individual retirement investors in their employer-sponsored retirement plans or other retirement products, like individual retirement accounts or health savings accounts

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earmarked for retirement (each a "retirement account"). These services are intended for citizens or legal residents of the United States or its territories and are offered through retirement plan sponsors and/or plan providers, plan administrators, retirement product providers, and/or other investment advisers (each a "service provider.") These services typically include guidance, advice and/or managed account options, along with an online platform to access those services. Guidance includes general and educational information and tools to help retirement investors manage their retirement account. Under Guidance, the retirement investor is responsible for determining the suitability of investments, implementing changes to their retirement account, and monitoring their account on an ongoing basis. Advice offers each retirement investor a target retirement income goal, projected retirement income amount, recommendations on savings rate and retirement age, personalized asset allocation strategy, and professional investment selection. Under Advice, the retirement investor is responsible for the implementation of any changes to and the monitoring of their retirement account. Under Managed Accounts, we will manage the retirement investor's account on an ongoing basis, in addition to the items provided under Advice. Our account management includes ongoing monitoring, automatic account rebalancing and implementation of changes, quarterly progress reports, and an annual progress report. We use the investment options available in the retirement plan or product to construct a portfolio and, when applicable, monitor model portfolios designed for retirement investors across a broad range of risk exposure levels.

Advisor Managed Accounts is a product name for Managed Accounts or Advice that allows investment advisers, consultants, or asset managers to incorporate their own asset allocation and fund selection capabilities into our offering. Under this service, the investment adviser, consultant, or asset manager is responsible for building plan-level portfolios from each plan or product's investment options or non-core investment options, if available through the service provider. The plan-level portfolios are used in our portfolio assignment methodology to create hundreds of retirement investor-level portfolios that span the equity spectrum. If we engage an asset manager as a sub-adviser ("Sub-Adviser") to provide portfolio construction services for Advisor Managed Accounts, we are responsible for the investment-level portfolios created for users of our services and there is no advisory relationship between you, your retirement investors or product users, and the Sub-Adviser. Each retirement investor is then assigned to a portfolio appropriate for their retirement goals. As part of Managed Accounts, each retirement investor receives a target retirement income goal, projected retirement income amount, and recommendations on savings rate and retirement age. We manage the retirement investor's account on an ongoing basis, which includes ongoing monitoring, automatic account rebalancing and implementation of changes, quarterly progress reports, and an annual progress report.

If made available by the plan sponsor or service provider, retirement investors have the option to complete an annuity questionnaire. Through this questionnaire they can indicate whether they would like to receive a recommendation for how much of their retirement account could be invested in an annuity while still aligning with our investment strategy. We do not recommend, endorse, or sell any specific annuity products as part of this allocation recommendation and do not provide advisory or discretionary investment management services to assets invested in an annuity. If requested by the plan sponsor or service provider, we will integrate access to an annuity marketplace or provider into our platform to help facilitate the retirement investor's purchase of an annuity, if they decide to do so. In such instances, the annuity or annuities available are chosen by the plan sponsor or service provider and we have no role in selecting those annuities. An annuity allocation recommendation is only available through the Managed Accounts service.

We offer advisory services to Institutional Clients who offer their own investment advice or managed account programs to their clients. In most cases, we serve as the independent "Financial Expert" as defined within the Department of Labor's Advisory Opinion 2001-09A dated December 14, 2001 (commonly referred to as the "SunAmerica Opinion.") We use the investment options available in a retirement investor's lineup or product to construct and, when applicable, monitor model portfolios designed for retirement investors across a broad range of risk exposure levels. We may also use information provided by independent third parties such as mutual fund data or index providers in the construction of advice for the program.

Personal Target Date Fund Service

We offer a personalized target date fund service to Institutional Clients for use with retirement investors. This service includes a personalized asset allocation strategy and professional investment selection for individual retirement investors invested in employer-sponsored retirement plans or other retirement products, like individual retirement accounts ("IRAs") or health savings accounts ("HSAs") earmarked for retirement through an online platform. The asset allocation strategy utilizes one or more target date fund vintages, is based on the retirement investor's financial situation and retirement goals using the information the retirement investor, plan sponsor, service provider(s) and/or an account aggregator provides, and includes ongoing monitoring and automatic account rebalancing and implementation of allocation changes. After determining the retirement investor's asset allocation target, the target-date funds available in the retirement investor's plan or product are used to create an investment-specific portfolio. We manage the retirement investor's account on an ongoing basis and communicate our investment decisions to the plan or product's service provider.

The target date fund series available in the retirement plan or product could be associated with an Institutional Client or plan or product's service provider. In such instances, the service provider, or their affiliate, may receive compensation based on the assets in those investments which gives the service provider an incentive to make those investments available.

Retirement investors will periodically receive progress reports reflecting progress towards their retirement goals and other information in regard to their investments. Typically, these reports are available electronically through our website on a quarterly basis. On an annual basis, those eligible for, but not currently enrolled in the Personal Target-Date Fund Service may receive a Personalized Strategy Report. Using data provided by the plan sponsor or service provider, we outline a retirement strategy that we feel is appropriate for the retirement investor based on the information available to us.

Customized Services

At an Institutional Client's request, we will take under consideration a request to provide them with a customized version of the above services or a different type of advisory services that would utilize our core capabilities in asset allocation, investment selection, or portfolio construction. Given the customized nature, the Institutional Client can impose constraints/restrictions on such things as security types, asset classes, or proprietary security requirements and/or wish to collaborate with us on such things as investment methodology and screening criteria.

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Wrap Fee Programs
We do not sponsor a wrap fee program, but we do provide portfolio management services to a wrap fee program offered by our subsidiary, Morningstar Investment Services LLC, through the Morningstar Wealth program.

Assets Under Management
As of December 31, 2023, the discretionary regulatory assets under management for Morningstar Investment Management (rounded to the nearest $100,000) were:

Retirement Services to Individuals: $19,580,600,000
Investment Management Services to Institutional Clients: $35,112,600,000

Total Regulatory Asset Under Management: $54,693,200,000

The non-discretionary assets under advisement for Morningstar Investment Management (rounded to the nearest $100,000) were $190,639,500,000.

Item 5. Fees and Compensation

Fees and Compensation – Overview
We typically negotiate our fees, payment terms, and payment schedules on an individual basis with each Institutional Client. The services we provide, the specific fees for such services, and the contract term are governed by the contractual agreement between us and our Institutional Client. Institutional Clients may not receive all of the services listed above. Our fees vary depending on the services selected and could include a fixed fee, a basis-point fee, and/or a technology licensing fee. Fees for some services take into consideration such factors as the number of services being provided and service specific variables such as the universe of investments, variables in monitoring frequency, delivery type, investment types, and frequency of written analysis.

Institutional Asset Management
Our Institutional Asset Management fees are negotiable, but generally include an asset-based fee and can include a minimum annual fee. The asset-based fee typically ranges from 2 to 15 basis points of the assets being managed or consulted upon while the minimum annual fee is $100,000 - $200,000. The actual fee depends on a range of variables including our role in providing the services, the type of security we are providing services for, and the amount of assets involved. The fee is typically charged monthly in arrears.

As the investment adviser to the Morningstar Funds Trust ("Trust"), we are compensated by the Trust based on assets within the Morningstar Funds for our investment management activities in accordance with the Investment Management Agreement between the Trust and us. We are entitled to receive an annual management fee calculated daily and payable monthly equal to the following percentage of a Morningstar Fund's average daily net assets:

Morningstar Fund	Management Fee
Morningstar U.S. Equity Fund	0.67%
Morningstar International Equity Fund	0.83%
Morningstar Global Income Fund	0.35%
Morningstar Total Return Bond Fund	0.44%
Morningstar Municipal Bond Fund	0.44%
Morningstar Defensive Bond Fund	0.36%
Morningstar Multisector Bond Fund	0.61%
Morningstar Global Opportunistic Equity Fund	0.47%
Morningstar Alternatives Fund	0.85%

More information about the Morningstar Funds' fees and expenses can be found in the prospectus at http://connect.rightprospectus.com/Morningstar.

Morningstar Wealth
Model Portfolios and Separately Managed Accounts
Portfolio fees are typically non-negotiable and range from 0 – 55 basis points. The actual fee depends on our role in offering the service including whether we act as a model manager or have discretion over client portfolios, asset size, the complexity involved, whether Morningstar Funds are included in the Portfolios, and any other services we provide to the Institutional Client. The fee is typically charged monthly and may be charged in advance or arrears. If, in accordance with the contractual terms, the Institutional Client terminates the agreement they have with us prior to the end of the billing period, we will refund any unearned fees on a pro rata basis after the termination of the contract.

For any Portfolio in which one or more of the underlying holdings is a Morningstar Fund, no investment management fee is charged with respect to the Morningstar Funds. As disclosed above, in accordance with the Investment Management Agreement between us and Morningstar Funds Trust, we receive compensation from Morningstar Funds Trust based on the assets invested in the Morningstar Funds for the investment management activities we perform for the Morningstar Funds. Since we receive compensation for this activity, we don't charge a separate investment management fee with respect to the Morningstar Funds in a Portfolio. Therefore, it's important to note that for those Portfolios that include Morningstar Funds and other securities (such as third-party mutual funds or ETFs), the investment management fee is ***only*** applicable to the investment management activities carried out for the non-Morningstar Funds securities.

Asset Allocation Services
Our Asset Allocation Services fees are negotiable, but generally range from $50,000 to $500,000 annually. The actual amount charged depends on a range of variables including the terms of distribution, number of sets, type and scope of the models requested (including the number of asset classes used in the asset allocation models), and whether the client receives other advisory services from us. The fee is typically charged annually in arrears. In addition to the fee, payment terms and schedules are negotiable.

Investment Analytics, Monitoring, and Comparative Analysis Reports
Our Investment Analysis, Monitoring, and Comparative Analysis Report fees are negotiable, and vary widely. A flat fee is typically charged per report. The actual amount charged depends on a range of variables including the type of service being sought, the type of securities involved, the intended purpose for our service, the type of output being sought from us, and the intended use of the Morningstar name. The fee is typically charged annually and is due upon delivery of the report(s). In addition to the fee, payment terms and payment schedules are negotiable.

Morningstar Retirement
Custom Model Portfolios
Our Custom Model Portfolio fees are negotiable, but generally include a minimum and an asset-based fee. Asset-based fees generally range between 3 and 8 basis points. Minimum fees typically vary from $100,000 to $300,000. The actual fees depend on a range of variables including our fiduciary role, services used, asset size, and whether services are opt-in or opt-out. The licensing and/or minimum fee is typically charged in arrears. The asset-based fee is generally charged quarterly by applying the pro-rated basis point rate to the average assets in a retirement account during the quarter.

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Fiduciary Services
Our 3(21) and 3(38) Fiduciary Services fees are negotiable, but generally include a minimum and an asset-based fee. Asset-based fees generally range between 2 and 8 basis points. Minimum fees typically vary from $100,000 to $450,000. The actual fees depend on a range of variables including our fiduciary role, service used, asset size, and whether services are opt-in or opt-out. The fee is typically charged quarterly in arrears based on assets held at calendar quarter-end or the average assets in the service over the quarter.

Our Morningstar Plan Advantage fees are negotiable, but generally include a minimum and an asset-based fee that typically ranges between 3 and 8 basis points annually. The actual fee depends on a range of variables including our fiduciary role, services used, and asset size. The fee is typically charged quarterly in arrears by applying the pro-rated basis point rate to the average assets in a plan during the quarter.

Managed Accounts, Advice, and Guidance
Managed Accounts, Advice, and Guidance fees are negotiable, but generally include a minimum and/or licensing fee, and an asset-based fee. Minimum and/or licensing fees typically vary from $100,000 to $800,000. Asset-based fees for Managed Accounts typically range from 10 to 50 basis points annually. The actual fees depend on a range of variables including our fiduciary role, services used, asset size, and whether services are opt-in or opt-out. The licensing fee is typically charged annually in advance. The asset-based fee is typically charged quarterly in arrears by applying the pro-rated basis point rate to the average assets in a retirement account during the quarter.

Please note, in instances where a Sub-Adviser has been engaged to undertake portfolio construction for these services, the portfolios they create will typically consist of associated investment products in which they receive compensation based on the amount of assets invested.

Personal Target Date Fund Service
Personal Target Date Fund Service fees are negotiable, but generally include a one-time set-up fee, a minimum fee, and an asset-based fee. The set-up fee typically ranges from $100,000 to $200,000. The annual minimum is generally in the range of $200,000 to $500,000. The annual asset-based fee typically ranges from 4.5 to 7 basis points. The actual fees depend on a range of variables including the asset manager size and the overall fees charged. The set-up fee is typically charged annually in advance. The asset-based fees are typically charged quarterly in arrears by applying the pro-rated basis point rate to the assets in the retirement account enrolled in the service.

Payment
Payments, payment terms and payment schedules are negotiated and governed by the contractual agreement we enter into with each Institutional Client. We typically send an invoice on a periodic basis (e.g., monthly or quarterly), although in some instances, we bill annually. For services we provide to an affiliate, fees are charged through an intercompany charge. Fixed and licensing fees are typically paid in advance of services being provided, and basis-point fees are typically charged in arrears.

Other Costs in Connection with Our Advisory Services
Our fees are separate from fees and expenses charged by the investment products (including redemption fees or asset- or transaction-based trading fees), fees and expenses charged by the Institutional Client for their products (including any revenue sharing arrangements that they have with the investment option's investment adviser and/or distributor), or fees that are charged by a third party, such as a proprietary advisory program, financial advisor, platform, custodian, transfer agent, plan provider, or recordkeeper. The investment options' fees and expenses are described in the prospectus or an equivalent document. These fees will generally include a management fee, other investment expenses, and possibly a distribution fee (e.g., 12b-1). In some cases, an investment option may also charge an initial or deferred sales charge. Annuities typically have additional fees, such as surrender charges, mortality and expense risk charges for death benefits or payout options like guaranteed income for life, administrative fees, underlying fund expenses related to investment sub-accounts, and other charges for special features, like guaranteed minimum income benefits, principal protection, or stepped-up death benefits. Neither Morningstar Investment Management nor any of our employees receive transaction-based compensation for the investment recommendations we make.

Fees Charged in Advance
Our services can be terminated as outlined in the contractual agreement between Morningstar Investment Management and the Institutional Client. Termination of services and refunds of fees, if any, are governed by the contractual agreement between the parties, which is negotiated on an individual basis. Upon termination, any earned, unpaid fees by the Institutional Client are due and payable. If, in accordance with contractual terms, the Institutional Client terminates their contract prior to the end of the billing period, we will refund any unearned fees on a pro rata basis after the termination of the contract.

Compensation from Sales of Securities
We do not expect, accept or receive compensation for the sales of securities, including asset-based sales charges or service fees from the sale of open-end mutual funds.

You may have the option to purchase investment products we recommend or similar services through other investment advisers or financial professionals not affiliated with us. Because our services are not exclusive, the fee for our services may be higher than fees charged by other financial firms who provide services similar to ours or if you paid separately for investment advice and other services. In addition, because the underlying holdings of our portfolios are not exclusive to the services described herein, you may buy securities (e.g., mutual funds, exchange-traded funds, equity securities, etc.) outside of this service without incurring our fees.

Revenue Sharing Arrangements
We do not have any revenue sharing arrangements with any registered investment advisers or mutual funds.

Item 6. Performance Based Fees and Side-by-Side Management
We do not have performance-based fee arrangements with any qualified client pursuant to Rule 205-3 under the Advisers Act.

Item 7. Types of Clients
Our clients include advisory programs or platforms of third-party advisory or platform providers, entities such as financial institutions, third-party investment advisers, broker/dealers, investment companies (including the Morningstar Funds Trust), and other business entities, consultants, plan providers, product providers, and sponsors who offer investment advice programs to individual retirement investors in defined contribution plans such as 401(k), 457, and 403(b) retirement plans, individual retirement plan participants, health savings accounts, and individuals who are in retirement.

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Please see our Retirement Services for Individuals brochure, available on the SEC website, for further information about Morningstar Retirement's advisory services provided to retirement investors.

We do not require a minimum account size for our institutional investment advisory services, and we generally do not impose other conditions for using our institutional advisory services.

Item 8. Methods of Analysis, Investment Strategies, and Risk of Loss

Investment Philosophy

Our investment philosophy is driven by the investment principles that are promoted throughout our organization. The principles are intended to guide our thinking, behavior and decision making. These principles have been inspired by a number of the most experienced and successful investors in the last century. These principles also reflect and align with the history and foundation of Morningstar. The investment principles are:

- We put investors first
- We're independent-minded
- We invest for the long term
- We're valuation-driven investors
- We take a fundamental approach
- We strive to minimize costs
- We build portfolios holistically

Building upon our investment principles, our investment philosophy is built on the belief that portfolios should maintain a risk profile commensurate with the desired long-term asset allocation guidelines we provide to the client. We focus extensively on the portfolio structure to maintain a careful balance between being allocated similarly to the portfolio benchmarks and one that reflects our assessment of the value available in the current market environment. We select managers that we believe manage fund assets with a consistent and disciplined process that can provide for sustainable long-term results. We prefer managers with a prudent, logical, and repeatable process and remain keenly focused on the consistency of the implementation of their investment disciplines.

To align with our business structure, we have two Investment Policy Committees. The investment advice used in the products and services referenced in this brochure from Morningstar Investment Management is provided by investment teams. Information on key members of these investment teams is included in our Form ADV Part 2B Brochure Supplement for Institutional Advisory Services. For Advisor Managed Accounts, the registered investment adviser responsible for portfolio construction has their own Brochure Supplement that you should obtain and review.

Global Investment Committee

Morningstar Wealth's Global Investment Committee and its regional governance bodies, in addition to the Americas Investment Product Committee, are responsible for oversight of the investment methodologies across some of our Institutional Asset Management, Model Portfolios and Separately Managed Accounts, Asset Allocation Services, and some of our Investment Analytics, Monitoring, and Comparative Analysis Reports products and services. Members of the Global Investment Committee may include officers, chief investment officers, managing directors, or managers of Morningstar Investment Management or its affiliates. The regional governance bodies meet quarterly to review guideline changes and performance across portfolios. Formal and informal global best practice working groups also exist with the goal of sharing methodologies and research across regions. These groups focus on specific investment areas such as valuation models driven by our capital markets research and methodologies used for asset allocation, investment selection, portfolio construction for different investment strategies and advice. In addition to governance bodies, the investment team has regional research and portfolio construction workflows that surface best thinking across investment opportunities and guide portfolio construction.

Morningstar Retirement Investment Policy Committee

The Morningstar Retirement Investment Policy Committee is responsible for oversight of the investment methodologies across Morningstar Retirement's products and services including some of our Institutional Asset Management, Managed Accounts, Advice, and Guidance, Personal Target Date Fund Services, Custom Model Portfolios, Fiduciary Services, and some of our Investment Analytics, Monitoring, and Comparative Analysis Reports. Members of the Morningstar Retirement Investment Policy Committee include Morningstar Investment Management's chief investment officers, portfolio managers, investment analysts, and the director of automated portfolios solutions.

Model Portfolios and Separately Managed Accounts, Institutional Asset Management, and Asset Allocation Model Portfolios

Investment Process

Our investment process starts with scouring the globe for opportunities. Instead of hewing closely to an index-defined universe, we look broadly, investigating asset classes, sub-asset classes, sectors, and securities in markets around the world. Our capital markets research extends to more than 200 equity and 150 fixed-income asset classes. We also track around 30 world currencies.

We apply deep valuation analysis supported by in-depth fundamental research to find opportunities around the globe.

Alongside this analysis, which looks at both absolute and relative valuation, we also consider investor sentiment and positioning, which adds contrarian elements to our process and tells us how the market consensus views an investment idea we're considering. We prefer to invest in ideas contrary to the market consensus because one needs to be different to be able to outperform.

We also look closely at each asset class's risk, which can be complex, multifaceted, and vary over time. We believe that one of the best ways to control for risk is to buy fundamentally strong assets that seem underpriced.

Our in-depth valuation analysis and contrarian indicators, when brought together, are the key ways we generate investment ideas. These ideas might be names to include in a stock portfolio or our best thinking on reward for risk at the asset class-level. In addition, our valuation-driven asset allocation process paired with our in-house investment selection skill allows us to holistically build portfolios for our clients for the long term. The Investment Management group, as a global team, works to understand markets and opportunities, monitor risk in existing portfolios, and vet ideas to make investment changes. We use this ongoing investment process to manage a variety of equity and multi-asset portfolios for our Institutional Clients.

Investment Selection

Finding investment opportunities isn't just about great ideas; it's also about selecting great investments for our clients. Investments may be individual stocks, or active managers and/or passive exchange-traded products in a

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multi-asset portfolio. Our research-driven approach to selecting investments is designed to help investors reach their goals and objectives.

When building multi-asset portfolios, we need to evaluate the active investment managers and/or passive funds we use to implement our investment strategies. Our investment selection process begins with analysis from Morningstar and its affiliates, which covers hundreds of thousands of investment offerings globally, including mutual funds, closed-end funds, separate accounts, exchange-traded products, individual stocks, and hedge funds. We then build upon that analysis with reviews by our internal investment team, which includes not only quantitative screens and assessments, but also one-on-one conversations with portfolio managers as part of our fundamental due diligence.

In our due diligence, we assess whether their investment team is qualified, experienced, and talented; that they follow a consistent and disciplined investment process; that their organization is strong and stable; and that they operate professionally and ethically.

We study managers' holdings using our proprietary tools and analytics to assess how well their strategy may work in combination with those of other managers. And we consider managers' ability to outperform in different market environments. Rather than following simple style analytics or style neutrality blends, we seek process diversification and try to avoid the pitfalls of over-diversification often found in fund-of-fund investment strategies.

Once we have selected active managers, we tend to keep them in place for the long haul. We believe hiring independent managers to run high-conviction strategies is a far better approach to multimanager portfolios.

As for passive vehicles, our selection process begins with the thousands of exchange-traded products in the Morningstar database and includes the work of Morningstar and its affiliates' ETF analyst team. Our own analysts perform qualitative work that can't be found in an automated service. ETFs are often less expensive than their open-end mutual fund counterparts but assessing them has to go beyond this fact. We closely examine the risk characteristics that define ETFs—including tracking to the index, trading volume, bid/ask spread, and premium/discount—to help ensure the goals are realistic and the liquidity is what we expect. As with other funds, we assess ETFs within a portfolio context to achieve access to a particular market segment or sub-asset class.

Individual stock selection relies heavily on our asset class research to identify attractive segments of the market (sectors, countries, or factors like quality) and a review of the valuations and fundamentals of the underlying stocks. We rely heavily upon Morningstar's Equity Research group in addition to our own proprietary insights.

Specific to our Institutional Asset Management and Asset Allocation Model Portfolio services, the portfolios we build for an Institutional Client are typically constrained to a universe of investment options defined by our client, which include their affiliated investment products in some instances. Our analysis will still include quantitative analytics and fundamental research on the investment options available. We draw on Morningstar's comprehensive database of fund and security analytics as well as utilizing portfolios information provided by our Institutional Client, if applicable. In some instances, we work closely with our Institutional Client to identify and evaluate manager candidates for possible addition to or removal from the available investment universe.

Building Portfolios

Armed with investment ideas, our global team works together to holistically build portfolios suited to each strategy we offer or the objectives of our clients. Portfolio construction is about ranking and risk management. We seek to gain the largest exposure to our best ideas, while building robust portfolios designed to stand up to challenging investment environments or investment errors.

This judgment-driven approach also allows us to evaluate the complexity and multifaceted nature of investment risk. We view risk as the permanent loss of capital. Our valuation-based approach (that is, seeking underpriced assets and avoiding overpriced assets), fundamental diversification, and forward-looking approach to viewing asset class co-movements (that is, those that buffer gains and losses), all help mitigate risk in the portfolios we build.

To prepare investors for the future, we seek to construct robust portfolios designed to perform well in different environments rather than being considered "optimal" based on expected results or a specific environment. We avoid forecasts and building strategies based on our ability to predict specific environments. Instead, we aim to prepare for different environments through constructing portfolios that will hold up under many possible environments—even ones that we haven't seen before. In effect, this involves trade-offs of aggregate reward for risk and a calibration of the probability and impact of negative outcomes.

Asset allocation guidelines for multi-asset portfolios are developed by our Asset Allocation Committee, which comprises most of the investment professionals in Morningstar's Investment Management group. Our investment professionals serve in different asset-class specialties on the committee. The committee jointly decides on organization-wide portfolio positioning policy, and strategy teams and portfolio managers adapt the positioning decision, as applicable, to their particular strategies and client portfolios. Teams of our portfolio managers are supported by the broad array of investment professionals within the Investment Management group, who contribute to manager research, asset-class research, investment-process enhancement, and the development and maintenance of portfolio management tools used in providing this service. All portfolios are reviewed by a team of peers before we deliver them to our Institutional Client.

Managing Portfolios

Once we've holistically built portfolios, we manage them. This part of the process is simply continuing to find opportunities, thinking through ways those opportunities might be included in our portfolios, and watching markets closely for any signs that would call for adjustments within the portfolio.
Portfolio management is not a stop/start process. We constantly review our positions, seeking to maximize reward for risk. Each strategy we manage has a set of investment guidelines that outline the investment objectives, risk levels, and investment constraints. These are monitored to stay within the defined ranges.

As valuation-driven investors, we primarily focus on price changes relative to fair value through time. Given that markets are dynamic, we reassess the portfolio given the changes in investment ideas, aggregate risks, and portfolio exposures. This iterative process reconsiders the opportunity set, with a constant eye on fundamental diversification and portfolio allocations.

Turnover and trading reduce returns for investors and therefore any changes should be expected to add value by a comfortable margin. Investment decisions happen in the real world rather than on paper—transaction costs

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and taxes are real. This means being biased toward inaction and long-term holdings, keeping turnover and transaction costs as low as possible.

Our global investment team works around the clock to understand markets and opportunities, monitor risk in existing portfolios, and vet ideas to make investment changes. This ongoing investment process powers every portfolio managed by the entities within Morningstar's Investment Management group.

We have processes and risk controls in place at multiple levels of the investment process to ensure that our portfolios are created in a manner consistent with their risk and return objectives. We evaluate risk at both the asset class model level and the portfolio level. At the asset class level, we monitor easily observable metrics such as standard deviation, skew, kurtosis, historical beta and overall tracking error relative to our stated benchmark. Our standard deviation and covariance matrix figures are estimated by a proprietary factor analysis system that ensures consistency across multiple asset classes and time periods. We delve deeper by examining conditional value-at-risk and conducting scenario analysis testing under different market conditions.

At the portfolio level, we conduct a detailed style analysis of our underlying funds using holdings information, quantitative regressions, and manager meetings. The underlying styles allow us to determine the effective rolled up portfolio asset class exposures and compare them to our asset allocation targets. Further, we analyze each manager's style consistency to make sure we monitor and adjust for huge swings in our effective asset class exposures. This analysis ensures that we are aware of, and comfortable with, our effective asset class exposures. Additional analysis is done routinely to measure our fund portfolio duration, tracking error, sector exposures and betas.

While actively managed portfolios will exhibit certain biases in terms of asset class weightings or security characteristics relative to their blended benchmarks at times (based our intended investment decisions and the actions of the underlying managers), they are constrained by setting minimum and maximum allocations to different asset classes, as stated in our investment policy guidelines. Establishing allowable ranges for asset classes helps enable the strategy to take advantage of opportunities and avoid risks at the asset class level, but also keeps the portfolios tethered to their blended benchmarks.

Ongoing monitoring of the underlying position weights is critical to keeping the portfolio exposures as intended. Each fund is assigned a target position and a "deviation threshold," which governs the degree to which a fund may sway from its target. Each fund has a different degree of latitude, based on both its weight in the portfolio and the volatility of the assets in which it typically invests. If a fund deviates from its target weight, we evaluate whether the accounts that contain the fund need to be adjusted (i.e., rebalanced) to bring the alignment back in order.

For registered or collective investment products we manage on behalf of an Institutional Client, we review and revise portfolio allocation targets on a continuous basis to ensure that asset class targets outlined in the prospectus are maintained. Reviews are implemented to ensure that the underlying investments in the portfolio don't exceed allocations noted in the product's prospectus or breach other restrictions.

Morningstar Funds Trust Subadvisor Oversight and Multi-style Management

We are responsible for hiring, terminating, and replacing sub-advisers to the Morningstar Funds, subject to board approval. Before hiring a sub-adviser, we perform due diligence on them including, but not limited to, quantitative and qualitative analysis of their investment process, risk management, and historical performance. We are responsible for the general supervision of the sub-advisers as well as allocating each Morningstar Fund's assets among the sub-advisers and rebalancing the portfolio as necessary, the timing and degree of which will be determined by us.

At times, allocation adjustments among sub-advisers may be considered tactical with over- or under-allocations to certain sub-advisers based on our assessment of the risk and return potential of each sub-adviser's strategy. Sub-adviser allocations are also influenced by each sub-adviser's historical returns and volatility, which are assessed by examining the performance of strategies managed by the sub-advisers in other accounts that we believe to be similar to those that will be used for a Morningstar Fund.

Asset Allocation Services – Capital Market Assumptions and Risk Tolerance Questionnaires

As part of our Asset Allocation Services, we typically offer a combination of Asset Class Model Portfolio(s), Risk Tolerance Questionnaire(s) ("RTQ"), and our Capital Market Assumptions ("CMAs"). Our construction method for Asset Class Model Portfolios is described above. This section will focus on our CMA and RTQ methods.

Capital Market Assumptions

We provide forward-looking CMAs for both taxable and tax-deferred account types. Our CMAs consist of expected return, standard deviation and correlation among asset classes based on our proprietary equity, fixed income, currency and risk models. In our CMAs, we use valuation-implied returns, which are based on the idea that asset class returns can be decomposed into underlying corporate and economic fundamentals and the valuations impact near-term returns. Our research team develops and enhances our capital market models on an ongoing basis to reflect the latest best practices and innovations. We analyze the available opportunity set of asset classes and constructs long-term expected returns, standard deviations, and correlation coefficients for each.

For equity valuation-implied returns, we use a supply-side approach to forecast equity returns. The supply-side model is based on the idea that equity returns can be decomposed into underlying economic and corporate fundamentals. Our approach separates the expected return of each equity asset class into four key return drivers:

1) Inflation: Our long-term inflation expectations are based on several consensus and professional long-term inflation forecasts, as well as central banks' medium- to long-term inflation targets where inflation targeting is part of the monetary policy mandate.

2) Total Yield: We base our estimates of future total yield on an analysis of the historical payout rates and total payout yields for a given asset class. We estimate total yield for each equity asset class at both the country and sector level.

3) Growth: The growth term measures the change in corporate cash flows per share excluding the impact of repurchases. Our long-run growth expectations are based on expected growth of the asset class based on underlying fundamentals.

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4) Change in Valuation: We use several valuation models to estimate the fair value of equity asset classes and assumes reversion to fair value over a 10-year period. Specifically, our valuation models rely on several forward-looking measures of normalized earnings such as profit margin, return on book-equity, and inflation-adjusted average earnings over the business cycle.

For fixed-income valuation-implied returns, we use a building-block approach to forecast returns of fixed-income asset classes. The key inputs into our fixed-income model are:

1) Inflation: The inflation forecast is the same as the one used in our equity model.

2) Real Rate: The real rate of return is the expected return of cash after inflation. We forecast real rates based on an examination of long-run historical real-rate data and consideration of the macroeconomic environment for each fixed-income asset class.

3) Term Spread: We base our forecast of the term spread on the long-run shape of the yield curve, current market data, and surveys. The expected shape of the yield curve also determines our forecast of the roll return of a fixed-income asset class.

4) Credit Spread: We forecast default and recovery rates across credit ratings and industries. Our model takes into account the impact of rating upgrades and downgrades (credit migration) on credit bond prices.

For currency valuation-implied returns, the currency return is our forecast of the change in the spot exchange rate. In general, for any asset not denominated in the reference currency, the valuation-implied return of the asset is based on the expected return in local currency plus the expected currency return. The currency valuation-implied return has two main components: 1) the inflation differential between the local currency and the reference currency, and 2) the reversion of real exchange rate to its fair value. The inflation differential is the difference between the expected inflation rate of the local and reference currencies, where the inflation forecast is based on the same methodology as the one discussed in the equity section above. In the very long run (i.e., at the unconditional horizon), we expect the inflation differential to be the sole driver of changes in the spot rate. The change in the real exchange rate is estimated based on multiple deflators (including CPI and PPI) to account for potential differences in the importance of the tradable versus non-tradable sector in a given economy. These price-based measures of real exchange rates are adjusted for differences in export quality and productivity differentials, accounting for potential differences in the value of goods not reflected in the price indexes. The expected change in the real exchange rate is generally based on the assumption that the real exchange rate will revert to a long-run average.

Risk Tolerance Questionnaire

A risk tolerance questionnaire is a tool designed to measure an investor's self-reported perceptions of their general willingness and ability to withstand the volatility inherent in investing in capital markets. Our measure is based on three self-reported factors: (1) time horizon, (2) feelings about the trade-offs between expected returns and expected volatility, and (3) beliefs about the investor's anticipated emotional reactions to changes in their portfolio's value, in particular drawdowns. Using a unit weighted sum of the responses to the questions within this questionnaire, two overall scores are generated. The first is a score in regard to the investor's time horizon, which serves as a proxy for the investor's ability or capacity to take on risk. The second score reflects an investor's overall risk preferences. These two scores can be used independently, and/or they can be systematically mapped to a spectrum of risk tolerance profiles ranging from conservative to aggressive. The spectrum of risk tolerance profiles and scores can be represented as distinct profiles, such as Very Conservative, Conservative, Moderately Conservative, Moderate, Moderately Aggressive, and Very Aggressive.

Ultimately, the investor and/or their financial professional has the final decision in determining the investor's portfolio, which may differ from the risk tolerance profile or scores and be based on additional information not captured by the risk tolerance questionnaire. Our risk tolerance questionnaire is a measurement tool for helping a financial professional discover information about the investor's time horizon, risk and return preferences, and their anticipated responses to volatility. This information can—and should—help initiate and facilitate conversations that assist the financial professional in gaining a broader understanding of the investor's financial situation, including additional information about an investor's assets, anticipated cash-flows, needs, goals, and other relevant information. Based on this more complete understanding of the investor, financial professional should be able to develop a suitable investment strategy. Risk tolerance questionnaire scores alone should not be the predominant indicator used to match an investor to a portfolio or investment products.

Although the risk tolerance questionnaire scoring process is objective, subjectivity cannot be completely eliminated when using such measurement tools. For example, some investors may struggle to understand the questions or may not have clearly defined risk preferences. There is no guarantee that this risk tolerance assessment tool or its scoring method perfectly assesses a person's tolerance to risk or attitudes about gains and losses. In addition, although the financial professional may have directly or indirectly used the results of a risk tolerance questionnaire to inform a suggested asset allocation, there is no guarantee that the resulting asset mix appropriately reflects an investor's ability to withstand investment risk.

Investment Analytics, Monitoring, and Comparative Analysis Reports

For Institutional Clients that request investment analytics, monitoring, or comparative analysis reports, we begin the process by defining the scope of the report(s) in consultation with the Institutional Client. During this phase, various items are determined including, but not limited to, the universe of investments or asset classes from which we are to work from, the number of investments, the intended user(s) of the report(s), the type of display for the report(s), and the data points or written analysis to be included. If the Institutional Client requests ongoing monitoring of a universe of investments, we will determine how often report(s) are to be generated. We then utilize our resources to create the requested reports. Our reporting services typically are one-time projects in which we do not provide ongoing reviews or updates.

Morningstar Retirement

Custom Model Portfolios

For our Custom Model Portfolios service, we build portfolios for Institutional Clients that are typically constrained to a universe of investment options defined by our client, which include their affiliated investment products in certain situations. Our analysis includes quantitative analytics and fundamental research on the investment options available. We draw on Morningstar's comprehensive database of fund and security analytics as well as utilizing portfolio information provided by our Institutional Client, if applicable.

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We believe that asset allocation policy is one of the most important determinants of a portfolio's risk and return characteristics over time. When constructing a model portfolio, we believe it is critical to take advantage of potential diversification benefits over the long run. The primary objective of our investment selection process is to find the best combination of investment options that will maximize alpha (excess return above a benchmark) for any given level of tracking error (risk/standard deviation of the alpha), while maintaining the appropriate target asset allocation.

We use a six-step investment process that relies on a number of complex optimization routines to find the right mix of asset classes and managers to meet our objective. We use the following six-step process to construct an investment portfolio for our custom models:

Step 1: Asset Class Inputs
Asset class performance expectations are critical in developing a diversified portfolio that aims to help meet an individual's retirement income goal. We rely on the capital market assumptions described in the section above. We forecast expected risk and returns for each asset class under consideration by gathering and analyzing a broad range of data points, including historical data, current market information, and the correlations between asset classes. More details on this step are provided above, in the Capital Market Assumptions section.

We use historical data for these benchmarks/proxies in an attempt to forecast the expected return, standard deviation, and cross-correlation of the asset classes. We use multiple statistical techniques to extend the returns data for all domestic equity asset classes back to 1926. Fixed income and non-U.S. equity asset classes go back to 1970, due to significant structural changes in the fixed income market that made the interest rate environment since 1970 inherently different from previous periods. We then use a "building-blocks" approach to set expected returns for asset classes. The return building blocks are based on forward-looking assumptions about an asset's underlying economic and corporate fundamentals. We use historical data to help forecast standard deviation. Since most data series only extend back to the 1970s, we use the ratio method to extend the standard deviation estimates of the shorter-lived asset class benchmarks so that they incorporate relevant economic events. The ratio method attempts to extend the standard deviation estimate for certain asset class benchmarks using a short benchmark (an asset class benchmark that does not have historical data over the full, relevant time period starting from 1926 for domestic equities and 1970 for fixed income and non-U.S. equities) and a long proxy (an index that has historical data over the full, relevant time period and is economically similar to the short benchmark). The ratio method leads to an estimate of what the standard deviation of the short benchmark would have been had it existed over the full, relevant period.

We use correlation coefficients based on the historical returns of the asset class benchmarks from 1970 to the present. Correlation coefficients must be extended for series that do not have history for the full relevant period. In an attempt to create this history, we use a sophisticated statistical process that extends asset class benchmarks that do not have complete data histories but that have a relatively high correlation coefficient with another proxy (or benchmark). This estimate approximates what the correlation coefficient between the two series might have been if both had existed over the longer period.

The capital markets assumptions that help inform the portfolio construction and wealth forecasting aspects of our advisory services are updated periodically to reflect our expectations of the capital markets. The detailed asset allocations of the target-date models are strategic in nature and are closely tied to our long-term, unconditional capital market expectations (rather than our valuation-implied returns). Moreover, the allocations do not change significantly on a year-over-year basis.

As part of our overall process, we continually search for ways to enhance our inputs, understanding of market behavior, and forecasting methodology to provide our clients with optimal advice.

Each year, we update the capital market assumptions. We focus on return forecasts over multiple time horizons: 10 years, 20 years, and long-term unconditional expected returns. The 10-year forecasts assume that various valuation metrics will return to "fair value" over a 10-year period. Similarly, the 20-year forecasts assume the return to fair value for the various valuation metrics will occur over a 20-year period. The long-term unconditional expected returns do not have a valuation component, essentially assuming the markets are fairly valued.

Step 2: Total Wealth: Building Glide Paths
Our method for creating glide paths builds on our asset-allocation expertise and applies a total wealth approach. When determining the optimal portfolio for investors, we take a holistic view of their total wealth so we can construct the most appropriate glide path based on the total value and risk attributes of the different assets owned by that investor.

Our total wealth approach considers assets that are often overlooked, like human capital and pension wealth. Human capital can be thought of as the present value of an individual's future wage income, whereas pension wealth represents assets like Social Security retirement benefits and defined benefit pensions.

A fundamental part of our total wealth approach requires an understanding of how an individual's wealth changes over their lifetime. For example, the total wealth of younger investors is almost always dominated by human capital. As individuals age, they tend to save money for retirement, accumulating financial assets and accruing benefits in pension plans such as Social Security. In other words, most investors convert a portion of their salary over time into financial capital by saving and accruing pension benefits, which can be used to fund retirement.

Human capital is a relatively bond-like asset. We say "relatively" because the riskiness of human capital varies across business cycles, by job skills, and by the individual's occupation or industry. Our research suggests that, for the average investor, human capital is approximately 30% stock-like and 70% bond-like. Individuals with riskier human capital who have jobs in cyclical industries should have more conservative portfolios, and individuals with secure jobs and stable incomes can invest in more aggressive portfolios.

Younger workers typically have higher weights to human capital as a function of their total wealth. Because human capital is untradeable, from a total wealth perspective these young workers have an overweight to a bond-like asset.

That's why their financial assets should generally be invested more aggressively to achieve a more balanced risk level from a total wealth perspective. When the relative value of human capital (as a percentage of total wealth) declines as the individual ages, financial capital often needs to be invested more conservatively to balance the risk of the total wealth.

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Risk tolerance and risk preference are often used interchangeably, but we treat them as two related, but different, concepts. Risk tolerance should be driven by risk capacity and risk preference. Risk capacity is an investor's ability to take on risk given the composition of his or her total wealth, while risk preference is the individual's desire to take on risk. These two types of risk combine to determine an appropriate total wealth allocation for participants.

Our approach to constructing the glide path is based on a significant number of assumptions.

At a high level, our approach to determining the glide path is based on using the financial assets (i.e., the 401k plan balance) as a "completion portfolio" that is optimized based on the other assets owned by the investor and the risk attributes of those assets (a concept referred to as background risk). Determining the glide path effectively means determining the appropriate stock/bond split for different retirement investors, we generally refer to this process as "portfolio assignment". Our approach towards portfolio assignment considers an individual's total wealth, of which human capital is a dominate asset for younger individuals.

When building a glide path, we determine the optimal allocation for each retirement investor individually, and then aggregate the individual allocations into an aggregate cohort portfolio (e.g., into a 2040 Target Date portfolio). These cohort portfolios can then be viewed in combination to form the glide path. The actual portfolio selected to represent a given cohort can be based on a number of different factors, and it is possible for us to create different glide paths for different groups of employees (e.g., hourly versus salary, union versus non-union). This enables to determine the relative difference for different employee groups and cohorts. It is worth noting that our glide path approach is not static, and the actual portfolios will change over time based on the risk characteristics of the defined contribution plan participants in that cohort.

Step 3: Asset Allocation

Using our total wealth approach, we first create the stock/bond allocation for an investor and then determine the asset class targets for the portfolio. We use some of the most advanced asset allocation techniques to determine these weights. Three examples include: our proprietary approach to formulating capital market assumptions; how we incorporate non-normal returns and downside risk in the portfolio optimization routine; and how we build portfolios based on the specific objectives of the investor.

As the median plan participant's overall economic situation evolves and as the participant transitions from accumulation into drawdown, the asset allocation evolves throughout their lifetime. Overall, as investors age, we believe asset allocations should have a more pronounced home country bias to help pay for their U.S. dollar denominated retirement income liability (e.g. a real inflation adjusted income in retirement) and shift from growth-oriented asset classes, such as small cap equities to lower-risk, high-quality asset classes such as U.S. large cap equities. Additionally, we find intra-bond allocations should gradually shift from high-return, long-duration, nominal-bond-oriented asset allocations towards a less volatile, shorter-duration, real-return-oriented asset allocation.

Step 4: Analyze Investment Options

Investment screening is particularly important when working with investment menus that have many options for an investment option-level model portfolio from which to choose. Once we've built the asset allocation targets for the portfolio, we determine which investment options from the lineup to use to meet our asset class targets and our standards for quality. Our selection process relies on both quantitative and qualitative measures. The selection criteria we use to narrow the available universe include manager experience, performance record, manager history, alpha, style consistency, fund type, and fund fees. Here is an overview of the some of the key steps:

Once investment options pass the initial screening, we then peer group all remaining funds for further analysis. The peer grouping process begins by evaluating investments based on their Morningstar Category (if available). Returns Based Style Analysis ("RBSA"), which looks at the "behavior" of an investment option rather than its actual holdings, is used to determine the appropriate category, because it takes a longer-term view of an investment option's style and consistency, which is important for peer grouping. The category is validated through a series of regression analyses against sets of benchmark returns. The Morningstar Category determines which set of benchmarks is used in the initial regression. Based on this initial regression result, R-square, and benchmark exposures, the investment option may be sent for further regression analysis to better determine the appropriate peer group. If the R-square of the final regression is greater than or equal to 65, then the peer group is assigned. If through all sets of regression analysis, the investment option does not achieve an R-square of 65 or greater, then the investment option is unclassified and may not be used.

If an investment option is not a public fund or does not have a Morningstar Category, the same process is followed, but the initial set of benchmarks used in the regression analyses is a general set. Again, the investment option goes through a series of regression tests to determine the best peer group fit.

One of the quantitative inputs we use when constructing fund-level portfolios is a proprietary measurement known as forward-looking alpha ("FLA"). This measure helps us identify managers that we believe will add alpha and help drive the long-term positive performance of their portfolios.

FLA uses historical data to forecast how well an investment option is likely to perform in the near-term future. Unlike traditional methods of calculating alpha, FLA is based on alpha over two time periods (12 months and 60 months), and rewards managers for consistent performance over both the short and long term. By using these two time periods, we believe that they are better able to predict how a manager might perform in the future.

From the investment options that pass all of the prior screening criteria above, we will form a "main" list, and ultimately a "select" list of the funds that are included in the final fund optimization process. However, arriving at the select list is a two-tiered screening process. To form the main list, index funds are ranked by their tracking error. The top two funds in each peer group (with the lowest tracking error) form the main list. When there aren't enough index funds available, the actively managed fund with the lowest tracking error is chosen instead. The two index funds on the main list are then ranked by expense ratio, and the one with the lowest expense ratio is included in the select list. Actively managed funds are evaluated based on their information ratio and FLA. The three funds in each peer group with the highest information ratio and FLA form the main list. Active funds are then ranked on R-square relative to a single peer-group primary benchmark, the number of years the fund outperformed its customized benchmark from the RBSA results over the past five years, and a customized consistency score from the RBSA results. One fund from the "highest information ratio" main list and one fund from the "highest FLA" main list, each with the highest average score, form the select list.

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In addition to using the above quantitative steps based, we may also consider qualitative measures such as an investment option's holdings, style changes, style drift over time, manager changes, and SEC actions. These qualitative steps are mainly used when the quantitative results are questionable due to low statistical significance, quantitative results differing from expectations, or simply to ensure that the quantitative techniques are accurate. For example, this analysis may help confirm the peer group and style analysis, confirm that the processes in place that generated past returns are still relevant, and gives us an opportunity to apply human judgment to the process.

Step 5: Construct the Portfolio
Once we determine the asset class models and which funds from the plan's lineup will be included in the portfolio, our portfolio construction team then determines what combination of these funds will help us reach our asset class weights. The team also considers the combination of funds that we think will help drive the portfolio's performance in the future.

Using the select list, we construct the fund-level model portfolios using a proprietary alpha-tracking error optimization process. The primary objective is to find the best combination of investment options (for each of seven risk levels) that will maximize the FLA for any given level of tracking error, while hitting the asset class allocation targets.

This alpha-tracking error optimization is similar to MVO described earlier. MVO is conducted using as inputs the expected return, standard deviation, and correlations of the asset class returns. The alpha-tracking error optimization, however, is conducted using the FLA and tracking errors of each investment option. The asset class exposures of the available investment options are determined using HBSA.

HBSA calculates the exposure of a fund based on the characteristics of each of its underlying securities. The most recent portfolio available in our database is used for this analysis. In addition, there are certain tolerances, constraints, and maximum fund allocations.

The alpha-tracking error frontier offers an entire spectrum of efficient allocations among all funds for the target asset allocation. We select the appropriate portfolio based on multiple iterations of evaluating possible outcomes, starting with a higher emphasis on alpha (i.e., portfolios with higher excess returns). If the portfolio is found to be outside these tolerances, the emphasis on alpha is lowered and a new set of portfolios is generated for evaluation.

The final step is to generate portfolios that place all the emphasis on the tracking error, to help ensure the asset allocation targets are met. If at this point the portfolios generated are not within the tolerances set, including hitting the asset allocation targets, then the investment menu would not qualify for our advice services. This multiple iterative process helps ensure that for each portfolio the investment options chosen maximize the potential portfolio alpha within the tolerances for tracking error while hitting the asset allocation targets.

We first attempt to build fund-level portfolios at the highest level of complexity/granularity. The large-, mid-, and small-cap asset classes are split into growth and value; aggregate bonds are split into long- and short-term bonds. If we are unable to hit the asset class targets at the highest complexity, then a second attempt is made at a lower complexity. The process continues until the asset class targets are met (within the tolerances), while minimizing tracking error and maximizing alpha. If an investment menu fails at all of the asset class complexities, we will not be able to construct fund-level portfolios.

Step 6: Monitor the Portfolio
Once the portfolio is constructed, we will monitor and re-evaluate the investments on an ongoing basis to ensure it is still aligned with asset allocation targets and diversification objectives.

When a new fund is added to an investment menu, we reevaluate the new investment mix and determines if new asset class and fund-level model portfolios are necessary. When a fund that is used in a portfolio is dropped from a plan menu or closes, the plan's portfolios will be immediately rebalanced, as it would not be possible to implement the existing fund-level portfolios.

We monitor fund lineups on a quarterly basis to determine if changes are needed. We review and rebalance the fund-level portfolios quarterly. We've established a range of +/– 5% based on the most recently delivered fund-level allocations to prevent large fluctuations in investment option allocations from quarter to quarter. If a more attractive alternative is present, an investment option will be phased out over time rather than in one quarter, to minimize large portfolio reallocations on a quarterly basis. This approach also helps to minimize short-term redemption fees to investors, should they exist. All asset class model portfolios are updated annually, as we review and update the MVO inputs (expected returns, standard deviations, and cross-correlation).

Fiduciary Services
Investment Selection for Investment Lineups
For our Fiduciary Services, the lineups we build for an Institutional Client are typically constrained to a universe of investment options (typically a subset of the entire universe of investment options publicly available for purchase by investors) defined by our client, which include their affiliated investment products in certain situations. We have no ability to choose the investment options that are made available under our Institutional Client's products and contracts and may have more favorable opinions of certain investment options which are not included in the defined universe of investment options. Our analysis includes quantitative analytics and fundamental research on the investment options available, holdings-based style analysis to determine an investment's style over time. We draw on Morningstar's comprehensive database of fund and security analytics as well as utilizing portfolio information provided by our Institutional Client, if applicable.

When analyzing investment options or managers for use in a lineup, our goal is to determine their true investment style, identify what we believe to be best-in-class managers, and identify the factors contributing to their performance and risk characteristics with the aim of assessing whether their performance appears to be sustainable over time.

We start with a propriety peer grouping analysis using the available investment options. Once investment options have been placed into their appropriate peer groups, our methodology begins with a quantitative review process. First, we apply a series of screens designed to flag funds that exhibit characteristics that are apt to hinder long-term performance in order to efficiently filter a large universe of investment options to focus our efforts on a more manageable opportunity set. Second, we use a multitude of statistics to begin to assess the overall quality of an investment option. We gather current and historical data points to evaluate investment style, structure, and performance and consider key factors that include fees, management tenure,

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style consistency, alpha, volatility, fund size, asset class exposure, and holdings concentration.

We conduct further style analyses on managers that pass our initial screens to identify nuances of their strategies. Just as important as selecting qualified managers is determining how well an investment option will fit with other investments in the lineup. We want each investment to fill a distinct stylistic role within a plan lineup, so we carefully assess how it can be expected to complement other options we are recommending in adjacent styles. In general, we want to have a number of strategies investing in a specific space while employing different investment approaches.

To accomplish this, we rely largely on a holdings-based style analysis to build a picture of an investment option's style positioning based on its underlying holdings. This means drilling down to examine the asset class exposure within the investment option. We evaluate overall diversification to ensure that the investment option is not exposed to undue security or sector specific risk. The goal is to provide a selection of investments that are likely to meet their investment mandate, but also to provide options that differ in their pursuit of that objective.

After an extensive quantitative review, we review an investment from a qualitative perspective. The purpose here is to allow our investment professionals to gain conviction in their investment thesis by developing a firm fundamental understanding of the strategy. Our professionals draw from their extensive experience in evaluating investment managers to analyze the people and process behind the investment. In doing so, our goal is to anticipate how an investment option is likely to be positioned in the future, which helps us build expectations of performance and capability of consistently playing a specific portfolio role.

In our fundamental assessment, we review a number of characteristics of the investment option and its manager that could be relevant to how well it can fill the role for which it is being considered. Those include reviewing the manager's performance and risk record against his or her peers in the same style—not just at the manager's current fund but also any other investment vehicles they've managed in the past. We analyze the subtleties of the manager's investment process to understand what drives performance. We observe which types of markets the investment option fares best in and which types are trouble for its style. We also determine what it is about their style that explains the performance pattern.

We assess whether a manager's investment process leads to a more aggressive or more conservative performance profile relative to its style peers, and how a manager's process might lead to persistent over- or under-weights in certain sectors. We also assess how performance, both absolute and relative to a peer group, has changed as a manager's assets have grown.

We use many factors to evaluate funds depending on the specific situation and the questions we are trying to answer including investment sub-style, manager skill, impact of asset growth on performance, sources of investment ideas, investment decision-making process, actions in previous market environments, manager ownership, process repeatability, and performance attribution.

Our qualitative assessment of a fund will draw on Morningstar's forward-looking Morningstar Medalist Rating™, when available, for additional perspective in evaluating factors such as those noted above.

Lineup Design and Construction

The area of behavioral finance has shown that investors don't always behave rationally and that the manner in which a problem is posed can impact individual actions. We are mindful of simple heuristics employed by retirement investors in making investment-related decisions and design lineups that attempt to drive better action on the part of investors. When constructing a lineup, we consider issues around choice overload, naïve allocations, and loss aversion. We strive to select investments to fill a distinct stylistic role within a lineup, and carefully assess how each investment can be expected to fit with other investments. We strive to choose funds that are clearly different from one another, rather than similar or redundant. The goal is to establish a specific role for each investment option in the lineup that minimizes holdings overlap and maximizes diversification.

Managing Lineups

We formally review investment options in our investment lineups quarterly. The majority of our watch-list notifications (a notice to indicate an investment option is under extra scrutiny due to factors such as performance, risk, straying from its stated investment style, or management changes) and approval changes occur on a regular quarterly schedule. However, we are always monitoring our approved investment options and if something occurs intra-quarter that we believe merits immediate action, we will take action outside of the normal review schedule.

When an investment option is removed by one of our investment professionals, a memo to the plan is produced outlining the rationale for such a decision, and for Institutional Clients of our 3(21) services, a timeframe is typically noted for a plan to make a particular change. If the plan opts out of the replacement investment option or fails to choose a replacement investment option from the approved list of investment options, the plan is terminated from the service. A negative consent process for changes can also be implemented wherein an investment option change is automatically implemented if the plan does not take any action within a specified window of time. For Institutional Clients of our 3(38) services, we will direct the plan's provider to implement the change as detailed in the memo.
For Institutional Clients utilizing our Fiduciary Services website, notices are sent to the plan sponsor via the website portal. For those Institutional Clients who opt to own communications to plan sponsors, they are responsible for creating their own notifications, but we will provide memos outlining our rationale for any change decision.

Managed Accounts, Advice, and Guidance

Investment Process

In providing Managed Accounts and Advice, we start with the five-step investment process detailed above in the Custom Model Portfolios section to build model portfolios. In providing Guidance, we use the first two steps of the investment process described above in the Custom Model Portfolio section to create an asset allocation model. Data incorporated in the recommendations include the plan's or product's investment lineup and for retirement plans, plan design requirements such as plan limits and matching formulas.

For these services, the portfolios we build are typically constrained to a universe of investment options defined by our Institutional Client, which include their or Sub-Adviser's affiliated investment products in certain situations. Our analysis will still include quantitative analytics and fundamental research on the investment options available. We draw on Morningstar's comprehensive database of fund and security analytics as well as utilizing portfolios information provided by our Institutional Client, if applicable.

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We use a combination of model portfolios and customization as part of a larger portfolio construction and fund implementation process. For Managed Accounts and Advice, we generate hundreds of unique model portfolios (ranging from conservative to aggressive) for each retirement plan or product using a customized approach to blending traditional asset allocation models with liability-driven investing and decumulation strategies. Which asset classes and sub-asset classes are used to build these model portfolios is dependent on the specific investment lineup for each retirement plan or product. We always try to build the model portfolios with the greatest number of sub-asset classes, but this is contingent on whether the investment options available can fulfill each asset class.

Each retirement investor that receives investment advice as part of Managed Accounts or Advice is assigned into one of up to 589 model portfolios for the account we advise on ("retirement account"). The large number of model portfolios is to address the personalization that is needed by retirement investors. These model portfolios account for not only varying equity/fixed-income allocations but also how close the individual is to retirement. As the individual nears retirement, the sub-asset allocation changes to reflect a liability-driven investment overlay used in the model portfolios for a retirement investor near or in retirement. Any change within the model portfolios is reflected at the individual level as soon as the retirement investor is reevaluated each quarter.

In creating recommendations, we believe that the more information the retirement investor provides to us, the better the investment strategy we are able to deliver. We collect information the plan provider, plan sponsor, or other service provider is able to provide to us, which is pre-populated into the user interface. The retirement investor is prompted to provide any additional data that wasn't available from other sources. After collecting those key pieces of data, the user is presented with an initial strategy as a starting point. The retirement investor can model many scenarios by changing variables such as retirement age, desired retirement income, and savings rate. We will dynamically update the retirement investor's retirement strategy to reflect any changes made. The retirement investor is also encouraged to enter, and/or use an account aggregator to enter, additional information for savings earmarked for retirement such as out-of-plan assets or benefits for themselves or their spouse/partner ("outside assets") in order to further personalize the recommendations. They can provide detail regarding the investments or select from one of the pre-defined investment styles. We do not provide investment specific advice on outside assets but provide an asset allocation recommendation for outside assets as a whole and will take those into consideration when determining the investment strategy for the retirement account. The portfolio recommendation for the retirement account will take into consideration the amount of advisable retirement account relative to outside assets as well as the equity/fixed composition of those outside assets.

We start with all of the available retirement investor-specific data and then makes assumptions about certain pieces of information. A retirement investor can review and refine some of these assumed data points through the user interface. These assumptions can have a significant impact on the strategies we will create for them and are related to social security income, salary growth, retirement age, inflation rates, estimated taxes, retirement income goal, and risk capacity. We combine this information with other factors into a proprietary software program that can provide investment recommendations and a projection of different outcomes. Using this model, we develop an investment strategy tailored to each retirement investor's investment goals.

For those retirement investors that are accumulating for retirement, our investment strategy is generally based on information such as their retirement account balance, expected retirement age, contribution rate and other preferences. If a retirement investor has already retired, and our Institutional Client makes available our In-Retirement services, our strategy is based on information such as their current account balance, additional cash flows and life expectancy. This retirement strategy may include some or all of the following:

Retirement Income Goal (accumulation phase). We define the retirement income goal as the projected amount of money that the retirement investor will need during retirement. We calculate this amount based on current income, adjusted to reflect the estimated dollar value at retirement age. Typically, we use an amount equal to 100% of take-home pay, however, some plan or service providers request we use a different rate. We then project the value of that amount at retirement age to determine the retirement income goal. A retirement investor using our user interface has the option to change this projected retirement income amount.

Income Outlook (accumulation phase). We define the income outlook as a projection of the annual income that the retirement investor may receive during retirement. We base this on an annualized view of the investment wealth accumulated, combined with social security benefits and any pension or other income the retirement investor might receive.

Total Retirement Income (in-retirement phase). For those plans that offer our In-Retirement service, we define total retirement income as the projected amount of money, typically at some level of probability that the retirement investor can expect to receive on an annual basis in order to maintain income throughout retirement.

For our Advice services, many of our Institutional Clients offer a similar experience to retirement investors either through our user interface or their proprietary user interface.

We believe in long-term strategic asset allocation based on an individual's risk capacity. Changes in an investor's financial situation, such as the addition of outside retirement accounts, pension benefits, or contribution rates, can result in a change to their model portfolio assignment. In addition, changes to their personal situation, such as the addition of a spouse or partner or a different retirement age, could also impact the model portfolio assignment. For Managed Accounts, we will typically review portfolios on a quarterly basis to determine if market shifts require a rebalancing of the portfolio. Retirement investor wealth re-forecasting occurs on an annual basis for our Managed Accounts service. For Advice, we encourage retirement investors to re-enter our user interface on a periodic or as-needed basis, in order to review their information and receive an updated strategy. At a minimum, we recommend that a retirement investor's portfolio is rebalanced on an annual basis. At this point, the retirement investor is one year closer to retirement, and we will shift them along their glide path.

Our projections are provided based upon an investor's personal financial situation using our total wealth approach and an optional risk tolerance questionnaire. We use MVO, resampling the mean-variance outputs using a Monte Carlo simulation, and our process incorporates liability-relative optimization. We solve for a specific probability of success when determining the sustainable retirement income. The Monte Carlo simulation uses our long-term capital market assumptions when projecting the future returns for the various asset classes. For risk capacity, we use the FinaMetrica risk profiling

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methodology, which is built using 'psychometrics', a combination of psychology and statistics. The retirement investor's result will be a score ranging from 0 (very low risk group) to 100 (very high risk group). This score accounts for a 20% weighting in our target equity determination for the retirement investor's investment strategy, with the other 80% weighting coming from our total wealth determination.

Approximately 20,000 cases are used to routinely test engine functionality to help ensure our recommendations are in line with our expectations. The test data consists of real retirement investor information as well as generated cases, and covers a gamut of possible ages, balances, salaries, and other optional data points. Running these cases and analyzing the results help ensure we are confident in the advice we provide retirement investors.

Key Assumptions

Social Security - We can incorporate Social Security for both the retirement investor and their spouse. This can be calculated using an estimate based on calculations/formulas from the Social Security Administration or input by the retirement investor. To calculate the estimate, a retirement investor/spouse must have 35 years of contributions. If the retirement investor/spouse has more than 35 years of service remaining, all projections are forward-looking. If the retirement investor/spouse has fewer than 35 years of service remaining, the difference in contributions is back-calculated. Social Security payments are inflated using a simulated cost-of-living allowance designed to replicate the actual Social Security Administration formulas and are applied at the maximum benefit age as defined by the Social Security Administration. Retirement investors can override the estimate by including information from their Social Security statement. In addition to standard payments, we account for reduction in payments while working in retirement, increases in benefits for the spouse 50% rule and increased benefits for the surviving spouse 100% rule. The program assumes the retirement investor/spouse completes all applications required to collect the maximum benefit. We treat Social Security as similar to income from fixed-income investments. We also take Social Security into consideration while analyzing income replacement. We default to the age at which the retirement investor will receive full benefits from the Social Security Administration. Retirement investors can adjust the benefit amount and start age if desired, however, the start age must be between the ages of 62 and 70.

Salary Growth - To estimate future salary, we use a salary growth curve based on academic research rather than assuming a single, fixed growth rate. This curve takes into account the fact that salaries tend to grow most rapidly for young employees, peak around age 51, and then slightly decline later in life.

Retirement Age - We assume a default retirement age of 67, or the retirement investor's current age plus one year if they are older than 67. Retirement investors have the option to change this to a different retirement age.

Income Projections – A retirement investor's income projection is the level of annual income we project the retirement investor has at least a 70% chance of achieving and is calculated for both the retirement investor's current strategy and our proposed strategy. We use forecasts for investment returns, portfolio risk, and correlation for each of the 12 asset classes and an average expense ratio for each asset class to estimate investment fees. The projections consider different scenarios for life span, based on standard published mortality tables (based on the Society of Actuaries Individual Annuity Mortality (IAM) table). We assume that the retirement investor's risk capacity (and corresponding asset allocation) will change over time, generally growing more conservative as they approach retirement, and that their savings rate will not change.

Estimated Tax - We estimate federal and state income, and capital gains taxes based on marginal tax rate calculations. Tax data is updated annually based on U.S. Internal Revenue Code (IRC) and similar state tax data. We use income data for the retirement investor, as well as for a spouse/partner, to estimate federal and state tax exposure. Tax exposure is appropriately reduced for pretax deferrals, tax-deferred capital gains, and yield and distribution of Roth proceeds. Based on the information we know about the retirement investor, we provide an estimate of tax exposure, but may not include all tax considerations.

Inflation Assumptions - When projecting the growth of various income sources and expenses, we use a variety of different inflation rates. These rates are reviewed and updated annually by our research team. Different inflation rates are used for different projections and major expenses. We believe that our multifaceted approach to calculating inflation results in more realistic and more accurate projections compared with using one set rate.

IRS Limitations and Application of Penalties - We incorporate all IRS contribution limits, eligibility requirements, and withdrawal penalties into the retirement strategies.

*Brokerage Account*s - Some plan sponsors allow retirement investors to maintain a brokerage account within their retirement plan. If allowed this option, the retirement investor will be responsible for managing and monitoring those assets. We do not manage brokerage account assets; however, if the retirement investor provides us with detailed information on the holdings within the brokerage account, our methodology will consider these holdings in developing an appropriate investment strategy for their retirement account. If the retirement investor does not provide detailed information, our methodology will assume that the balance in the brokerage account is 45% stocks and 55% fixed income.

Our Advisor Managed Accounts methodology is the same as our Managed Accounts and Advice methodology described above, except that we do not use our Custom Model Portfolios investment process to build the mode) portfolios. The model portfolios are built by our Institutional Client; with the exception of Sub-Advisers, we do not review their portfolios, nor do we have the ability to make any changes to those portfolios. If applicable under Advisor Managed Accounts, the plan sponsor or product provider is responsible for choosing the Sub-Adviser. However, we must agree to engage and are responsible for ongoing monitoring of the Sub-Adviser. In making portfolio recommendations, we are limited to those portfolios created by the Sub-Adviser but have discretion to reject or edit those portfolios if we feel necessary. The model portfolios created by a Sub-Adviser will typically consist of associated investment products in which they receive compensation based on the amount of assets invested. These investment products generally must be added to the retirement plan or product lineup by the plan sponsor or product provider. You should be aware that the use of affiliated investment products gives the Sub-Adviser an incentive to build model portfolios using those investments.

Enrollment

Plan and product providers have the option to make one or more websites available to retirement investors for enrollment in Managed Accounts. You should be aware that the streamlined version of our enrollment process does not consider all information relevant to a retirement investor's financial situation, including some of the information discussed in this section. (The

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streamlined process takes into account age, retirement plan or product type, and the balance, investment allocation, and contributions for their retirement account as provided by the retirement plan or product provider.) Retirement investors can access our full enrollment process at any time by logging into the Morningstar® Retirement Manager℠ platform through their Plan or product provider's website. The full enrollment process allows retirement investors to provide us with additional information about their retirement situation and goals so that we can further customize their retirement strategy. If the retirement investor has additional retirement assets outside their retirement account, have a spouse or partner they'd like us to consider, want to restrict certain securities from being used in their retirement account, or want to change suggestions made in the streamlined enrollment process (i.e., savings rate), or if they want to see how changes would impact their retirement strategy, we encourage them to use our full enrollment process instead of the streamlined process.

Personalized Target-Date Fund Service
With the Personalized Target-Date Fund Service, we start with a basic set of retirement investor inputs to generate a personalized asset allocation target. This target is then fulfilled by allocating to target-date funds available within the retirement investor's retirement plan or product lineup. Our choice of funds is constrained to the universe of the retirement plan or product's chosen target-date fund series.

Risk of Loss and Strategy Risk
Investments in securities are subject to market risk, risk of loss, and other risks and will not always be profitable. There is no assurance or guarantee that the intended investment objectives of our recommendations will be received. We do not represent or guarantee that our investment recommendations can or will predict future results, will successfully identify market highs or lows, or will result in a profit or protect clients from loss. Past performance of a security may or may not be sustained in the future and is no indication of future performance. A security's investment return and an investor's principal value will fluctuate so that, when redeemed, an investor's shares may be worth more or less than their original cost. We are unable to predict or forecast market fluctuations or other uncertainties that may affect the value of any investment.

Asset allocation and diversification are investment strategies which spread assets across various investment types for long-term investing. However, as with all investment strategies, these strategies do not ensure a profit and do not guarantee against losses.

Capital market assumptions are forecasts which involve known and unknown risks, uncertainties, and other factors which may cause the actual results to differ materially and/or substantially from any future results, performance, or achievements expressed or implied by those projections for any reason. Past performance does not guarantee future results.

Income projections used in our Guidance, Advice, and Managed Account services are based on hypothetical performance data and do not represent actual or guaranteed results. Projections may vary over time and with each use of our service.

Our recommendations are made without taking into consideration potential tax consequences and we do not provide tax advice. Potential tax consequences may exist. We encourage you to consult with a tax professional about these and other tax consequences.

Information Sources
Our global resources used in the formulation of our advisory services go down to our roots—the data and analysis from Morningstar that form the base of our investment process. This expansive, in-house network of global data and investment analysis spans asset classes and regions to help drive timely new ideas. Morningstar or its affiliates have more than 800 analysts and make data available on more than 700,000 investment options and 3.5 million privately-held companies. The extensive data, analysis, and methodologies from these resources, along with external research reports, data, and interviews with investment managers are combined with financial publications, annual reports, prospectuses, press releases, and SEC filings to serve as the basis of our primary sources of information.

For some of our services, we combine this information with other factors—including actuarial data, stock market exposure, probability analysis, and mean-variance optimization—into a proprietary software program to analyze a complex set of market data and variables that results in an advanced model that can provide investment recommendations and a projection of different outcomes.

Security Type Risks
Mutual Funds and Collective Investment Trusts
Investments in mutual funds and collective investment trust (CITs) funds involve risk, including loss of principal as a result of changing market and economic conditions and will not always be profitable.

A collective investment trust may also be called a commingled or collective fund. CITs are tax-exempt, pooled investment vehicles maintained by a bank or trust company exclusively for qualified plans, including 401(k)s, and certain types of government plans. CITs are unregistered investment vehicles subject to banking regulations of the Office of the Comptroller of the Currency (OCC), which means they are typically less expensive than other investment options due to lower marketing, overhead, and compliance-related costs. CITs are not available to the general public but are managed only for specific retirement plans.

Money Market Funds
A money market fund may impose a fee upon the sale of shares or may temporarily suspend your ability to sell shares if the fund's liquidity falls below a required minimum because of market conditions or other factors. An investment in a money-market vehicle is not insured or guaranteed by the Federal Deposit Insurance Corporation ("FDIC") or any other government agency. For most money market funds, their sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time. Although some money market funds seek to preserve the value of your investment at $1.00 per share, it cannot guarantee it will do so. It is possible to lose money by investing in money market funds.

Stable Value Funds and Guaranteed Investment Contracts ("GICs")
The interest rate on a stable value fund or GIC is typically only guaranteed for a certain amount of time and may vary with changing market conditions. Withdrawal fees or penalties, sometimes substantial, may be charged if you decided to move money out of a stable value fund or GIC. Stable value funds and GICs are less likely to provide long-term protection against inflation, as compared to other options.

Exchange-traded Funds
ETFs, like all investments, carry certain risks that may adversely affect their net asset value, market price, and/or performance. An ETF's net asset value

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(NAV) will fluctuate in response to market activity. Because ETFs are traded throughout the day and the price is determined by market forces, the market price you pay for an ETF may be more or less than the NAV. Because ETFs are not actively managed, their value may be affected by a general decline in the U.S. market segments relating to their underlying indexes. Similarly, an imperfect match between an ETF's holdings and those of its underlying index may cause its performance to not match the performance of its underlying index. Like other concentrated investments, an ETF with concentrated holdings may be more vulnerable to specific economic, political, or regulatory events than an ETF that mirrors the general U.S. market.

Annuities
An annuity is a tax-deferred investment structured to convert a sum of money into a series of payments over time. Annuity contracts have limitations and are not viewed as short-term liquid investments. An insurance company's fulfillment of a commitment to pay a death or living benefit, a schedule of payments, a fixed investment amount guaranteed by the insurance company, or another form of guarantee depends on the claims-paying ability of the issuing insurance company. Any such guarantee does not affect or apply to the investment return or principal value of the separate account and its subaccount(s). The financial ratings quoted for an insurance company do not apply to the separate account and its subaccount(s). The insurance company offering an annuity will charge several fees to investors, including annual contract charges that compensate the insurance company for the cost of maintaining and administering the annuity contract, mortality and expense risk charges based on a percentage of a subaccount's assets to cover costs associated with mortality and expense risk, and administration fees that are based on a percentage of a subaccount's assets to cover the costs involved in offering and administering the subaccount. An annuity investor can also be charged a front-end load by the insurance company on their initial contribution, ongoing fees related to the management of the fund, and surrender charges (which can be substantial) if the investor makes a withdrawal prior to a specified time. If the annuity subaccount is invested in a money-market fund, the money market fund is not FDIC-insured, may lose money, and is not guaranteed by a bank or other financial institution. Annuities can be complicated, and an investor should carefully read the insurance company's offering material to understand how a specific annuity's return will be determined.

Variable Annuities have a rate of return that varies with underlying investment options in the market, and do not include a guarantee from the insurance company that you will earn a return.

Fixed annuities have a predetermined rate of return an investor earns and a fixed income payout that is guaranteed by the issuing investment company and may be immediate or deferred. Payouts may last for a specific period or for the life of the investor. Investments in a deferred fixed annuity grow tax-deferred with income tax incurred upon withdrawal, and do not depend on the stock market. Fixed annuities typically do not have cost-of-living payment adjustments and are regulated by state insurance commissioners.

Fixed indexed annuities, also called equity index annuities, are a combination of the characteristics of both fixed and variable annuities. Fixed indexed annuities offer a predetermined rate of return like a fixed annuity, but they also allow for participation in the stock market, like a variable annuity. Fixed indexed annuities are typically risker and offer the potential for greater return than fixed annuities, but less so than a variable annuity. Investments in a fixed indexed annuity grow tax-deferred with income tax incurred upon withdrawal and are regulated by state insurance commissioners.

Target-Date Funds
An investment in a target date fund is not guaranteed, and investors may experience losses, including losses near, at, or after the target date. There is no guarantee that a target-date fund will provide adequate income at and through an individual's retirement.

Methodology Updates
Our CMA, asset allocation, and investment committees typically meet on a periodic basis. These committees have oversight for their respective areas of expertise. If any of these committees makes an adjustment, the changes are thoroughly reviewed and tested before being implemented. These changes are manifested in retirement investor portfolios through expected future returns, and asset allocations. CMAs are updated on an annual basis. We also update our methodologies with updated tax limits on an annual basis. Asset allocation and advice methodologies are updated only when there is a regulatory change that requires an update or when research we have completed warrants enhancing our asset allocation process or advice methodology.

Item 9. Disciplinary Information
We are required to disclose all material facts regarding any legal or disciplinary events that would influence a potential client to engage us. We do not have any material legal or disciplinary events to disclose.

Item 10. Other Financial Industry Activities and Affiliations
Morningstar Investment Management is a wholly owned subsidiary of Morningstar. Our offerings center on advisory services in our core capabilities of asset allocation, investment selection, and portfolio construction that we offer to individual investors and institutions (including the services described in this brochure.)

Our portfolio managers and their team members who are responsible for the day-to-day management of our portfolios are paid a base salary plus a discretionary bonus. The bonus is fully or partially determined by a combination of the employee's business unit's overall revenue and profitability, Morningstar's overall annual revenue and profitability, and the individual's contribution to the business unit. For most portfolio managers and their team members that work on Morningstar Wealth's Portfolios, part of their bonus is also based on select Portfolio investment performance and risk metrics versus both a corresponding benchmark over specified three-, five-, and/or seven-year periods and appropriate peer groups. Benchmarks are used as a measure of investment performance and are chosen by senior personnel and approved by the Regional Investment Committee, which is chaired by the regional Chief Investment Officer. To mitigate the conflict of interest that could arise from partially basing an employee's bonus on performance of a select Portfolio or Portfolios, all investment decisions made within a Portfolio by an individual portfolio manager must be peer reviewed by the broader regional team of portfolio managers. In addition, the Regional Investment Committee reviews strategy performance on a quarterly basis.

For many of our advisory services, the universe of investment options from which we make our investment selections is defined by our Institutional Client. In some cases, this universe of investment options includes proprietary investment options of the Institutional Client. To mitigate any actual or potential conflict of interests presented by this situation, we subject all investment options to the same quantitative and qualitative investment selection methodology, based on several factors, including performance, risk, and expense so that the proprietary nature of an investment option does not influence our selection.

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We may provide consulting or investment management services to Institutional Clients that offer registered or pooled investment products, such as mutual funds, variable annuities, collective investment trusts, or model portfolios. To mitigate the conflict of interest presented by our role in these investment products, we exclude such investment products from the universe of investment options from which we make our recommendations to other clients.

We receive compensation for our research and analysis activities (e.g., research papers) from a variety of financial institutions including large banks, brokerage firms, insurance companies, and mutual fund companies. In order to mitigate any actual or potential conflicts of interest that may arise from this service, we ensure that our research and analytical activities are non-biased and objective given our business relationships. Employees who provide research and analysis for clients are separate from our sales and relationship manager staff in order to mitigate the conflict of interest that an employee may feel pressure to present results in such a way as to maintain existing or gain new business. In addition, as noted above, all investment decisions for Morningstar Wealth's Portfolios service must be peer reviewed by fellow portfolio managers, which mitigates the conflict of interest by providing checks and balances so that no employee can act unilaterally in making recommendation decisions. Methodology updates which impact investment recommendations or decisions for Morningstar Retirement's services are peer reviewed by the Morningstar Retirement Investment Policy Committee. This serves to mitigate conflicts of interest by providing checks and balances so that no employee can act unilaterally in making recommendation decisions.

Morningstar Investment Management is registered as a Commodity Pool Operator with the Commodity Futures Trading Commission. Some of Morningstar Investment Management's employees are registered with the National Futures Association as principals or associated persons.

Our investment professionals provide portfolio construction and ongoing monitoring and maintenance for the portfolios within the Morningstar Wealth Platform and to third-party Institutional Clients on Morningstar Investment Services' behalf. While the same or similar portfolios are offered by us to our Institutional Clients, we do not believe these responsibilities create any material conflicts of interest for our clients. In order to mitigate any perceived conflict of interest, when we offer discretionary services for Morningstar Wealth's Portfolios, transactions for our clients are placed at the same time as transactions for Morningstar Investment Services' discretionary clients as part of block trades. We have procedures in place to ensure that trades are allocated in such a manner as to not favor one client over another. When we offer Portfolios on a non-discretionary basis to third-party Institutional Clients, our Institutional Clients receive trade recommendations just after trades are placed for discretionary clients, due to our heightened fiduciary responsibilities to our discretionary clients. In addition, all non-discretionary clients are notified of transaction recommendations after the close of the trading day, so that no one such client has an advantage over another.

Institutional Clients using Morningstar Wealth Portfolios are eligible to participate in our Affinity Program in which qualifying financial professionals receive a one-year license for Morningstar® Advisor Workstation℠, Morningstar FundInvestor and Morningstar ETFInvestor at no cost to the financial professional. Financial professionals with more than $20M of assets invested in accordance with Morningstar Wealth Portfolios each year are eligible for a one-year, no cost subscription.

Upon expiration of the subscription, if the financial professional continues to meet the asset requirements, the subscription will be renewed for an additional year. If the financial professional does not meet the asset requirements, he or she will be given a one-year grace period prior to removal from the Affinity Program. Morningstar Advisor Workstation was chosen for the Affinity Program as we believe they offer financial professional data, tools, and/or reports that can support them in their role. Pricing for Advisor Workstation varies depending on such items as functionality level but is estimated to be valued at up to $4,750 per year. Pricing for Morningstar newsletters ranges from $145 - $165 per year.

When we, along with Morningstar and/or our other affiliates offer services to the same client, we have the option to enter into a bundled agreement with the client that encompasses all or part of those services. Additional fee(s) for such product(s) or service(s), if required, will be set forth in our agreement with the client. In these situations, clients pay a fee directly to us and each such affiliate for its products or services or as part of a joint fee schedule which encompasses all services.

Affiliations – Registered Entities

Morningstar has various subsidiaries across the globe that are each registered with the applicable regulatory body or bodies in that country to provide investment management or other advisory services. As described earlier in this brochure, we share resources with these various subsidiaries. One subsidiary, Morningstar Investment Services LLC, is our subsidiary and is also an investment adviser registered under the Advisers Act. Morningstar Investment Services is additionally registered with the Securities and Exchange Commissions as a broker-dealer and a member of the Financial Industry Regulatory Authority (FINRA). Morningstar Investment Services offers model portfolios and separately managed accounts through its role as the sponsor of an investment advisory program known as the Wealth Platform and through third-party financial institutions, plan sponsor services, and retirement plan services for institutional and retail clients.

In some cases, our senior management members have management responsibilities to these other affiliated entities. We do not believe that these management responsibilities create any material conflicts of interests for our clients.

Morningstar Wealth and Morningstar Retirement have set up service teams composed of employees of our affiliate and located at our affiliate's office in Mumbai, India. In addition, Morningstar Retirement has a team composed of employees of our affiliate located at our affiliate's office in Toronto, Canada. We compensate our affiliates for services rendered via intercompany charges. The services and compensation will be governed by intercompany agreements. This compensation will likely be lower than compensation negotiated with non-affiliated firms for the same or similar services. To mitigate any conflict of interest between us and our affiliates we have established dual reporting lines for employees on these teams so that such employees report up to employees of Morningstar Investment Management. We've also established information security boundaries and technology separation to protect our non-public information and Morningstar's compliance department monitors the personal trading activity of these employees.

Morningstar Research Services LLC is also a wholly owned subsidiary of Morningstar and an investment adviser registered under the Advisers Act. Morningstar Research Services' offerings center around the production of investment research reports and investment consulting services to financial institutions/institutional investors who themselves are registered with and

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governed by a regulatory body. Conflicts of interests between us and Morningstar Research Services are mitigated by such things as the maintenance of separate legal entities and dual reporting/organization lines, and the utilization of physical (i.e., separate office "neighborhoods") and technological separation. Morningstar Research Services also maintains a committee structure so as to limit any unilateral decisions. Morningstar's compliance department monitors the personal trading activities of Morningstar Research Services' employees.

In some situations, we engage Morningstar Research Services to perform investment manager due diligence and/or selection services on our behalf as a sub-adviser or consultant. The notification to and authorization by the Institutional Client to our engaging Morningstar Research Services as a sub-adviser is addressed in our agreement with the Institutional Client. On such occasions, we compensate Morningstar Research Services for services rendered via an intercompany charge. The services and compensation will be governed by an intercompany agreement. This compensation will likely be lower than compensation negotiated with non-affiliated financial institutions/institutional investors for the same or similar services. Morningstar Research Services' employees who are engaged to provide manager due diligence and/or selection services are prohibited from using non-public/confidential information obtained because of their engagement in its investment research reports and/or investment consulting services to clients, including us.

Morningstar Research Services provides information to the public about various securities, including managed investments like open-end mutual funds and ETFs, which include written analyses of these investment products in some instances. Although we use certain products, services, or databases that contain this information, we do not participate in or have any input in the written analyses that Morningstar Research Services produces. While we consider the analyses of Morningstar Research Services, our investment recommendations are based on our decisions in regard to the investment product.

Morningstar Research Services may issue investment research reports on securities we hold in our portfolios or recommend to our clients, but they do not share any yet-to-be published views and analysis and/or changes in estimates (i.e., their confidential information) with us on these securities. In making investment decisions or recommendations, we use Morningstar Research Services' publicly available analysis as part of our review process and do not have access to their analysis prior to its public dissemination. We mitigate any actual or potential conflicts of interest that could arise from the access of their analysis prior to publication through measures such as informational barriers (both physical and technological), maintaining separate or dual organizational reporting lines, and monitoring by the compliance department.

Morningstar Research Services prepares qualitative analysis on separately managed accounts and model portfolios. To mitigate conflicts of interest, Morningstar Research Services does not prepare qualitative analysis on, nor recommend any Morningstar separately managed account or model portfolio we create and manage.

Some of Morningstar Research Services' clients are sponsors of funds or associated with other securities that we may recommend to our Institutional Clients. We mitigate any actual or potential conflicts of interests resulting from this fact through such measures as informational barriers (both physical and technological), maintaining separate or dual organizational reporting lines, and monitoring by the compliance department. In addition, we do not factor in the relationship between Morningstar Research Services and their clients when analyzing investments or making recommendations.

Morningstar Investment Management serves as an investment adviser to investment companies registered under the Investment Company Act of 1940, as amended, and to other pooled investment products. To mitigate conflicts of interest, Morningstar Research Services does not prepare qualitative analysis on nor recommend as part of their investment consulting services any investment company we are an investment adviser or sub-adviser to.

Affiliations – Morningstar, Inc.

Our parent company, Morningstar, Inc., is publicly traded (Ticker Symbol: MORN). We may recommend an investment product that holds a position in publicly traded shares of Morningstar's stock. Such an investment in Morningstar's stock is solely the decision of the investment product's portfolio manager. We have no input into a portfolio manager's investment decision nor do we require that the investment products we recommend own shares of Morningstar. An investment product's position in Morningstar has no direct bearing on our investment selection process. We mitigate any actual or potential conflicts of interest by not factoring Morningstar's publicly traded stock into our qualitative or quantitative analysis nor in our recommendations.

Morningstar offers various products and services to the public. Some of Morningstar's clients are service providers (e.g., portfolio managers, advisers, or distributors) affiliated with a mutual fund or other investment option. We may have a contractual relationship to provide consulting or advisory services to these same service providers or we may recommend the products of these service providers to our advisory clients. To mitigate any actual or potential conflicts of interest, we do not consider the relationship between Morningstar and these service providers when making recommendations. We are not paid to recommend one investment option over another, including products of service providers with which Morningstar has a relationship.

Morningstar provides information to the public about various investment products, including managed investments like open-end mutual funds and ETFs. In some cases, this information includes written analyses of these investment products. Although we use certain products, services, or databases of Morningstar, we do not have any decision-making input in the written analyses that Morningstar provides its licensees. While we consider the analyses of Morningstar, our investment recommendations are oriented to the mandates of the investment products in question.

Morningstar hosts educational events and conferences and, in some instances, provides us with the opportunity to suggest invitees or offer (proactively or upon request) discounted or waived registration fees. We mitigate any actual or potential conflicts of interest this introduces by using pre-defined criteria to select Institutional Clients for these opportunities.

Morningstar offers various products and services to retail and institutional investors. In certain situations, we recommend an investment product that tracks an index created and maintained by Morningstar. In such cases, the investment product sponsor has entered into a licensing agreement with Morningstar to use such index. To mitigate any conflicts of interest arising from our selection of such investment products, we use solely quantitative criteria established by our advisory client to make such selection, or, in the alternative, Morningstar's compensation from the investment product sponsor will not be based on nor will it include assets that are a result of our recommendation to our advisory client to invest in those investment products. In other cases, some of Morningstar's clients are sponsors of funds that we

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recommend to our clients. Morningstar does not and will not have any input into our investment decisions, including what investment products will be recommended for our recommended portfolios. We mitigate any actual or potential conflicts of interest by imposing informational barriers (both physical and technological), maintaining separate organizational reporting lines, and monitoring by the compliance department. In addition, we do not factor in the relationship between Morningstar when analyzing investments or making recommendations. We mitigate any actual or potential conflicts of interests resulting from that by not producing qualitative analysis on any such exchange-traded fund as well as imposing informational barriers (both physical and technological), maintaining separate organizational reporting lines between, and monitoring by the compliance department.

In some instances, we create portfolios that track an index created and maintained by Morningstar. Morningstar does not and will not have any input into our investment decisions, including what investment products will be included in our portfolios. We mitigate any actual or potential conflicts of interest by imposing informational barriers (both physical and technological), maintaining separate organizational reporting lines, and monitoring by the compliance department.

Morningstar has and maintains accounts which they invest in accordance with investment strategies created and maintained by us. Those investment strategies are deployed using equity securities. As we have discretion over these accounts, Morningstar's accounts are traded at the same time as our and Morningstar Investment Services' other discretionary client accounts in order to ensure that Morningstar's accounts are not treated more favorably than our client accounts. Some of Morningstar's accounts are used as the subject of newsletters offered by Morningstar. In order to ensure that Morningstar's newsletter subscribers are not treated more favorably than our clients, which would result in a breach of our fiduciary duty, we do not report trades in Morningstar's accounts invested in our strategies to newsletter subscribers until after our client accounts have been traded or our non-discretionary clients have been notified.

As a wholly owned subsidiary, we use the resources, infrastructure, and employees of Morningstar and its affiliates to provide certain support services in such areas as technology, procurement, human resources, accounting, legal, compliance, information security, and marketing. We do not believe this arrangement presents a conflict of interests to us in terms of our advisory services. Employees of Morningstar that provide support services to us have the option to maintain their Financial Industry Regulatory Authority ("FINRA") security licenses under Morningstar Investment Services' limited broker/dealer registration, if appropriate for their current job responsibilities. We believe no conflict of interest exists due to the maintenance of these security licenses.

We have the option to make our clients aware of various products and services offered by Morningstar or its affiliates. We do not receive compensation for that introduction. Morningstar and its affiliates also have the option to make their clients aware of various products and services offered by us. Morningstar and its affiliates do not receive any compensation from us for that introduction, unless it falls under a solicitation arrangement, as described in Item 14 below.

Morningstar Wealth, through Morningstar and its subsidiaries, make available products such as: (i) the Morningstar Wealth Platform; (ii) Morningstar Funds Trust, (iii) Morningstar Office℠, Morningstar's RIA portfolio software service; (iv) Morningstar® ByAllAccounts®, Morningstar's investment data aggregation service; and (v) Morningstar.com®, Morningstar's individual investor site offering. Daniel Needham, our co-president, has management responsibilities for Morningstar Wealth. We do not believe that these management responsibilities create any material conflicts of interests for our clients, but we mitigate any actual or potential conflicts of interests resulting from that by imposing informational barriers where appropriate and undertaking compliance monitoring.

Affiliations – Morningstar, Inc. Subsidiaries
Equity and manager research analysts based outside the United States are employed by various wholly owned subsidiaries of Morningstar. These analysts follow the same investment methodologies and process as Morningstar Research Services, as well as being held to the same conduct standards. As a result, we do not believe this structure causes actual or a potential for a conflict of interest.

Affiliations – Credit Rating Agency
We are affiliated with the Morningstar DBRS group of companies, which include DBRS, Inc., DBRS Limited, DBRS Ratings GmbH, and DBRS Ratings Limited. DBRS, Inc. is registered with the Securities and Exchange Commission as a Nationally Recognized Statistical Rating Organization (NRSRO). Morningstar DBRS' companies are also registered with and governed by applicable regulatory body or bodies in other countries around the globe. In our analysis of certain securities, we use the publicly available credit rating and analysis issued by Morningstar DBRS. Because of our use of Morningstar DBRS' ratings and analysis is limited to that which is publicly available, we do not believe there is an actual or potential conflict of interest that arises from such use.

Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code Of Ethics

We have in place a Code of Ethics pursuant to Rule 204A-1 under the Advisers Act ("Code of Ethics"). Our Code of Ethics strives to uphold the highest standards of moral and ethical conduct, including placing our clients' interest ahead of our own. Our Code of Ethics covers all our officers and employees as well as other persons who have access to our non-public information (collectively "Access Persons"). Our Code of Ethics addresses such topics as professional and ethical responsibilities, compliance with securities laws, our fiduciary duty, and personal trading practices. Our Code of Ethics also addresses receipt and/or permissible use of material non-public information and other confidential information our Access Persons may be exposed and/or have access to given their position. The Code of Ethics is provided upon hire and at least annually thereafter and at each time, the Access Person must certify in writing that she or he has received, read, and understands the Code of Ethics and that they agree to or have complied with its contents.

A copy of our Code of Ethics is available to existing and prospective clients by sending written request to compliancemail@morningstar.com.

Interest In Client Transactions

Our Access Persons have the option to maintain personal investment accounts and purchase or sell investments in those accounts that are the same as or different from the investments we recommend to clients. Our Code of Ethics is designed to ensure that Access Persons' personal trading activities should not conflict with our advisory activities or the timing of our recommendations and will not interfere with our clients' interests, while allowing our Access Persons to invest in their own accounts.

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We do not engage in principal transactions (transactions where we, acting in our own account or in an affiliated account, buy a security from or sell a security to a client's account) nor do we engage in agency cross transactions (transactions where we or our affiliate executes a transaction while acting as a broker for both our client and the other party in the transaction).

Interest In Securities That We May Recommend

Morningstar Investment Management has and maintains a number of seed accounts (accounts used to establish a strategy we offer or track), many of which follow strategies we offer to clients. We place block trades for our accounts, therefore trade requests for our seed accounts are placed at the same time as trades are placed for those client accounts invested in the same strategy and for which we have discretion. Block trades are allocated in such a manner as to ensure that our seed accounts do not receive more favorable trades than our clients' accounts. Client accounts that we manage on a discretionary basis and thus, our seed accounts, are traded before we provide model portfolio trade recommendations to other clients using our model portfolios. However, our model portfolio clients receive trade recommendation after the close of the trading day, so that no one model portfolio client is favored over another.

Personal Trading By Access Persons

Our Code of Ethics is designed to ensure that Access Persons' personal trading activities does not interfere with our clients' interests. While our Access Persons have the option to maintain personal investment accounts, they are subject to certain restrictions. Our Code of Ethics includes policies designed to prevent Access Persons from trading based on material non-public information. Access Persons in possession of material non-public information are prohibited from trading in securities which are the subject of such information and tipping such information to others. In certain instances, we employ information blocking devices such as restricted lists to prevent illegal insider trading. Morningstar's compliance department monitors the activities in the personal accounts of our Access Persons (and any accounts in which they have beneficial ownership) upon hire and thereafter. Access Persons are required to pre-clear IPO, initial digital coin offerings, and private placement transactions with Morningstar's compliance department.

Item 12. Brokerage Practices

Where we exercise investment discretion, we will generate trade instructions for each portfolio that requires investment, reallocation or rebalancing and forward those instructions to the appropriate institution as designated by the client. As a result, we do not have the ability to make decisions regarding which broker is used to execute the transactions nor the timing of when the trade is executed. This could result in different pricing of client trades. We do not participate in any soft dollar practices.

To generate additional income or to earn credits that offset expenses, the Morningstar Funds reserves the right to lend its portfolio securities to unaffiliated broker/dealers, financial institutions or other institutional investors pursuant to agreements requiring that the loans be secured continuously by collateral, marked-to-market daily and maintained in an amount at least equal in value to the current market value of the securities loaned. The aggregate market value of securities lent by a Morningstar Fund will not at any time exceed 33 1/3% of the total assets of the Morningstar Fund. All relevant facts and circumstances, including the creditworthiness of the broker-dealer or institution, will be considered in making decisions with respect to the lending of securities subject to review by the Morningstar Funds Trust's Board of Trustees. Currently, six of the nine Morningstar Funds participate in a securities lending program.

The cash collateral received from a borrower as a result of a Morningstar Fund's securities lending activities will be invested in cash or high quality, short-term debt obligations, such as securities of the U.S. government, its agencies or instrumentalities, irrevocable letters of credit issued by a bank that meets the Morningstar Fund's investment standards, bank guarantees or money market mutual funds or any combination thereof.

Securities lending involves two primary risks: "investment risk" and "borrower default risk." Investment risk is the risk that a fund will lose money from the investment of the cash collateral received from the borrower. Borrower default risk is the risk that a fund will lose money due to the failure of a borrower to return a borrowed security in a timely manner. There also may be risks of delay in receiving additional collateral, in recovering the securities loaned, or a loss of rights in the collateral should the borrower of the securities fail financially. In the event a Morningstar Fund is unsuccessful in seeking to enforce the contractual obligation to deliver additional collateral, then the Morningstar Fund could suffer a loss.

Item 13. Review of Accounts

If included in our contract with the Institutional Client, we will provide ongoing monitoring of the underlying holdings in investment portfolios and reallocation or rebalancing of investment portfolios. The frequency and nature of our reviews and rebalancing is governed by our contract with each Institutional Client.

In instances where we act as a discretionary investment manager for Morningstar Wealth Portfolios, financial advisors of the Institutional Client or financial advisors using the Institutional Client's platform are typically responsible for periodically reviewing client accounts.

We do not provide periodic reviews or ongoing monitoring of retirement accounts where we solely provide our Guidance or Advice services. We recommend such retirement investors return to our site every six months to receive an updated strategy, or sooner if they have had any significant changes in their personal or financial situation. We also recommend they return to our site whenever there has been a chance in the available investment options in their plan lineup.

Retirement accounts enrolled in our Managed Accounts service are typically rebalanced to the asset allocation target or reallocated on a quarterly basis as necessary, and portfolio allocations will be adjusted on an annual or as-needed basis to account for changes in age and any other significant personal or financial changes that we have been informed about. Our methodology has a built-in mechanism to help prevent unnecessary trading, and therefore will not propose any changes to investment strategies if the adjustments are relatively small. Retirement investors are responsible for notifying us of changes in their personal and financial information, investment objectives, and investment restrictions so that we can make the necessary adjustments to their investment strategy.

We may provide periodic reports to our Institutional Clients on the investment portfolios and the underlying holdings or retirement plan or product lineup if included in our contract with the Institutional Client. We do not prepare periodic reports as part of Advice or Guidance.

Our model portfolios and valuation models are reviewed on at least an annual basis. Investment-specific model portfolios for a retirement plan or product are reviewed on at least an annual basis.

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Item 14. Client Referrals and Other Compensation

We may make direct or indirect cash or non-cash payments to our affiliates or to unaffiliated third parties for recommending our services. If such payments occur, they will be done pursuant to Rule 206(4)-1 of the Advisers Act. Clients referred by third party solicitors may in some cases pay a higher fee than clients who contract with us directly. Through disclosures, which are spoken or given in writing to Clients at the time of the solicitation, Clients solicited by an unaffiliated person are made aware of the arrangement between the solicitor and us (and therefore that the solicitor has a financial interest in recommending us to Client), any other material conflicts of interest, and the terms of any compensation paid directly or indirectly to the solicitor as a result of their referral.

Item 15. Custody

We do not serve as a custodian of client assets. However, in cases where we have the ability to debit fees directly from client accounts, we are deemed to have custody of client assets under Rule 206(4)-2 of the Advisers Act, even if we do not act as a custodian. The Institutional Client is responsible for selecting the custodian for assets.

Item 16. Investment Discretion

In some cases, we have complete investment discretion in managing investment portfolios, retirement plans, or registered funds for our Institutional Clients and Morningstar Funds Trust. In other cases, we provide information or make investment recommendations to an investment committee, board, plan sponsor, or other person(s) within an institution designed to help them make investment choices, but the institution has the discretion to accept, reject, or modify our recommendations.

As described in our Retirement Services for Individuals firm brochure, we typically have investment discretion in managing retirement accounts through Morningstar Retirement's Managed Accounts and the Personal Target-Date Fund Service. In other cases, we make investment recommendations to retirement investors through our Advice or Guidance programs, but the retirement investor has the discretion to accept, reject, or modify our recommendations.

The extent of our investment discretion is set forth in our contract with the Institutional Client or retirement investors using our Managed Account, Advice, or Guidance services.

Item 17. Voting Client Securities

For the majority of our institutional advisory service arrangements, we do not have the authority to and will not vote proxies. In such situations, proxies or other solicitations will be sent directly to the Institutional Client and we will not provide information or advice in regard to questions an Institutional Client has about a particular solicitation.

We do not advise or act for Institutional Clients in legal proceedings, including class actions or bankruptcies, involving recommended securities.

The Morningstar Funds have authorized us to vote proxies on their behalf. In turn, in accordance with the sub-advisory agreement entered into between us and each sub-adviser, we have delegated proxy voting authority to the sub-adviser. We have implemented policies and procedures with respect to the portion of the Morningstar Funds that are not managed by a sub-adviser.

Proxy Voting Policy and Procedures

Rule 206(4)-6 of the Investment Advisers Act of 1940, as amended, places a number of requirements on investment advisers with proxy voting authority. These requirements are:

- Adopt and implement written policies and procedures that are reasonably designed to ensure that proxies are voted in the best interest of clients. Such procedures must include how to address material conflicts that may arise between our interests and those of our clients;
- Disclose how clients may obtain information about how proxies were voted with respect to their securities; and
- Describe to clients our proxy voting policies and procedures and, upon request, furnish a copy of the policies and procedures.

Proxy Voting Committee

In efforts to mitigate conflicts of interest, we have in place a Proxy Voting Committee ("Committee"). This Committee consists of both non-voting and voting members (collectively, "Committee Members"). Committee Members include members of the investment team serving in a voting role and member(s) of compliance and operations team serving in non-voting roles. The Committee is responsible for tasks such as:

- Developing, implementing and updating policy and procedures intended to ensure voting of proxies is conducted in a manner that is in the best interests of Morningstar Funds investors;
- Assessing whether proxy voting should be done internally, externally by a third-party vendor, or a combination of the two;
- Oversight of a third-party vendor, when applicable;
- Making voting decisions (including whether or not to abstain from voting) and ensuring votes are cast on time;
- Maintaining documents material to the voting decision; and
- Implementing appropriate proxy voting disclosures and maintaining records of communications received from Morningstar Funds investors requesting information on how proxies were voted and our responses.

Proxy Voting Process

Proxy statement notifications are received by an independent third-party vendor when a proxy statement has been issued on a security that currently underlies a portion of a Morningstar Fund managed by us. This third-party vendor provides additional services such as facilitating vote submissions on our behalf and provides access to e-ballot and meeting information.

We identify, on an annual basis, certain categories of proxy votes to be reviewed by our proxy committee. In these instances, the vote will be determined on a case-by-case basis based on the Investment Management group's global proxy voting principles. Upon receipt of a proxy statement, the investment team member with the primary oversight responsibility for the security will review the proxy statement and any additional soliciting materials it is aware of that the issuer has filed and will communicate their recommendation, support for the recommendation, and other pertinent information to the Committee.

The voting Committee Members will review the proxy issue and the recommendation and will cast their vote as to whether they agree or disagree with the recommendation. If the other voting Committee Members agree with the recommendation, the proxy will be voted in that manner. If there is not a super-majority, the Committee will hold a meeting to discuss the proxy and reach a resolution.

There may be instances where we will refrain from voting a specific proxy when we believe it is in the best interests of our Morningstar Fund investors.

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How you can Obtain Proxy Voting Information

At any time, you may request information on how we voted proxies and/or request a copy of our proxy voting policies and procedures. Requests can be submitted by calling 877-626-3227, sending an e-mail to compliancemail@morningstar.com, or writing to Morningstar Investment Management LLC at 22 West Washington Street, Chicago, IL 60602 ATTN: Compliance.

Item 18. Financial Information

We are required to provide you with certain financial information or disclosures about our financial condition. We do not have any financial commitment that impairs our ability to meet our contractual and fiduciary commitments to clients, have we been the subject of any bankruptcy proceeding.

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MORNINGSTAR®

Morningstar Investment Management LLC Form ADV Part 2B: Brochure Supplement

Institutional Advisory Services

22 West Washington Street, Chicago, IL 60602
Phone: 312.696.6000
www.corporate.morningstar.com

June 7, 2024

This Brochure Supplement provides information about key members of the investment team for Morningstar Investment Management LLC's institutional advisory services. This Brochure Supplement provides information on the members of the investment team with the most significant responsibility for day-to-day investment advice and is not a complete list of all the members of the investment advisory team.

Please contact the Compliance Department at 312.696.6000 or compliancemail@morningstar.com if you did not receive a copy of our firm brochure or if you have questions about the content of this Brochure Supplement. In your request, please indicate the name of the company (Morningstar Investment Management) and the type of service (Institutional Advisory Services.)

Key Members of the Morningstar Wealth Investment Team

Paul Arnold, CFA
Educational Background and Business Experience: Paul Head of Investments, Multi-asset for Morningstar Investment Management. Prior to joining Morningstar Investment Management in 2007, he was an analyst of the Bank of America Capital Corporation. Born in 1983, Paul has a bachelor's degree in finance and international business from the Kelley School of Business at Indiana University, a MBA, with honors, in analytical finance and economics from the Booth School of Business at the University of Chicago and is a CFA* charterholder.
Disciplinary Information, Other Business Activities, and Additional Compensation: Paul does not have any disciplinary information, other business activities or additional compensation to disclose.
Supervisor: Philip Straehl, Chief Investment Officer, Americas

Michael Corty, CFA
Educational Background and Business Experience: Michael is Head of Investments, Select Equities. He joined Morningstar, Inc. in 2004 as a senior equity analyst before joining Morningstar Investment Services LLC as a portfolio manager in 2013. Michael moved to Morningstar Investment Management in 2016 as part of the investment management group's re-organization. Before joining Morningstar, Michael spent two years as a senior loan analyst for Bank of America and three years as an auditor at Arthur Andersen. Born in 1973, Michael has a bachelor's degree from Loyola Marymount University, a MBA from the Johnson Graduate School of Management at Cornell University and is a CFA* charterholder.
Disciplinary Information, Other Business Activities, and Additional Compensation: Michael does not have any disciplinary information, other business activities or additional compensation to disclose.
Supervisor: Philip Straehl, Chief Investment Officer, Americas and Daniel Rohr, Head of Global Equity Research for Morningstar Research Services LLC

Dominic Pappalardo
Educational Background and Business Experience: Dominic is Senior Portfolio Manager, Institutional Solutions for Morningstar Investment Management. Prior to joining Morningstar Investment Management in 2020, he was a Director and Portfolio Manager for McDonnell Investment Management. Born in 1979, Dominic has a bachelor's degree in finance from Benedictine University and a MBA from the Mendoza College of Business at the University of Notre Dame.
Disciplinary Information, Other Business Activities, and Additional Compensation: Dominic does not have any disciplinary information, other business activities or additional compensation to disclose.
Supervisor: Philip Straehl, Chief Investment Officer, Americas

Philip Straehl
Educational Background and Business Experience: Philip is Chief Investment Officer, Americas for Morningstar Investment Management and is responsible for leading Morningstar Investment Management's investment strategies and teams throughout the United States and contributing to the global investment committees, policies, capabilities, and thought leadership. Since joining Morningstar Investment Management in 2007, he has been a portfolio manager and senior research consultant responsible for managing asset allocation portfolios and Chief Investment Officer, Quantitative Strategies. Born in 1984, Philip has a bachelor's degree in business administration from the University of St. Gallen (HSG), Switzerland and a master's degree in business administration from the University of Chicago Booth School of Business with concentrations in analytic finance and economics.
Disciplinary Information, Other Business Activities, and Additional Compensation: Philip does not have any disciplinary information, other business activities or additional compensation to disclose.
Supervisor: Dan Kemp, Chief Research and Investment Officer

Richard Williamson, CFA, CIPM®
Educational Background and Business Experience: Richard is head of investments, mutual funds for Morningstar Investment Management. . He joined Morningstar Investment Management in 2013. Before joining Morningstar Investment Management, he was a consultant and analyst with Cardinal Investment Advisors, LLC, where he built asset allocation models for defined benefit plans, performed manager due diligence, and worked on capital market research. Born in 1984, Richard has a bachelor's degree in economics and government from the University of Virginia, holds a Certificate in Investment Performance Measurement**, and is a CFA* charterholder.
Disciplinary Information, Other Business Activities, and Additional Compensation: Richard does not have any disciplinary information, other business activities, or additional compensation to disclose.
Supervisor: Philip Straehl, Chief Investment Officer, Americas

Key Members of the Morningstar Retirement Investment Team

Tao Guo, CFA, CFP®, CIPM®
Educational Background and Business Experience: Tao is director, retirement research for Morningstar Investment Management. Tao is a member of the Morningstar Retirement Investment Policy Committee. Prior to joining Morningstar Investment Management in 2022, he served as an associate professor for William Paterson University of New Jersey from 2015 – 2021. Born in 1984, Tao has a Ph.D. in Financial Planning and a master's degree in Finance from Texas Tech University, a Master of Business Administration from Michigan Tech University, a bachelor's degree from Northeastern University, China, holds a Certificate in Investment Management Performance**, and is a CFA* charterholder and CFP*** professional.
Disciplinary Information, Other Business Activities, and Additional Compensation: Tao does not have any disciplinary information, other business activities or additional compensation to disclose.
Supervisor: Rajneesh Motay, Head of Advice and Financial Planning

Thomas Idzorek, CFA
Educational Background and Business Experience: Tom is the chief investment officer, retirement for Morningstar Investment Management. Tom is a member of the Morningstar Retirement Investment Policy Committee and Morningstar's Global Investment Policy Committee. He currently serves as a member of Morningstar, Inc.'s 401(k) committee and on the editorial board of *Morningstar* magazine. From 2012 to 2015, Tom served as president of Morningstar's Investment Management group. Additionally, he has served as president of Ibbotson Associates, president of

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Morningstar Associates, board member/responsible officer for a number of the Investment Management group's subsidiaries, global chief investment officer for the Investment Management group, chief investment officer & director of research and product development for Ibbotson, and head of investment methodology and economic research for Morningstar, Inc. Before joining Ibbotson Associates (which Morningstar, Inc. acquired in 2006), Tom was a senior quantitative researcher for Zephyr Associates. Born in 1970, Tom holds a bachelor's degree from Arizona State University and a master's degree in business administration from Thunderbird School of Global Management. He also is a CFA* charterholder.
Disciplinary Information, Other Business Activities, and Additional Compensation: Tom does not have any disciplinary information, other business activities or additional compensation to disclose.
Supervisor: Brock Johnson, President, Morningstar Retirement Services and Michael Holt, Chief Strategy Officer and President of Research for Morningstar

Lucian Marinescu, CFA
Educational Background and Business Experience: Lucian is a senior portfolio manager and head of investments, retirement for Morningstar Investment Management. Lucian is a member of the Morningstar Retirement Investment Policy Committee as well as the Morningstar Portfolios Americas Investment Committee. He served as a project manager for Morningstar, Inc. beginning in 2002 before joining Morningstar Investment Management in 2007. Born in 1979, Lucian has a bachelor's degree in economics and business administration from Monmouth College, a MBA from University of Chicago Booth School of Business and is a CFA* charterholder.
Disciplinary Information, Other Business Activities, and Additional Compensation: Lucian does not have any disciplinary information, other business activities or additional compensation to disclose.
Supervisor: Philip Straehl, Chief Investment Officer, Americas

Harold (Hal) Ratner, CFA
Educational Background and Business Experience: Hal is dead of research, investment management for Morningstar Investment Management and has been with the firm since 2003. Hal is a member of the Morningstar Retirement Investment Policy Committee. Born in 1965, Hal has a bachelor's degree in Communications from Antioch College and is a member of the CFA Society of Chicago. Previously, Ratner served as chief investment officer of Morningstar Investment Management Europe and prior to that as portfolio manager and senior research consultant, co-managing mutual fund and variable insurance product assets for U.S.-based clients. Before rejoining Morningstar in 2003, Ratner served as vice president of investments for San Francisco based mPower—one of the first robo-advisers. Prior to that, he was an assistant vice president of global manager research for Callan Associates and an analyst at ING Barings' Private Asset Management group. Ratner began his career at Morningstar as a mutual fund and variable annuities analyst.
Disciplinary Information, Other Business Activities, and Additional Compensation: Hal does not have any disciplinary information, other business activities or additional compensation to disclose.
Supervisor: Rajneesh Motay, Head of Advice and Financial Planning

Michael Sawula, CFA
Educational Background and Business Experience: Michael is senior director of automated portfolio solutions for Morningstar Investment Management. Michael is a member of the Morningstar Retirement Investment Policy Committee. He leads a team that is responsible for constructing, refining, and rebalancing managed accounts portfolios for retirement plan participants. He joined Morningstar, Inc. in 2012 and served as a product consultant, data analyst and operations analyst prior to joining Morningstar Investment Management in 2015 as an investment analyst. Born in 1990, Michael has a bachelor's degree from Grinnell College, a master's degree in business administration and a master of science in computer science from the University of Chicago. He is also a CFA* charterholder.
Disciplinary Information, Other Business Activities, and Additional Compensation: Michael does not have any disciplinary information, other business activities or additional compensation to disclose.
Supervisor: Rajneesh Motay, Head of Advice and Financial Planning

Supervision
Each supervisor named above oversees their direct report(s). Supervisors can be contacted at the number listed at the top of this document.

The investment activities of the Morningstar Wealth group are guided by global and regional investment and product committees who are responsible for employing and overseeing the investment methodologies offered through Morningstar Wealth.

The investment activities of Morningstar Retirement are guided by the Morningstar Retirement Investment Policy Committee, which is responsible for oversight of the investment methodologies and governs material changes to Morningstar Retirement advisory services.

Minimum Professional Designation Qualifications
*The Chartered Financial Analyst (CFA) designation is an international professional certification offered by the CFA Institute. To become a CFA professional, candidates must pass three six-hour exams, possess a bachelor's degree, and have 48 months of qualified, professional work experience. CFA professionals are also obligated to adhere to a strict Code of Ethics and Standards governing their professional conduct. The CFA is a qualification for finance and investment professionals, particularly in the fields of investment management and financial analysis of stocks, bonds and their derivative assets. The program focuses on portfolio management and financial analysis and provides a general knowledge of other areas of finance.

** The Certificate in Investment Performance Measurement (CIPM®) program is an international professional certificate offered by the CFA Institute. To earn the CIPM certificate, candidates must pass two three-hour exams, have four years of qualified, professional work experience, become a CFA Institute member, and complete 15 hours of qualifying continuing professional development annually. The CIPM is an advanced specialist program for finance and investment professionals, particularly in the areas of performance evaluation, portfolio management, risk and compliance, and manager selection. The program focuses on practice-based investment performance measurement, attribution, appraisal, and presentation along with investment manager due diligence.

***The Certified Financial Planner™ (CFP®) designation is offered by the Certified Financial Planner Board of Standards, Inc. To obtain the CFP designation, candidates must have a bachelor's degree or higher from an accredited college or university and three years of full-time personal financial planning experience of the equivalent part-time experience. Candidates must complete a CFP-board registered program or hold an approved designation, attorney's license, PhD in business or economics, or doctor of business administration degree, and pass a final exam. CFP professionals must complete 30 hours of continuing education every two years and adhere to CFP Board's ethical standards that require them to put their clients' interest first. The CFP is a qualification for finance and investment professional, and focuses on the delivery of professional, component, and ethical financial planning services.

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Lincoln SelectSolution IRA® Agreement

by and between

Lincoln Financial Group Trust Company, Inc.

and

City of Yuba City
YUBA-001

Lincoln Financial Group is the marketing name for Lincoln National Corporation and its affiliates. Affiliates are separately responsible for their own financial and contractual obligations.

Lincoln SelectSolution IRA® Agreement

WHEREAS, City of Yuba City (Employer) maintains the following tax qualified or tax favored retirement plan(s):

- City of Yuba City Deferred Compensation Plan
-

WHEREAS, the plan is a governmental plan within the meaning of section 414(d) of the Internal Revenue Code of 1986, as amended (Code) and exempt from Title I of the Employee Retirement Income Security Act of 1974, as amendment (Act) in accordance with section 4(b)(1) of the Act; and,

WHEREAS, the plan(s) provides that if a distribution is made to a participant and the participant does not make a rollover election pursuant to section 401(a)(31)(A) of the Code and does not elect to receive the distribution directly, the Employer shall transfer the distribution to an individual retirement plan of a designated trustee or issuer and shall notify the participant in writing that the distribution may be transferred to another individual retirement plan or distributed to the participant; and

WHEREAS, Lincoln Financial Group Trust Company, Inc. (Custodian) is the trustee within the meaning of sections 408(a) and 408(h) of the Code of the *Lincoln SelectSolution IRA®*, an individual retirement account (IRA) program designed to receive automatic rollovers of distributions from tax qualified and tax favored retirement plans; and

WHEREAS, the Employer desires to designate the *Lincoln SelectSolution IRA®* to receive automatic rollover distributions from the Employer's plan(s) and appoint the Custodian to provide custodial and IRA services with respect to automatic rollover distributions from the Employer's plan(s); and

WHEREAS, the Custodian desires to make the *Lincoln SelectSolution IRA®* available to the Employer to receive automatic rollover distributions from the Employer's plan(s) and to furnish certain custodial and IRA services to the Employer with respect to automatic rollover distributions from the Employer's plan(s);

NOW, THEREFORE, BE IT RESOLVED, Lincoln Financial Group Trust Company, Inc. and City of Yuba City hereby agree, effective as of November 5, 2024, to the following:

Section 1 – Definitions

1.01 "Code" means the Internal Revenue Code of 1986, as amended.

1.02 "Custodial Account" means a custodial account within the meaning of section 408(h) of the Code.

1.03 "Custodian" means Lincoln Financial Group Trust Company, Inc.

1.04 "Employer" means City of Yuba City.

1.05 "Fixed Annuity Contract" means the Unallocated Group Fixed Annuity Contract offered by The Lincoln National Life Insurance Company as the sole investment in the *Lincoln SelectSolution IRA®* for each Plan.

1.06 "IRA" means an individual retirement account within the meaning of section 408(a) of the Code.

1.07 "Plan" or "Plans" mean the City of Yuba City Deferred Compensation Plan.

1.08 "Trustee" means a trustee within the meaning of sections 408(a)(2) and 408(h) of the Code.

Section 2 – Employer Status and Selections

2.01 Employer Selection of Custodian. The Employer designates the Custodian as the IRA provider of certain custodial services with respect to automatic rollover distributions from the Plan(s).

2.02 Employer Selection of *Lincoln SelectSolution IRA®*. The Employer designates *Lincoln SelectSolution IRA®* as the IRA to which automatic rollover distributions from the Plan(s) will be made.

2.03 Employer Selection of the Fixed Annuity Contract. The Employer designates the Fixed Annuity Contract as the sole investment option in the *Lincoln SelectSolution IRA®* for the investment of automatic rollover distributions from the Plan(s).

Section 3 – Employer Responsibilities and Acknowledgements

3.01 Employer Responsibilities and Acknowledgements. Subject to the Custodian certifications and acknowledgements contained in this Agreement, the Employer is solely responsible for determining if selection of the Custodian, *Lincoln SelectSolution IRA®* and the Fixed Annuity Contract satisfies the requirements of section 401(a)(31)(B) of the Code and any applicable federal, state and/or local legal requirements of the Employer as sponsor of the Plan(s) in connection with automatic rollovers of certain mandatory distributions to an IRA.

In making this determination, the Employer acknowledges:

a) The present value of the nonforfeitable accrued benefit automatically rolled over, as determined under section 411(a)(11) of the Code, generally may not exceed the maximum amount under section 401(a)(31)(B) of the Code;

b) The IRA receiving the automatic rollover distribution must be an individual retirement plan as defined in section 7701(a)(37) of the Code and either (1) a trust or custodial IRA under section 408(a) of the Code or (2) an individual retirement annuity under section 408(b) of the Code. The *Lincoln SelectSolution IRA®* is a custodial IRA under section 408(a) of the Code;

c) The Employer is entering into a written agreement with the IRA provider that provides in part, the participant on whose behalf the Employer makes an automatic rollover shall have the right to enforce the terms of the contractual agreement establishing the individual retirement plan, with regard to his or her rolled over funds, against the individual retirement plan provider; and

d) The Custodian is a wholly owned subsidiary of Lincoln Retirement Services Company, LLC (LRSC). LRSC is a wholly owned subsidiary of The Lincoln National Life Insurance Company.

e) Where a Lincoln SelectSolution IRA owner consents to be presented with third-party products including by electronic consent via lfg.com; as part of WellnessPATH and Lincoln's marketplace, they may be presented with third-party products. Where that owner chooses to purchase a product introduced to them by Lincoln, Lincoln may receive a marketing distribution fee for that product purchased. Depending on the arrangement this may be a flat dollar fee, or a percentage of fees received by the third-party vendor.

3.02 Review and Acceptance of *Lincoln SelectSolution IRA®* Terms and Conditions. The Employer acknowledges review and acceptance of the terms and conditions of the *Lincoln SelectSolution IRA®*, including, but not limited to, the Fixed Annuity Contract.

3.03 Participant Notification. The Employer acknowledges that it is solely responsible for furnishing participants with a notice stating that an automatic rollover distribution may be transferred to another eligible retirement plan in accordance with section 401(a)(31)(B) of the Code.

Section 4 – Custodian Certifications and Acknowledgements

4.01 Custodian's Status. The Custodian acknowledges that it is the Trustee to the *Lincoln SelectSolution IRA®* and is responsible for administration of the *Lincoln SelectSolution IRA®* in compliance with the applicable provisions of section 408 of the Code and the Treasury Regulations thereunder, including, but not limited to, the reporting requirements of section 408(i) of the Code.

4.02 *Lincoln SelectSolution IRA®*.

a) The Custodian certifies that the *Lincoln SelectSolution IRA®* is an individual retirement plan as defined in section 7701(a)(37) of the Code and a Custodial Account.

b) The Custodian certifies that the Fixed Annuity Contract is an unallocated fixed annuity contract issued by The Lincoln National Life Insurance Company and purchased and held by the Custodian in *Lincoln SelectSolution IRA®* Custodial Account. The Fixed Annuity Contract is designed to preserve principal and provide a reasonable rate of return with a guaranteed minimum interest rate, subject to the claims paying ability of The Lincoln National Life Insurance Company, that is consistent with liquidity. Notwithstanding the foregoing, fees and expenses attendant to the *Lincoln SelectSolution IRA®* can reduce principal.

c) The Custodian certifies that the Fixed Annuity Contract selected for the rolled-over funds shall seek to maintain, over the term of the investment, the dollar value that is equal to the amount invested in the contract by the *Lincoln SelectSolution IRA®*. Notwithstanding the foregoing, fees and expenses attendant to the *Lincoln SelectSolution IRA®* can reduce principal.

d) The Custodian certifies that the Fixed Annuity Contract selected for the rolled-over funds is offered by The Lincoln National Life Insurance Company, a state regulated financial institution, which is an insurance company, the products of which are protected by state guaranty associations.

e) The Custodian certifies that all fees and expenses attendant to the *Lincoln SelectSolution IRA®*, including investments of such plan, (e.g., establishment charges, maintenance fees, investment expenses, termination costs and surrender charges) shall not exceed the fees and expenses charged by the Custodian for comparable individual retirement plans established for reasons other than the receipt of a rollover distribution subject to the provisions of section 401(a)(31)(B) of the Code. For this purpose, the Custodian makes the following disclosure: The Lincoln National Life Insurance Company is in the process of phasing out the Lincoln Small Accounts IRA and substituting in its place, the *Lincoln SelectSolution IRA®*.

f) The Custodian certifies that the participant on whose behalf the Employer makes an automatic rollover shall have the right to enforce the terms of the contractual agreement establishing the *Lincoln SelectSolution IRA®*, with regard to his or her rolled over funds, against the Custodian.

Section 5 – Indemnity

5.01 Employer Indemnification. The Employer will indemnify the Custodian and The Lincoln National Life Insurance Company, their officers, employees and agents from and against any and all damages, losses, costs, judgments, fines and expenses (including attorneys' fees and disbursements) of any kind or nature (hereinafter in the aggregate the "Losses") imposed on or incurred by the Custodian, The Lincoln National Life Insurance Company, their officers, employees and agents by reason of their participation in this 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 its Plan's intentional wrongdoing or its negligent actions or omissions.

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

5.02 Custodian and The Lincoln National Life Insurance Company Indemnification. The Custodian and The Lincoln National Life Insurance Company will indemnify the 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 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 the Custodian or The Lincoln National Life Insurance Company's intentional wrongdoing or their negligent actions or omissions. The Custodian and The Lincoln National Life Insurance Company will have no liability with respect to claims of breach of duties owed to participants by the Employer as Plan sponsor for selection of the Custodian, *Lincoln SelectSolution IRA*® or the Fixed Annuity Contract in connection with automatic rollovers of certain mandatory distributions from the Plans to the *Lincoln SelectSolution IRA*®.

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

5.03 Indemnification Survival of Termination of Agreement. The provisions of Section 5 shall survive termination of this Agreement.

Section 6 – Miscellaneous

6.01 Governing Law. This Agreement will be governed by and interpreted under the laws of the State of Indiana without regard to its conflicts of law provisions.

6.02 Entire Agreement. This Agreement, including any attachments hereto, represent the entire agreement between the Employer and the Custodian and is not intended as an agreement between, or to reflect the rights and responsibilities of, any other parties, other than the Employer and the Custodian.

6.03 Termination. This Agreement will remain in effect until terminated by either the Employer or the Custodian upon at least sixty (60) days' advance written notice to the other party; provided, however, that the party being provided notice of termination may waive the 60-day time period and agree to an earlier termination effective date.

6.04 Amendment. Except as otherwise provided in this Agreement, the terms of this Agreement will not be amended, modified, changed or assigned except by an agreement in writing, signed by a duly authorized officer of each party.

6.05 Notices. Unless otherwise agreed to in advance by both parties, any notices that may be required under the 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 the Employer:	If to the Custodian:
City of Yuba City 1201 Civic Center Blvd Yuba City, CA 95993 Attention: City Manager	Lincoln Financial Group Trust Co., Inc. P.O. Box 7876 1301 South Harrison Street Fort Wayne, Indiana 46801-7876 Attention: President

Either party may effect changes to the information contained in this section by providing a written notification to the other party.

6.06 Severability. Should any one or more of the provisions of this 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 Agreement will be given effect separately from the provision or provisions determined to be invalid or unenforceable and will not be affected thereby.

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

6.08 Successors and Assigns. All the terms and provisions of this 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 Agreement will not be assignable by any party hereto without the written consent of the other party.

6.09 Counterparts. This 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 Agreement.

6.10 Force Majeure. Neither party will be liable to the other party 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 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.

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

6.12 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.

IN WITNESS WHEREOF, City of Yuba City and Lincoln Financial Group Trust Company, Inc. have caused this Agreement to be signed by their duly authorized officers as of the date(s) stated below, but effective as of November 5, 2024.

City of Yuba City	**Lincoln Financial Group Trust Company, Inc.**
Signature	Signature
Printed Name and Title	John Luviano, President Printed Name and Title
Date	7/19/2024 Date

Lincoln Financial Group is the marketing name for Lincoln National Corporation and its affiliates. Affiliates are separately responsible for their own financial and contractual obligations.

RECORDKEEPING
SERVICE AGREEMENT

THIS RECORDKEEPING SERVICE AGREEMENT (the "Service Agreement"), effective as of November 5, 2024 ("Effective Date") is entered into by and between LINCOLN RETIREMENT SERVICES COMPANY, LLC ("LRSC") and CITY OF YUBA CITY (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), and 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 fund and/or group annuities issued by The Lincoln National Life Insurance Company, and, in New York, Lincoln Life and Annuity Company of New York, and their applicable affiliates (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 City of Yuba City 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. LRSC 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. Except to the extent prohibited by law 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, provided that Lincoln

has provided to Employer prior written notice of such failure and provided to Employer the opportunity to cure such failure, and Employer has failed to do so.

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, Inc. (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 Service Agreement to LFGTC. Employer agrees that LRSC'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. Employer has selected The Hyas Group (for the purposes of this Section 1.3a "Consultant"), an investment consultant unaffiliated with Lincoln. The Consultant shall serve as an "Investment Advisor" as that term is defined in ERISA Section 3(21) regarding the selection and monitoring of the line-up of investment options that is made available to the Plan participants. Such Investments are listed in Exhibit A. Consultant shall act as a fiduciary to the Plan in this capacity and as more fully described in the separate written agreement between Consultant and the Employer. LRSC's fee is in no way related to the services provided by Consultant, nor shall LRSC keep any portion of fees collected with respect to the services provided by Consultant. In addition, while such agreement remains in force, Employer authorizes LRSC to change the investment line-up of the Plan upon written notification by Consultant to change such line-up and to direct LFGTC to implement such change. Such notice shall amend Exhibit A without the need to further amend this Service Agreement. If at any time Employer rejects the line-up advised by Consultant, Employer certifies that it will select the investment line-up.

   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 by LRSC in an updated Exhibit A, which will replace the previous Exhibit A and/or 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 delivery via U.S. Mail to the Employer at the address provided in Section 4.5 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. LRSC 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 LRSC 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 or Investment's service providers (such as fund mergers, terminations, closures, etc.), LRSC shall provide reasonable notice to Employer of such changes once LRSC receives actual notice from the Investment. LRSC shall have no obligation to ensure it receives notice from an Investment and shall have no liability for an Investment or Investment's service providers failing to provide notice to Lincoln of such changes.

1.4 Reserved.

1.5 LRSC's Duties. In providing the services as part of the Program, LRSC is acting as an independent contractor engaged by the Employer. LRSC 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, LRSC does not act as the plan administrator or a fiduciary to the Plan, and LRSC 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. LRSC 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 that the Plan will pay for all services it requests as set forth in this Service Agreement and/or in the Manual.

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 LRSC with respect to Employer's Program, including all material and forms provided to Employer's employees. Employer will or has had the opportunity to determine whether all such material correctly reflects the

appropriate administration of the Plan. LRSC 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 LRSC 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. Any applicable transaction fee will be set forth in Exhibit C.

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. 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 Employer unless and until the Employer has requested 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; and

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 or proprietary and constitutes valuable, special and unique property of that Party ("Confidential Information"). 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, any Confidential Information, without the other Party's express prior written consent, except pursuant to LRSC's duties hereunder and or as required by applicable law. However, nothing in this Section 1.13 shall be construed to limit Employer's obligations to comply with the California Public Records Act ("CPRA"), and Employer may

determine in its sole discretion whether any records created in connection with this Service Agreement are subject to disclosure under the CPRA.

Notwithstanding the foregoing and except to the extent that it constitutes personally identifiable information within the meaning of applicable privacy laws, "Confidential Information" shall not include any information that: (a) is or becomes generally available to the public, other than as a result of a breach of this Service Agreement; (b) is lawfully obtained from a third party with the right to disclose such information; or (c) is independently developed by a Party without use of the other Party's Confidential Information.

Employer expressly consents to the disclosure of its Confidential Information to its Plan consultant; financial professional (including a registered investment advisor ("RIA")); third party administrator ("TPA"); payroll provider; accountant; broker/dealer as defined herein; any other third party who provides benchmarking analysis or analytics regarding the Plan or Plan participants; and any other third party; and in all cases, such persons shall have been identified by Employer to LRSC and for which the Employer shall have authorized LRSC to provide access for administrative purposes (collectively the "Authorized Financial Professionals"). If the Plan has a TPA, as identified in this Service Agreement, then Employer further expressly consents to the disclosure of otherwise confidential and proprietary information to said TPA.

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.

Employer instructs Lincoln to provide Plan and Plan participant information to the Authorized Financial Professionals. Employer represents and warrants that it has had the opportunity to conduct due diligence on the Authorized Financial Professionals regarding their data security system to protect Plan participant data, including but not limited to name, address, social security number, employment status, marital status, investment allocation and account balance. Lincoln shall not be liable for any data breach or intrusion caused by the Authorized Financial Professionals in any way, and except to the extent prohibited by law Employer shall hold harmless and indemnify Lincoln pursuant to Section 3.1 under this Agreement regarding such breach.

(a) Information Security.

(1) Protection of Employer's Confidential Information. Lincoln shall establish and maintain a comprehensive written information security program that includes appropriate administrative, technical, physical, organizational and operational safeguards and other security measures reasonably designed to: (i) ensure the security and integrity of Confidential Information; (ii) protect against any anticipated or reasonably likely threats or hazards to the security or integrity of Confidential Information; and (iii) prevent against any actual or suspected unauthorized access to or, acquisition of Confidential Information. Such measures shall include, without limitation, establishing and maintaining network and internet security procedures, protocols, security gateways and firewalls with respect to such Confidential Information.

Lincoln shall take all reasonable measures designed to: (i) secure and defend all Lincoln locations, equipment, systems and other materials and facilities against

"hackers" and others who may seek, without authorization, to disrupt, damage, modify, access or otherwise use Lincoln systems or the information found therein; (ii) prevent Employer from having access to the data of other customers; (iii) prevent Employer's Confidential Information from being commingled with or contaminated by the data of other Lincoln customers; and (iv) prevent unauthorized access to any Employer's Confidential Information; and (v) continuously monitor its systems for potential areas where security could be breached.

(2) Security Breach and Notice. Lincoln will promptly notify Employer after Lincoln has confirmed an incident involving the unauthorized access to or acquisition of any Employer Confidential Information ("Security Breach"). Lincoln shall: (i) commence all reasonable efforts to investigate the Security Breach, mitigate and correct its causes, and remediate its results; and (ii) provide to Employer written notice thereof. Thereafter, Lincoln shall, and shall cause any third parties acting on Lincoln's behalf, that are in possession or control of any affected Confidential Information, to use commercially reasonable efforts to prevent a recurrence of any Security Breach and cooperate with any similar efforts Employer or its affiliates may undertake. Lincoln will reasonably consult with Employer, in order to provide advance notice and review regarding any communication or notice Lincoln determines necessary with any third party, including but not limited to the media, consumers and affected individuals regarding any Security Breach without the express written consent of Employer, provided such consultation not be unreasonably withheld. Lincoln's notification of or response to the Security Breach under this Section will not be construed as an acknowledgement by Lincoln of any fault or liability with respect to the Security Breach. Lincoln will provide a credit monitoring service to any impacted consumers as required by applicable federal and state privacy laws.

(3) Audit Review. Employer, or an independent third party selected by Employer, may perform security assessments, via questionnaire, of Lincoln's compliance with the terms in this section regarding securing Employer Confidential Information up to once per year; provided, however, that the security assessments will not apply to any Lincoln affiliates, subsidiaries, and parents or discrete business units of Lincoln that do not receive Employer Confidential Information. Employer may not apportion its security assessments with respect to different subject matters into separate security assessments; however, if Employer has shown good cause for concern regarding the sufficiency of Lincoln's information security program, Employer shall have the right to an additional security assessment to address such concern. If Employer selects a third party to conduct the security assessment, the third party must be agreed to by Employer and Lincoln and must execute a written confidentiality agreement acceptable to Lincoln before conducting such security assessment.

The security assessment must be conducted during regular business hours, subject to Lincoln policies, and may not unreasonably interfere with Lincoln activities. Lincoln will reasonably cooperate with Employer on any assessment that Employer conducts in accordance with the provisions of this section. Lincoln is not and will not be obligated to provide to Employer or any independent third party any access or information that Lincoln determines, in its sole discretion, to present undue risk to the confidentiality, integrity, or availability of Lincoln's data,

information systems, facilities, or other resources belonging to Lincoln or which Lincoln is otherwise obligated to protect.

Employer will provide Lincoln any security assessment reports generated in connection with any security assessment under this section, unless prohibited by law. Employer may use the security assessments only for the purposes of meeting its regulatory audit requirements or confirming compliance with the requirements of this section. The information security assessments are Confidential Information of the parties under the terms of this Service Agreement. Any information security assessments are at Employer's expense.

(b) LRSC Insurance. LRSC will maintain insurance coverage consisting of worker's compensation insurance with statutory limits; commercial general-liability with at least $1,000,000.00 in limits; professional liability insurance with at least $5,000,000.00 in limits; and cyber liability insurance with at least $5,000,000.00 in limits. LRSC shall maintain this insurance, at its own expense, in force and effect throughout the term of this Service Agreement. LRSC shall provide proof of insurance to the Plan Sponsor upon request.

1.14 Reserved.

1.15 Participant Services – Education. Employer authorizes Lincoln to provide financial educational resources and communications to Plan participants and employees of Employer regarding holistic financial wellness, the costs associated with living in retirement, the retirement Plan and participant retirement accounts. Lincoln's participant education program includes but is not limited to written communications; online educational materials; online tools and calculators, other materials aimed at creating better participant retirement outcomes. Please see Lincoln's data privacy policy to understand how we may use participant data. LRSC may also communicate or provide education to participants concerning available distribution 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. 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.

Notwithstanding any provisions herein, where a participant consents to be presented with third-party products including by providing an electronic consent via lfg.com as part of Lincoln's financial education and Lincoln's WellnessPATH marketplace, and thereafter chooses to purchase a product introduced to them by Lincoln, Lincoln may receive a marketing distribution fee for products purchased. Depending on the arrangement this may be a flat dollar fee, or a percentage of fees received by the third-party vendor.

In order to provide the education services outlined above, LRSC will provide to the Employer relationship a total of four (4) days of Retirement Consultant services annually to be allocated in a manner mutually agreeable to the Parties. The fee stated in Section 2.1 includes the fee for such consulting services. Any additional days requested, will be at the rate of $750.00 per day.

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

1.16 Morningstar Services. Morningstar Investment Management, 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.

Managed by Morningstar. "Managed by Morningstar" is a discretionary managed account service, an optional service made available to the Plan participants. Employer has decided to make Managed by Morningstar available to Plan participants. Plan participants who choose Managed by Morningstar shall execute a separate binding agreement with Morningstar and shall pay an additional fee for such service as provided below. The charges paid by Employer to Lincoln and Morningstar shall not be affected as a result of Plan participants utilizing the Managed by Morningstar service.

Plan participants who choose the Managed by Morningstar service will be deemed to delegate the responsibility for managing their retirement plan account to Morningstar for an additional annual management fee equivalent to 45 basis points (.45%) of the assets under management in their accounts ("Morningstar Fee"). This fee is divided between Morningstar and LRSC, as follows: Morningstar receives 25 basis points (.25%) for providing its investment advisory and account management services, while LRSC receives 20 basis points (.20%) to administer the Morningstar program. LRSC's 20 basis points administrative fee is in no way related to the services provided by Morningstar. The basis point fee is debited, pro-rata, from the Plan participants' accounts and will be disclosed to the Plan participants on their quarterly participant statement. Employer hereby directs LRSC to direct LFGTC to pay such fee, directs LRSC to reduce the appropriate participants' accounts to reflect the payment of such fee, and directs LRSC to forward Morningstar's investment advisory fee of 25 basis points (.25%) to Morningstar.

1.17 Participant-level Communications. Employer consents to the delivery by electronic means of all participant communications, disclosures etc., required by applicable law and delivered by LRSC on behalf of the Employer, including those communications required by ERISA or the Internal Revenue Code, as applicable, in a manner compliant with applicable laws or regulations relating to electronic delivery. Employer agrees to furnish LRSC with current email addresses for all active and eligible participants, and update such addresses as necessary and furnish updated addresses to LRSC.

1.18 Enrollment Services. LRSC 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. LRSC will not

provide investment advice as part of its enrollment services. Employer, at its discretion, may allow for persons unaffiliated with Lincoln to provide enrollment services, 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. If applicable, 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 D, attached hereto. Should LRSC not meet its service obligation, LRSC shall pay the penalty as set forth in Exhibit D. In no event shall LRSC pay penalties for breaches of service guarantees as described in this Section 1.21 and Exhibit D in an amount exceeding five percent (5%) of its annual Recordkeeping Service fees each calendar year.

ARTICLE 2
FEES AND EXPENSES

2.1 Fees. Fees for the Recordkeeping Services shall be as set forth in Exhibit C attached hereto. Upon expiration of the Fee Commitment Period, as defined in Section 2.4, the parties may mutually agree to update the fees set forth in Exhibit C by amending Exhibit C.

Employer agrees that its agreements with LFGTC will provide for the payment of such fees from Plan assets. In the event Employer terminates this Service Agreement on a non-quarter end date, the fees will be prorated and assessed on the date the assets are distributed from the Program.

In addition to the fees noted above, Plan 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 Service Agreement. In addition, Plan agrees to pay Lincoln's increased cost for reprocessing due to errors by Employer or the Plan. In addition, Plan agrees to pay LRSC'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. LRSC shall provide to the Employer an accounting of any such charges prior to any payment from the Plan.

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 Plan.

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 Service Agreement or if Plan participants engage in trading in an Investment subject to certain trade limitations (e.g. redemption fees).

2.2 Compensation. If applicable, Employer directs LRSC to direct the appropriate Lincoln affiliate to pay compensation set forth in Exhibit C to the broker dealer identified in Exhibit C.

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 LRSC from certain eligible Investments that exceed the LRSC fees set forth in Section 2.1, and (2) other amounts directed by Employer under this Service Agreement.

   In situations in which the Employer directs LRSC 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 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 which 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. If applicable, Employer instructs LRSC to instruct LFGTC to fund the Plan Expense Account as set forth in Exhibit C. Any payments due from LRSC pursuant to the Service Level Agreement (Exhibit D) will be paid into the Plan Expense Account.

The Parties hereto acknowledge and agree that LRSC will utilize the resources of Lincoln 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 the fee commitment period described in Exhibit C ("Fee Commitment Period"), 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, or (d) other changes to the Plan that may affect the pricing of the Plan, subject to mutual agreement between the parties. In the event any of these changes occur, LRSC may provide notice that the fee commitment provided herein has been revoked and may update the fee by amending Exhibit C as set forth in Section 4.13. Plan agrees to pay any actual incremental expenses that Lincoln incurs on behalf of the Plan or the Employer related to additional services requested by Employer after the Effective Date not included within the scope of this Agreement .

2.5 Transaction Fees. Employer directs LRSC to assess applicable fees set forth in Exhibit C.

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, except to the extent prohibited by applicable law, indemnify Lincoln, its officers, employees and agents from and against any and all damages, losses, costs, judgments, fines 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 LRSC, 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 unless otherwise required by law.

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
GENERAL PROVISIONS

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 California without regard to its conflicts of law.

4.2 Entire Agreement. This Service Agreement, including any attachments hereto 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. The Parties have read this Service Agreement, and have had the opportunity to review it with counsel of their choice, and agree to all of the terms of this Service Agreement. To the degree there are any ambiguities, the parties agree that they shall not be construed against the drafter.

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: The City Manager
City of Yuba City
1201 Civic Center Blvd
Yuba City, CA 95993
Phone: (530) 822-4610

If to LRSC: Officer/Head of Account Management
Lincoln Retirement Services Company, LLC
P.O. Box 7876

Fort Wayne, IN 46801-7876
Phone: (260) 455-2230
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. Employer and LRSC may agree to amend this Service Agreement by mutual written agreement.

IN WITNESS WHEREOF, the Parties have executed this Service Agreement on the _____, of _____, 20____.
(Date) (Month) (Yr)

LINCOLN RETIREMENT SERVICES COMPANY, LLC

By: _____
Ralph Ferraro

Its: President

CITY OF YUBA CITY

By: _____
Name of signer

Its: _____
Title of signer

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 LRSC's quarterly account procedures, allocation of expenditures, and provisions in LRSC's 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 LRSC's relationship with the Investment.

Lincoln Life	Lincoln Stable Value Z696; Revenue from stable value account: 0.000% on assets annually[1]
American Funds	American Funds EuroPacific Growth FundA® Class R-6 (rergx); Finders fees: 0.00% 12b-1 fees: 0.00% on assets annually Subtransfer agent fees (bps): 0.00% on assets annually Subtransfer agent fees ($): $0 /participant/account/fund/year Supplemental fees: 0.00% on assets annually
BlackRock	BlackRock High Yield Portfolio Fund Class K (brhyx); Finders fees: 0.00% 12b-1 fees: 0.00% on assets annually Subtransfer agent fees (bps): 0.00% on assets annually Subtransfer agent fees ($): $0 /participant/account/fund/year Supplemental fees: 0.00% on assets annually
DFA	DFA U.S. Small Cap Portfolio Institutional Class (dfstx); Finders fees: 0.00% 12b-1 fees: 0.00% on assets annually Subtransfer agent fees (bps): 0.00% on assets annually Subtransfer agent fees ($): $0 /participant/account/fund/year Supplemental fees: 0.00% on assets annually
Dodge & Cox	Dodge & Cox International Stock Fund Class X (doxfx); Finders fees: 0.00% 12b-1 fees: 0.00% on assets annually Subtransfer agent fees (bps): 0.00% on assets annually Subtransfer agent fees ($): $0 /participant/account/fund/year Supplemental fees: 0.00% on assets annually

[1] The Lincoln Stable Value Account is a group fixed annuity issued by The Lincoln National Life Insurance Company, and, in New York, Lincoln Life and Annuity Company of New York, and their applicable affiliates (collectively referred to as "Lincoln"). 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. The method of crediting interest for the Stable Value Account is based on an external index. 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.

Fidelity	Fidelity 500 Index Fund (fxaix); Finders fees: 0.00% 12b-1 fees: 0.00% on assets annually Subtransfer agent fees (bps): 0.00% on assets annually Subtransfer agent fees ($): $0 /participant/account/fund/year Supplemental fees: 0.00% on assets annually
JP Morgan	JPMorgan Large Cap Growth Fund Class R6 (jlgmx); Finders fees: 0.00% 12b-1 fees: 0.00% on assets annually Subtransfer agent fees (bps): 0.00% on assets annually Subtransfer agent fees ($): $0 /participant/account/fund/year Supplemental fees: 0.00% on assets annually
MetWest	TCW MetWest Total Return Bond Fund Plan Class (mwtsx); Finders fees: 0.00% 12b-1 fees: 0.00% on assets annually Subtransfer agent fees (bps): 0.00% on assets annually Subtransfer agent fees ($): $0 /participant/account/fund/year Supplemental fees: 0.00% on assets annually
MFS	MFS Mid Cap Value Fund Class R6 (mvckx), MFS Value Fund Class R6 (meikx); Finders fees: 0.00% 12b-1 fees: 0.00% on assets annually Subtransfer agent fees (bps): 0.00% on assets annually Subtransfer agent fees ($): $0 /participant/account/fund/year Supplemental fees: 0.00% on assets annually
Touchstone	Touchstone Mid Cap Growth Fund Class R6 (tfgrx); Finders fees: 0.00% 12b-1 fees: 0.00% on assets annually Subtransfer agent fees (bps): 0.00% on assets annually Subtransfer agent fees ($): $0 /participant/account/fund/year Supplemental fees: 0.00% on assets annually
Vanguard	Vanguard Federal Money Market Fund Investor Shares (vmfxx), Vanguard FTSE Social Index Fund Admiral (vftax), Vanguard Inflation-Protected Securities Fund Admiral Shares (vaipx), Vanguard Mid-Cap Index Fund Admiral Shares (vimax), Vanguard Small-Cap Index Fund Admiral Shares (vsmax), Vanguard Target Retirement 2020 Fund (vtwnx), Vanguard Target Retirement 2025 Fund (vttvx), Vanguard Target Retirement 2030 Fund (vthrx), Vanguard Target Retirement 2035 Fund (vtthx), Vanguard Target Retirement 2040 Fund (vforx), Vanguard Target Retirement 2045 Fund (vtivx), Vanguard Target Retirement 2050 Fund (vfifx), Vanguard Target Retirement 2055 Fund (vffvx), Vanguard Target Retirement 2060 Fund (vttsx),

Vanguard	Vanguard Target Retirement 2065 Fund (vlxvx), Vanguard Target Retirement 2070 Fund (vsvnx), Vanguard Target Retirement Income Fund (vtinx), Vanguard Total Bond Market Index Fund Admiral Shares (vbtlx), Vanguard Total International Stock Index Fund Admiral Shares (vtiax); Finders fees: 0.00% 12b-1 fees: 0.00% on assets annually Subtransfer agent fees (bps): 0.00% on assets annually Subtransfer agent fees ($): $0 /participant/account/fund/year Supplemental fees: 0.00% on assets annually

EXHIBIT B

CITY OF YUBA CITY

6/30/2024

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 877-533-9710.

Morningstar Category Index **Mutual Fund Name**	**Ticker**	***Overall Morningstar Rating***	***Gross Expense Ratio****	***Net Expense Ratio****	***Total Returns (%)***					
					YTD	***1 Yr***	***3 Yr***	***5 Yr***	***10 Yr or Since Inception***	***Inception Date***
*Morningstar US CIT Stable Value GR USD***					1.47	2.99	2.35	2.30	2.13	
Lincoln Stable Value Account***	**Z636**		**0.10**	**0.10**	1.44	2.84	2.44	2.42	2.49	
Money Market				0.40	2.48	5.07	2.85	1.92	1.27	
Morningstar USD 1M Cash TR USD					2.72	5.47	3.17	2.21	1.59	
Vanguard Federal Money Market Investor	**vmfxx**	**0**	**0.11**	**0.11**	**2.66**	**5.41**	**3.09**	**2.13**	**1.47**	**07/13/1981**
% Rank Within Category					-	-	-	-	-	
# Funds Ranked In Category					632	614	577	537	424	
Intermediate Core Bond				0.56	-0.28	3.05	-2.99	-0.15	1.26	
Morningstar US Core Bd TR USD					-0.59	2.56	-3.07	-0.26	1.30	
Vanguard Total Bond Market Index Adm	**vbtlx**	**★★★**	**0.05**	**0.05**	**-0.62**	**2.76**	**-3.01**	**-0.20**	**1.33**	**11/12/2001**
% Rank Within Category					71	59	43	47	41	
# Funds Ranked In Category					469	459	433	406	346	
Intermediate Core-Plus Bond				0.75	0.11	3.83	-2.81	0.20	1.49	
Morningstar US Core Plus Bd TR USD					-0.44	2.92	-2.84	-0.03	1.47	
Metropolitan West Total Return Bd Plan	**mwtsx**	**★★★**	**0.37**	**0.37**	**-0.80**	**2.93**	**-3.52**	**-0.12**	**1.42**	**07/29/2011**
% Rank Within Category					89	76	79	66	57	
# Funds Ranked In Category					642	627	573	550	463	
Inflation-Protected Bond				0.69	0.83	3.09	-1.37	1.51	1.44	
Morningstar US TIPS TR USD					0.98	2.75	-1.36	1.94	1.83	
Vanguard Inflation-Protected Secs Adm	**vaipx**	**★★★★**	**0.10**	**0.10**	**0.81**	**2.73**	**-1.41**	**1.97**	**1.83**	**06/10/2005**
% Rank Within Category					60	44	44	43	25	
# Funds Ranked In Category					157	157	149	147	139	
Target-Date Retirement				0.66	3.28	7.93	0.36	3.52	3.54	
Morningstar Lifetime Mod Incm TR USD					3.47	8.47	0.86	4.37	4.02	
Vanguard Target Retirement Income Fund	**vtinx**	**★★★★**	**0.08**	**0.08**	**3.00**	**7.96**	**0.46**	**3.72**	**3.95**	**10/27/2003**
% Rank Within Category					71	58	43	48	31	
# Funds Ranked In Category					152	151	143	132	104	
High Yield Bond				0.90	2.82	9.93	1.63	3.54	3.52	
Morningstar US HY Bd TR USD					2.62	10.50	1.71	3.90	4.29	
BlackRock High Yield Bond K	**brhyx**	**★★★★**	**0.49**	**0.49**	**3.51**	**11.28**	**2.35**	**4.41**	**4.41**	**11/19/1998**
% Rank Within Category					19	14	28	18	11	
# Funds Ranked In Category					666	661	611	588	521	
Target-Date 2020				0.61	4.29	9.37	0.79	4.93	4.98	
Morningstar Lifetime Mod 2020 TR USD					3.48	8.48	-0.32	4.54	4.71	
Vanguard Target Retirement 2020 Fund	**vtwnx**	**★★★★**	**0.08**	**0.08**	**3.91**	**9.24**	**0.94**	**5.15**	**5.35**	**06/07/2006**
% Rank Within Category					70	60	45	43	30	
# Funds Ranked In Category					146	146	136	131	93	
Target-Date 2025				0.66	4.70	10.02	0.97	5.45	5.35	
Morningstar Lifetime Mod 2025 TR USD					3.80	9.03	-0.23	4.93	5.12	
Vanguard Target Retirement 2025 Fund	**vttvx**	**★★★★**	**0.08**	**0.08**	**5.11**	**11.02**	**1.51**	**6.12**	**6.03**	**10/27/2003**
% Rank Within Category					35	23	24	29	14	
# Funds Ranked In Category					208	207	197	180	144	
Target-Date 2030				0.68	5.66	11.48	1.59	6.52	6.12	
Morningstar Lifetime Mod 2030 TR USD					4.40	10.04	0.22	5.62	5.69	
Vanguard Target Retirement 2030 Fund	**vthrx**	**★★★★**	**0.08**	**0.08**	**6.00**	**12.39**	**2.07**	**6.95**	**6.58**	**06/07/2006**
% Rank Within Category					41	28	28	35	20	
# Funds Ranked In Category					211	210	199	176	138	
Target-Date 2035				0.68	6.86	13.21	2.37	7.59	6.81	
Morningstar Lifetime Mod 2035 TR USD					5.33	11.60	1.11	6.58	6.34	
Vanguard Target Retirement 2035 Fund	**vtthx**	**★★★★**	**0.08**	**0.08**	**6.87**	**13.52**	**2.65**	**7.77**	**7.12**	**10/27/2003**
% Rank Within Category					58	47	32	44	38	
# Funds Ranked In Category					207	206	191	175	140	
Target-Date 2040				0.70	7.95	14.84	3.09	8.52	7.41	
Morningstar Lifetime Mod 2040 TR USD					6.38	13.32	2.09	7.54	6.90	
Vanguard Target Retirement 2040 Fund	**vforx**	**★★★★**	**0.08**	**0.08**	**7.68**	**14.74**	**3.23**	**8.59**	**7.65**	**06/07/2006**
% Rank Within Category					58	61	47	50	42	
# Funds Ranked In Category					205	204	194	176	138	

Target-Date 2045				0.70	8.83	16.03	3.62	9.14	7.74	
Morningstar Lifetime Mod 2045 TR USD					7.17	14.61	2.79	8.19	7.22	
Vanguard Target Retirement 2045 Fund	**vtivx**	★★★★	**0.08**	**0.08**	**8.48**	**15.81**	**3.78**	**9.40**	**8.12**	**10/27/2003**
% Rank Within Category					66	65	46	42	35	
# Funds Ranked In Category					202	201	191	175	140	
Target-Date 2050				0.71	9.26	16.64	3.86	9.37	7.90	
Morningstar Lifetime Mod 2050 TR USD					7.52	15.19	3.08	8.43	7.30	
Vanguard Target Retirement 2050 Fund	**vfifx**	★★★★	**0.08**	**0.08**	**9.05**	**16.63**	**4.15**	**9.68**	**8.26**	**06/07/2006**
% Rank Within Category					65	56	36	38	29	
# Funds Ranked In Category					203	202	192	176	138	
Target-Date 2055				0.71	9.43	16.85	3.95	9.49	7.94	
Morningstar Lifetime Mod 2055 TR USD					7.52	15.23	3.04	8.41	7.24	
Vanguard Target Retirement 2055 Fund	**vffvx**	★★★★	**0.08**	**0.08**	**9.03**	**16.61**	**4.15**	**9.67**	**8.24**	**08/18/2010**
% Rank Within Category					68	63	40	43	34	
# Funds Ranked In Category					202	201	191	175	134	
Target-Date 2060				0.71	9.53	17.04	4.00	9.58	7.88	
Morningstar Lifetime Mod 2060 TR USD					7.42	15.12	2.93	8.33	7.15	
Vanguard Target Retirement 2060 Fund	**vttsx**	★★★	**0.08**	**0.08**	**9.04**	**16.60**	**4.16**	**9.68**	**8.23**	**01/19/2012**
% Rank Within Category					69	66	41	45	50	
# Funds Ranked In Category					201	200	190	167	15	
Target-Date 2065+				0.70	9.60	17.07	4.14	9.80	-	
Morningstar Lifetime Mod 2060 TR USD					7.42	15.12	2.93	8.33	7.15	
Vanguard Target Retirement 2065 Fund	**vlxvx**	★★★	**0.08**	**0.08**	**9.05**	**16.63**	**4.19**	**9.66**	**9.16**	**07/12/2017**
% Rank Within Category					74	66	44	61	-	
# Funds Ranked In Category					196	195	139	31	-	
Target-Date 2065+				0.70	9.60	17.07	4.14	9.80	-	
Morningstar Lifetime Mod 2060 TR USD					7.42	15.12	2.93	8.33	7.15	
Vanguard Target Retirement 2070 Fund	**vsvnx**	**0**	**0.08**	**0.08**	**9.03**	**16.65**	**-**	**-**	**15.03**	**06/28/2022**
% Rank Within Category					76	63	-	-	-	
# Funds Ranked In Category					196	195	-	-	-	
Foreign Large Blend				0.91	5.40	10.57	1.24	5.95	4.17	
Morningstar Global xUS TME NR USD					5.70	11.80	0.87	5.86	4.03	
Vanguard Total Intl Stock Index Admiral	**vtiax**	★★★	**0.12**	**0.12**	**5.13**	**10.96**	**0.34**	**5.75**	**4.02**	**11/29/2010**
% Rank Within Category					58	50	70	59	56	
# Funds Ranked In Category					743	737	692	662	518	
Large Blend				0.78	12.64	21.37	7.97	13.28	11.23	
Morningstar US Large-Mid TR USD					14.97	24.73	8.96	14.75	12.58	
Fidelity 500 Index	**fxaix**	★★★★★	**0.02**	**0.02**	**15.28**	**24.56**	**10.00**	**15.03**	**12.85**	**05/04/2011**
% Rank Within Category					26	32	20	18	8	
# Funds Ranked In Category					1,461	1,427	1,323	1,238	1,057	
Large Blend				0.78	12.64	21.37	7.97	13.28	11.23	
Morningstar US Large-Mid TR USD					14.97	24.73	8.96	14.75	12.58	
Vanguard FTSE Social Index Admiral	**vftax**	★★★★	**0.14**	**0.14**	**15.53**	**26.17**	**8.81**	**15.27**	**13.38**	**02/07/2019**
% Rank Within Category					24	19	44	15	4	
# Funds Ranked In Category					1,461	1,427	1,323	1,238	1,057	
Large Value				0.90	7.33	14.82	6.46	9.86	8.44	
Morningstar US LM Brd Value TR USD					9.21	17.49	8.26	11.47	10.08	
MFS Value R6	**meikx**	★★★★	**0.45**	**0.45**	**6.58**	**13.01**	**5.93**	**9.29**	**8.97**	**05/01/2006**
% Rank Within Category					59	67	63	62	34	
# Funds Ranked In Category					1,209	1,183	1,123	1,083	975	
Foreign Large Value				0.97	4.03	10.87	3.65	6.13	3.25	
Morningstar Gbl xUS Val TME NR USD					4.98	13.23	3.94	5.98	3.49	
Dodge & Cox International Stock X	**doxfx**	★★★	**0.57**	**0.57**	**3.21**	**8.82**	**3.64**	**6.76**	**3.54**	**05/02/2022**
% Rank Within Category					65	74	51	38	41	
# Funds Ranked In Category					368	364	345	322	264	
Foreign Large Growth				1.01	6.38	9.87	-2.28	6.16	5.36	
Morningstar Gbl xUS Growth TME NR USD					6.32	10.19	-2.33	5.39	4.41	
American Funds Europacific Growth R6	**rergx**	★★★	**0.47**	**0.47**	**7.19**	**10.82**	**-2.46**	**6.05**	**5.25**	**05/01/2009**
% Rank Within Category					38	38	54	52	45	
# Funds Ranked In Category					405	403	393	368	306	

Mid-Cap Blend				0.90	5.57	13.23	3.41	9.43	8.19	
Morningstar US Mid TR USD					5.25	12.74	3.14	10.07	9.69	
Vanguard Mid Cap Index Admiral	**vimax**	★★★	**0.05**	**0.05**	**4.90**	**11.80**	**2.21**	**9.38**	**9.10**	**11/12/2001**
% Rank Within Category					56	63	70	51	22	
# Funds Ranked In Category					441	430	404	376	303	
Large Growth				0.95	17.60	29.15	6.15	15.08	13.40	
Morningstar US LM Brd Growth TR USD					20.53	31.68	8.68	17.17	14.78	
JPMorgan Large Cap Growth R6	**jlgmx**	★★★★★	**0.52**	**0.52**	**24.37**	**35.98**	**10.94**	**20.40**	**17.93**	**11/30/2010**
% Rank Within Category					12	18	11	6	3	
# Funds Ranked In Category					1,185	1,173	1,120	1,077	972	
Mid-Cap Value				0.97	3.72	11.74	4.97	9.26	7.35	
Morningstar US Mid Broad Value TR USD					4.88	13.19	5.51	9.43	8.67	
MFS Mid Cap Value R6	**mvckx**	★★★★	**0.63**	**0.63**	**6.20**	**12.98**	**6.40**	**10.37**	**8.60**	**02/01/2013**
% Rank Within Category					23	41	25	30	18	
# Funds Ranked In Category					399	395	386	380	342	
Mid-Cap Growth				1.08	5.80	12.49	-2.38	8.61	9.42	
Morningstar US Mid Broad Growth TR USD					5.54	12.23	0.29	10.01	10.36	
Touchstone Mid Cap Growth R6	**tfgrx**	★★★★	**0.91**	**0.91**	**1.93**	**9.93**	**0.27**	**9.24**	**10.29**	**02/10/2020**
% Rank Within Category					75	66	29	41	30	
# Funds Ranked In Category					534	533	524	497	458	
Small Blend				0.98	2.25	10.40	0.88	8.14	7.07	
Morningstar US Small Extended TR USD					1.26	10.05	-1.34	7.34	7.03	
DFA US Small Cap I	**dfstx**	★★★★	**0.28**	**0.28**	**2.11**	**11.66**	**3.23**	**9.89**	**7.97**	**03/19/1992**
% Rank Within Category					46	33	24	22	22	
# Funds Ranked In Category					609	602	581	564	484	
Small Blend				0.98	2.25	10.40	0.88	8.14	7.07	
Morningstar US Small Extended TR USD					1.26	10.05	-1.34	7.34	7.03	
Vanguard Small Cap Index Adm	**vsmax**	★★★★	**0.05**	**0.05**	**3.07**	**11.50**	**0.50**	**8.45**	**8.08**	**11/13/2000**
% Rank Within Category					34	34	53	45	19	
# Funds Ranked In Category					609	602	581	564	484	

*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.
**Hueler 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
City of Yuba City Deferred Compensation Plan

Recordkeeping Services Fee Type	Annual Fee Amount	Quarterly Fee Amount	Fee Paid By
Asset based	0.0500%	0.0125%	Participant

Fee Detail

The fees for Recordkeeping Services described above will be an annualized rate of all assets. Employer hereby directs LRSC to direct LFGTC to pay LRSC such fee from the assets of the Plan. Further, the Employer directs LRSC to direct LFGTC to reduce participants' accounts for the payment of such fee, subject to the following:

- The fee shall be paid on a quarterly basis in four (4) equal amounts,
- The fee shall be charged on or before the 4th business day following calendar quarter end.
- A description of revenue received by LRSC is described in Exhibit A.
- All revenue sharing generated by an Investment holding in a participant's account is calculated for a calendar quarter and is allocated to participants on or before the 10th business day following calendar quarter end.
    - LRSC will deduct an amount from the Plan Expense Account (as defined in Section 2.3) equal to the estimated amount of revenue deposited to the Plan Expense Account from each Investment for the previous quarter and allocate the amount to the accounts of participants with an account balance as of the end of the previous quarter in each Investment generating revenue.
        - If a participant, that would otherwise have received a portion of this investment revenue no longer has an account in the plan, that participant's share of the investment revenue will be reallocated to the remaining investment revenue generating, participant accounts pro rata.
    - An individual participant's allocation shall be calculated pro-rata based on the participant's average daily balance for the previous quarter in each of the Investments that are the source of the revenue.
    - Each individual participant eligible to receive an allocation under this paragraph shall receive the credit allocation on or before the 10th business day following calendar quarter end.
    - The Employer hereby directs LRSC that all such allocations shall be designated as earnings using the current allocation.
    - It is expressly understood by the parties that no revenue shall be allocated to the Plan for assets held in the Plan Expense Account.
- In the event the Employer terminates this Service Agreement on a non-quarter end date, the fees will be prorated and assessed before the date the assets are distributed from the Program.

Transaction Fee	Amount per transaction
Loan fee	N/A
SDBA fee	N/A
Distribution fee (excluding Beneficiary Payment; Disability Withdrawal and RMD)	$40.00
Hardship fee	N/A
In-Service Withdrawal fee (excluding Unforeseeable Emergency)	$25.00
Installment Payments	$25.00 setup; $2.00 monthly
QDRO fee	$500.00

Transaction Fee Detail

LRSC shall have the right to deduct the participant level transaction fees referenced above. Unless otherwise specified, the Employer directs that all withdrawals will be assessed against participant Plan accounts and will be prorated across all investment options and sources.

Fee Commitment

The Fee Commitment Period will be a period of 5 years beginning as of the effective date of November 5, 2024, subject to the limits and restrictions set forth in Section 2.4.

EXHIBIT D

	Benchmark	Amount at Risk
Phone		
Plan sponsor services response time:	4 hours	$500 quarterly if standard is not met
Participant services response time:	70% within 40 seconds	$500 quarterly if standard is not met. For the guarantee to be applicable, there must be a minimum call volume of 150 calls per quarter.
Return all calls to plan sponsor within:	24 hours	$500 quarterly if standard is not met
Return all calls to participants within:	24 – 48 hours	$500 quarterly if standard is not met
Statements		
Participant statements:	99% of statements will be made available within 10 business days after quarter end	$500 quarterly if standard is not met
Sponsor plan statement mail time:	Lincoln does not provide a plan sponsor statement; standard plan level reporting is available online.	N/A
Participant online statement posting:	99% of statements will be made available within 10 business days after quarter end	$500 quarterly if standard is not met
Sponsor online statement posting:	Lincoln does not provide a plan sponsor statement; standard plan level reporting is available online.	N/A
Participant Services		
Number of on-site individual meetings:	Pricing includes four days annually. These can be used as one-on-one days or on-site group meetings.	Any day below four, we will refund $750 per day.
Number of on-site group meetings:	Pricing includes four days annually. These can be used as one-on-one days or on-site group meetings.	Any day below four, we will refund $750 per day.
Financial planning services:	Pricing includes four days annually. These can be used as one-on-one days or on-site group meetings.	Any day below four, we will refund $750 per day.
Plan participation rate increases:	Negotiated with plan sponsor based on plan need and opportunity.	$500 annually if agreed upon rate is not met
Deferral rate increases:	Negotiated with plan sponsor based on plan need and opportunity.	$500 annually if agreed upon rate is not met

Transition		
Timeline:	90 business days from receipt of all in-good-order documents and required transition information from all parties.	$1,000 per implementation if standard is not met
Deliverables:	We will guarantee that we will go live within three business days of receipt of all data in good order	$1,000 per implementation if standard is not met
On-site meetings:	Pricing includes four days annually. Some of these days can be used during transition as one-on-one days or on-site group meetings.	Any day below four, we will refund $750 per day.
Administration		
Contribution posting:	99% of transactions processed same day money received if received by market close and all associated data is in good order	$500 quarterly if standard is not met
Withdrawals processed:	Processed within two business days following confirmation everything is in good order.	$500 quarterly if standard is not met
Emergency withdrawals processed:	99% accuracy – same business day, if everything is in good order. For the guarantee to be applicable, there must be a minimum transaction count of 100 per quarter. However, if the same error occurs for two consecutive quarters, Lincoln shall pay the penalty for missing the service obligations for the second quarter in which Lincoln did not meet its service obligations. The cure period will stay intact for over 100 transactions per quarter.	$500 quarterly if standard is not met
Rollovers/transfers out:	99% accuracy – same business day, if everything is in good order. For the guarantee to be applicable, there must be a minimum transaction count of 100 per quarter. However, if the same error occurs for two consecutive quarters, Lincoln shall pay the penalty for missing the service obligations for the second quarter in which Lincoln did not meet its service obligations. The cure period will stay intact for over 100 transactions per quarter.	$500 quarterly if standard is not met

Loan processing (if applicable):	Processed within 2 business days following confirmation that it is in good order.	$500 quarterly if standard is not met
Plan Sponsor Services		
Report delivery:	Nondiscrimination testing within 6 weeks of plan year-end and upon receipt of all applicable information received in good order (does not apply to Governmental plans) Annual audit kit 10 business days after request is received and upon receipt of all applicable information in good order (does not apply to Governmental plans) Form 5500 within 6 months of plan year-end and upon receipt of all applicable information received in good order (does not apply to Governmental plans)	$1,000 annually $1,000 annually $1,000 annually
Training:	Based on plan sponsor need	No penalty established
Overall Satisfaction		
Draft and distribute survey:	Survey provided annually	$500 if survey not conducted during the year
Satisfaction survey score:	85%	$500 if the standard is not met

1. These standards are subject to final negotiation and only apply to the services processed by Lincoln Financial Group. Services the client performs online are not covered.

2. Total penalty will not exceed 5% of annual recordkeeping fees each calendar year.

3. If Lincoln does not meet its service obligations in any of the above standards within a calendar quarter, Lincoln shall be given an additional calendar quarter (the cure period) to cure its performance in that standard. If Lincoln meets the standard during this cure period, no penalty shall be paid for missing the service obligation. If Lincoln does not meet its service obligation for the standard in the cure period, Lincoln shall pay the penalty for the cure period as set forth above, but not for the initial calendar quarter in which Lincoln did not meet its service obligations. The cure period is not applicable to the conversion timeliness or annual service standards.

In no event shall Lincoln pay penalties for breaches of service guarantees as described above in an amount exceeding 5 percent (5%) of annual recordkeeping fees each calendar year.

Application for group fixed annuity contract

Lincoln Financial Group®

THE LINCOLN NATIONAL LIFE INSURANCE COMPANY

1 Tell us about the contract.

Contract owner's name

Lincoln Financial Group Trust Company TTEE FBO City of Yuba City Deferred Compensation Plan

Street address

P.O. Box 7892

City, state, zip

Fort Wayne, IN 46801

Contract number	Tax ID#	Effective date (mm/dd/yyyy)
898146+096	45-4119348	11 / 05 / 2024

2 Tell us about the plan.

Plan name

City of Yuba City Deferred Compensation Plan

Employer's name

City of Yuba City

Product code	Market type	Plan code	Type of plan (choose one)
Z636	457(b) Gov	YUBA-001	☒ Institutional ☐ Intermediary

3 Sign and date this form.

IMPORTANT FRAUD NOTICE

Residents of all states except Alabama, Arkansas, California, Colorado, District of Columbia, Florida, Kansas, Kentucky, Louisiana, Maine, Maryland, New Jersey, New Mexico, New York, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, Tennessee, Vermont, Virginia and Washington, please note: Any person who knowingly, and with intent to defraud any insurance company or other person, files or submits an application or statement of claim containing any materially false or deceptive information, or conceals, for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and may subject such person to criminal and civil penalties.

For Alabama residents only: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or who knowingly presents false information in an application for insurance is guilty of a crime and may be subject to restitution fines or confinement in prison, or any combination thereof.

For Arkansas, Louisiana, and Rhode Island residents only: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

For California residents only: Any person who knowingly presents false or fraudulent information to obtain or amend insurance coverage or to make a claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.

For Colorado, Kentucky, Maine, and Tennessee residents only: Any person who, knowingly and with intent to injure, defraud or deceive any insurance company or other person, files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and may subject such person to criminal and civil penalties, fines, imprisonment, or a denial of insurance benefits.

For District of Columbia residents only: WARNING: it is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.

For Florida residents only: Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

For Kansas residents only: Any person who knowingly, and with intent to defraud any insurance company or other person, files or submits an application or statement of claim containing any materially false or deceptive information, or conceals, for the purpose of misleading, information concerning any fact material thereto, may be guilty of fraud as determined by a court of law.

For Maryland residents only: Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

For New Jersey residents only: Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

For New Mexico residents only: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to civil fines and criminal penalties.

Continue to the next page for REQUIRED signatures.

Lincoln Financial Group is the marketing name for Lincoln National Corporation and its affiliates. Affiliates are separately responsible for their own financial and contractual obligations.

Application for group fixed annuity contract

3 Sign and date this form (continued).

For Oklahoma residents only: WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

For Ohio residents only: Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

For Oregon residents only: Any person who knowingly, and with intent to defraud any insurance company or other person, files or submits an application or statement of claim containing any materially false or deceptive information, or conceals, for the purpose of misleading, information concerning any fact material thereto, may commit a fraudulent insurance act, which may be a crime and may be subject such person to criminal and civil penalties.

For Pennsylvania residents only: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

For Vermont residents only: Any person who knowingly presents a false statement in an application for insurance may be guilty of a criminal offense and subject to penalties under state law.

For Virginia residents only: Any person who, with the intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement may have violated the state law.

For Washington residents only: It is a crime to knowingly provide false, incomplete, or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines, and denial of insurance benefits.

By signing below, I represent to the best of my knowledge that:

- I have read the Important Fraud Notice on the previous page and understand the implications stated.
- I am authorized to purchase this contract on behalf of the plan.
- If this contract is being purchased to fund a 401(a), 401(k), 403(b), 409A, 414(k), 457(b) Gov, 457(b) TH, 457(e), 457(f), 529, HSA, IRA, VEBA or an Other plan, the purchase payments are qualified under sections 401(a), 401(k), 403(b), 409A, 414(k), 457(b) Gov, 457(b) TH, 457(e), 457(f), 529, HSA, IRA, VEBA or an Other plan, as applicable, of the Internal Revenue Code or in the opinion of my counsel.
- To the best of my knowledge, all information provided is complete and accurate.

CONTRACT OWNER OR AUTHORIZED SIGNER

Contract owner's or authorized signer's name (please print or type)

Ralph Ferraro

Contract owner's or authorized signer's title

President

Contract owner's or authorized signer's signature

Date (mm/dd/yyyy) 07 / 19 / 2024

Signed at (city, state)

Fort Wayne, IN 46801

REGISTERED REPRESENTATIVE

Registered representative's name (please print or type)

William McLaren

Registered representative's signature

Date (mm/dd/yyyy) 07 / 19 / 2024

Return this form to your retirement plan representative.

The Lincoln National Life Insurance Company
1301 South Harrison St.
Fort Wayne, IN 46802
Service number: 800-234-3500

(Please give a copy of this notice to the Contractholder)

Out-of-State Verification Notice

By signing the application and accepting delivery of the enclosed entire Contract, the parties confirm that this Contract was principally negotiated, issued, and delivered in the state where the application was signed. Any communication pertaining to this Contract also occurred in the state where the application was signed.

If the above statement is not accurate, in its entirety, please contact Us at the Service number shown above.

Lincoln Financial Group is the marketing name for Lincoln National Corporation and its affiliates. Affiliates are separately responsible for their own financial and contractual obligations.

What Does Lincoln Financial Group Do with Your Personal Information?

The Lincoln Financial Group companies* are committed to protecting your privacy. To provide the products and services you expect from a financial services leader, we must collect personal information about you. This Notice describes our current privacy practices. While your relationship with us continues, we will update and send our Privacy Practices Notice as required by law. Even after that relationship ends, we will continue to protect your personal information. You do not need to take any action because of this Notice, but you do have certain rights as described below.

We are committed to the responsible use of information and protecting individual privacy rights. As such, we look to leading data protection standards to guide our privacy program. These standards include collecting data through fair and lawful means, such as obtaining your consent when appropriate.

Financial companies choose how they share your personal information. Federal and state law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this carefully to understand what we do.

Information We May Collect and Use

We collect personal information about you:

- to help us identify you as a consumer, our customer or our former customer;
- to process your requests and transactions;
- to offer investment, insurance, retirement and other financial services to you;
- to pay your claim;
- to analyze in order to enhance our products and services;
- to tell you about our products or services we believe you may want and use; and
- as otherwise permitted by law.

The types of personal information we collect depend on your relationship and on the products or services you request and may include the following:

- **Information from you:** When you submit your application or other forms, you give us information such as your name; address; Social Security number; your financial health; and employment history. We may also collect voice recordings or biometric data for use in accordance with applicable law.
- **Information about your transactions:** We maintain information about your transactions with us, such as the products you buy from us; the amount you paid for those products; your account balances; payment details; and your payment and claims history.
- **Information from outside our family of companies:** If you are applying for or purchasing insurance products, we may collect information from consumer reporting agencies, such as your credit history; credit scores; and driving and employment records. With your authorization, we may also collect information (such as medical information, retirement information, and information related to Social Security benefits), from other individuals or businesses.
- **Information from your employer:** If your employer applies for or purchases group products from us, we may obtain information about you from your employer or group representative to enroll you in the plan.

When you are no longer our customer, we continue to share your information as described in this notice.

How We Share and Use Your Personal Information

We may share your personal information within our companies and with certain service providers. They may use this information:

- to process transactions you, your employer, or your group representative have requested;
- to provide customer service;
- to analyze in order to evaluate or enhance our products and services;
- to gain customer insight; to provide education and training to our workforce and customers; and/or
- to inform you of products or services we offer that you may find useful.

Our service providers may or may not be affiliated with us. Affiliates are companies related by common ownership or control. Nonaffiliates are companies not related by common ownership or control. They include:

- Financial service providers: third party administrators; broker-dealers; insurance agents and brokers; registered representatives; reinsurers and other financial services companies with which we have joint marketing agreements. A joint marketing agreement is a formal agreement between nonaffiliated financial companies that together market financial products or services to you. Our joint marketing partners include, but are not limited to, insurance providers and financial technology solutions.
- Non-financial companies and individuals: consultants; vendors; and companies that perform marketing services on our behalf.

Information we obtain from a report prepared by a service provider may be kept by the service provider and shared with other persons; however, we require our service providers to protect your personal information and to use or disclose it only for the work they are performing for us, or as permitted by law. We may execute agreements with our service providers that permit the service provider to process your personal information outside of the United States, when not prohibited by our contracts and permitted by applicable law.

When you apply for one of our products:

- We may share information about your application with credit bureaus.
- We may provide information to group policy owners or their designees (for example, to your employer for employer-sponsored plans and their authorized service providers).
- We may provide information to regulatory authorities, law enforcement officials, and to other nonaffiliated or affiliated parties as permitted by law.
- In the event of a sale of all or part of our businesses, we may share customer information with the acquiror as part of the sale.
- **We do not sell or release your information to outside marketers who may want to offer you their own products and services unless we receive your express consent; nor do we release information we receive about you from a consumer reporting agency.**

All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Lincoln chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Lincoln share?	Can you limit this sharing?
For our everyday business purposes—such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes—to offer our products and services to you	Yes	No
For joint marketing with other financial companies	Yes	No
For our affiliates' everyday business purposes—information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes—information about your creditworthiness	No	We Don't Share
For our affiliates to market to you	No	We Don't Share
For nonaffiliates to market to you	Yes	Yes (We don't share unless we receive your express consent)

Federal law gives you the right to limit only:

- sharing for our affiliates' everyday business purposes – information about your creditworthiness;
- sharing for our affiliates to market to you; and
- sharing for nonaffiliates to market to you.

State laws and individual companies may give you additional rights to limit sharing. California residents can review our California Privacy Notice located at https://www.lincolnfinancial.com/public/general/privacy/californiaprivacynotice.

Security of Information

We have an important responsibility to keep your information safe. We use safeguards to protect your information from unauthorized disclosure. To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. Our employees are authorized to access your information only when they need it to perform their job responsibilities. Employees who have access to your personal information are required to keep it confidential. Employees are required to complete privacy training annually.

Your Rights Regarding Your Personal Information

This Privacy Notice describes how you can exercise your rights regarding your personal information. Lincoln complies with all applicable laws and regulations regarding the provision of personal information. The rights provided to you in this Privacy Notice will be administered in accordance with your state's specific laws and regulations.

Access to personal information: You must submit a written request to receive a copy of your personal information. You may see your personal information in person, or you may ask us to send you a copy of your personal information by mail or electronically, whichever you prefer. We will need to verify your identity before we process the request. Within 30 business days of receiving your request, we will, depending on the specific request you make, (1) inform you of the nature and substance of the recorded personal information we have about you; (2) permit you to obtain a copy of your personal information; and (3) provide the identity (if recorded) of persons to whom we disclosed your personal information within two years prior to the request (if this information is not recorded, we will provide you with the names of those insurance institutions, agents, insurance support organizations or other persons to whom such information is normally disclosed). If you request a copy of your information by mail, we may charge you a fee for copying and mailing costs.

Changes to personal information: If you believe that your personal information is inaccurate or incomplete, you may ask us to correct, amend, or delete the information. Your request must be in writing and must include the reason you are requesting the change. We will respond within 30 business days from the date we receive your request.

If we make changes to your records as a result of your request, we will notify you in writing and we will send the updated information, at your request, to any person who may have received your personal information within the past two years. We will also send the updated information to any insurance support organization that gave us the information and any insurance support organization that systematically received personal information from us within the prior 7 years unless that support organization no longer maintains your personal information.

If we deny your request to correct, amend, or delete your information, we will provide you with the reasons for the denial. You may write to us and concisely describe what you believe our records should say and why you disagree with our denial of your request to correct, amend, or delete that information. We will file this communication from you with the disputed information, identify the disputed information if it is disclosed, and provide notice of the disagreement to the recipients and in the manner described in the paragraph above.

Basis for adverse underwriting decision: You may ask in writing for the specific reasons for an adverse underwriting decision. An adverse underwriting decision is where we decline your application for insurance, offer to insure you at a higher than standard rate, or terminate your coverage.

Your state may provide for additional privacy protections under applicable laws. We will protect your information in accordance with these additional protections.

If you would like to exercise your rights regarding your personal information, please provide your full name, address and telephone number and either email your inquiry to our Data Subject Access Request Team at DSAR@lfg.com or mail to: Lincoln Financial Group, Attn: Corporate Privacy Office, 1301 South Harrison St., Fort Wayne, IN 46802. **The DSAR@lfg.com email address should only be used for inquiries related to this Privacy Notice.**

For general account service requests or inquiries unrelated to this Privacy Notice, please call 1-877-ASK-LINC.

*This information applies to the following Lincoln Financial Group companies:

First Penn-Pacific Life Insurance Company
Lincoln Financial Distributors, Inc.
Lincoln Financial Group Trust Company, Inc.
Lincoln Financial Investments Corporation (formerly Lincoln Investment Advisors Corporation)
Lincoln Life & Annuity Company of New York
Lincoln Life Assurance Company of Boston
Lincoln Retirement Services Company, LLC
Lincoln Variable Insurance Products Trust
The Lincoln National Life Insurance Company
Lincoln Financial Insurance Agency Incorporated

Lincoln National Corporation
150 N. Radnor-Chester Road
Radnor, PA 19087-5221

www.LincolnFinancial.com

Continuity Plan Summary

Lincoln National Corporation ("LNC") headquartered in Radnor, PA, is the parent corporation of, among others, The Lincoln National Life Insurance Company, First Penn-Pacific Life Insurance Company, and Lincoln Life & Annuity Company of New York. LNC's subsidiaries have offices located in Atlanta, GA; Boston, MA; Charlotte, NC; Fort Wayne, IN; Greensboro, NC; Hartford, CT; Omaha, NE; Philadelphia, PA; Phoenix, AZ; Radnor, PA; Dover, NH; and Syracuse, NY. Lincoln Financial Advisors Corporation, Lincoln Financial Distributors, Inc., and Lincoln Financial Securities Corporation have business locations throughout the USA. Unless the context otherwise implies, as used herein LNC refers to LNC and its subsidiaries.

LNC is committed to safeguarding the interests of its clients and customers in the event of an emergency or significant business disruption ("SBD"). LNC's broad business continuity strategy is designed to enable LNC to meet its existing obligations to its clients and customers in the event of an emergency or SBD by safeguarding employees and property, making a financial and operational assessment, recovering, and resuming operations, protecting LNC's books and records, and allowing customers to conduct business.

Business Continuity Planning

LNC has a documented corporate policy requiring each Business Unit to develop a business continuity plan. In support of this policy, LNC's Business Resilience area has the full-time responsibility of coordinating the development, testing and maintenance of all LNC Business Continuity Plans. Business Resilience determines and drives appropriate strategies for the development of a resilient business environment with formal systematic processes with auditable controls that enforces the corporate policy on continuity.

LNC's Business Continuity Plans address advance preparations and actions to be taken in response to disruptions of various magnitudes. The Business Continuity Plans address the potential impact of varying risks of disruptions to LNC employees, equipment, computer and telecommunications systems, and office facilities. While it is impossible to anticipate every type of disruption that could affect LNC's businesses, LNC takes an 'all hazards' approach to planning which encompasses reduction in workforce, loss of facility and loss of data.

Crisis Management

Local crisis management teams are in place in all LNC locations. These local crisis teams are charged with recording and managing any potential or actual crisis at the site from the time a situation occurs to the resolution of the incident and resumption of normal business operations.

Backup and Recovery

With the use of a co-located alternate Disaster Recovery data center solution LNC maintains back-up systems and power supplies that allow critical computer and telecommunications systems and facility functions to be maintained in the event of significant business disruption("SBD"). The duration of the disruption will depend on the nature and extent of the emergency or SBD.

In the event of an SBD, where it is not possible to conduct business from one of LNC's offices, the company will utilize work from home solutions as well as the use of alternate sites equipped with resources to support critical business operations.

LNC's Business Continuity Plans are reviewed as necessary, and at least annually, to ensure they account for technology, business, operations, structure, or location.

Lincoln Financial Group is the marketing name for Lincoln National Corporation and its affiliates. Certain affiliates act as the administrative agent for CIGNA Life Insurance Company and Connecticut General Life Insurance Company.

Lincoln National Corporation
150 N. Radnor-Chester Road
Radnor, PA 19087-5221

www.LincolnFinancial.com

Continuity Plan Summary

Critical Infrastructure and Application Testing

LNC's testing strategy incorporates the use of a Business Impact Analysis ("BIA") for developing enterprise-wide and Information Technology ("IT") Disaster Recovery ("DR") testing strategies. The strategy identifies key roles and responsibilities and establishes the minimum requirements for testing, including baseline requirements for frequency, objectives, and reporting test results. It also drives the requirements for creating and updating Disaster Recovery Plans and Validation Recovery documentation. Testing allows for the evaluation of the level of preparedness that exists in our environment and supports recommendations for resources and funding needed for compliance with applicable federal laws and regulations.

Lincoln completes scheduled annual testing focused on pre-defined parts of critical infrastructure. Tests are designed to establish and/or validate recovery time objectives. Additional tests are done periodically to recover individual applications based on criticality.

As an example, the scope of the tests may include:

- Evaluation of infrastructure (ex: computers, network, hardware) to demonstrate the anticipated operation of the components and system. Tests are often performed as part of normal operations and maintenance. Disaster Recovery tests are often included within these exercises.
- Operational readiness testing ("ORT") is used to conduct operational readiness (pre-release) of a product, service, or system and/or physical infrastructure (ex: building systems, generators, utilities). ORT may include checking the backup/restore facilities, IT disaster recovery procedures, maintenance tasks and periodic check of security vulnerabilities.
- Activities performed to evaluate a plan relative to specified objectives or measurement criteria.

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LCN-4152324-011122

SUMMARY OF THE NEW HAMPSHIRE LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION ACT of 2019 (RSA 408-F) (the Act)
AND
NOTICE CONCERNING COVERAGE AND LIMITATIONS

SUMMARY:

This notice provides a brief summary of the purpose of the New Hampshire Life and Health Insurance Guaranty Association (Association) and the protection it provides for policyholders. This safety net was created under New Hampshire law, which determines who and what is covered and the amounts of coverage. This summary does not cover all provisions of the law and it does not in any way change one's rights or obligations under the Act or the rights or obligations of the Association.

The Association was established to provide protection in the unlikely event that your life, annuity, or health insurance company becomes financially unable to meet its obligations and is taken over by its insurance department. If this should happen, the Association will typically arrange to continue coverage and pay claims, in accordance with New Hampshire law, with funding from assessments paid by other insurance companies, including health maintenance organizations (HMOs).

DISCLAIMER:

The Association may not cover your policy or contract or, if coverage is available, it may be subject to substantial limitations and exclusions and conditioned on continued residence in the state. This protection is not a substitute for consumers' care in selecting companies that are well managed and financially stable and consumers should not rely on coverage under this Act when selecting an insurer or HMO. The valuable protection through the Guaranty Association is not unlimited.

COVERAGE:

Generally, individuals will be protected by the New Hampshire Life and Health Insurance Guaranty Association if they live in this state and hold a life or health insurance policy or an annuity contract, or if they are insured under a group insurance contract, issued by a member insurer. The beneficiaries, assignees or payees of insured persons are protected as well, even if they live in another state.

Coverage provided under the current, amended Act may be different from coverage provided prior to 2020, as coverage is determined by the governing Act in effect on the date that the Association becomes obligated.

BASIC LIMITS ON AMOUNT OF COVERAGE:

The Act limits the amount the Association is obligated to pay. The Association cannot pay more than what the insurance company would owe under a policy or contract.

The basic protections provided by the Association are limited to:

- **Life Insurance**
  - $300,000 in death benefits
  - $100,000 in cash surrender and withdrawal values
- **Health Insurance**
  - $500,000 for health benefit plans (see definition below)
  - $300,000 in disability (income) insurance benefits
  - $300,000 in long-term care insurance benefits
  - $100,000 in other types of health insurance benefits
- **Annuities**
  - $250,000 in the present value of annuity benefits, including net cash surrender and net cash withdrawal values

With respect to any one life, the Association will pay a maximum of $300,000 no matter how many policies and contracts there were with the same company, even if they provided different types of coverages, except with respect to benefits for basic hospital, medical and surgical insurance and major medical insurance, in which case the aggregate liability of the Association shall not exceed $500,000 with respect to any one individual.

"Health benefit plan" is defined in RSA 408-F:4,VI and generally includes hospital or medical expense policies, contracts or certificates, or HMO subscriber contracts that provide comprehensive forms of coverage for hospitalization or medical services, but excludes policies that provide coverages for limited benefits (such as dental-only or vision-only insurance), Medicare Supplement insurance, disability income insurance and long-term care insurance.

Benefits provided by a long-term care (LTC) rider to a life insurance policy or an annuity contract shall be considered the same type of benefits as the base life insurance policy or annuity contract to which it relates.

NOTE: Certain policies and contracts may not be covered or may not be fully covered. For example, coverage does not extend to a portion(s) of a policy or contract that the insurer does not guarantee, such as certain investment additions to the account value of a variable life insurance policy or a variable annuity contract.

Insurance companies or their agents are required by law to give or send you this notice. However, insurance companies and their agents are prohibited by law from using the existence of the Association to induce you to purchase any kind of insurance policy.
This information is provided by:

New Hampshire Life and Health Insurance Guaranty Association
12 Brick Mill Road, Unit A
Bedford, NH 03110
(603) 472-3734
www.nhlifega.org

New Hampshire Department of Insurance
21 South Fruit Street, Suite 14
Concord, NH 03301
(603) 271-2261
www.nh.gov/insurance/

NOTICE CONCERNING EXCLUSIONS FROM COVERAGE
UNDER THE
NEW HAMPSHIRE LIFE AND HEALTH INSURANCE
GUARANTY ASSOCIATION ACT OF 2019
R.S.A. 408-F

THIS POLICY OR A PORTION OF THIS POLICY IS NOT OR MAY NOT BE COVERED BY THE NEW HAMPSHIRE LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION

EXCLUSIONS FROM COVERAGE:

The following are **not** covered by the New Hampshire Life and Health Insurance Guaranty Association:

- any policy or portion of a policy or contract not guaranteed by the insurer or under which the risk is borne by the policy holder or contract holder;
- any policy or contract of reinsurance, unless assumption certificates have been issued;
- interest rate guarantees that exceed certain statutory limitations;
- any plan or program of an employer, association, or similar entity to provide life, health, or annuity benefits to its employees or members to the extent that the plan orprogram is self-funded or uninsured, including, but not limited to, benefits payable by an employer, association, or similar entity;
- dividends, experience rating credits, or fees for services in connection with a policy;
- any policy or contract issued in this state by an insurer at a time when it was not licensed or authorized to do business in New Hampshire;
- any unallocated annuity contract issued to an employee benefit plan protected underthe federal Pension Benefit Guaranty Corporation;
- any portion of any unallocated annuity contract which is not issued to or in connection with a specific employee, union, or association or natural persons benefitplan or a government lottery;
- any portion of a policy or contract to the extent that the required assessments are preempted by federal or state law;
- interest or changes in value determined by an index or other external reference but which have not been credited or which a policy or contract owner's rights are subjectto forfeiture;
- a policy or contract providing any hospital, medical, prescription drug or other healthcare benefits pursuant to Medicare Part C and D; or Medicaid;
- structured settlement annuity benefits that have been transferred in a structured settlement factoring transaction.

Also, you may **not** be protected by this Association if:

- you are not a resident of the state of New Hampshire, except in certain specific instances;
- you are eligible for protection under the laws of another state;
- your policy was issued by a nonprofit hospital or medical service organization, a fraternal benefit society, a mandatory state pooling plan, a mutual assessment company or any entity that operates on an assessment basis, an insurance exchange, or any entity similar to any of the above.

Insurance companies or their agents are required by law to give or send you this notice.

However, insurance companies and their agents are prohibited by law from using the existence of the Association to induce you to purchase any kind of insurance policy.

New Hampshire Life and Health Insurance Guaranty Association
12 Brick Mill Road, Unit A
Bedford, NH 03110
(603) 472-3734
www.nhlifega.org

New Hampshire Department of Insurance
21 South Fruit Street, Suite 14
Concord, NH 03301
(603) 271-2261
www.nh.gov/insurance/

November 2021

The Lincoln National Life Insurance Company
(the "Company")
Service Office:
Fort Wayne, IN
800-234-3500

A Stock Company

GROUP ANNUITY CONTRACT

The Lincoln National Life Insurance Company agrees to provide the benefits and other rights in accordance with the terms of this Contract.

This Contract is delivered in the jurisdiction of and is governed by the laws of New Hampshire.

UNALLOCATED
GROUP FIXED ANNUITY CONTRACT
NONPARTICIPATING

President

Secretary

Lincoln Financial Group is the marketing name for Lincoln National Corporation and its affiliates.

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Contract Specifications

CONTRACT NUMBER: **898146+096**

CONTRACT OWNER: **Lincoln Financial Group Trust Company TTEE FBO City of Yuba City Deferred Compensation Plan**

EFFECTIVE DATE: **November 5, 2024**

EMPLOYER: **City of Yuba City**

PLAN: **City of Yuba City Deferred Compensation Plan**

INTEREST RATE

Interest will be credited daily to the Contract Owner Account so that when compounded and accrued yields at least the effective annual interest rate. The effective annual interest rate will equal the greater of the two rates shown below.

a. **GUARANTEED MINIMUM INTEREST RATE (GMIR)**: 1.00% for all years

b. **DECLARED INTEREST RATE**: declared and made available reasonably in advance of each six-month period (January to June and July to December)

GENERAL ACCOUNT

Contributions and interest become part of the general assets of the Company.

ADDITIONAL PARTICIPANT INITIATED WITHDRAWAL LIMITATIONS (see Section 4.01)

Participant initiated withdrawals to a Competing Fund will not be permitted. In addition, withdrawals will not be permitted for 90 days after a transfer from any other investment option in the Plan to a Competing Fund. Finally, if a withdrawal from this Contract is allowed for a Participant, transfers thereafter from any other investment option in the Plan to a Competing Fund will not be permitted for 90 days. These restrictions apply at the Participant level and will continue to apply to transfers made up to and including the Contract Termination Date.

Competing Fund - An investment option which has similar investment objectives, duration or market volatility as this Contract including but not limited to fixed accounts of annuities, money market funds, short-term bond funds, short-term lifecycle funds or any other fund with similar investment objectives, duration or market volatility. Such investment options will also include individual brokerage accounts and all investment options except those where we have agreements in place with the benefit plan platform provider to manage compliance with competing fund restrictions outlined in the Contract.

CONTRIBUTION LIMITS: We may prohibit new Contributions to this Contract, provided you are given at least 180 days advance notice during which time you may reject this change by terminating as outlined in Section 6.01.

PAYMENT OPTIONS UPON CONTRACT TERMINATION

a. Book Value Installment Option

Under this option, the value of Contract Owner Account will be paid in 6 payments to the Contract Owner beginning with the Payout Initiation Date. The timing and percentage of each installment payment will be as indicated in the following schedule:

Transaction Dates	Percentage Eligible For Payment
Payout Initiation Date	20% of the balance on such date
First anniversary of the Payout Initiation Date	20% of the balance on such date
Second anniversary of the Payout Initiation Date	25% of the balance on such date
Third anniversary of the Payout Initiation Date	33% of the balance on such date
Fourth anniversary of the Payout Initiation Date	50% of the balance on such date
Fifth anniversary of the Payout Initiation Date	100% of the balance on such date

Withdrawals made while payments are being made under this option are allowed or restricted according to the provisions in Section 4.01 and 4.02. Following the Payout Initiation Date, We will reduce the Declared Interest Rate to the GMIR. If the value of the Contract Owner Account is less than $1,000, the entire amount may be paid in the first installment.

b. Market Value Payment Option

Under this option, the value of the Contract Owner Account on the Contract Termination Date as modified by a Market Value Adjustment will be paid in a lump sum on the first business day after the Contract Termination Date to the Plan trustee or other party designated by you. We will determine the amount payable as follows:

The Market Value Adjustment will equal the product of the value of the Contract Owner Account as of the Contract Termination Date and a multiplier which is the Market Value Factor minus 1.00.

The Market Value Factor is the lesser of 1.00 and the ratio of:

$$\frac{\text{Current Bond Price}}{\text{Par Value of that Bond}}$$

We will calculate the Current Bond Price to equal the price of a bond as described below:

1. issued with a maturity of 6.5 years and semiannual coupons equal to the par value multiplied by the interest rate in number 2. The amount of the semiannual coupons will be equal to the par value multiplied by 50% of the interest rate in number 2;

2. bearing interest at the 5 year average of the Bloomberg U.S. Aggregate Bond Index yield to worst as of the most recent month end prior to the Payout Initiation Date, however, if the Contract has been in force for less than 2 years, the average yield will be computed over a period not greater than the number of full calendar months that the Contract has been in force; and

3. determining the present value of the coupons and maturity of the bond based on the Bloomberg U.S. Aggregate Bond Index yield to worst as of the most recent month end prior to the Payout Initiation Date. If

this index ceases to be published, we will select a comparable index. Once the Contract has been in force for 2 years, We reserve the right to substitute a different market value adjustment formula. We will provide notice at least 120 days in advance to the Contract Owner of this change subject to your right to reject this change and terminate under the terms in effect prior to the noticed change.

Minimum Value

The minimum value will be the principal accumulated at 1.00% through the Contract Termination Date. For purposes of this paragraph, “principal” is defined as Contributions minus withdrawals, if any, but not less than zero. We will calculate the minimum value on a date that is, at most, ten days prior to the Contract Termination Date.

ARTICLE 1 – DEFINITIONS

Section

1.01 Annuitant and Contingent Annuitant – The persons upon whose lives the Annuity Payouts will be based.

1.02 Annuity Payout – An amount paid at regular intervals under one of several options available to the Annuitant and/or any other payee.

1.03 Book Value – The value of the Contract Owner Account. It is the sum of Contributions plus interest credited, less withdrawals.

1.04 Code – The Internal Revenue Code of 1986, as amended.

1.05 Company (We, Us, Our) – The Lincoln National Life Insurance Company.

1.06 Contract – The agreement between the Contract Owner and the Company providing a group fixed annuity as a funding option within the Plan.

1.07 Contract Owner (You, Your) – The Contract Owner shown on the Contract Specifications.

1.08 Contract Owner Account – An account maintained under this Contract to account for Contributions, interest and withdrawals.

1.09 Contract Termination Date –The date specified by You or Us for termination of this Contract under the Market Value Payment Option, as shown on the Contract Specifications. If a Book Value Payment Option is elected, this date will be the business day immediately prior to the final payment.

1.10 Contract Year – The twelve (12) month period which begins on the Effective Date of this Contract and continues through each anniversary of the Effective Date thereafter.

1.11 Contributions – Amounts paid into the Contract.

1.12 Effective Date – The effective date shown on the Contract Specifications.

1.13 Notice of Contract Termination – A written, signed communication between You and Us or other written communication approved in advance by Us, which provides information about the Payout Initiation Date, and must include your election of one of the Payment Options shown on the Contract Specifications. Any Notice of Contract Termination by You must be received by Us at Our Service Office in good order. A Notice of Contract Termination is not binding on any payment or action We make before receiving such Notice of Contract Termination. Notice of termination and payment election cannot be modified unless mutually agreed to by the parties.

1.14 In Writing - This term means a written form of communication satisfactory to us and received at our Service Office Address. We retain the right to agree in advance to accept communication by telephone or some other form of transmission, in a manner we prescribe, and doing so does not waive our right to require that future communications be in written form. Before we receive your communication at our Service Office Address, we will not be responsible for any action we take or allow that conflicts with your communication. With respect to any written communication from Us to You or any other person, this term means a written form of communication by ordinary mail to such person at the most recent address in our records. If agreed to in advance by You, we may also send communication to You by some other form of transmission. Any notice, election or request required or permitted under the terms of this Policy stated as “Notice”, “Request” or “Election” are communications required to be In Writing as provided by this definition.

1.15 Participant – A person defined as a Participant in the Plan.

1.16 Participant's Account Balance – The portion of the Contract Owner Account Balance that is attributable to a Participant.

1.17 Participant's Minimum Cash Surrender Value – the minimum value will be consistent with the Standard Nonforfeiture Law of the state of issue; for states that have adopted the NAIC model law, the minimum value will be 87.5% of the Participant's Contributions minus withdrawals, accumulated at a rate consistent with the Standard Nonforfeiture Law as of the Contract Effective Date.

1.18 Payout Initiation Date – The date specified in a Notice of Contract Termination. For a payment under the Market Value Payment Option as shown on the Contract Specifications, it is the date the lump sum is requested to be paid out. For a book value option, it is the date of the first scheduled payment.

1.19 Plan – The plan named in the Contract Specifications

1.20 Prohibited Participant Communications – any communications provided by You, Your service provider, representatives, agents or consultants, In Writing or otherwise, that advise, encourage, influence or recommend either (i) Participants to make withdrawals from this Contract prior to Contract Termination Date, (ii) Participants to cease making Contributions to this Contract prior to Contract Termination Date, or (iii) Participants to take any other action that may have a material adverse impact on Our obligations under this Contract, unless authorized in advance by the Company.

1.21 Re-enrollment Program – An event initiated by You, Your service provider, representatives, agents or consultants that requires or allows (i) all existing Participants to re-enroll in a Plan, select or default into new allocations for existing account balances and/or new allocations for Contributions, or (ii) nonparticipating employees to enroll in the Plan at this time, pursuant to the event.

1.22 Service Office – Our principal place of business as shown on the cover page of this Contract.

1.23 Standard Nonforfeiture Law – The National Association of Insurance Commissioner's Standard Nonforfeiture Law for Individual Deferred Annuities, model #805, or as amended.

ARTICLE 2 – PURPOSE OF CONTRACT

Section

2.01 This is a group fixed annuity Contract. This Contract may be used to fund all or part of the Plan's obligation to the Participants.

2.02 The provisions of the Plan control the operation of the Plan. The provisions of the Contract control the operation of the Contract.

2.03 We are not a party to the Plan. The Plan is mentioned merely for reference purposes. Except for the obligations provided under this Contract, we have no liability under the Plan. We are under no obligation under or by reason of issuance of this Contract either (a) to determine whether any payment or distribution under this Contract complies with the provisions, terms and conditions of the Plan or with applicable law, or (b) to administer the Plan, including without limitation, any provisions required by the Retirement Equity Act of 1984.

2.04 This Contract can be issued in connection with a Plan which meets the requirements of the Code and is approved by Us. We may require evidence of the Plan's tax-exempt status.

ARTICLE 3 – FUNDING

Section

3.01 Contributions must be made to Us at a location designated by Us.

3.02 Contributions may be subject to the Contribution Limits shown on the Contract Specifications, if any.

3.03 We will credit interest daily on all Contributions as shown in the Contract Specifications. We guarantee that we will credit an effective annual interest rate as shown in the Contract Specifications, as of the date that the applicable rate was declared.

3.04 At least once during each Contract Year, we will provide a report of the Book Value.

3.05 For all payments falling due after one year from the Contract's Effective Date, there shall be a 31 day grace period for the payment of Contract Charge.

ARTICLE 4 – WITHDRAWALS

Section

4.01 Subject to the specified restrictions, Participant-initiated withdrawals will be allowed during the life of this Contract as described below.

a. Withdrawals out of the Plan without any assessment of a Market Value Adjustment:

1. Withdrawal due to the Participant's death or disability, as defined by the Code;

2. Withdrawal due to the Participant's retirement (early, normal or late);

3. Withdrawal due to the Participant's separation of service, however if the separation of service is due to plant shutdown or any other program instituted by the employer (such as a change to the early retirement program), only 20% of this Contract would be allowed to be withdrawn under this section in a calendar year. Excess withdrawals over 20% will be assessed a Market Value Adjustment;

4. Withdrawal due to the Participant's financial hardship or unforeseeable emergency as defined by the Code and if applicable, certified by the Employer;

5. Withdrawal pursuant to a qualified domestic relations order (QDRO);

6. Withdrawal due to the annuitization under the Contract (Article 5);

7. Withdrawal due to a Participant loan;

8. Withdrawal due to a Participant attaining the age at which the Code allows withdrawals without penalty, as allowed by the Plan as an in-service withdrawal;

9. Withdrawal due to Plan termination, which includes the complete liquidation of assets from the Plan, unless we have notified you at least 90 days in advance of that event that a Market Value Adjustment would apply.

10. Withdrawals to fund Qualified Birth or Adoption distributions as permitted by the Plan and defined by the Code.

b. Withdrawals to be transferred to other investment options within the Plan without any assessment of Market Value Adjustment:

1. Withdrawals due to a Re-enrollment Program when such program is limited to no more than 20% of the value of the Contract Owner Account being withdrawn as a result of the re-enrollment. Excess withdrawals over 20% will be assessed a Market Value Adjustment;

2. Withdrawals that occur automatically due to a previously established automatic investment allocation program. For withdrawals that result from the initial establishment of an automatic investment allocation program or a change to a new methodology for determining automatic investment allocations see 4.01(c)(2);

c. Other withdrawals that will have restrictions or market value adjustments:

1. Withdrawals not listed above that are in-service withdrawals out of the Plan that are allowed by the Plan, will be subject to a Market Value Adjustment calculated pursuant to the formula described below, unless such withdrawals occur because of a change in the law and are otherwise permitted under the Plan;

2. Withdrawals that are the result of establishing an automatic investment allocation program or changing an existing methodology for determining automatic investment allocations will be subject to a Market Value Adjustment calculated pursuant to the formula described below;

3. Withdrawals will be subject to any Additional Withdrawal Limitations that may be specified on the Contract Specifications;

Market Value Adjustment Formula – If a requested withdrawal is subject to a Market Value Adjustment, the amount paid will be adjusted as follows:

For any participant-initiated withdrawals, as of the date of the requested withdrawal, the amount paid will be the greater of:

a) The product of the requested withdrawal and the Market Value Factor under the Market Value Payment Option on the Contract Specifications, and
b) The requested withdrawal multiplied by the Participant's Minimum Cash Surrender Value divided by the Participant's Account Balance.

Contract Owner initiated withdrawals of the Contract Owner Account will also be subject to the same restrictions of this section 4.01(c) and will apply to the portion of the Contract Owner Account not attributable to Participants.

The Contract Owner Account will be reduced by the amount of the requested withdrawal.

4.02 You agree that no Prohibited Participant Communications will be generated nor distributed unless agreed to in advance by the Company. If Prohibited Participant Communications occur, the Company will assess a Market Value Adjustment on withdrawals occurring after such Prohibited Participant Communication as described in Section 4.01. The Market Value Adjustment will also apply to any amounts payable under Payment Options Upon Contract Termination shown on the Contract Specifications.

4.03 You must submit withdrawal Requests to Us at our Service Office, with proof of the event giving rise to any withdrawal under this Contract.

4.04 Total withdrawals on any one day will be limited to the Book Value.

4.05 Refer to the Contract Specifications for any additional withdrawal provisions or limitations that may apply.

ARTICLE 5 – ANNUITY OPTIONS

Section

5.01 You may establish an annuity benefit for any Annuitant from the options in Article 8. The Participant's Account Balance needed to establish the annuity benefit will be withdrawn from the Contract Owner Account, as directed by You using the amount available for the Annuitant under the provision of section 4.01. The form of annuity or a Contingent Annuitant may not be changed subsequent to the issuance of a certificate.

5.02 Article 8 of this Contract shows the annuity purchase rates and the age adjustments which will be used to determine monthly annuity payment options. The tables show the dollar amount of the guaranteed monthly annuity payments which can be established with each $1,000 applied.

5.03 The frequency of the periodic payment will be determined such that each payment will not be less than $100. However, the Annuitant will receive at least one payment annually.

5.04 When You establish an annuity benefit for any Annuitant, We will issue to each Annuitant a certificate or supplemental contract which sets forth the amount and terms of the annuity benefit.

5.05 If we receive proof that a person receiving payments under this Contract is legally or mentally incompetent, the payments may be made to any person deemed a legal representative by a court of competent jurisdiction; as mandated by the court or required by regulation.

5.06 We will require satisfactory proof of each Annuitant's age and the age of any Contingent Annuitant. If it is determined that age or any other material fact has been misstated, annuity payments will be adjusted. Any underpayments already made will be made up immediately and any overpayments already made will be charged against the annuity payments becoming due after the adjustment.

5.07 The Annuitant may name a Contingent Annuitant at the time the annuity is established.

5.08 When applicable and subject to the annuity payout option selected:

1. If the Annuitant dies and there is no named Contingent Annuitant living, the Annuitant's estate will be paid the present value of any remaining guaranteed payments in one lump sum.
2. If the Annuitant dies and there is a named Contingent Annuitant living, any remaining guaranteed payments due will be distributed to the Contingent Annuitant.
3. If a named Contingent Annuitant is receiving guaranteed payments and dies, the present value of any remaining guaranteed payments will be paid in one lump sum to the Contingent Annuitant's estate.

Payments to the Contingent Annuitant will be made after the Contingent Annuitant has provided to Us (a) due proof of death of the Participant as the case may be, and (b) properly completed claim forms. Due proof of death will be either the certificate of death from the attending physician, a copy of the certified statement of death from the attending physician, a copy of a certified decree of a court of competent jurisdiction as to the finding of death, or any other proof satisfactory to Us.

5.09 We may, at any time, require proof that any person who is entitled to receive annuity payments under this Contract is living when payment is contingent upon survival of such person.

ARTICLE 6 – CONTRACT TERMINATION

Section

6.01 Notwithstanding our rights specified in 6.02, You may terminate this Contract at any time by giving Notice of Contract Termination at least 90 days but not more than 180 days in advance of the Payout Initiation Date and electing one of the Payment Options shown on the Contract Specifications Page. The Notice of Contract Termination must specify the Payout Initiation Date. Upon Our receipt of Notice of Contract Termination, the Company will immediately begin the process of terminating the Contract and will make the appropriate payout according to the timing specified under the payment option selected by You. The Notice of Contract Termination and Payment Option direction may not be rescinded or modified without the mutual agreement of the parties.

6.02 We may give you Notice of Contract Termination that this Contract is to be terminated if:

a. any charges billed to you have not been paid to Us within 30 days; or

b. the Plan ceases to meet the requirements of the Code for purchasers of this Contract; or

c. at any time following the end of the third Contract Year, the Contract Owner Account is less than $15,000; or

d. at any time following the end of the third Contract Year, there is no deposit activity for a 24 consecutive month period and the Contract Owner Account is less than $50,000; or

e. You fail to furnish requested information or other documentation; or

f. We discover any misrepresentation of material information; or

g. If we discontinue offering this Contract form to the public; or

h. If the Plan terminates the recordkeeping agreement with Us or one of our affiliates; or

i. If the risk profiles of the Plan including other fund options, change such as to alter the risk We intended to assume.

The Notice of Contract Termination will specify a Payout Initiation Date which for items a. through h. above will be at least 90 days from the date of the Notice of Contract Termination, and for item i. above will be at least 180 days. If no Payment Option shown on the Contract Specifications is selected by You within 45 days from the date of the Notice of Contract Termination, the Book Value Installment Option will be utilized and the amount due will be distributed to the Contract Owner or Plan Sponsor; if no Book Value Installment Option is shown on the Contract Specifications, the Market Value Payment Option will be utilized.

6.03 All payments will be made to the Contract Owner. We will rely on Your Notice to transfer assets to a specified party. We do not need to verify that such specified party has the right to receive any payments.

6.04 This Contract will terminate on the Contract Termination Date.

6.05 No Contributions will be accepted after the Payout Initiation Date and no withdrawals will be permitted except under Section 4.01 as stipulated herein.

ARTICLE 7 – GENERAL PROVISIONS

Section

7.01 This Contract, any enrollment form, provided by Us, amendments, endorsements and riders, together with the application signed by You constitutes the entire Contract between You and Us.

7.02 We may rely on any action or information provided by You under the terms of this Contract and will be relieved and discharged from any further liability to any party in acting at the direction and upon Your authority. All statements made by You will be deemed representations and not warranties.

7.03 Except as allowed by the Plan or applicable law, neither this Contract nor the Participant's interest in this Contract may be transferred, sold, assigned, discounted or pledged, either as collateral for a loan or as security for the performance of an obligation or for any other purpose.

7.04 We have the right to amend this Contract to maintain the Contract under applicable local, state, or federal laws or regulations, such as the Internal Revenue Code, Internal Revenue Service regulations, or published revenue rulings. We will provide You with Notice of amendments made to comply with applicable law 60 days prior to the change or as soon as administratively practicable. If you do not wish to accept this change you may terminate this Contract pursuant to the termination provision in Section 6.01.

7.05 You and We may also mutually agree to amend this Contract. No amendment will adversely affect the terms of any certificate that has already been issued to an Annuitant under the provisions of this Contract.

7.06 Only an authorized Officer of the Company may make or modify the terms of the Contract or any of its Amendments, Endorsements or Riders. Any such changes must be provided in a Notice in order to be effective.

7.07 We are not liable to provide sufficient funds to provide the Plan's benefits.

7.08 Our failure to perform or insist upon the strict performance of any provision or condition of this Contract will not:

a. constitute a waiver of Our rights to perform or require performance of such provision or condition; or

b. prohibit Us from exercising any other rights We may have in such provision, condition, or otherwise in this Contract.

7.09 If any provision of this Contract is determined to be invalid, the remainder of the provisions will remain in full force and effect.

7.10 Federal, state or local government premium tax, if applicable, will be deducted from either the Contribution when received or at time of withdrawal or annuitization.

7.11 We are not a trustee for assets held in this Contract.

7.12 If an error is found, We will agree to credit the Contract (for any loss) or recover assets previously deposited under this Contract, for any gain, to correct the error. If required, We will utilize legal remedies to pursue correction of the error.

7.13 We will suspend or postpone the processing of any transactions under this Contract when any of the following events occur and prevent the Company from processing transactions under this Contract:

a. a natural disaster or another emergency occurs; or

b. trading on the New York Stock Exchange (or its successor exchange) is restricted; or

c. a State Insurance Department restricts transactions for the protection of Contract Owners; or

d. Our systems fail.

7.14 If You have any questions concerning this Contract, please contact Our Service Office at the address shown on the cover page of this Contract.

ARTICLE 8 – ANNUITY PURCHASE RATES UNDER A FIXED PAYOUT OPTION

SINGLE LIFE ANNUITY TABLE
SINGLE LIFE CERTAIN PERIOD TABLE

DOLLAR AMOUNT OF FIRST MONTHLY PAYMENT WHICH IS PURCHASED WITH EACH $1,000 APPLIED

Annuitant Age	No Period Certain	10 Years Certain	20 Years Certain
55	$2.61	$2.61	$2.58
56	2.67	2.67	2.64
57	2.74	2.73	2.70
58	2.81	2.80	2.76
59	2.88	2.87	2.82
60	2.95	2.94	2.89
61	3.03	3.02	2.95
62	3.12	3.10	3.02
63	3.21	3.19	3.10
64	3.30	3.28	3.17
65	3.40	3.38	3.25
66	3.51	3.48	3.33
67	3.63	3.59	3.41
68	3.75	3.70	3.49
69	3.88	3.82	3.58
70	4.02	3.95	3.66

Annuity 2000 Individual Annuity Mortality Table Female, Projected to 2030 and then Generation Projection Scale G, with 1% interest rate.

Annuity purchase rates for any Age(s) not shown, determined on the same basis, will be furnished by Us upon Request.

Age Adjustment Table

Year of Annuitization	Adjustment to Age
Before 2030	0
2030-2039	-1
2040-2049	-2
2050-2059	-3
2060 and after	Available upon request

JOINT AND SURVIVOR LIFE ANNUITY TABLE

DOLLAR AMOUNT OF FIRST MONTHLY PAYMENT WHICH IS PURCHASED WITH EACH $1,000 APPLIED

Contingent Annuitant Age	100% Joint & Survivor	66.2/3% Joint & Survivor	50% Joint & Survivor
55	$2.32	$2.36	$2.46
56	2.37	2.41	2.52
57	2.42	2.47	2.58
58	2.47	2.52	2.64
59	2.52	2.59	2.71
60	2.58	2.65	2.78
61	2.64	2.72	2.85
62	2.70	2.79	2.93
63	2.76	2.86	3.02
64	2.83	2.94	3.11
65	2.91	3.03	3.20
66	2.99	3.12	3.30
67	3.07	3.22	3.41
68	3.16	3.32	3.53
69	3.26	3.43	3.65
70	3.36	3.55	3.79

*The Contingent Annuitant's Age is assumed to be the same as the Annuitant's Age for illustration purposes in the table above.

Annuity purchase rates for any Age(s) not shown, determined on the same basis, will be furnished by Us upon Request.

Annuity purchase rates for any agreed upon annuity form not shown in this Article will be determined on the same basis and furnished by Us upon Request.

Age Adjustment Table

Year of Annuitization	Adjustment to Age
Before 2030	0
2030-2039	-1
2040-2049	-2
2050-2059	-3
2060 and after	Available upon request

THE LINCOLN NATIONAL LIFE INSURANCE COMPANY
Home Office Location: Fort Wayne, Indiana

GROUP ANNUITY AMENDMENT NO. 1

Attached to and made part of your Group Annuity Contract Number: 898146+096

Contract Owner: Lincoln Financial Group Trust Company TTEE FBO City of Yuba City Deferred Compensation Plan

This Amendment is made a part of the contract and any certificate to which it is attached and is effective on the date the contract and any certificate became effective. This Amendment modifies certain provisions of the contract and any certificate as described below to bring the contract and any certificate into compliance with Section 401(a)(9) of the Internal Revenue Code (Code) or its successor. All existing contract and certificate provisions apply, except as described or modified in this Amendment. If there is any conflict between the contract and any certificate, including any attached riders, and endorsement provisions, these amended provisions take precedence.

Withdrawals
In addition to the reasons stated in the contract, early distributions/withdrawals for reasons permitted by the Internal Revenue Code or its successor and the associated retirement plan will not be subject to any Withdrawal Charge or Market Value Adjustment, as applicable and pursuant to any limitations specified by the applicable section(s) of the Code.

Required Minimum Distribution
Distributions must commence in accordance with the rules specified by Section 401(a)(9) of the Code or its successor and continue in accordance with the requirements of the Code.

Annuity Benefits
Notwithstanding any provision of the contract or any certificate to the contrary, the distribution of an individual's interest shall be made in accordance with the minimum distribution requirements of section 401(a)(9) of the Code or its successor (including the incidental death benefit requirements of section 401(a)(9)(G) of the Code or its successor) and the regulations thereunder.

The contract is intended to qualify for tax favored treatment under the Internal Revenue Code. Language contained in the contract referring to federal tax provisions may be required under the Internal Revenue Code and Regulations. This language is not subject to approval or disapproval by the state insurance department in which the contract is issued for delivery. The insurance contract and your qualifying status

are factors in determining whether your funds will receive favorable tax treatment. Please consult your tax advisor if you have questions regarding these issues. We reserve the right to amend the Contract to maintain the Contract under applicable local, state, or federal laws or regulations.

The Lincoln National Life Insurance Company

President

For inquiries regarding coverage of this Amendment and assistance in resolving complaints, please contact our administrative office at 1301 South Harrison Street, Fort Wayne, IN 46802 or by calling 800-234-3500.

The Lincoln National Life Insurance Company

Service Office:
Fort Wayne, IN
800-234-3500

A Stock Company

UNALLOCATED
GROUP FIXED ANNUITY CONTRACT
NONPARTICIPATING

Lincoln Financial Group®

You're In Charge®

City of Yuba City Deferred Compensation Plan

Effective Date of This Document November 5, 2024

Lincoln Retirement Services Company LLC
1301 S. Harrison Street
Fort Wayne, IN 46802
800-248-0838

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457(b) PLAN DOCUMENT

DEFERRED COMPENSATION PLAN

PREAMBLE

Adoption of Plan

The City of Yuba City Deferred Compensation Plan (hereinafter "the Plan"), an eligible deferred compensation plan within the meaning of Section 457(b) of the Internal Revenue Code of 1986, as amended (hereinafter the "Code"), of a State or local government as described in Code Section 457(e)(1)(A), that meets the requirements of Code Section 401(a)(37), originally adopted by City of Yuba City (hereinafter the "Employer") effective December 1, 1995 and hereby amended effective as of November 5, 2024.

Purpose of Plan

The primary purpose of this Plan is to permit Employees of the Employer to enter into an agreement which will provide for deferral of payment of a portion of his or her current compensation until death, retirement, Severance from Employment, or other event, in accordance with the provisions of the Code Section 457(b), with other applicable provisions of the Code, and in accordance with the General Statutes of the State.

Status of Plan

It is intended that the Plan shall qualify as an eligible deferred compensation plan within the meaning of Code Section 457(b) sponsored by an eligible employer within the meaning of Code Section 457(e)(1)(A), i.e., a State, political subdivision of a State, or agency or instrumentality of a State or political subdivision of a State.

Tax Consequences of Plan

The Employer does not and cannot represent or guarantee that any particular federal or State income, payroll, or other tax consequence will occur by reason of participation in this Plan. A Participant should consult with his or her own counsel or other representative regarding all tax or other consequences of participation in this Plan.

SECTION I
DEFINITIONS

1.1 Plan Definitions

For purposes of this Plan, the following words and phrases have the meaning set forth below, unless a different meaning is plainly required by the context:

An **"Account Balance"** means the bookkeeping account maintained with respect to each Participant which reflects the value of the deferred Compensation credited to the Participant, including the Participant's Annual Deferrals, the earnings or loss of the Trust Fund (net of Trust Fund expenses) allocable to the Participant, any transfers for the Participant's benefit, and any distribution made to the Participant or the Participant's Beneficiary. If a Participant has more than one Beneficiary at the time of the Participant's death, then a separate Account Balance shall be maintained for each Beneficiary. The Account Balance includes any account established under Section VII for rollover contributions and plan-to-plan transfers made for a Participant, the account established for a Beneficiary after a Participant's death, and any account or accounts established for an alternate payee (as defined in Code Section 414(p)(8)).

The **"Administrator"** means the Employer. The term Administrator includes any person or persons, committee, or organization appointed by the Employer to administer the Plan.

An **"Annual Deferral"** means the amount of Compensation deferred in any calendar year.

The **"Beneficiary"** of a Participant means the person or persons (or, if none, the Participant's surviving spouse, or if the Participant has no surviving spouse, the Participant's surviving children in equal shares, or if there are no surviving children, the Participant's estate) who is entitled under the provisions of the Plan to receive a distribution in the event the Participant dies before receiving distribution of his or her entire interest under the Plan. If a married Participant designates his or her spouse as Beneficiary under the Plan, such designation shall automatically become null and void as of the date of any final divorce or similar decree or order; except that the Participant may re-designate such former spouse as his or her Beneficiary after the date of the final decree or order.

The **"Code"** means the Internal Revenue Code of 1986, as now in effect or as hereafter amended from time to time. Reference to a Code Section includes such section and any comparable section or sections of any future legislation that amends, supplements, or supersedes such section.

The **"Compensation"** of a Participant means all cash compensation for services to the Employer that is includible in the Employee's gross income for the calendar year, including, as applicable, compensation attributable to services as an independent contractor, plus amounts that would be cash compensation for services to the Employer includible in the Employee's gross income for the calendar year but for a compensation reduction election under Code Section 125, 132(f), 401(k), 403(b), or 457(b) (including an election to defer compensation under Section II). Notwithstanding the foregoing, Compensation shall not include taxable fringe benefits.

Any payments described below made to a Participant after a Severance from Employment shall qualify as Compensation for purposes of the Plan, but only if the payments are made by the later of (a) the end of the calendar year in which the Severance from Employment occurred or (b) within 2 ½ months of such Severance from Employment:

(a) Compensation that, absent a Severance from Employment, would have been paid to the Participant while the Participant continued in employment with the Employer, but only if such payments constitute regular compensation for services during the Participant's regular working hours, compensation for services outside the Participant's regular working hours (such as overtime or a shift differential), commissions, bonuses or other similar payments that would otherwise be included in determining Compensation under the Plan.

(b) Payments for accrued bona fide sick, vacation or other leave, but only if the Participant would have been able to use the leave if employment had continued.

Any payment that is not described above shall not be considered Compensation if it is paid after the date of the Participant's Severance from Employment, even if it is paid within 2 ½ months of such date. Thus, for example, Compensation does not include severance pay.

For years beginning after December 31, 2008, (a) a Participant receiving a differential wage payment, as defined by Code Section 3401(h)(2), by reason of qualified military service (within the meaning of Code Section 414(u)), is treated as an Employee of the Employer making the payment and (b) the differential wage payment is treated as Compensation.

An "**Employee**" means each natural person who is employed by the Employer as a common law employee on a full time basis; provided, however, that the term Employee shall not include a leased employee or any employee who is included in a unit of employees covered by a collective bargaining agreement that does not specifically provide for participation in the Plan.

Any individual who is not treated by the Employer as a common law employee of the Employer shall be excluded from Plan participation even if a court or administrative agency determines that such individual is a common law employee of the Employer, unless the Employer has included the individual in Plan participation as an independent contractor.

An "**Employer**" means the eligible employer (within the meaning of Code Section 457(e)(1)) that has adopted the Plan. In the case of an eligible employer that is an agency or instrumentality of a political subdivision of a State within the meaning of Code Section 457(e)(1)(A), the term Employer shall include any other agency or instrumentality of the same political subdivision that has adopted the Plan.

An **"Employer Contribution"** means Annual Deferrals made to the Account Balance of a Participant by the Employer on a non-elective basis.

"Includible Compensation" means, with respect to a taxable year, the Participant's compensation as defined in Code Section 415(c)(3) and the regulations thereunder, for services

performed for the Employer. The amount of Includible Compensation is determined without regard to any community property laws.

"**Normal Retirement Age**" means age 70 ½, unless the Participant has elected an alternate Normal Retirement Age and delivered such election to the Administrator. Such date shall be no earlier than the earliest date that the Participant will become eligible to retire and receive, under the basic defined benefit pension plan of the Employer (or a money purchase plan in which the Participant also participates if the Participant is not eligible to participate in a defined benefit plan) immediate retirement benefits without actuarial or similar reduction because of retirement before some later specified age, but not greater than age 70 ½. If the Participant will not become eligible to receive benefits under a basic defined benefit pension plan (or money purchase pension plan, if applicable) maintained by the Employer, the Participant's alternate Normal Retirement Age may not be earlier than age 65 and may not be later than age 70 ½.

In the event a Participant is a qualified police or firefighter (as defined under Code Section 415(b)(2)(H)(ii)(I)) Normal Retirement Age means age 70 ½, unless the Participant has elected an alternate Normal Retirement Age and delivered such election to the Administrator, which may not be earlier than age 40 and may not be later than age 70 ½.

A Participant's Normal Retirement Age must be the same as his or her Normal Retirement Age under any other eligible deferred compensation plan or plans sponsored by the Employer. The designation of a Normal Retirement Age under the Plan does not compel retirement with the Employer.

The "**Participant**" means an individual who is currently deferring Compensation, or who has previously deferred Compensation under the Plan by salary reduction and who has not received a distribution of his or her entire benefit under the Plan. Only individuals who perform services for the Employer as an Employee may defer Compensation under the Plan.

A "**Plan Year**" means the calendar year.

"**Roth Contributions**" means the amount of any Annual Deferral elected by a Participant that is irrevocably designated by the Participant as being made pursuant to, and intended to comply with, Code Section 402A. Roth Contributions are includable in the Participant's taxable gross income at the time they are contributed to the Plan and have been irrevocably designated as Roth Annual Deferrals by the Participant in their deferral agreement. The Administrator shall establish and maintain for the Employee a separate account for any Roth Contributions made to the Plan, to which only Roth Contributions and the income attributable thereto shall be allocated. Roth Contributions also include any contributions made to another eligible retirement plan that are rolled over to the Plan in accordance with the provisions of Section 7.1 and that the Participant designated as Roth contributions at the time they were contributed to such other plan.

"**Severance from Employment**" means the date that the Employee dies, retires, or otherwise has a severance from employment with the Employer, as determined by the Administrator (and taking into account guidance issued under the Code). Solely for the purpose of determining whether the Participant is entitled to receive a distribution of his or her Account Balance pursuant to Section 6.2, a Participant shall be treated as having incurred a Severance from

Employment during any period the Participant is performing service in the uniformed services (as defined in chapter 43 of title 38, United States Code) while on active duty for a period of more than 30 days.

The **"State"** means the State that is the Employer or of which the Employer is a political subdivision, agency, or instrumentality, including any agency or instrumentality of a political subdivision of the State, or the State in which the Employer is located.

The **"Trust Fund"** means the trust fund created under and subject to a trust agreement or a custodial account or contract described in Code Section 401(f) held on behalf of the Plan.

The **"Valuation Date"** means each business day.

SECTION II
PARTICIPATION AND CONTRIBUTIONS

2.1 Eligibility

Each Employee shall be eligible to participate in the Plan and defer Compensation hereunder immediately upon becoming employed by the Employer.

2.2 Election

An Employee may elect to become a Participant by executing an election to defer a portion of his or her Compensation (and to have that amount contributed as an Annual Deferral on his or her behalf) and filing such election with the Administrator. This participation election shall be made on the deferral agreement provided by the Administrator under which the Employee agrees to be bound by all the terms and conditions of the Plan. Any such election shall remain in effect until a new election is filed. The Administrator may establish a minimum deferral amount, and may change such minimums from time to time. The deferral agreement shall also include designation of investment funds and a designation of Beneficiary. The deferral agreement may also include a Participant's designation that all or a portion of the Annual Deferral elected by the Participant shall be treated as Roth Contributions.

(a) **Special Deferral Election of Bonuses:** A Participant who has not had a Severance from Employment may authorize a special election to defer that portion of his or her Compensation attributable to Employer paid cash bonuses up to 100% of such bonuses if an election to defer is entered into before the beginning of the month in which the amounts would otherwise be paid or made available and the Participant is an Employee on the date the bonus would otherwise be paid or made available.

2.3 Commencement of Participation

An Employee shall become a Participant as soon as administratively practicable following the date the Employee files an election pursuant to Section 2.2. Such election shall become effective no earlier than the calendar month following the month in which the election is made. A new Employee may defer Compensation payable in the calendar month during which the Participant first becomes an Employee if an agreement providing for the deferral is entered into on or before the first day on which the Participant performs services for the Employer.

2.4 Amendment of Annual Deferral Election, Investment Direction, or Beneficiary Designation

Subject to other provisions of the Plan, a Participant may at any time revise his or her participation election, including a change of the amount of his or her Annual Deferrals, his or her investment direction and his or her designated Beneficiary. The revised participation election may also include a change in the Participant's designation of the amount of the Annual Deferral elected by the Participant that is to be treated as Roth Contributions. Unless the election specifies a later effective date, a change in the amount of the Annual Deferrals shall take effect as of the

first day of the next following month or as soon as administratively practicable if later. A change in the investment direction shall take effect as of the date provided by the Administrator on a uniform basis for all Employees. A change in the Beneficiary designation shall take effect when the election is accepted by the Administrator.

2.5 Information Provided by the Participant

Each Employee enrolling in the Plan should provide to the Administrator at the time of initial enrollment, and later if there are any changes, any information necessary or advisable for the Administrator to administer the Plan, including, without limitation, whether the Employee is a participant in any other eligible plan under Code Section 457(b).

2.6 Contributions Made Promptly

Annual Deferrals by the Participant under the Plan shall be transferred to the Trust Fund within a period that is not longer than is reasonable for the proper administration of the Participant's Account Balance. For this purpose, Annual Deferrals shall be treated as contributed within a period that is not longer than is reasonable for the proper administration if the contribution is made to the Trust Fund within 15 business days following the end of the month in which the amount would otherwise have been paid to the Participant, or earlier if required by law.

2.7 Employer Contributions

Nothing in this Plan prohibits the Employer from making Employer Contributions to the Account Balance of a Participant on a non-elective basis, including but not limited to Employer matching contributions, subject to the Participant's contribution limits in Section III.

2.8 Leave of Absence

Unless an election is otherwise revised, if a Participant is absent from work by leave of absence, Annual Deferrals under the Plan shall continue to the extent that Compensation continues.

2.9 Disability

A disabled Participant (as determined by the Administrator) may elect Annual Deferrals during any portion of the period of his or her disability to the extent that he or she has actual Compensation (not imputed Compensation and not disability benefits) from which to make contributions to the Plan and has not had a Severance from Employment.

2.10 Protection of Persons Who Serve in a Uniformed Service

An Employee whose employment is interrupted by qualified military service under Code Section 414(u) or who is on a leave of absence for qualified military service under Code Section 414(u) may elect to make additional Annual Deferrals upon resumption of employment with the Employer equal to the maximum Annual Deferrals that the Employee could have elected during that period if the Employee's employment with the Employer had continued (at the same level of Compensation) without the interruption or leave, reduced by the Annual Deferrals, if any,

actually made for the Employee during the period of the interruption or leave. This right applies for five years following the resumption of employment (or, if sooner, for a period equal to three times the period of the interruption or leave).

A reemployed Employee shall also be entitled to an allocation of any additional Employer Contributions, if applicable, that such Employee would have received under the Plan had the Employee continued to be employed as an eligible Employee during the period of qualified military service. Such restorative Employer Contributions (without interest), if applicable, shall be remitted by the Employer to the Plan on behalf of the Employee within 90 days after the date of the Employee's reemployment or, if later, as of the date the contributions are otherwise due for the year in which the applicable qualified military service was performed.

2.11 Corrective Measures

In the event that an otherwise eligible Employee is erroneously omitted from Plan participation, or an otherwise ineligible individual is erroneously included in the Plan, the Employer shall take such corrective measures as may be permitted by applicable law. Such measures may include, in the case of an erroneously omitted Employee, contributions made by the Employer to the Plan on behalf of such Employee equal to the missed deferral opportunity, subject to the Participant's contribution limits in Section III, and, in the case of an erroneously included individual, a payment by the Employer to such individual of additional Compensation in an amount equal to the amount of the individual's elective deferrals under the Plan.

2.12 Vesting of Account Balance

A Participant's vested interest in his Account Balance shall be at all times 100%.

SECTION III
LIMITATIONS ON AMOUNTS DEFERRED

3.1 Basic Annual Limitation

(a) The maximum amount of the Annual Deferral and, if applicable, Employer Contributions under the Plan for any calendar year shall not exceed the lesser of:

(i) The "applicable dollar amount" (as defined in paragraph (b) below); or

(ii) The Participant's Includible Compensation (as defined in Code Section 415(c)(3)) for the calendar year.

(b) The "applicable dollar amount" means the amount established under Code Section 457(e)(15), as indexed.

(c) Rollover amounts received by the Plan under Treasury Regulation Section 1.457-10(e) and any plan-to-plan transfer into the Plan made pursuant to Section 7.2 shall not be applied against the Annual Deferral limit.

3.2 Age 50 Catch-up Annual Deferral Contributions

A Participant who will attain age 50 or more by the end of a calendar year is permitted to elect an additional amount of Annual Deferral for the calendar year, up to the maximum age 50 catch-up Annual Deferral limit under §414(v)(2), as indexed.

The amount of the age 50 catch-up Annual Deferral for any calendar year cannot exceed the amount of the Participant's Compensation, reduced by the amount of the elective deferred compensation, or other elective deferrals, made by the Participant under the Plan.

The age 50 catch-up Annual Deferral limit is not available to a Participant for any calendar year for which the Special Section 457 Catch-up Limitation described in Section 3.3 is available and applied.

3.3 Special Section 457 Catch-up Limitation

Notwithstanding the provisions of Sections 3.1 and 3.2, with respect to a year that is one of a Participant's last three (3) calendar years ending before the year in which the Participant attains Normal Retirement Age and the amount determined under this Section 3.3 exceeds the amount computed under Sections 3.1 and 3.2, then the Annual Deferral limit under this Section 3.3 shall be the lesser of:

(a) An amount equal to two (2) times the Section 3.1 Applicable Dollar Amount for such year; or

(b) The sum of:

(i) An amount equal to (A) the aggregate Section 3.1 limit for the current year plus each prior calendar year beginning after December 31, 2001, during which the Participant was an Employee under the Plan, minus (B) the aggregate amount of Compensation that the Participant deferred under the Plan during such years, plus

(ii) An amount equal to (A) the aggregate limit referred to in Code Section 457(b)(2) for each prior calendar year beginning after December 31, 1978, and before January 1, 2002, during which the Participant was an Employee (determined without regard to Sections 3.2 and 3.3, minus (B) the aggregate contributions to Pre-2002 Coordination Plans (as defined in Section 3.4(c)) made by or on behalf of the Participant for such years.

However, in no event can the deferred amount be more than the Participant's Compensation for the year.

3.4 Special Rules

For purposes of this Section III, the following rules shall apply:

(a) Participant Covered By More Than One Eligible Plan. If the Participant is or has been a participant in one or more other eligible plans within the meaning of Code Section 457(b), then this Plan and all such other plans shall be considered as one plan for purposes of applying the foregoing limitations of this Section III. For this purpose, the Administrator shall take into account any other such eligible plan maintained by the Employer and shall also take into account any other such eligible plan for which the Administrator receives from the Participant sufficient information concerning his or her participation in such other plan.

(b) Pre-Participation Years. In applying Section 3.3, a year shall be taken into account only if (i) the Participant was eligible to participate in the Plan during all or a portion of the year and (ii) Compensation deferred, if any, under the Plan during the year was subject to the Basic Annual Limitation described in Section 3.1 or any other plan ceiling required by Code Section 457(b).

(c) Pre-2002 Coordination Years. For purposes of Section 3.3(b)(ii)(B), "contributions to Pre-2002 Coordination Plans" means any employer contribution, salary reduction or elective contribution under any other eligible Code Section 457(b) plan, or a salary reduction or elective contribution under any Code Section 401(k) qualified cash or deferred arrangement, Code Section 402(h)(1)(B) simplified employee pension (SARSEP), Code Section 403(b) annuity contract, and Code Section 408(p) simple retirement account, or under any plan for which a deduction is allowed because of a contribution to an organization described in Code Section 501(c)(18), including plans, arrangements or accounts maintained by the Employer or any employer for whom the Participant performed services. However, the contributions for any calendar year are only taken into account for purposes of Section 3.3(b)(ii)(B) to the extent that the total of such contributions does not exceed the aggregate limit referred to in Code Section 457(b)(2) for that year.

(d) Disregard Excess Deferral. For purposes of Sections 3.1, 3.2, and 3.3, an individual is treated as not having deferred compensation under a plan for a prior taxable year if excess deferrals under the plan are distributed, as described in Section 3.5. To the extent that the combined deferrals for pre-2002 years exceeded the maximum deferral limitations, the amount is treated as an excess deferral for those prior years.

3.5 Correction of Excess Deferrals

If the Annual Deferral on behalf of a Participant for any calendar year exceeds the limitations described above, or the Annual Deferral on behalf of a Participant for any calendar year exceeds the limitations described above when combined with other amounts deferred by the Participant under another eligible deferred compensation plan under Code Section 457(b) for which the Participant provides information that is accepted by the Administrator, then the Annual Deferral, to the extent in excess of the applicable limitation (adjusted for any income or loss in value, if any, allocable thereto), shall be distributed to the Participant as soon as administratively practicable after the Administrator determines that the amount is an excess deferral. If a Participant to whom distribution must be made in accordance with the preceding sentence has made Roth Contributions for the year, the amount distributed as an excess deferral shall be made first from pre-tax Annual Deferrals, then from Roth Contributions for the year unless otherwise specified.

SECTION IV
INVESTMENT RESPONSIBILITIES

4.1 Investment of Deferred Amount

Each Participant or Beneficiary shall direct the investment of amounts held in his or her Account Balance under the Plan among the investment options of the Trust Fund. The investment of amounts segregated on behalf of an alternate payee pursuant to a Plan qualified domestic relations order (as defined under Code Section 414(p)) may be directed by such alternate payee to the extent provided in such order. In the absence of such direction, such amounts shall be invested in the same manner as they were immediately before such segregation was made on account of such order. Each Account Balance shall share in any gains or losses of the investment(s) in which such account is invested.

4.2 Investment Election for Future Contributions

A Participant may amend his or her investment election at such times and by such manner and form as prescribed by the Administrator. Such election will, unless specifically stated otherwise, apply only to future amounts contributed under the Plan.

4.3 Investment Changes for an Existing Account Balance

The Participant, Beneficiary, alternate payee, or Administrator may elect to transfer amounts in his Account Balance among and between those investments available under the Trust Fund at such times and by such manner and form prescribed by the Administrator, subject further to any restrictions or limitations placed on any investment by the Administrator to be uniformly applied to all Participants.

4.4 Investment Responsibility

To the extent that a Participant, Beneficiary, or alternate payee exercises control over the investment of amounts credited to his Account Balance, the Employer, the Administrator, and any other fiduciary of the Plan shall not be liable for any losses that are the direct and necessary result of investment instructions given by a Participant, Beneficiary or an alternate payee.

4.5 Default Investment Fund

The Employer may designate a default investment fund. Any Participant who does not make an investment election on the deferral agreement provided by the Administrator will have his contributions invested in the default investment fund until such time he provides investment direction under Sections 4.2 and 4.3.

4.6 Statements

The Administrator will cause statements to be issued periodically to reflect the contributions and actual earnings posted to the Account Balances.

SECTION V
LOANS

5.1 No Loans

There shall be no loans made to Participants from the Plan.

SECTION VI
DISTRIBUTIONS

6.1 Distributions from the Plan

(a) Earliest Distribution Date. Payments from a Participant's Account Balance shall not be made earlier than:

(i) the Participant's Severance from Employment pursuant to Section 6.2

(ii) the Participant's death pursuant to Section 6.3

(iii) Plan termination under Section 10.3

(iv) an unforeseeable emergency withdrawal pursuant to Section 6.10(a), if permitted under the Plan

(v) a de minimis Account Balance distribution pursuant to Section 6.10(b), if permitted under the Plan

(vi) a rollover account withdrawal pursuant to Section 6.10(c), if permitted under the Plan

(vii) attainment of age 70 ½ withdrawal pursuant to Section 6.10(d), if permitted under the Plan

(viii) Qualified Military Service Deemed Severance withdrawal pursuant to Section 6.10(e), if permitted under the Plan

(ix) Qualified Distributions for Retired Public Safety Officers pursuant to Section 6.11, if permitted under the Plan

(b) Latest Distribution Date. In no event shall any distribution under this Section VI begin later than the Participant's "required beginning date". Such required minimum distributions must be made in accordance with Section 6.6.

(c) Amount of Account Balance. Except as provided in Section 6.3, the amount of any payment under this Section VI shall be based on the amount of the Account Balance as of the Valuation Date.

6.2 Benefit Distributions Upon Severance from Employment

Distributions required to commence under this section shall be made in the form of benefit provided under Section 6.5. Distributions postponed until the Participant's "required beginning date" will be made in a manner that meets the requirements of Section 6.6.

6.3 Distributions on Account of Participant's Death

Upon receipt of satisfactory proof of the Participant's death, the designated Beneficiary may file a request with the Administrator to elect a form of benefit provided under Section 6.5 and made in a manner that meets the requirements of Section 6.6.

(a) Death of Participant Before Distributions Begin. If the Participant dies before his or her distributions begin, the designated Beneficiary may elect to have distributions to be made (i) in full within 5 years of the Participant's death (5-year rule) or (ii) in installments over the designated Beneficiary's "life expectancy" (life expectancy rule).

If the designated Beneficiary does not make an election by September 30 of the year following the year of the Participant's death, the Participant's Account Balance will be distributed in a lump sum payment by December 31 of the calendar year containing the fifth anniversary of the Participant's death or if the Participant's spouse is the sole designated Beneficiary by December 31 of the year the Participant would have attained age 70 ½.

(b) Death of Participant On or After Date Distributions Begin. If the Participant dies on or after his or her distributions began, the Participant's Account Balance shall be paid to the Beneficiary at least as rapidly as under the payment option used before the Participant's death.

For purposes of this Section, a Participant who dies on or after January 1, 2007, while performing qualified military service (as defined in Code Section 414(u)) will be deemed to have resumed employment in accordance with the Participant's reemployment rights under chapter 43 of title 38, United States Code, on the day preceding death and to have terminated employment on the actual date of death for purposes of determining the entitlement of the Participant's survivors to any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the Plan, in accordance with the provisions of Code Sections 401(a)(37), 414(u)(9), and 457(g)(4).

6.4 Distribution of Small Account Balances Without Participant's Consent

Notwithstanding any other provision of the Plan to the contrary, if the amount of a Participant's or Beneficiary's Account Balance is not in excess of the amount specified below on the date that payments commence under Section 6.2 or on the date the Administrator is notified of the Participant's death, the Administrator may direct payment without the Participant's or Beneficiary's consent as soon as practicable following the Participant's retirement, death, or other Severance from Employment.

(a) If the Participant's or Beneficiary's Account Balance (including the rollover contribution separate account) does not exceed $5,000 (or the dollar limit under Code Section 411(a)(11), if greater), distribution shall be made through a direct rollover to an individual retirement account selected by the Administrator, unless the Participant or Beneficiary affirmatively elects rollover to a different "eligible retirement plan" (as defined under Section 6.9(b)) or distribution in a lump sum payment.

6.5 Forms of Distribution

In an election to commence benefits under Section 6.2, a Participant entitled to a distribution of benefits under this Section VI may elect to receive payment in any of the forms of distribution offered under the Plan. Such election may be made or modified by the date 30 days prior to commencement of payment. If the Participant fails to elect a distribution option then the benefit shall be paid in the form of a lump sum payment to the Participant or Beneficiary. The forms of distribution available under the Plan are as follows:

(a) a lump sum payment of the Participant's total Account Balance.

(b) partial distribution of the Participant's Account Balance in a lump sum payment.

(c) in a series of installments over a period of years (payable on a monthly, quarterly, semi-annual or annual basis) which extends no longer than the life expectancy of the Participant as permitted under Code Section 401(a)(9).

(d) a purchase of a single premium nontransferable annuity contract for such term and in such form as the Participant selects that provides for payments in the form of an irrevocable annuity each calendar year of amounts not less than the amount required under Code Section 401(a)(9); including any annuity distribution options under a guaranteed income product, that are consistent with the Code and Regulations.

6.6 Minimum Distribution Requirements

(a) General Rules.

Notwithstanding anything in this Plan to the contrary, distributions from this Plan shall commence and be made in accordance with Code Section 401(a)(9) and the regulations promulgated thereunder. Additionally, the requirements of this Section 6.6 will take precedence over any inconsistent provisions of the Plan.

(b) Time and Manner of Distribution.

(i) Required Beginning Date. The Participant's entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant's "required beginning date".

(ii) Death of Participant Before Distributions Begin. If the Participant dies before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:

(A) If the Participant's surviving spouse is the Participant's sole "designated Beneficiary", then distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant dies, or by December 31 of the calendar year in which the Participant would have attained age 70 ½, if later.

(B) If the Participant's surviving spouse is not the Participant's sole "designated Beneficiary" (i.e., multiple beneficiaries), then distributions to the "designated Beneficiaries" will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.

(C) If the Participant's sole "designated Beneficiary" is not the Participant's spouse, then distributions to the "designated Beneficiary" will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.

(D) If there is no "designated Beneficiary" as of September 30 of the year following the year of the Participant's death, the Participant's Account Balance will be distributed in a lump sum payment by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(E) If the Participant's surviving spouse is the Participant's sole "designated Beneficiary" and the surviving spouse dies after the Participant but before distributions to the surviving spouse begin, this subparagraph (b)(ii), other than subsection (b)(ii)(A), will apply as if the surviving spouse were the Participant.

For purposes of this subparagraph (ii) and paragraph (d), unless subsection (b)(ii)(D) applies, distributions are considered to begin on the Participant's "required beginning date". If subsection (b)(ii)(E) applies, distributions are considered to begin on the date distributions are required to begin to the surviving spouse under subsection (b)(ii)(A). If distributions under an annuity purchased from an insurance company irrevocably commence to the Participant before the Participant's "required beginning date" (or to the Participant's surviving spouse before the date distributions are required to begin to the surviving spouse under subsection (b)(ii)(A)), the date distributions are considered to begin is the date distributions actually commence.

(iii) Death of Participant On or After Distributions Begin. If the Participant dies on or after distributions begin and before depleting his or her Account Balance, distributions must commence to the "designated Beneficiary" by December 31 of the calendar year immediately following the calendar year in which the Participant died.

(iv) Forms of Distribution. Unless the Participant's Account Balance is distributed in the form of an annuity contract or in a lump sum on or before the Participant's "required beginning date", as of the first distribution calendar year, distributions will be made in accordance with paragraphs (c) and (d). If the Participant's interest is distributed in the form of an annuity contract, distributions thereunder will be made in accordance with the requirements of Code Section 401(a)(9).

(c) Required Minimum Distributions During the Participant's Lifetime.

(i) Amount of Required Minimum Distribution For Each "Distribution Calendar Year". During the Participant's lifetime, the minimum amount that will be distributed for each distribution calendar year is the lesser of:

(A) The quotient obtained by dividing the "Participant's Account Balance" by the distribution period in the Uniform Lifetime Table set forth in Treasury Regulation Section 1.401(a)(9)-9, Q&A-2 using the Participant's age as of the Participant's birthday in the "distribution calendar year"; or

(B) if the Participant's sole "designated Beneficiary" for the "distribution calendar year" is the Participant's spouse and the spouse is more than 10 years younger than the Participant, the quotient obtained by dividing the "Participant's Account Balance" by the distribution period in the Joint and Last Survivor Table set forth in Treasury Regulation Section 1.401(a)(9)-9, Q&A-3 using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the "distribution calendar year".

(ii) Lifetime Required Minimum Distributions Continue Through Year of Participant's Death. Required minimum distributions will be determined under this paragraph (c) beginning with the first "distribution calendar year" and up to and including the "distribution calendar year" that includes the Participant's date of death.

(d) Required Minimum Distributions After Participant's Death.

For purposes of this Section 6.6(d), the Participant's and Beneficiary's "life expectancy" determination will use the Single Life Table set forth in Treasury Regulation Section 1.401(a)(9)-9, Q&A-1.

(i) Death On or After Date Distributions Begin.

(A) Participant Survived by Designated Beneficiary.

If the Participant dies on or after the date distributions begin and there is a "designated Beneficiary", the minimum amount that will be distributed for each "distribution calendar year" after the year of the Participant's death is the quotient obtained by dividing the "Participant's Account Balance" by the longer of the remaining "life expectancy" of the Participant or the remaining "life expectancy" of the Participant's "designated Beneficiary", determined as follows:

(1) The Participant's remaining "life expectancy" is calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

(2) If the Participant's surviving spouse is the Participant's sole "designated Beneficiary", the remaining "life expectancy" of the

surviving spouse is calculated for each "distribution calendar year" after the year of the Participant's death using the surviving spouse's age as of the spouse's birthday in that year. For "distribution calendar years" after the year of the surviving spouse's death, the remaining "life expectancy" of the surviving spouse is calculated using the age of the surviving spouse as of the spouse's birthday in the calendar year of the spouse's death, reduced by one for each subsequent calendar year.

(3) If the Participant's surviving spouse is not the Participant's sole "designated Beneficiary" (i.e., multiple beneficiaries), the "designated Beneficiary's" remaining "life expectancy" is calculated using the age of the oldest Beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.

(4) If the Participant's sole "designated Beneficiary" is not the Participant's spouse, the "designated Beneficiary's" remaining "life expectancy" is calculated using the age of the Beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.

(B) No Designated Beneficiary.

If the Participant dies on or after the date distributions begin and there is no "designated Beneficiary" as of September 30 of the year after the year of the Participant's death, the minimum amount that will be distributed for each "distribution calendar year" after the year of the Participant's death is the quotient obtained by dividing the "Participant's Account Balance" by the Participant's remaining "life expectancy" calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

(ii) Death Before Date Distributions Begin.

(A) Participant Survived by Designated Beneficiary.

Except as provided in this Section, if the Participant dies before the date distributions begin and there is a "designated Beneficiary", the minimum amount that will be distributed for each "distribution calendar year" after the year of the Participant's death is the quotient obtained by dividing the "Participant's Account Balance" by the remaining "life expectancy" of the Participant's "designated Beneficiary", determined as follows:

(1) If the Participant's surviving spouse is the Participant's sole "designated Beneficiary", the remaining "life expectancy" of the surviving spouse is calculated for each "distribution calendar year"

after the year of the Participant's death using the surviving spouse's age as of the spouse's birthday in that year.

(2) If the Participant's surviving spouse is not the Participant's sole "designated Beneficiary" (i.e., multiple beneficiaries), the "designated Beneficiary's" remaining "life expectancy" is calculated using the age of the oldest Beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.

(3) If the Participant's sole "designated beneficiary" is not the Participant's spouse, the "designated Beneficiary's" remaining "life expectancy" is calculated using the age of the Beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.

(B) No Designated Beneficiary.

If the Participant dies before the date distributions begin and there is no "designated Beneficiary" as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(C) Death of Surviving Spouse Before Distributions to Surviving Spouse Are Required to Begin.

If the Participant dies before the date distributions begin, the Participant's surviving spouse is the Participant's sole "designated Beneficiary", and the surviving spouse dies before distributions are required to begin to the surviving spouse under subsection (b)(ii)(A), this subparagraph (d)(ii) will apply as if the surviving spouse were the Participant.

(e) Definitions.

(i) A Participant's "required beginning date" is April 1 of the year that follows the later of (1) the calendar year the Participant attains age 70 ½ or (2) retires due to Severance from Employment. If the Participant postpones the required distribution due in calendar year he or she attains age 70 ½ or severs employment, to the "required beginning date", the second required minimum distribution must be taken by the end of that year.

(ii) Participant's "designated Beneficiary" means the individual who is designated as the Beneficiary under Section 8.1 and is the designated Beneficiary under Code Section 401(a)(9) and Treasury Regulation Section 1.401(a)(9)-4.

(iii) A "distribution calendar year" means a calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first "distribution calendar year" is the calendar year the Participant attains age 70 ½ or retires, if later. For distributions beginning after the Participant's death, the first "distribution calendar year" is the calendar year in which distributions are required to begin under subparagraph (b)(ii).

The required minimum distribution for the Participant's first "distribution calendar year" will be made on or before the Participant's "required beginning date". The required minimum distribution for other "distribution calendar years", including the required minimum distribution for the "distribution calendar year" in which the Participant's "required beginning date" occurs, will be made on or before December 31 of that "distribution calendar year".

(iv) A married Participant's "life expectancy", whose spouse is the sole Beneficiary and is more than 10 years younger than the Participant, means the Participant's and spouse Beneficiary's life expectancy as computed by use of the Joint and Last Survivor Life Table under Treasury Regulation Section 1.401(a)(9)-9, Q&A 3. All other Participants will have his or her life expectancy computed by use of the Uniform Lifetime Table under Treasury Regulation Section 1.401(a)(9)-9, Q&A 2. A deceased Participant's or Beneficiary's "life expectancy" means his or her life expectancy as computed by use of the Single Life Table under Treasury Regulation Section 1.401(a)(9)-9, Q&A 1.

(v) A "Participant's Account Balance" means the Account Balance as of the last Valuation Date in the calendar year immediately preceding the "distribution calendar year" (valuation calendar year) increased by the amount of any contributions made and allocated or forfeitures allocated to the Account Balance as of dates in the valuation calendar year after the Valuation Date and decreased by distributions made in the valuation calendar year after the Valuation Date. The Account Balance for the valuation calendar year includes any amounts rolled over or transferred to the Plan either in the valuation calendar year or in the "distribution calendar year" if distributed or transferred in the valuation calendar year.

(f) Special Provision Applicable to 2009 Required Minimum Distributions.

A Participant who would otherwise be required to receive a minimum distribution from the Plan in accordance with Code Section 401(a)(9) for the 2009 "distribution calendar year" will not receive any such distribution that is payable with respect to the 2009 "distribution calendar year" unless the Participant elects otherwise.

A Participant who receives a minimum distribution from the Plan for the 2009 "distribution calendar year" is subject to the provisions of Section 6.9(b)(iii) and may not elect to directly rollover such distribution to an "eligible retirement plan".

The provisions of this Section 6.6(f) are effective for minimum payments made for the 2009 "distribution calendar year" and do not include any minimum payment that is made in 2009, but is attributable to a different year (i.e., the Participant reached his required beginning date in 2008, but payment of the 2008 minimum is not made until 2009).

6.7 Payments to Minors and Incompetents

If a Participant or Beneficiary entitled to receive any benefits hereunder is a minor or is adjudged to be legally incapable of giving valid receipt and discharge for such benefits, or is deemed so by the Administrator, benefits will be paid to such person as the Administrator or a court of competent jurisdiction may designate for the benefit of such Participant or Beneficiary. Such payments shall be considered a payment to such Participant or Beneficiary and shall, to the extent made, be deemed a complete discharge of any liability for such payments under the Plan.

6.8 Procedure When Distributee Cannot Be Located

The Administrator shall make all reasonable attempts to determine the identity and address of a Participant or a Participant's Beneficiary entitled to benefits under the Plan. For this purpose, a reasonable attempt means (a) the mailing by certified mail of a notice to the last known address shown in the Administrator's records; (b) use of a commercial locator service, the internet or other general search method; (c) use such other methods as the Administrator believes prudent.

If the Participant or Beneficiary has not responded within 6 months, the Plan shall continue to hold the benefits due such person until, in the Administrator's discretion, the Plan is required to take other action under applicable law.

Notwithstanding the foregoing, if the Administrator is unable to locate a person entitled to benefits hereunder after applying the search methods set forth above, then the Administrator, in its sole discretion, may pay an amount that is immediately distributable to such person in a direct rollover to an individual retirement plan designated by the Administrator.

6.9 Direct Rollover

(a) A Participant or spouse Beneficiary (or a Participant's spouse or former spouse who is the alternate payee under a domestic relations order, as defined in Code Section 414(p)) who is entitled to an "eligible rollover distribution" may elect, at the time and in the manner prescribed by the Administrator, to have all or any portion of the distribution paid directly to an "eligible retirement plan" specified by the Participant or spouse Beneficiary in a direct rollover.

(b) For purposes of this Section 6.9, an "eligible rollover distribution" means any distribution of all or any portion of a Participant's Account Balance, except that an eligible rollover distribution does not include (i) any distribution that is one of a series of substantially equal periodic payment made not less frequently than annually for the life or life expectancy of the Participant or the joint lives or life expectancies of the Participant and the Participant's designated Beneficiary, or for a specified period of ten years or more (ii)

any distribution made as a result of an unforeseeable emergency, or (iii) any distribution that is a required minimum distribution under Code Section 401(a)(9).

In addition, an "eligible retirement plan" with respect to the Participant, the Participant's spouse, or the Participant's spouse or former spouse who is an alternate payee under a domestic relations order as defined in Code Section 414(p) means any of the following: (i) an individual retirement account described in Code Section 408(a), (ii) an individual retirement annuity described in Code Section 408(b), (iii) an annuity plan described in Code Section 403(a), (iv) a qualified defined contribution plan described in Code Section 401(a), (v) an annuity contract described in Code Section 403(b), (vi) an eligible deferred compensation plan described in Code Section 457(b) that is maintained by a State, political subdivision of a State, or any agency or instrumentality of a State or political subdivision of a State, or (vii) effective for distributions made on or after January 1, 2008, a Roth IRA, as described in Code Section 408A, provided, that for distributions made before January 1, 2010, such rollover shall be subject to the limitations contained in Code Section 408A(c)(3)(B).

Notwithstanding any other provision of this Section 6.9(b), a plan or contract described in clause (iii), (iv), (v), or (vi) above shall not constitute an "eligible retirement plan" with respect to a distribution of Roth Contributions unless such plan or contract separately accounts for such distribution, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

(c) A Beneficiary who is not the spouse of the deceased Participant may elect a direct rollover of a distribution to an individual retirement account described in Code Section 408(b) or to a Roth individual retirement account described in Code Section 408A(b) ("IRA"), provided that the distributed amount satisfies all the requirements to be an eligible rollover distribution. The direct rollover must be made to an IRA established on behalf of the designated nonspouse Beneficiary that will be treated as an inherited IRA pursuant to the provisions of Code Section 402(c)(11). The IRA must be established in a manner that identifies it as an IRA with respect to a deceased Participant and also identifies the deceased Participant and the nonspouse Beneficiary. This Section applies to distributions made after the last day of the 2009 Plan Year.

6.10 Inservice Distributions

(a) Unforeseeable Emergency Distributions. If the Participant who has not incurred a Severance from Employment or Beneficiary has an unforeseeable emergency, the Administrator may approve a single sum distribution of the amount requested or, if less, the maximum amount determined by the Administrator to be permitted to be distributed under this Section 6.10(a), Treasury Regulation Section 1.457-6(c) or other regulatory guidance. The Administrator shall determine whether an unforeseeable emergency exists based on relevant facts and circumstances, and Treasury Regulation Section 1.457-6(c) or other regulatory guidance.

(i) An unforeseeable emergency is defined as a severe financial hardship resulting from the following:

(A) an illness or accident of the Participant or Beneficiary, the Participant's or Beneficiary's spouse, or the Participant's or Beneficiary's dependent or the Participant's "primary Beneficiary";

(B) loss of the Participant's or Beneficiary's property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by homeowner's insurance, e.g., as a result of a natural disaster);

(C) the need to pay for the funeral expenses of a Participant's or Beneficiary's spouse, Participant's or Beneficiary's dependent or "primary Beneficiary" of the Participant;

(D) the need to pay for medical expenses of the Participant or Beneficiary, the Participant's or Beneficiary's spouse, Participant's or Beneficiary's dependent or the Participant's "primary Beneficiary" which are not reimbursed or compensated by insurance or otherwise, including non-refundable deductibles, as well as for the cost of prescription drug medication;

(E) the imminent foreclosure of or eviction from the Participant's or Beneficiary's primary residence; or

(F) other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant or Beneficiary. However, except as otherwise specifically provided in this Section 6.10(a), certain circumstances are not considered an unforeseen emergency such as the purchase of a home or the payment of college tuition or credit card debt.

For purposes of this paragraph, if the Participant is not deceased, a "primary Beneficiary" shall be limited to a primary Beneficiary under the Plan, which is an individual who is named as a Beneficiary pursuant to Section 8.1 and has an unconditional right to all or a portion of the Participant's Account Balance upon the death of the Participant, and which shall not include a contingent Beneficiary. Additionally, dependent shall be limited to the definition under Code Section 152(a), and, for taxable years beginning on or after January 1, 2005, without regard to Code Sections 152(b)(1), (b)(2) and (d)(1)(B).

(ii) Unforeseeable emergency distribution standard. A distribution on account of unforeseeable emergency may not be made to the extent that such emergency is or may be relieved through reimbursement or compensation from insurance or otherwise; by liquidation of the Participant's assets, to the extent the liquidation of such assets would not itself cause severe financial hardship; or by cessation of

deferrals under the Plan if the cessation of deferrals would alleviate the financial need.

(iii) Distribution necessary to satisfy emergency need. Distributions because of an unforeseeable emergency may not exceed the amount reasonably necessary to satisfy the emergency need (which may include any amounts necessary to pay any federal, State, or local income taxes or penalties reasonably anticipated to result from the distribution).

(b) De minimis Account Balance Distributions. A Participant may request a distribution of his or her total Account Balance before Severance of Employment if all of the following requirements are satisfied:

(i) the Participant's total Account Balance (including the rollover contribution separate account) does not exceed $5,000 (or the dollar limit under Code Section 411(a)(11), if greater);

(ii) the Participant has not previously received a distribution of his or her total Account Balance in accordance with the provisions of this Section 6.10(b); and

(iii) no Annual Deferral has been made with respect to the Participant during the two-year period ending immediately before the date of the distribution.

Distribution shall be made as soon as practical following the request in a lump sum payment or through a direct rollover to the "eligible retirement plan" (as defined under Section 6.9(b)) selected by the Participant or Beneficiary.

The Administrator may direct payments under this Section 6.10(b) if the requirements of (i), (ii), and (iii) above are met. If the Administrator directs payment, distribution shall be made through a direct rollover to an individual retirement account selected by the Administrator, unless the Participant affirmatively elects rollover to a different "eligible retirement plan" (as defined under Section 6.9(b)) or distribution in a lump sum payment.

(c) Rollover Account Distributions. If a Participant has a separate account attributable to rollover contributions under the Plan, the Participant before Severance of Employment may at any time elect to receive an inservice distribution of all or any portion of the amount held in the rollover separate account. Any designated Roth contributions rolled over to the Plan are treated as Roth Contributions and not rollover contributions for Plan purposes.

(d) Age 70 ½ Distributions. Prior to Severance from Employment, a Participant may withdraw all or a portion of his or her Account Balance on or after the first day of the calendar year in which the Participant shall attain age 70½.

(e) Qualified Military Service Deemed Severance Distributions. Notwithstanding any other provision of the Plan to the contrary, a Participant before Severance of Employment who is absent from employment because of service with the uniformed services (as described

in United Stated Code, Title 38, Chapter 43) for more than 30 days shall be treated as if he or she had incurred a Severance from Employment for purposes of receiving a distribution. A Participant who is deemed to have incurred a Severance from Employment hereunder may elect to receive a withdrawal from his or her Annual Deferrals.

If a Participant receives a distribution in accordance with this Section 6.10(e) and would not otherwise be entitled to receive a distribution under the Plan other than pursuant to this section, his or her Annual Deferrals shall be suspended for at least 6 months after receipt of the withdrawal.

(f) Inservice Distribution of Roth Contributions. Roth Contributions are eligible for all inservice distributions and withdrawals.

6.11 Qualified Distributions for Retired Public Safety Officers

A Participant who is an "eligible retired public safety officer" may elect to have qualified health insurance premiums deducted from amounts to be distributed to the Participant from the Plan, and to have such amounts paid directly to the insurer or group health plan, subject to the provisions of this Section 6.11. "Qualified health insurance premiums" include premiums for accident and health insurance (including under a self-insured plan) or qualified long-term care insurance contracts for the Participant and the Participant's spouse and dependents. It is intended that, pursuant to Code Section 402(l), the distribution shall be excluded from the Participant's gross income to the extent that the aggregate amount of the distributions does not exceed the amount used to pay the qualified health insurance premiums of the Participant and the Participant's spouse and dependents.

(a) A Participant shall qualify as an "eligible retired public safety officer" for purposes of this Section 6.11 only if the Participant is an individual who separated from service, either by reason of disability (as determined by the Administrator) or after attainment of Normal Retirement Age, as a public safety officer with the Employer. Consequently, a public safety officer who retires before the attainment of Normal Retirement Age is not an eligible retired public safety officer unless the public safety officer retires by reason of disability (as determined by the Administrator).

(b) For purposes of this Section 6.11, the term "public safety officer" means an individual serving the Employer in an official capacity, with or without compensation, as a law enforcement officer, a firefighter, a chaplain, or as a member of a rescue squad or ambulance crew.

(c) In order to avoid unintended taxation, the aggregate amount that a Participant elects to have directly distributed to an insurer or group health plan pursuant to this Section 6.11 for any calendar year shall be limited to $3,000. Moreover, for purposes of applying this $3,000 limitation, distributions with respect to the Participant that are used to pay for qualified health insurance premiums from all qualified retirement plans of the Employer shall be aggregated.

SECTION VII
ROLLOVERS AND PLAN TRANSFERS

7.1 Eligible Rollover Contributions to the Plan

(a) A Participant who is an Employee or a Participant who has separated from service and has an Account Balance and who is entitled to receive an eligible rollover distribution from another "eligible retirement plan", as defined in 6.9(b) excluding the direct rollover of after-tax contributions, may request to have all or a portion of the eligible rollover distribution paid to the Plan. The Administrator may require such documentation from the distributing plan as it deems necessary to effectuate the rollover in accordance with Code Section 402 and to confirm that such plan is an "eligible retirement plan" within the meaning of Code Section 402(c)(8)(B).

(b) If an Employee makes a rollover contribution to the Plan of amounts that have previously been distributed to him or her, the Employee must deliver to the Administrator the cash that constitutes his or her rollover contribution within 60 days of receipt of the distribution from the distributing "eligible retirement plan". Such delivery must be made in the manner prescribed by the Administrator.

(c) The Plan shall establish and maintain for the Participant a separate account for any eligible rollover distribution paid to the Plan from any "eligible retirement plan" that is an eligible governmental plan under Code Section 457(b). In addition, the Plan shall establish and maintain for the Participant a separate account for any eligible rollover distribution paid to the Plan from any "eligible retirement plan" that is not an eligible governmental plan under Code Section 457(b).

(d) To the extent that the Plan accepts rollover contributions attributable to Roth Contributions, the Administrator shall account for such contributions separately from other rollover contributions. In administering rollover contributions attributable to Roth Contributions, the Administrator shall be entitled to rely on a statement from the distributing plan's administrator identifying (i) the Participant's basis in the rolled over amounts and (ii) the date on which the Participant's 5-taxable-year period of participation (as required under Code Section 402A(d)(2) for a qualified distribution of Roth Contributions) started under the distributing plan. If the 5-taxable-year period of participation under the distributing plan would end sooner than the Participant's 5-taxable-year period of participation under the Plan, the 5-taxable-year period of participation applicable under the distributing plan shall continue to apply with respect to the Roth Contributions included in the rollover contribution. Roth Contributions that are rolled over to the Plan shall be subject to the provisions of the Plan applicable to Roth Contributions rather than the provisions of the Plan applicable to rollover contributions.

7.2 Plan-to-Plan Transfers to the Plan

At the direction of the Employer, the Administrator may permit Participants or Beneficiaries who are participants or Beneficiaries in another eligible governmental plan under Code Section

457(b) to transfer assets to the Plan as provided in this Section 7.2. Such a transfer is permitted only if the other plan provides for the direct transfer of each Participant's or Beneficiary's interest therein to the Plan. The Administrator may require in its sole discretion that the transfer be in cash or other property acceptable to the Administrator. The Administrator may require such documentation from the other plan as it deems necessary to effectuate the transfer in accordance with Code Section 457(e)(10) and Treasury Regulation Section 1.457-10(b) and to confirm that the other plan is an eligible governmental plan as defined in Treasury Regulation Section 1.457-2(f). The amount so transferred shall be credited to the Participant's Account Balance and shall be held, accounted for, administered and otherwise treated in the same manner as an Annual Deferral by the Participant under the Plan, except that the transferred amount shall not be considered an Annual Deferral under the Plan in determining the maximum deferral under Section III.

7.3 Plan-to-Plan Transfers from the Plan

(a) At the direction of the Employer, the Administrator may permit Participants or Beneficiaries to elect to have his or her Account Balance transferred to another eligible governmental plan within the meaning of Treasury Regulation Section 1.457-2(f), if the other eligible governmental plan provides for the receipt of transfers, the Participant or Beneficiary whose amounts deferred are being transferred will have an amount deferred immediately after the transfer at least equal to the amount deferred with respect to that Participant or Beneficiary immediately before the transfer, and the conditions of subparagraph (i), (ii), or (iii) are met.

(i) A transfer from the Plan to another eligible governmental plan is permitted in the case of a transfer for a Participant if the Participant has had a Severance from Employment with the Employer and is performing services for the entity maintaining the other eligible governmental plan.

(ii) A transfer from the Plan to another eligible governmental plan is permitted if:

(A) The transfer is to another eligible governmental plan within the same State as the Plan;

(B) All the assets held by the Plan are transferred; and

(C) A Participant or Beneficiary whose amounts deferred are being transferred is not eligible for additional annual deferrals in the other eligible governmental plan unless he or she is performing services for the entity maintaining the other eligible governmental plan.

(iii) A transfer from the Plan to another eligible governmental plan of the Employer is permitted if:

(A) The transfer is to another eligible governmental plan of the Employer (and, for this purpose, an employer is not treated as the Employer if the Participant's compensation is paid by a different entity); and

(B) A Participant or Beneficiary whose deferred amounts are being transferred is not eligible for additional annual deferrals in the other eligible governmental plan unless he or she is performing services for the entity maintaining the other eligible governmental plan.

(b) Upon the transfer of assets under this Section 7.3(b), the Plan's liability to pay benefits to the Participant or Beneficiary under this Plan shall be discharged to the extent of the amount so transferred for the Participant or Beneficiary. The Administrator may require such documentation from the receiving plan as it deems appropriate or necessary to comply with this Section 7.3(b) (for example, to confirm that the receiving plan is an eligible governmental plan under paragraph (a) of this Section 7.3(b), and to assure that the transfer is permitted under the receiving plan) or to effectuate the transfer pursuant to Treasury Regulation Section 1.457-10(b).

7.4 Permissive Service Credit Transfers

(a) If a Participant is also a participant in a tax-qualified defined benefit governmental plan (as defined in Code Section 414(d)) that provides for the acceptance of plan-to-plan transfers with respect to the Participant, then the Participant may elect to have any portion of the Participant's Account Balance transferred to the defined benefit governmental plan. A transfer under this Section 7.4(a) may be made before the Participant has had a Severance from Employment and without regard to whether the defined benefit governmental plan is maintained by the Employer. The distribution rules applicable to the defined benefit governmental plan to which any amounts are transferred under this Section 7.4(a) shall apply to the transferred amounts and any benefits attributable to the transferred amounts.

(b) A transfer may be made under Section 7.4(a) only if the transfer is either for the purchase of permissive service credit (as defined in Code Section 415(n)(3)(A)) under the receiving defined benefit governmental plan, including service credit for periods for which there is no performance of services, service credited in order to provide an increased benefit for service credit which a participant is receiving under the plan, and service (including parental, medical, sabbatical, and similar leave) as an employee (other than as an employee described in Code Section 415(n)(3)(C)(i)) of an educational organization described in Code Section 170(b)(1)(A)(ii) which is a public, private, or sectarian school which provides elementary or secondary education (through grade 12) or a comparable level of education, as determined under the applicable law of the jurisdiction in which the service was performed, without application of the limitations of Code Section 415(n)(3)(B) in determining whether the transfer is for the purchase of permissive service credit, or a repayment to which Code Section 415 does not apply by reason of Code Section 415(k)(3).

7.5 In-Plan Roth Conversion

A Participant, the Participant's surviving spouse Beneficiary, or spouse or former spouse who is an alternate payee under a qualified domestic relations order (as defined under Code Section 414(p)), may request an eligible rollover distribution as defined in Section 6.9(b) to be rolled into

the Roth Contribution account under the Plan, pursuant to Code Section 402A(c)(4), by filing an irrevocable election with the Administrator. The amount of the "in-plan Roth conversion" shall be included in the Participant's (surviving spouse Beneficiary's, or spouse or former spouse who is an alternate payee's) gross income, as though it were not part of a qualified rollover contribution. Notwithstanding any other provision of the Plan to the contrary, an amount is not eligible for an "in-plan Roth conversion" unless it is distributable under the terms of the Plan and such distribution is an eligible rollover distribution within the meaning of Code Section 402(c)(4).

SECTION VIII
BENEFICIARY

8.1 Beneficiary Designation

A Participant has the right, by written notice filed with the Administrator, to designate one or more Beneficiaries to receive any benefits payable under the Plan in the event of the Participant's death prior to the complete distribution of benefits. The Participant accepts and acknowledges that he or she has the burden for executing and filing, with the Administrator, a proper Beneficiary designation form.

The form for this purpose shall be provided by the Administrator. The form is not valid until it is signed, filed with the Administrator by the Participant, and accepted by the Administrator. Upon the Participant filing the form and acceptance by the Administrator, the form revokes all Beneficiary designations filed prior to that date by the Participant. If a married Participant designates his or her spouse a Beneficiary under the Plan, such designation shall automatically become null and void as of the date of any final divorce or similar decree or order; except that the Participant may re-designate such former spouse or his or her Beneficiary after the date of the final decree or order.

If no such designation is in effect upon the Participant's death, or if no designated Beneficiary survives the Participant, the Beneficiary shall be the Participant's surviving spouse, or if the Participant has no surviving spouse, the Participant's surviving children in equal shares, or if there are no surviving children, the Participant's estate. If a Beneficiary dies after becoming entitled to receive a distribution under the Plan but before distribution is made to him or her in full, the estate of the deceased Beneficiary shall be the Beneficiary as to the balance of the distribution.

SECTION IX
ADMINISTRATION AND ACCOUNTING

9.1 Administrator

The Administrator shall have the responsibility and authority to control the operation and administration of the Plan in accordance with the terms of the Plan, the Code and regulations thereunder, and any State law as applicable.

The Administrator may contract with a financially responsible independent contractor to administer and coordinate the Plan under the direction of the Administrator. The Administrator shall have the right to designate a plan coordinator or other party of its choice to perform such services under this agreement as may be mutually agreed to between the Administrator and the plan coordinator or other party.

The Administrator has full and complete discretionary authority to determine all questions of Plan interpretation, policy, participation, or benefit eligibility in a manner consistent with the Plan's documents; such determinations shall be conclusive and binding on all persons except as otherwise provided by law.

9.2 Administrative Costs

All reasonable expenses of administration may be paid out of the Plan assets unless paid (or reimbursed) by the Employer. Such expenses shall include any expenses incident to the functioning of the Administrator, or any person or persons retained or appointed by the Administrator or the Employer incident to the exercise of his or her duties under the Plan, including, but not limited to, fees of accountants, counsel, investment managers, agents (including nonfiduciary agents) appointed for the purpose of assisting the Administrator in carrying out the instructions of Participants as to the directed investment of his or her accounts and other specialists and his or her agents, and other costs of administering the Plan. In addition, unless specifically prohibited under statute, regulation or other guidance of general applicability, the Administrator may charge to the Account Balance of an individual a reasonable charge to offset the cost of making a distribution to the Participant, Beneficiary, or alternate payee. If liquid assets of the Plan are insufficient to cover the fees of the Administrator, then Plan assets shall be liquidated to the extent necessary for such fees. In the event any part of the Plan assets becomes subject to tax, all taxes incurred will be paid from the Plan assets. Until paid, the expenses shall constitute a liability of the Trust Fund described in Section 11.1.

9.3 Paperless Administration

The Administrator may use telephonic or electronic media to satisfy any notice requirements required by this Plan, to the extent permissible under regulations (or other generally applicable guidance). In addition, a Participant's consent to immediate distribution may be provided through telephonic or electronic means, to the extent permissible under regulations (or other generally applicable guidance). The Administrator also may use telephonic or electronic media to conduct plan transactions such as enrolling Participants, making (and changing) salary reduction

elections, electing (and changing) investment allocations, and other transactions, to the extent permissible under regulations (or other generally applicable guidance).

SECTION X
AMENDMENTS

10.1 Amendment

The Employer may at any time either prospectively or retroactively amend the Plan. The Employer shall not have the right to reduce or affect the value of any Participant's Account Balance or any rights accrued under the Plan prior to amendment.

10.2 Conformation

The Employer shall amend and interpret the Plan to the extent necessary to conform to the requirements of Code Section 457 and any other applicable law, regulation or ruling, including amendments that are retroactive. In the event the Plan is deemed by the Internal Revenue Service to be administered in a manner inconsistent with Code Section 457, the Employer shall correct such inconsistency within the period provided in Code Section 457(b).

10.3 Plan Termination

In the event of the termination of the Plan, all Account Balances shall be disposed to or for the benefit of each Participant or Beneficiary in accordance with the provisions of Section VI or Section VII as soon as reasonably practicable following the Plan's termination. The Employer shall not have the right to reduce or affect the value of any Participant's account or any rights accrued under the Plan prior to termination of the Plan. The Participant's or Beneficiary's written consent to the commencement of distribution shall not be required regardless of the value of his or her Account Balance.

The distribution in the event of termination of the Plan may, at the discretion of the Employer, be made in the form of a lump sum payment of the Participant's total Account Balance, without regard to the form of distribution elected by the Participant.

SECTION XI
TRUST FUND

11.1 Trust Fund

All amounts in a Participant's or Beneficiary's Account Balance, all property and rights purchased with such amounts, and all income attributable to such amounts, property, or rights shall be held and invested in the Trust Fund in accordance with this Plan. The Trust Fund, and any subtrust established under the Plan, shall be established pursuant to a written agreement that constitutes a valid trust, custodial agreement, annuity contract, or similar agreement under the laws of the State of residence of the Employer, to the extent not superseded by federal law. All investments, amounts, property, and rights held under the Trust Fund shall be held in trust for the exclusive benefit of Participants and their Beneficiaries and defraying reasonable expenses of the Plan and of the Trust Fund. Prior to the satisfaction of all liabilities with respect to Participants and their Beneficiaries, no part of the assets and income of the Trust Fund may be used for, or diverted to, for purposes other than for the exclusive benefit of Participants and their Beneficiaries. The Employer has no beneficial interest in the Trust Fund and no part of the Trust Fund shall ever revert to the Employer, directly or indirectly, provided, however, that a contribution or any portion thereof made by the Employer through a mistake of fact under Section 12.4 shall upon written request of the Employer, reduced by losses attributable thereto, shall be returned to the Employer.

SECTION XII
MISCELLANEOUS

12.1 Non-Assignability

Except as provided in Sections 12.2 and 12.3, no benefit under the Plan at any time shall be subject in any manner to anticipation, alienation, assignment (either at law or in equity), encumbrance, garnishment, levy, execution, or other legal or equitable process; and no person shall have power in any manner to anticipate, transfer, assign (either law or in equity), alienate or subject to attachment, garnishment, levy, execution, or other legal or equitable process, or in any way encumber his or her benefits under the Plan, or any part thereof, and any attempt to do so shall be void except to such extent as may be required by law.

12.2 Domestic Relation Orders

The Employer shall establish reasonable procedures to determine the status of domestic relations orders and to administer distributions under domestic relations orders which are deemed to be qualified orders. Such procedures shall be in writing and shall comply with the provisions of Code Section 414(p) and regulations issued thereunder.

Notwithstanding Section 12.1, the Administrator may affect a Participant's Account Balance for a "qualified domestic relations order" as defined in Code Section 414(p), and those other domestic relations orders permitted to be so treated by the Administrator under the provisions of the Retirement Equity Act of 1984. The amount of the Participant's Account Balance shall be paid in the manner and to the person or persons so directed in the qualified domestic relations order. Such payment shall be made without regard to whether the Participant is eligible for a distribution of benefits under the Plan.

12.3 IRS Levy

Notwithstanding Section 12.1, the Administrator may pay from a Participant's or Beneficiary's Account Balance the amount that the Administrator finds is lawfully demanded under a levy issued by the Internal Revenue Service to the Plan with respect to that Participant or Beneficiary or is sought to be collected by the United States Government under a judgment resulting from an unpaid tax assessment against the Participant or Beneficiary.

12.4 Mistaken Contributions

Notwithstanding any other provision of the Plan or the Trust Fund to the contrary, in the event any contribution of an Employer is made under a mistake of fact (and not a Plan operational error), such contribution may be returned to the Employer within one year after the payment of the contribution. Earnings attributable to the excess contribution may not be returned to the Employer (and instead shall be applied otherwise as determined by the Administrator), but losses attributable thereto must reduce the amount to be so returned.

12.5 Employment

Neither the establishment of the Plan nor any modification thereof, nor the establishment of any account, nor the payment of any benefits, shall be construed as giving to any Participant or other person any legal or equitable right against the Employer except as herein provided; and, in no event, shall the terms or employment of any Employee be modified or in any way affected hereby.

12.6 Successors and Assigns

The Plan shall be binding upon and shall inure to the benefit of the Employer, its successors and assigns, all Participants and Beneficiaries and their heirs and legal representatives.

12.7 Written Notice

Any notice or other communication required or permitted under the Plan shall be in writing, and if directed to the Administrator shall be sent to the designated office of the Administrator, and, if directed to a Participant or to a Beneficiary, shall be sent to such Participant or Beneficiary at his or her last known address as it appears on the Administrator's record. To the extent permitted by law, regulation or other guidance from an appropriate regulatory agency, the Administrator, Employer or any other party may provide any notice or disclosure, obtain any authorization or consent, or satisfy any other obligation under the Plan through the use of any other medium acceptable to the Administrator. Such other medium may include, but is not necessarily limited to, electronic or telephonic medium. In addition, any communication or disclosure to or from Participants or Beneficiaries that is required under the terms of the Plan to be made in writing may be provided in any other medium (electronic, telephonic, or otherwise) that is acceptable to the Administrator and permitted under applicable law. The Administrator shall be entitled to reliance on any such communication from a Participant or Beneficiary, including any data or consent included in such communication, provided in any such manner.

12.8 Total Agreement

This Plan and Participant deferral election, and any subsequently adopted Plan amendment thereof, shall constitute the total agreement or contract between the Employer and the Participant regarding the Plan. No oral statement regarding the Plan may be relied upon by the Participant.

12.9 Gender

As used herein the masculine shall include the neuter and the feminine where appropriate.

12.10 Controlling Law

This Plan is created and shall be construed, administered and interpreted in accordance with Code Section 457 and the regulations thereunder, and under laws of the State of residence of the Employer, to the extent not superseded by federal law as the same shall be at the time any dispute or issue is raised. If any portion of this Plan is held illegal, invalid or unenforceable, the legality, validity and enforceability of the remainder shall be unaffected.

The Employer has executed this Plan document this _____ day of _____.

City of Yuba City

By _____ SIGN HERE

Name_____

Title_____

Employer Address: 1201 Civic Center Boulevard

Yuba City, CA 95593

Employer EIN: 94-6000460

Contract Number: YUBA-001

This plan document is a specimen plan document only. Unlike 401(a)/(k) and 403(b) plans, the Internal Revenue Service does not offer a preapproved program for 457(b) plan documents and does not generally provide any determination or advisory letter regarding a 457(b) plan's compliance in form with applicable rules. As such, this plan document has not been reviewed by the Internal Revenue Service for compliance with applicable sections of the Internal Revenue Code of 1986, as amended. Lincoln Retirement Services Company LLC and its affiliates (Lincoln) make no guarantees or warranties, expressed or implied, regarding the tax effects of the specimen plan document. Employers are strongly encouraged to consult with their legal and/or tax advisor regarding the adoption of this plan document.

SUPERSEDING PROVISIONS ADDENDUM

The following provisions supersede other provisions in this Plan in the manner described below:

Section 1.1 The term Compensation shall be further clarified by replacing subparagraph (b) and adding subparagraph (c) as follows:
(b) For Annual Deferral purposes, payments for accrued bona fide sick, vacation or other leave, but only if the Participant would have been able to use the leave if employment had continued, and only if the Participant affirmatively and timely elects to defer on such Compensation. For Employer Contribution purposes, payments for accrued bona fide sick, vacation or other leave are excluded.
(c) Payments received by the Participant pursuant to a nonqualified unfunded deferred compensation plan but only for Employees who are included in a unit of Employees covered by a collective bargaining agreement and only if their collective bargaining agreement specifically provides for inclusion.

Section 1.1 The term Employee shall be further clarified as follows:
The term Employee shall include Employees who are included in a unit of Employees covered by a collective bargaining agreement and Employees in an elected or appointed position but only if they are elected City Council members.

Section 2.4 shall be further clarified as follows:
A Participant's spouse must consent to naming someone other than the spouse as Beneficiary under the Plan.

Section 2.7 shall be further clarified as follows:
Employer Contributions will follow a separate formula per bargaining unit. Employees who are included in a unit of Employees covered by a collective bargaining agreement are only eligible for an Employer Contribution if the collective bargaining agreement specifically provides for an Employer Contribution.

Section 7.5 "In-Plan Roth Conversion", shall be replaced in its entirety with the following:
A Participant, the Participant's surviving spouse Beneficiary, or spouse or former spouse who is an alternate payee under a qualified domestic relations order (as defined under Code Section 414(p)), may request to convert all or any portion of the Participant's non-Roth vested Account Balance to an "In-Plan Roth Conversion" account, pursuant to Code Section 402A(c)(4), by filing an irrevocable election with the Administrator. The taxable amount of the "In-Plan Roth Conversion" shall be included in the Participant's (surviving spouse Beneficiary's, or spouse or former spouse who is an alternate payee's) gross income. For a Participant to convert eligible contributions to Roth Contributions through an "In-Plan Roth Conversion", the Participant need not be eligible to take a distribution from the Plan.

Section 8.1 shall be further clarified as follows:
A Participant's spouse must consent to naming someone other than the spouse as Beneficiary under the Plan. To the extent a Beneficiary has not been named by the Participant and is not designated under the terms of this Plan to receive all or any portion of the deceased Participant's

death benefit, such amount shall be distributed to the Participant's surviving spouse (if the Participant was married at the time of death). If the Participant does not have a surviving spouse at the time of death, distribution will be made to the Participant's children per stirpes. If the Participant does not have any children, then distribution will be made to the duly appointed executor or administrator of the estate.

INVESTMENT ADVISORY SERVICES AGREEMENT

*This Investment Advisory Agreement ("**Agreement**") is made and entered into as of the date this Agreement is executed by the parties ("**Execution Date**"), by and between Morningstar Investment Management LLC, a Delaware limited liability company ("**Morningstar**"), and the plan sponsor ("**Plan Sponsor**") the named fiduciary and sponsor of the Plan identified on Exhibit A (the "**Plan**").*

BACKGROUND

The Plan Sponsor is a named fiduciary with respect to the Plan with the authority under the Plan to obtain certain investment advisory services. Plan Sponsor has elected to offer the Advisory Services to Plan participants. Plan Sponsor has entered into a separate written agreement with its financial service provider ("**Service Provider**") to provide daily valuation, recordkeeping and other administrative services to the Plan, including access to Morningstar's investment Advisory Services, if Plan Sponsor so elects.

The Plan Sponsor has determined that it is in the best interests of the Plan and the Participants and their Beneficiaries (both as defined in Exhibit A) to retain Morningstar to provide the Advisory Services (as defined below and further in Exhibit A), including but not limited to providing investment Advisory Services by and through proprietary software and technology that processes demographic and financial information about Participants and identifies model portfolios comprised of various asset classes in weights that correspond to various risk profiles of individuals. Use of the Advisory Services, as directed by the Participants and their Beneficiaries, shall be effective after the execution of this Agreement and upon the delivery of all necessary information from Service Provider to Morningstar (the "**Effective Date**"). Morningstar is willing to perform such investment Advisory Services as a fiduciary to the Plan as provided under the terms of this Agreement.

Based on the foregoing, Plan Sponsor, on behalf of the Plan, and Morningstar agree as follows:

AGREEMENT

1. SERVICES AND PAYMENT

1.1 Description of Advisory Services. Morningstar agrees to provide the Plan with the Advisory Services. "Advisory Services" shall mean individually or collectively the Managed Account Services and the Investment Advice Services (each as described below in Exhibit A) and, provided, however, that the Plan and Participants shall only be eligible to choose from those Advisory Services specifically selected by Plan Sponsor. The Advisory Services specifically exclude analysis of or advice regarding the potential local, state or federal tax consequences resulting from any investment advice or recommendation provided by Morningstar.

1.2 Fees. In consideration for the Managed Account Services, the Plan will pay to Morningstar the fees set forth on Exhibit B.

1.3 Invoicing and Payment. Plan Sponsor agrees to direct the Service Provider to collect all applicable fees from each Participant's Plan account and to remit such fees to Morningstar. The parties agree and acknowledge that Service Provider shall deduct monthly and remit the applicable fees in monthly installments in arrears beginning at the end of the month in which the fees were earned by Morningstar.

2. TERM AND TERMINATION

2.1 Term. Subject to Section 2.2, the Agreement shall commence on the Effective Date and continue in effect for a term of one (1) year from the Effective Date. The Agreement shall automatically be renewed for additional one (1) year periods, unless a party delivers to the other parties a written notice of non-renewal at least thirty (30) days prior to the date such renewal would take effect (each one (1) year period is a "Term").

2.2 Termination by Plan Sponsor or Morningstar. Plan Sponsor or Morningstar may terminate this Agreement upon thirty (30) days prior written notice to the other parties for any reason or no reason; provided however, that Plan Sponsor shall continue to pay fees in accordance with Exhibit B for Managed Account Services rendered, prior to termination.

2.3 Effect of Termination. Upon expiration or termination of this Agreement for any reason, all rights granted to Plan Sponsor hereunder shall terminate immediately and all Participants shall no longer have access to the Advisory Services. Expiration or termination of this Agreement for any reason shall not affect the Plan's obligation to pay any and all fees and other amounts due and payable under this Agreement or relieve the Plan or Plan Sponsor of any liability for breach of this Agreement.

3. USE OF DATA AND CONFIDENTIALITY

3.1 Plan Data. All information communicated to Morningstar, whether before or after the Effective Date, by the Plan, Plan Sponsor, or the Service Provider, in connection with this Agreement, that relates to the Plan, the Plan's investments, or Plan Sponsor, Plan Sponsor's employees, former employees, Participants or Beneficiaries ("**Plan Data**"), will be held by Morningstar in confidence and used only for purposes of performing their Services under this Agreement in accordance with this Agreement or as disclosed in Morningstar's privacy policy. Plan Data will remain the property of the respective Plan or of the Plan Sponsor, as the case may be. Morningstar will maintain physical, electronic and procedural safeguards to avoid disclosing Plan Data to third parties, to at least the same degree as it employs to avoid unauthorized disclosure or publication of its own information or information of other customers, and in no event less than industry-standard safeguards.

3.2 Exceptions. Notwithstanding Section 3.1, Morningstar may disclose Plan Data to those of their employees involved in providing the Advisory Services, but only to the extent reasonably necessary to perform the Advisory Services under this Agreement or as disclosed in Morningstar's privacy policy. Morningstar may disclose Plan Data to the extent required to satisfy any valid subpoena, court order, litigation or regulatory request, or other legal requirement of competent governmental authority, provided that immediately following receipt of such request or making a determination that disclosure is legally required.

3.3 Ownership. Notwithstanding the rights granted under this Agreement, Plan Sponsor acknowledges and agrees that Morningstar or its affiliates retain sole and exclusive ownership over all data, analyses, opinions, software, developments, inventions, processes, formulas, technology, designs, drawings, engineering, hardware configuration information or other information provided by Morningstar ("**Morningstar Intellectual Property**"). Nothing contained herein transfers to Plan Sponsor or the Plan any ownership interest in the Morningstar Intellectual Property and any software, pictures, images, materials, changes, or other works of authorship provided contained in the Morningstar Intellectual Property. Plan Sponsor and the Plan have no right to make derivative works of the Morningstar Intellectual Property in any form for use in any medium currently in existence or under development, now or in the future.

3.4 Use and Promotion. Plan Sponsor agrees that the Advisory Services shall be made available only to retirement plans duly established under the laws of the United States of America and to Participants that are citizens and/or legal residents of United States of America or its territories.

The Advisory Services, or any portion thereof, may be used by Plan Sponsor and its Participants only for effecting retirement planning for

Participants that elect to receive the Advisory Services. Any other use by the Plan Sponsor or the Plan, including commercial use for the benefit of another person, is prohibited under this Agreement and shall be a material breach of this Agreement. Plan Sponsor agrees to cooperate and provide reasonable assistance to Morningstar in connection with preventing and stopping any unauthorized use, of the data, analyses, opinions and other information contained in the Advisory Services.

Approval of Promotion. Plan Sponsor may not mention or refer to Morningstar or the Advisory Services in any correspondence, public announcements, advertising, marketing or promotional materials, or events (collectively, the "**Promotion Material**") without Morningstar's prior written approval. Plan Sponsor shall incorporate appropriate notice, attribution and disclaimer language into the Promotion Material, as Morningstar may specify in its review of the Promotion Material. Plan Sponsor shall have a limited license to use the Morningstar name, trademarks, service marks (the "**Morningstar Marks**") identified herein but, in each instance, only in the manner and format specified by Morningstar in writing in advance. The Morningstar Marks include:

Morningstar®

Any Promotion Material using the Morningstar name or the Morningstar Marks shall include the following disclosure, plus any additional disclosures as indicated by Morningstar during its review:

"The Morningstar name and trademarks are used, under license, from Morningstar Investment Management LLC. Morningstar Investment Management LLC is a registered investment adviser and subsidiary of Morningstar, Inc. Morningstar Investment Management LLC is not affiliated with Plan Sponsor."

Morningstar has the authority to communicate to Participants the features of the Advisory Services electronically (online or via email) or through direct mail, may utilize Plan Data for this purpose and may require the Plan Sponsor to provide Plan Data necessary to make these communications.

Confidentiality. The parties acknowledge that in the course of their dealings hereunder, each may acquire information about the other, its business activities and operations, its technical information and its trade secrets, all of which are proprietary and confidential, but not including Plan Data (the treatment of which is governed by Sections 3.1–3.2 above) (the "**Confidential Information**"). Each party hereby agrees that: (a) all Confidential Information (including, but not limited to the terms of this Agreement) remains the exclusive property of the disclosing party; (b) it shall maintain, and shall use prudent methods to cause its employees and agents to maintain (and not to otherwise copy, publish, disclose or use other than as contemplated under this Agreement), the confidentiality and secrecy of the disclosing party's Confidential Information; and (c) subject to any regulatory or internal document retention policies, it shall return or destroy all copies of the disclosing party's Confidential Information upon request of the disclosing party. Notwithstanding the foregoing, Confidential Information shall not include any information to the extent it: (i) is or becomes a part of the public domain through no act or omission on the part of the receiving party; (ii) is disclosed to third parties by the disclosing party without restriction on such third parties; (iii) is in the receiving party's possession, without actual or constructive knowledge of an obligation of confidentiality with respect thereto, at or prior to the time of disclosure under this Agreement; (iv) is independently developed by the receiving party without reference to the disclosing party's Confidential Information; (v) is released from confidential treatment by written consent of the

disclosing party; or (vi) is required to be disclosed by a court of competent jurisdiction.

4. REPRESENTATIONS AND WARRANTIES.

4.1 Representations of Morningstar. Morningstar represents and warrants to Plan Sponsor that it is an investment adviser registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940, as amended and, to Morningstar's knowledge (a) it has all rights in and to all the Morningstar Intellectual Property necessary to market, distribute the Advisory Services in accordance with the terms of this Agreement; (b) this Agreement is binding on Morningstar; and (c) Morningstar's entry into this Agreement does not violate any prior obligation or agreement of Morningstar.

Morningstar represents and warrants to Plan Sponsor that the Managed Account Services will (a) apply generally accepted investment theories; (b) be diversified to minimize risk of large losses due to asset class concentration; (c) be designed to provide varying degrees of long-term appreciation and capital preservation through a mix of equity and fixed income based on participant's age, retirement date or life expectancy; and (d) change the asset allocation and associated risk levels over time to become more conservative with increasing age.

4.2. Representations of Plan Sponsor. Plan Sponsor represents and warrants to Morningstar that (a) Plan Sponsor has the authority and power to enter into and comply with its obligations under this Agreement and the rights and licenses necessary to enter into and perform its obligations under this Agreement; (b) this Agreement is binding on Plan Sponsor and the Plan; (c) Plan Sponsor's entry into this Agreement does not violate any prior obligation or agreement of Plan Sponsor or the Plan; (d) the individual signing this Agreement and any Exhibits thereto on behalf of Plan Sponsor is a named fiduciary of Plan or is authorized to sign on behalf of the Plan Sponsor in its capacity as a named fiduciary of Plan and is authorized to sign on behalf of the Plan Sponsor in its corporate capacity; (e) consistent with the terms and conditions contained in all governing documents of Plan Sponsor's Plan with respect to the voting of proxies, Plan Sponsor, the Plan's trustee or such other person designated by the Plan will vote proxies for securities held in any investment account for which Morningstar may provide advice hereunder, and that Morningstar shall have no responsibility or liability for proxy voting, (f) Plan Sponsor has reviewed the fees and expenses that will be paid to Morningstar, described in Exhibit B, and have determined that such fees and expenses are reasonable, and (g) the instruments under which the Plan is maintained authorize the Plan to pay any fees for which the Plan is responsible as provided in this Agreement.

5. DISCLAIMERS:

5.1 Data Disclaimer. Morningstar will use commercially reasonable efforts to ensure that the data, analysis, opinion, and other information contained in the Advisory Services are correct. Although gathered from sources believed to be reliable, Plan Sponsor acknowledges that Morningstar cannot guarantee the accuracy of the data or information used to provide the Advisory Services. The completeness and timeliness of all data and information used to provide the Advisory Services is dependent upon the sources of such data and information, which are outside of Morningstar's control.

5.2 Disclaimer of Warranties. EXCEPT AS EXPRESSLY SET FORTH HEREIN, MORNINGSTAR PROVIDES NO WARRANTIES, EITHER EXPRESS, IMPLIED OR OTHERWISE WITH RESPECT TO THE ADVISORY SERVICES DELIVERED PURSUANT TO THIS AGREEMENT, OR THE SOFTWARE COMPRISING THE ADVISORY SERVICES, AND TO THE EXTENT PERMITTED BY LAW, MORNINGSTAR DISCLAIMS THE IMPLIED WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE

AND MERCHANTABILITY WITH RESPECT TO SUCH SERVICES. MORNINGSTAR DOES NOT GUARANTEE THAT THE ADVISORY SERVICES WILL BE DELIVERED WITHOUT INTERRUPTION, TIMELY, ERROR-FREE, OR SECURE. ERRORS MAY OCCUR IN SOFTWARE-BASED SERVICES AS A RESULT OF PROGRAMMING ERRORS, DATABASE ERRORS, OR OTHER CAUSES.

5.3 Acknowledgement of Limitations on Recommendations. Plan Sponsor acknowledges and agrees that in providing the Advisory Services, Morningstar will only consider the Designated Investment Alternatives (as defined in Exhibit A) offered by the Plan, and that Morningstar shall have no obligation to consider or recommend investment options that are not Designated Investment Alternatives of the Plan.

6. LIMITATION OF LIABILITY: The following Limitations of Liability shall be applicable:

6.1 Limitation of Damages. IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY OR ANY THIRD PARTY FOR LOST PROFITS, CONSEQUENTIAL, SPECIAL, INCIDENTAL OR PUNITIVE DAMAGES, HOWSOEVER ARISING OUT OF OR RELATING TO THIS AGREEMENT, REGARDLESS OF THE BASIS OF THE CLAIM. THE FEDERAL SECURITIES LAWS IMPOSE LIABILITIES UNDER CERTAIN CIRCUMSTANCES ON PERSONS WHO ACT IN GOOD FAITH, AND THEREFORE NOTHING HEREIN SHALL IN ANY WAY CONSTITUTE A WAIVER OR LIMITATION OF ANY RIGHTS WHICH THE UNDERSIGNED MAY HAVE UNDER ANY FEDERAL SECURITIES LAWS.

6.2 Plan Sponsor's Rights Under Securities Laws. Nothing in this Agreement is intended to or shall waive any rights to which Plan Sponsor is specifically entitled under the securities laws of the United States or any state, as applicable..

7. INDEMNIFICATION

7.1 Indemnification by Morningstar. Morningstar agrees to indemnify, defend and hold harmless the Plan Sponsor and its successors and assigns, directors, officers and employees, from and against any and all third party claims, demands, suits, actions, and any and all damages, losses, liabilities, taxes, penalties, fines, charges costs and expenses, including reasonable attorneys' fees, (individually a "**Loss**" and collectively "**Losses**") arising from Morningstar's breach of the fiduciary duty imposed pursuant to this Agreement. Morningstar's indemnification obligation shall not apply to any Loss or Losses arising out of or relating to a Loss due to any of the following: (i) the financial performance of any investment option included in the Plan; (ii) any violation of applicable law, rules, or regulations, or the terms of the Plan by a party other than Morningstar in connection with such investment option; (iii) the fault or negligence of, or violation of applicable law, rules or regulations, or the terms of the Plan, by Plan Sponsor or (iv) the delivery or transmission by the Service Provider, the Plan Sponsor or the Participant of incorrect, inaccurate, or incomplete Plan Data. Plan Sponsor shall provide prompt written notice of any claim, action, or proceeding giving rise to such obligation, shall reasonably cooperate with its defense and/or settlement efforts and shall grant Morningstar at Morningstar's option, sole control of the defense and/or settlement of such claim, action, or proceeding.

7.2 Indemnification by Plan Sponsor. Plan Sponsor agrees to indemnify, defend and hold harmless Morningstar, and its successors and assigns, and its and their directors, officers and employees, from and against any Loss or Losses arising from Morningstar performance of services to the Plan. Plan Sponsor's indemnification obligation shall not apply to any Loss or Losses arising out of or relating to a Loss

due to any of the following: (i) Morningstar's fraud or willful misconduct; or (ii) any act or omission for which Morningstar would be required to indemnify the Plan Sponsor, pursuant to Sections 7.1 above (as the case may be). Morningstar shall provide prompt written notice of any claim, action, or proceeding giving rise to such obligation, shall reasonably cooperate with its defense and/or settlement efforts and shall grant Plan Sponsor at Plan Sponsor's option, sole control of the defense and/or settlement of such claim, action, or proceeding.

8. ENHANCEMENTS AND MODIFICATIONS: Morningstar reserves the right in their respective discretion to enhance, modify, or provide upgrades (collectively "**Changes**") of the Advisory Services from time to time. Morningstar shall notify Service Provider of any Changes, who shall notify Plan Sponsor.

9. GENERAL

9.1 Form ADV. Morningstar is registered as an investment adviser under applicable federal or state law, or is otherwise exempt, and will promptly advise Plan Sponsor if at any time it is not so registered. Part 2A and 2B of Morningstar's Form ADV, Morningstar's registration document, contains additional information regarding Morningstar and its services. Plan Sponsor acknowledges that it has received a copy of Morningstar's Form ADV Part 2A and 2B (and, in the future, during the any Parts of the Form ADV that are required to be acknowledged and received during the Term of this Agreement).

9.2 Captions Not Determinative. Titles and paragraph headings herein are for convenient reference only and are not part of this Agreement.

9.3 No Partnership. Nothing in this Agreement shall be construed to create a partnership, joint venture or agency relationship between the parties to this Agreement.

9.4 Force Majeure. No party shall be in default or otherwise liable for any delay in or failure of its performance under this Agreement where such delay or failure arises by reason of any act of God, or any government or any governmental body, acts of the common enemy, the elements, strikes or labor disputes, or other similar or dissimilar cause beyond the control of such party. If a party is prevented from, or delayed in, performing any of its obligations under this Agreement, it will promptly notify the other parties, describing in reasonable detail circumstances causing the force majeure event, and the obligations which are thereby delayed or prevented, and will continue to use commercially reasonable efforts to recommence performance as soon as reasonably practicable.

9.5 Notice. All notices, including notices of address changes, required to be sent hereunder shall be in writing and shall be deemed to have been given when delivered electronically or by nationally recognized overnight courier or registered or certified mail, postage prepaid to the appropriate address below:

If to Morningstar:

Morningstar Investment Management LLC

22 W. Washington Street
Chicago, Illinois 60602
Attn: General Counsel

If to Plan Sponsor:

To the address and individual identified in Exhibit A, or their successors.

9.6 No Third Party Beneficiaries. Nothing contained in this Agreement is intended or will be construed to confer upon any person not a party to this Agreement (other than the Plan, a person entitled to indemnification pursuant to the terms of the Agreement, and Participants or Beneficiaries, to the extent of rights expressly extended to them under this Agreement) any rights, benefits or remedies of any kind or

character whatsoever, and no such person will be deemed a third-party beneficiary under or by reason of this Agreement.

9.7 Severability. In the event that any provision of this Agreement is held invalid by a court with jurisdiction over the parties, such provision shall be deemed to be restated to be enforceable, in a manner which reflects, as nearly as possible, the intent and economic effect of the invalid provision in accordance with applicable law. The remainder of this Agreement shall remain in full force and effect.

9.8 Waiver. The waiver by any party of any default or breach of this Agreement shall not constitute a waiver of any other or subsequent default or breach.

9.9 Modification. No representation or promise hereafter made, nor any modification or amendment of this Agreement shall be binding unless in writing and both parties have consented thereto, provided further, that such consent may be granted through a negative consent process.

9.10 Counterparts. This Agreement and any written modification hereof may be (a) executed in one or more counterparts, each of which shall be deemed an original, but which together shall constitute one and the same document; and (b) executed by facsimile signature by any party hereto and such signature shall be deemed binding for all purposes hereof, without delivery of an original signature being thereafter required.

9.11 Assignment. None of the parties may assign this Agreement or any of the rights or obligations granted hereunder without the other parties' prior written consent.

9.12 Governing Law and Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois, and the Investment Advisers Act of 1940 or any rule, regulation or order promulgated thereunder, without reference to its conflicts of law principles.

9.13 Survival. Termination or cancellation of this Agreement for any reason shall not relieve either party of obligations that accrued prior to termination or cancellation, or of obligations that by their nature are intended to survive this Agreement, including but not limited to obligations in connection with warranties, confidential information and indemnification.

9.14 Authority. The person signing this Agreement on behalf of each party has been properly authorized and empowered to enter into this Agreement.

9.15 Entire Agreement. This Agreement and the Exhibit(s) constitute the complete agreement between the parties and supersede all previous or contemporaneous agreements, proposals, understandings, and representations, written or oral, with respect to the subject matter addressed herein, other than the disclosures made in Morningstar's Form ADV Part 2A and 2B. Recitals included at the beginning of this Agreement are hereby incorporated into this Agreement by this reference thereto.

IN WITNESS WHEREOF, the parties have entered into this Agreement, and intend to be legally bound by it, as of the Execution Date.

Plan Sponsor

By:_____

Name: _____

Title: _____

Date: _____

Morningstar Investment Management LLC

By:

Name: Brock Johnson _____

Title: President_____

Date:

EXHIBIT A TO INVESTMENT ADVISORY SERVICES AGREEMENT

Description of Services and Responsibilities

Name of Plan: City of Yuba City Deferred Compensation Plan

Name of Plan Sponsor: City of Yuba City

Address of Plan Sponsor: 1201 Civic Center Boulevard, Yuba City, CA 95993

Contact Person(s): Sheleen Loza

Contact Person(s) Phone Number and Email Address: 530-822-4612 sloza@yubacity.net

I. DEFINITIONS The following definitions shall apply to this Agreement and to any Exhibit attached hereto:

- **Beneficiaries** means any person or entity the Participant chooses to receive the benefits of the retirement account after he or she dies.

- **Designated Investment Alternatives** means any investment alternative designated by the Plan Sponsor into which Participants may direct the investments of assets held in, or contributed to, their individual accounts. Designated Investment Alternatives shall exclude self-directed brokerage accounts, mutual fund windows, or other similar investment vehicles.

- **Dynamic Qualified Default Investment Alternative ("QDIA")** means a QDIA whereby the Participant is defaulted into a target-date fund and transitions to the Managed Account Services at a certain age.

- **Investment Advice Services** means making point-in-time recommendations regarding the investment allocation of the assets in a Participant's Plan account. Investment Advice Services shall be made available to the Participants through Morningstar® Retirement Manager℠ specifically selected by Plan Sponsor pursuant to this Agreement and any Exhibits hereto.

- **Plan Portfolios** are portfolios comprised of Designated Investment Alternatives based on predetermined equity targets, complying with Qualified Default Investment Alternative regulations set forth under 29 C.F.R. § 2550.404c-5 ("**QDIA**").

- **Managed Account Services** means a discretionary investment advisory service offered to the Plan and its Participants by Morningstar, as further described herein.

- **Morningstar® Retirement Manager℠** means the proprietary web-based application that is primarily focused on providing Advisory Services. Morningstar will provide Advisory Services by and through Morningstar® Retirement Manager℠ in its standard design with current supported plan types and functionality and any subsequent global modifications, enhancements, or upgrades.

- **Participant** means an individual who is enrolled or is eligible to enroll in the Plan and whose Plan Sponsor elected to offer the Advisory Services.

- **Reallocate** means the process whereby Morningstar will send transactional instructions to Service Provider for buying and selling Designated Investment Alternatives in order to assign a Plan Portfolio to a Participant based on the ongoing consideration of Plan Data in the Managed Account Service.

II. ACCESS, TECHNICAL REQUIREMENTS AND SPECIFICATIONS

a. Method of Access: Morningstar shall provide Plan Sponsor's Participants with access to Morningstar® Retirement Manager℠ via the internet through an HTTPS connection, which connection shall be established and maintained by Service Provider for Plan Sponsor's benefit.

Participants shall access Morningstar® Retirement Manager℠ from the Service Provider's website, which will provide a link to a web site designated and maintained by Morningstar.

b. Technical Requirements:

Browsers (Latest version of the following browsers plus one previous version):
- Microsoft® Edge
- Google Chrome
- Apple Safari
- Mozilla Firefox
- Morningstar reserves the right not to immediately support new browser versions.
- Morningstar reserves the right to change the above referenced technical requirements as certain browser versions become obsolete or outdated or as new versions are released.

System Requirements:
- Windows®
- Mac® OS
- JavaScript and Cookies must be enabled
- Adobe Acrobat Reader

Security: 128-bit encryption

Pop-ups: In order to view certain pages in the Morningstar® Retirement Manager℠ site, pop-ups must be enabled.

III. STANDARD OF CARE

During the term of this Agreement, Morningstar will perform the Advisory Services under this Agreement in good faith, solely in the interest of the participants and with the degree of diligence, care and skill that a prudent person rendering similar services as an investment adviser would exercise under similar circumstances. The provisions of this Agreement shall not be interpreted to imply any other obligation on the part of Morningstar to observe any other standard of care, provided, however, to the extent provision of the Advisory Services makes Morningstar a fiduciary. Morningstar shall not be liable for the acts or omissions of any other fiduciary to the Plan, including, but not limited to, any acts or omissions of the Plan Sponsor.

IV. MORNINGSTAR OBLIGATIONS

Morningstar shall:

i) With respect to the Managed Account Services, act as fiduciary and investment manager, to the Plan and its Participants;

ii) With respect to Investment Advice Services, act as fiduciary;

iii) Establish or confirm connectivity with Service Provider necessary to receive and deliver Plan Data and implement Participant transactions in connection with the Advisory Services;

iv) Collect and process Plan Data as is reasonably necessary to provide the Advisory Services;

v) Collect and process data and information on the Designated Investment Alternatives;

vi) Construct and monitor the Plan Portfolios;

vii) Assign Participants to Plan Portfolios based upon Plan Data and instruct the Service Provider to make necessary trades in accordance with the assigned Plan Portfolios;

viii) Reallocate Participants who enroll in the Managed Account Service on an ongoing basis, but no less frequently than quarterly; and

ix) Communicate with Plan Sponsor with respect to any matters arising its duties or obligations.

V. PLAN SPONSOR OBLIGATIONS AND ACKNOWLEDGEMENTS

i) Plan Sponsor, in its capacity as named fiduciary of the Plan, hereby appoints Morningstar and as "investment manager" to the Plan, with respect to any Participant who has an account within the Plan, and has elected to enroll in the Managed Account Services. Plan Sponsor agrees and acknowledges that the powers of Morningstar to manage, acquire or dispose of any Plan asset shall pertain only to its respective duties and obligations described herein.

ii) Plan Sponsor agrees to provide or cause Service Provider to provide accurate and timely Plan Data and understands that Morningstar will rely on such Plan Data to provide the Advisory Services. Morningstar shall not have any liability for Service Provider’s or Plan Sponsor's failure to timely inform Morningstar Service Provider, as applicable, of any changes to the Plan Data. Therefore:

a. Plan Sponsor shall or shall cause Service Provider to provide all necessary Participant census data and updates as requested by Morningstar or Service Provider in order for Morningstar to provide the Advisory Services described in this Agreement;

b. Plan Sponsor shall or shall cause Service Provider to provide Plan information and rules to Morningstar or Service Provider that are necessary for set-up services and promptly notify Morningstar or Service Provider with any updates to this information if changes are made; and

c. Plan Sponsor or its authorized designee shall select the Plan's Designated Investment Alternatives, and promptly notify Service Provider of any changes to Plan's Designated Investment Alternatives or transaction rules.

iii) All funds eligible for use within the Participant Portfolios are selected by Plan Sponsors at their sole discretion. The initial list of Designated Investment Alternatives must be provided (or have previously been provided) to Morningstar, either by the Service Provider or Plan Sponsor, no later than twelve (12) weeks prior to the launch of the Advisory Services ("**Initial Delivery Date**") so that Morningstar may analyze the Designated Investment Alternatives. Plan Sponsor agrees and acknowledges that any funds not included in the list of Designated Investment Alternatives shall not be included in the Advisory Services.

If, after the Initial Delivery Date, Plan Sponsor intends to add funds to the list of Designated Investment Alternatives, it shall cause Service Provider to give Morningstar advance notice of such added funds, up to forty-five (45) days' notice if administratively possible, which notice shall include the name of the fund, the fund type (i.e. open-end fund or custom fund) and the fund identifier, such as the ticker symbol, cusip, or external fund identification number, as may be applicable.

Plan Sponsor acknowledges that all funds within the list of Designated Investment Alternatives must be covered in Morningstar Inc.'s database in order for such Plan's Participants to receive the Advisory Services.

The Investment Advice Services do not monitor, review or update suggestions or projections on an ongoing basis. Participants are solely responsible for reviewing and updating their individual financial information and for tracking their account(s) and the market to be aware of any changes in the value of their account.

Plan Sponsor can elect either the Managed Account Services or the Investment Advice Services or can elect to have both the Managed Account Services and the Investment Advice Services. The election will be indicated by checking the appropriate box(es) below:

☐ Managed Account Services – If Managed Account Services is elected, Plan Sponsor shall choose ONE of the following options:

☐ The Managed Account Services will be used as the QDIA for the Plan Sponsor and the Plan Sponsor will enroll all current and future Participants in the Plan into the Advisor Managed Account Services except for Participants that have opted out;

☐ The Managed Account Services will be used as the Dynamic QDIA for the Plan Sponsor and the Plan Sponsor will enroll all current and future Participants in the Plan into the appropriate QDIA depending on their age except for Participants that have opted out; or

☐ Participants will elect to opt into the Managed Account Services.

☐ Investment Advice Services

iv) If the Plan Sponsor uses a target-date fund and the Managed Account Services as the Dynamic QDIA, Plan Sponsor shall be responsible for designating the transition date

or age for Participants to the Managed Account Services and shall communicate that decision with the Service Provider.

VI. Treatment of Company Stock:

Morningstar shall have no duty to provide Advisory Services with respect to securities issued by a Plan Sponsor ("**Company Stock**") that cannot be sold in the ordinary course of business due to a Plan provision or instruction from the Plan Sponsor ("**Restricted Company Stock**"). Restricted Company Stock shall not be included within a Plan Portfolio and Morningstar shall have no liability for any loss or unrealized gain arising from such Restricted Company Stock.

If the Participant's account includes securities issued by the Plan Sponsor that are freely marketable without restrictions ("**Non-Restricted Company Stock**"), a Participant may retain some or all of the Participant's Non-Restricted Company Stock, or the Participant may direct Morningstar to sell the Non-Restricted Company Stock according to a methodology determined by Morningstar. If a Participant directs Morningstar to sell Non-Restricted Company Stock, Morningstar will send a transaction instructing the Provider to sell 25% the Participant's Non-Restricted Company Stock upon the Participant completing a web session or upon Morningstar's quarterly review of the Participant's account. All of the Participant's Non-Restricted Company Stock will be sold if the Non-Restricted Company Stock balance reaches $3,000 or 3% of the Participant's account balance, or if directed to do so by the Participant. Morningstar's methodology will also result in the sale of any future contributions of Non-Restricted Company Stock that are allocated automatically to the Participant's account(s). Participant has the ability to instead restrict the sale of their Non-Restricted Company Stock.

VII. Brokerage Windows

Participants may receive the Advisory Services if Participants are partially invested within their respective Plan in a self-directed brokerage account, mutual fund window, or other similar investment vehicles (collectively "**Brokerage Windows**") that cannot feasibly be administered in a managed account. However, Morningstar will only have discretion over that portion of the Participant's Plan account balance invested outside of the Brokerage Window. Plan Sponsor and Morningstar will jointly ensure that this limitation is communicated to the Participant. Morningstar shall address this limitation in any written materials discussing the Advisory Services and Plan Sponsor shall ensure that such written materials are provided to Participants, as necessary.

VIII. Source Restrictions

Plans that have source restrictions where different investment options are assigned for different money sources cannot be used in conjunction with the Advisory Services.

EXHIBIT B TO INVESTMENT ADVISORY SERVICES AGREEMENT
Fees

If the Plan elects to receive the Managed Account Services, the Plan shall pay Morningstar an annual fee, paid monthly, of an amount equal to 25 basis points to Morningstar (the "**Morningstar Investment Management Fee**") and 20 basis points may be charged by the Service Provider on the net assets under management ("**AUM**") in the Plan account of each Participant enrolled in the Managed Account Services as of the last day of the month. Plan Sponsor shall contact Service Provider for the final fee. The Service Provider shall deduct the Morningstar Investment Management Fee from the enrolled Participant's Plan account and remit the fees to Morningstar. The AUM shall exclude the following:

- Outstanding loan amounts,
- Amounts in adjustment accounts,
- Self-directed brokerage balances,
- Company stock, and
- Any other assets excluded from the Managed Account Service.

Plan Participants that enroll or unenroll or terminate and distribute their accounts in the Managed Account Service in the middle of a month will be pro-rated based on the number of days the account is active based on a percentage of the total number of days in the month.

Collection Authorization and Payment Terms

The parties hereby agree that Service Provider shall collect all applicable fees from each Participant's Plan account and is hereby authorized to remit such fees to Morningstar. The parties agree and acknowledge that Service Provider shall collect and remit the Morningstar Investment Management Fee in monthly installments in arrears beginning at the end of the month in which the Morningstar Investment Management Fees were earned by Morningstar.

For use with:
Multi-Fund® 1-4
Multi-Fund® Select
Lincoln Life Group Fixed Annuity
Lincoln Life Group Variable Annuity
Multi-Fund® Group Variable Annuity
Lincoln Alliance® program

Authorized signature record

General information

Plan Sponsor name City of Yuba City

Plan ID(s) YUBA-001

Authorization

For all products other than the *Lincoln Alliance*® program: The following persons are authorized representatives of the Plan Sponsor and have the authority to approve withdrawals from assets held under this plan for plan benefits as described in the plan.

For the *Lincoln Alliance*® program: Lincoln Retirement Services Company, LLC (LRSC) will use this form when determining the validity of signatures received on participant request forms. If the signature on a participant request form does not correspond with what is listed below, the form will be forwarded to the above mentioned Plan Sponsor for approval. The Plan Sponsor is responsible for informing LRSC if there is a change to the list below. LRSC will process the participant request pursuant to the procedures outlined in the Service Agreement. All other requests will be forwarded to the Plan Sponsor for approval. The following persons(s) is/are authorized to approve participant requests on behalf of the Plan Sponsor prior to processing:

☒ Add ☐ Delete

Name Natalie Springer Title

Phone 530-822-4765 Fax

Email nspringer@yubacity.net

Signature Date (mm/dd/yyyy)

☒ Add ☐ Delete

Name Sheleen Loza Title

Phone 530-822-4612 Fax

Email sloza@yubacity.net

Signature Date (mm/dd/yyyy)

☐ Add ☐ Delete

Name Title

Phone Fax

Email

Signature Date (mm/dd/yyyy)

☐ Add ☐ Delete

Name Title

Phone Fax

Email

Signature Date (mm/dd/yyyy)

Lincoln Financial Group is the marketing name for Lincoln National Corporation and its affiliates. Affiliates are separately responsible for their own financial and contractual obligations.

Correspondence Contacts

If Lincoln provides plan document and/or compliance services for your plan, please confirm if you'd like the individuals added on this form to be included on any plan document or compliance emails that Lincoln sends.

☒ Yes, include these individuals on these notices. ☐ No, do not include these individuals on these notices.

Signature

You certify that any one of the signatures in the previous section may be accepted as valid for authorizing participant transactions.

Plan Sponsor name Diana Langley

Plan Sponsor signature _____ Date _____ (mm/dd/yyyy)

Return this form to:

Email a copy of this form to your account manager.

Multi-Fund® variable annuities (contract numbers 18829, 18831, 25982, 28645, 28883, 30070-B, and state variations) are issued by The Lincoln National Life Insurance Company, Fort Wayne, IN, and distributed by Lincoln Financial Distributors, Inc., a broker-dealer. **The Lincoln National Life Insurance Company does not solicit business in the state of New York, nor is it authorized to do so. Contractual obligations are subject to the claims-paying ability of The Lincoln National Life Insurance Company.**

Lincoln Group Fixed Annuity is issued on contract forms 19346, 26378, GAC96-101, GAC96-102, GAC96-103 and GAC96-113 and state variations by The Lincoln National Life Insurance Company, Fort Wayne, IN. **The Lincoln National Life Insurance Company does not solicit business in the state of New York, nor is it authorized to do so. Contractual obligations are subject to the claims-paying ability of The Lincoln National Life Insurance Company.**

Contracts sold in New York are issued on contract forms GAC91-101NY, GAC95-111NY, GAC96-101NY, and GAC96-103NY by Lincoln Life & Annuity Company of New York, Syracuse, NY. **The contractual obligations are subject to the claims-paying ability of Lincoln Life & Annuity Company of New York.**

Lincoln Group Variable Annuities (contract numbers GAC96-101, GAC96-103-VAR, and state variations) are issued by The Lincoln National Life Insurance Company, Fort Wayne, IN, and distributed by Lincoln Financial Distributors, Inc., a broker-dealer. **The Lincoln National Life Insurance Company does not solicit business in the state of New York, nor is it authorized to do so. Contractual obligations are subject to the claims-paying ability of The Lincoln National Life Insurance Company**.

Contracts sold in New York (contract forms GAC91-101NY, GAC91-111NY, GAC95-111NY, GAC96-101NY, GAC96-103NY and GAC96-111NY) are issued by Lincoln Life & Annuity Company of New York, Syracuse, NY and distributed by Lincoln Financial Distributors, Inc., a broker-dealer. **Contractual obligations are subject to the claims-paying ability of Lincoln Life & Annuity Company of New York.**

Mutual funds in the *Lincoln Alliance*® program are sold by prospectus. An investor should consider carefully the investment objectives, risks, and charges and expenses of the investment company before investing. The prospectus and, if available, the summary prospectus contain this and other important information and should be read carefully before investing or sending money. Investment values will fluctuate with changes in market conditions, upon withdrawal, your investment may be worth more or less than the amount originally invested. Prospectuses for any of the mutual funds in the *Lincoln Alliance*® program are available at 800-234-3500.

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Some investment options may not be available in all states, and your employer may restrict the availability of some investment options. The investment return and principal value of an investment will fluctuate so that when withdrawn from the contract it may be worth more or less than the original cost.

Product and features subject to state availability. Limitations and exclusions may apply.

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Lincoln Financial Group is the marketing name for Lincoln National Corporation and its affiliates. Affiliates are separately responsible for their own financial and contractual obligations.

ATTACHMENT 3

FUNDED HEALTH REIMBURSEMENT ARRANGEMENT
BASIC PLAN DOCUMENT

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ARTICLE I.
INTRODUCTION

1.1 **Establishment.** An executed Adoption Agreement plus this Basic Plan Document constitute the "Plan." The effective date of the Plan is set forth in the Adoption Agreement.

1.2 **Purpose.** The purpose of the Plan is to provide certain Employees with an opportunity to receive reimbursement for certain Eligible Expenses as provided in this Plan. It is the intention of the Adopting Employer that the benefits provided and payable under this Plan be eligible for exclusion from the gross income of Participants as provided by Sections 105(b) and 106 of the Code. In addition, it is the intention of the Adopting Employer that the Plan qualify as a Health Reimbursement Arrangement ("HRA") under IRS Revenue Ruling 2002-41 (June 26, 2002) and IRS Notice 2002-45 (June 26, 2002).

1.3 **HIPAA Privacy and Security Rules.** This Plan is a "covered entity" for purposes of the Privacy Rules and Security Rules as described in greater detail in Article VII below.

1.4 **Trust.** This Plan is funded through a Trust, reflected in a separate document.

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ARTICLE II.
DEFINITIONS

The following words and phrases are used in this Plan and shall have the meanings set forth in this Article unless a different meaning is clearly required by the context or is defined within an Article.

2.1 **Adopting Employer** means the entity that adopts this Plan by completing and executing an Adoption Agreement.

2.2 **Adoption Agreement** means the separate agreement, or portions thereof, completed and executed by an Adopting Employer setting forth the Adopting Employer's selection of options under the Plan.

2.3 **Authorized Representative** means, for the claims and appeal procedures, the person entitled to act on behalf of the claimant with respect to a benefit claim or appeal. In order for the Plan to recognize a person as an Authorized Representative, written notification to that affect signed by the claimant and notarized must be received by the Plan. An assignment for purposes of payment is ***not*** designation of an "Authorized Representative."

2.4 **Basic Plan Document** means this document, which together with an executed Adoption Agreement constitutes the Plan for an Adopting Employer.

2.5 **Claims Administrator** means the person or entity designated by and under contract with the Plan Administrator to perform certain administrative functions, including, but not limited to, claims administration and recordkeeping.

2.6 **Claims Run-out Period** means the period of time following the end of a Plan Year (Section 4.3) or the termination of a Participant's participation in the Plan (Section 4.7) during which the Participant may submit claims to the Plan for expenses incurred during the Plan Year or the Participant's participation (as the case may be).

2.7 **Code** means the Internal Revenue Code of 1986, as amended from time to time.

2.8 **Covered Individual** means a Participant, Dependent of a Participant and the Spouse of a Participant, and any other person appropriately covered under the Plan.

2.9 **Dependent** means as defined in the Adoption Agreement.

2.10 **Employee** means any person employed by the Adopting Employer and on the Employer's W-2 payroll on or after the Effective Date. Employee does not include the following:

(a) Any self-employed individual as described in Section 401(c) of the Code;

(b) Any employee included within a unit of employees covered by a collective bargaining agreement unless such agreement expressly provides for coverage of the employee under this Plan;

(c) Any employee who is a nonresident alien and receives no earned income from the Adopting Employer from sources within the United States;

(d) Any employee who is a leased employee as defined in Section 414(n)(2) of the Code;

(e) An individual classified by the Employer as a contract worker, independent contractor, temporary employee, or casual employee, whether or not any such persons are on the Employer's W-2 payroll or are determined by the IRS or others to be common-law employees of the Employer; and

(f) Any individual who performs services for the Employer but who is paid by a temporary or other employment or staffing agency such as "Kelly," "Manpower," etc., whether or not such individuals are determined by the IRS or others to be common-law employees of the Employer.

2.11 **Employer Contribution** means a nonelective contribution made by the Adopting Employer on behalf of each Participant in accordance with Section 5.1. The Employer Contribution is an amount that has not been actually or constructively received by the Participant, and it is made available to the Participant exclusively for reimbursement under the Plan. Employer Contributions may include mandatory salary reduction contributions.

2.12 **Entry Date** means the date as of which an Employee becomes a Participant in this Plan as set forth in the Adoption Agreement.

2.13 **ePHI** means PHI maintained or transmitted in electronic media, including, but not limited to, electronic storage media (i.e., hard drives, digital memory medium) and transmission media used to exchange information in electronic storage media (i.e., internet, extranet, and other networks). PHI transmitted via facsimile and telephone is not considered to be transmissions via electronic media.

2.14 **ERISA** means the Employee Retirement Income Security Act of 1974 and regulations thereunder, as amended from time to time.

2.15 **HC Account** means "health care account" and is the record keeping account established under the Plan for each Participant.

2.16 **Health Care Expense** means as defined in the Adoption Agreement, provided it is defined no more broadly than as allowed under applicable law. Notwithstanding the foregoing, if the Adopting Employer sponsors a cafeteria plan, Health Care Expense shall not include premiums that may be paid on a pre-tax basis in accordance with the terms of such cafeteria plan, which may include premiums for major medical coverage provided by the Employer and premiums for coverage under an insurance contract, health maintenance organization agreement, or other benefit agreement providing coverage issued on a non-group, individual basis. To the extent Health Care Expense is defined in the Adoption Agreement to include premiums for qualified long-term care insurance, the amount of such premium that will qualify as a Health Care Expense shall be limited to the portion that constitutes "eligible long-term care premiums" as defined in Section 213(d)(10) of the Code. Notwithstanding the foregoing, if the Plan is an integrated HRA and the group medical plan in which a Participant is enrolled does not provide at least 60% minimum value, then, during the period of time in which such a Participant is receiving contributions to the Plan, Health Care Expense for such a Participant shall be defined no more broadly than allowed under applicable law. "Health Care Expense" shall not include premiums for a medical insurance policy issued in the individual insurance market or through a public exchange. Health Care Expenses are sometimes referred to herein as "Eligible Expenses."

2.17 **HIPAA** means the Health Insurance Portability and Accountability Act of 1996 and regulations thereunder, as amended from time to time.

2.18 **Health Reimbursement Arrangement ("HRA")** means the Employer-funded medical reimbursement program within the meaning of IRS Revenue Ruling 2002-41 (June 26, 2002) and IRS Notice 2002-45 (June 26, 2002).

2.19 **Highly Compensated Individual** means an individual who is (1) one of the five highest paid officers, (2) a more than ten percent shareholder, or (3) among the highest paid 25 percent of all Employees, except (i) Employees who have not completed 3 years of service, (ii) Employees who have not attained age 25, (iii) part-time or seasonal Employees, (iv) Employees not included in the Plan who are included under a collective bargaining agreement, and (v) Employees who are nonresident aliens and who receive no earned income from a source within the United States.

2.20 **Limited Scope Health Care Expense** means, unless provided otherwise in the Adoption Agreement, a Health Care Expense for dental or vision care that qualifies as an expense for medical care under Section 213(d) of the Code. Limited Scope Health Care Expenses are sometimes referred to herein as "Eligible Expenses."

2.21 **Managing Body** means the person or persons with authority to make decisions for the Adopting Employer.

2.22 **Participant** means any Employee (or former Employee) who is or may become eligible to receive a benefit through this Plan. In addition, Participant includes persons "deemed" to be Participants under a specific provision of this Plan.

2.23 **PHI** means health information that:

(a) Is created or received by a health care provider, health plan, or health care clearinghouse;

(b) Relates to the past, present, or future physical or mental health or condition of an individual (including "genetic information" as that term is defined in the Genetic Information Nondiscrimination Act of 2008); the provision of health care to an individual; or the past, present, or future payment for the provision of health care to an individual; and

(c) Either identifies the individual or reasonably could be used to identify the individual.

2.24 **Plan** means this Plan as may be amended from time to time. It consists of a completed Adoption Agreement plus the Basic Plan Document. The name of the Plan is specified in the Adoption Agreement.

2.25 **Plan Administrator** means the entity, person or persons determined under Section 8.1.

2.26 **Plan Year** means the twelve (12) month period beginning and ending as indicated in the Adoption Agreement. The initial Plan Year may be a "short" Plan Year beginning and ending as indicated in the Adoption Agreement. The records of the Plan will be kept based upon the Plan Year.

2.27 **Privacy Rules** means the *Standards of Privacy of Individually Identifiable Health Information* at 45 C.F.R. part 160 and part 164 at subparts A and E.

2.28 **Security Incident** means "security incident" as defined in 45 C.F.R. Section 164.304, which generally defines "security incident" to include attempted or successful unauthorized access, use, disclosure, modification, or destruction of ePHI.

2.29 **Security Rules** means the Security Standards and Implementation Specifications at 45 C.F.R. Part 160 and Part 164, subpart C.

2.30 **Spouse** means "Spouse" as defined in the Adoption Agreement.

2.31 **Trust** means the trust identified in the Adoption Agreement, created for the purpose of accepting and holding Employer Contributions, and limited other contributions, made under the Plan.

2.32 **Trustee** means the trustee of the Trust.

ARTICLE III.
ELIGIBILITY AND PARTICIPATION OF EMPLOYEES

3.1 **Eligibility Requirements.** Each Employee shall be eligible to participate in this Plan upon meeting the eligibility requirements set forth in the Adoption Agreement.

3.2 **Participant Status.** An Employee who has met the eligibility requirements described in Section 3.1 shall become a Participant as of the Employee's Entry Date.

3.3 **Conditions of Participation.** As a condition of participation and receipt of benefits under this Plan, the Participant agrees to:

(a) Observe all Plan rules and regulations;

(b) Consent to inquiries by the Claims Administrator and Plan Administrator with respect to any provider of services involved in a claim under this Plan;

(c) Submit to the Plan Administrator all notifications, reports, bills, and other information required by the Plan or which the Claims Administrator and Plan Administrator may reasonably require; and

(d) Cooperate with all reasonable requests of the Claims Administrator and Plan Administrator that may be necessary for the proper administration of the Plan.

Failure to comply with the foregoing conditions relieves the Plan, Plan Administrator, Claims Administrator, and Adopting Employer of any obligations under this Plan with respect to that Participant and any others claiming entitlement to benefits under this Plan through that Participant and shall result in the termination of the Participant's participation in the Plan.

3.4 **Coverage Options.** The Plan consists of one or more of the following coverage options as described below.

(a) One or more of the following coverage options, as indicated in the Adoption Agreement, are available under the Plan:

(1) **Full Scope Option.** Participants may receive reimbursement for Health Care Expenses incurred by themselves and their Spouses and Dependents, provided that a Spouse or Dependent's Health Care Expenses are reimbursable only if that Spouse or Dependent is enrolled in the Adopting Employer's group medical plan or, if provided in the Adoption Agreement, that Spouse or Dependent is enrolled in another employer's group medical plan and the Participant provides an attestation of that fact.

(2) **Limited Scope Option.** Participants may receive reimbursement for only Limited Scope Health Care Expenses incurred by themselves and their Spouses and Dependents.

(3i) **Suspended Account Option.** Participants may receive no reimbursements from their HC Accounts. However, the balance of the Participant's HC Account will be preserved for use in subsequent Plan Years.

(b) Participants will be covered under the "Full Scope Option" unless the Participant elects in writing and in a manner specified by the Plan Administrator to participate in another

available coverage option. Notwithstanding the foregoing, if provided in the Adoption Agreement, Participants enrolled in a high deductible health plan (as defined in Section 223 of the Code) sponsored by the Adopting Employer shall automatically be enrolled in the coverage option specified in the Adoption Agreement. If an election of coverage options is required, such an election shall be effective on a Plan Year basis, shall be made prior to the beginning of the Plan Year, shall be irrevocable during the Plan Year, and shall automatically renew for subsequent Plan Years unless the Participant makes an election (in the manner specified above) to participate in a different coverage option for such subsequent Plan Year. Notwithstanding the foregoing, the Plan Administrator may allow an election of a coverage option mid-year when a Participant enters the Plan mid-Plan Year, the Plan is amended mid-Plan Year to include an additional coverage option, or the Adopting Employer makes changes to its group medical plan (e.g., adds a high deductible health plan) mid-Plan Year.

(c) If a Participant changes coverage options, the following rules apply with respect to claims for reimbursement under the Plan:

(1) Expenses will be eligible for reimbursement under the Plan in accordance with the coverage option in which the Participant is enrolled at the time the expense is incurred. For example, if a Participant who is enrolled in the "Limited Scope Option" incurs an expense for something other than a Limited Scope Health Care Expense, that expense cannot be reimbursed under the Plan at any time in the future (e.g., if the Participant subsequently becomes covered under the "Full Scope Option").

(2) Notwithstanding the foregoing, unless provided otherwise in the Adoption Agreement, a Health Care Expense incurred while the Participant is covered under the "Full Scope Option" will not be reimbursed if the claim for such expense is submitted after the Participant has become covered under another coverage option and such expense is not reimbursable under the new coverage option. For example, if a Participant incurs an expense for something other than a Limited Scope Health Care Expense while covered under the "Full Scope Option," that expense cannot be reimbursed if the claim is submitted after the Participant becomes covered under the "Limited Scope Option."

3.5 **Waiver of Participation.** A Participant may elect to permanently waive future participation in and reimbursements under this Plan (the "opt out election"). The opportunity to make an opt out election will be made available annually and upon termination of the Participant's employment with the Adopting Employer. An opt out election shall be made in accordance with procedures established by the Plan Administrator. If the opt out election is made during the election opportunity provided annually, the opt out election will be effective as of the last day of the Plan Year in which it is made. If the opt out election is made during the election opportunity provided upon termination of employment, the opt out election will be effective on the date specified in the Adoption Agreement. If a Participant makes an opt out election, no reimbursements will be provided by the Plan to that Participant for Eligible Expenses incurred after the effective date of the opt out election. However, unless otherwise prohibited by applicable law (including regulatory guidance), a Participant making an opt out election may continue to submit claims for Eligible Expenses incurred prior to the effective date of the opt out election until the close of the applicable claim Claims Run-out Period. Furthermore, if provided in the Adoption Agreement, a Participant's opt out election shall expire upon the close of the Plan Year for which the election was made and the Participant's prior HC Account balance (as of the time of the opt out election minus subsequent reimbursements) shall be reinstated on the first day of the subsequent Plan Year, provided however

that the Participant may renew his/her opt out election for such Plan Year in accordance with the procedures established by the Plan Administrator.

3.6 **Termination of Contributions.** Unless provided otherwise in the Adoption Agreement, a Participant shall cease to be eligible to receive contributions under this Plan at midnight of the earliest of the following dates:

(a) The date of the death of the Participant;

(b) The date of termination of the Participant's employment with the Adopting Employer;

(c) The date of the Participant's failure to meet the eligibility requirements of Section 3.1, as may be amended from time to time in accordance with Article IX; or

(d) The date of termination of the Plan in accordance with Article IX.

Termination of contributions under this Plan shall not prevent a former Participant from receiving continuation coverage required by applicable law.

3.7 **Termination of Participation.** Unless provided otherwise in the Adoption Agreement, a Participant automatically ceases to be a Participant at midnight of the earliest of the following dates:

(a) The date of the termination of the Participant's employment with the Adopting Employer;

(b) The date of the death of the Participant;

(c) The date the balance of the Participant's HC Account reaches zero, if no further contributions will be made to said account under Article V; or

(d) The date of termination of the Plan in accordance with Article IX.

Participation may also terminate for cause, including for failing to comply with the conditions of participation described in Section 3.3 and/or for making fraudulent or improper claims. In certain cases, if participation is terminated for cause, the Participant's coverage may be terminated retroactively to the date on which the event giving rise to the cause occurred. Termination of participation in this Plan shall not prevent a former Participant from receiving continuation coverage required by applicable law.

ARTICLE IV.
BENEFITS UNDER THE PLAN

4.1 **Benefits.** The Plan shall reimburse Eligible Expenses in accordance with Section 3.4 and this Article IV.

4.2 **Health Care ("HC") Account.** The HC Account will be credited with the Employer Contribution. A Participant's HC Account will be decreased from time to time in the amount of payments made to the Participant for Eligible Expenses.

4.3 **Claims for Reimbursement.** A Participant may obtain reimbursement of Eligible Expenses by submitting a paper claim or through an electronic payment card as described below.

(a) **Paper Claims**. A Participant may make a claim by completing a claim form and submitting such form to the Claims Administrator setting forth at least the following:

(1) the amount, date and nature of the expense, including the identity of the individual who incurred the expense;

(2) the name of the person or entity to which the expense was paid or is owed;

(3) the Participant's statement that the expense has not been reimbursed and the Participant will not seek reimbursement for the expense; and

(4) such other information as the Claims Administrator may require.

Such claim form shall be accompanied by such bills, invoices, receipts, explanations of benefits ("EOB") issued by a health plan, or other statements from an independent third party as is necessary to establish that an Eligible Expense has been incurred and the amount of the expense. The Claims Administrator is entitled to rely on the information provided on the claim form in processing claims under this Plan. A claim must be submitted for payment within the time period indicated in the Adoption Agreement. Where circumstances beyond the Participant's control prevent submission within the described time frame, notice of a claim with an explanation of the circumstances may be accepted by the Claims Administrator as a timely filing. Claims shall be determined in accordance with Article VI.

(b) **Electronic Payment Card.** A Participant may receive reimbursement of an Eligible Expense by use of an electronic payment card at the time the Eligible Expense is incurred. The use of the electronic payment card shall be subject following conditions:

(1) The electronic payment card will be deactivated when a Participant's participation in the Plan terminates.

(2) The balance of the electronic payment card shall be limited to 90% of the balance of the Participant's HC Account.

(3) A Participant must certify in writing prior to issuance of the electronic payment card that:

(i) the electronic payment card will be used only for Eligible Expenses that have not been reimbursed under any other plan covering similar benefits; and

(ii) the Participant will not seek reimbursement for any expense paid with the electronic payment card under any other plan covering benefits.

The electronic payment card shall include a statement providing that each use of the card shall constitute a reaffirmation of the certification.

(4) The electronic payment card may be used only at merchants who are health care providers (e.g., doctor's office, hospital, pharmacy, etc.) or other merchants identified in applicable IRS guidance.

(5) Each time the electronic payment card is used, a Participant shall obtain and retain a third party statement from the health care provider containing the information necessary to substantiate that the expense paid by the card was an Eligible Expense.

(6) Claims shall be substantiated if one of the following conditions is satisfied:

(i) The Participant provides, upon request by the Claims Administrator (or its designee), the third party statement with respect to the claim.

(ii) The payment was made to a merchant who is a health care provider and it matches a specific co-payment the Participant has under a group medical or group dental plan sponsored by the Adopting Employer or a multiple of that co-payment of not more than five (5) times the dollar amount of the co-payment.

(iii) The payment was made to a merchant who is a health care provider and is for an expense with the same amount, duration, and health care provider as a previously approved expense under this Plan.

(iv) The payment was made to a merchant who is a health care provider and the electronic claim file with respect to the expense is accompanied by an electronic or written confirmation from the health care provider that verifies the nature and amount of the expense and that the expense is an Eligible Expense.

(v) The electronic payment card is used at a merchant (of any kind) that participates in an inventory information approval system developed by the card provider that verifies, at the time of purchase, that the goods being purchased constitute medical care.

(7) Special rules apply to the use of the electronic payment card to purchase over-the-counter drugs and medicines other than insulin. Notwithstanding the rules described above regarding the use of the card to purchase medical care, unless and until the IRS issues guidance providing the following procedures need not be followed (in which case such guidance shall be incorporated herein by reference), the card may be used to purchase such over-the-counter drugs and medicines only in the following circumstances:

(i) At any 90% pharmacy if the expense is substantiated after the purchase in accordance with paragraph (6)(i) above.

(ii) At drug stores, pharmacies, non-health care merchants that have pharmacies, and mail order or web-based merchants that sell prescription drugs if (a) the cardholder presents the prescription to the pharmacist; (b) the pharmacist assigns a prescription number and dispenses the over-the-counter drug or medicine in accordance with applicable law; (c) the pharmacy retains a record of the transaction, including the name on prescription, prescription number, date, and the amount of the purchase; (d) the pharmacy's records are accessible by the employer or its agent; (e) the debit card system does not allow over-the-counter drugs or medicines without a prescription number; and (f) the expense is substantiated in accordance with the standard rules described above in paragraph (6).

(iii) At merchants having healthcare related merchant codes (other than merchants described in item ii above) if the expense is substantiated in accordance with the standard rules described above in paragraph (6).

(8) A Participant shall repay the Plan for a payment with respect to any claim not substantiated (and therefore not eligible for reimbursement) as required above. The Plan shall handle unsubstantiated claims as required under the Code and applicable regulations.

(9) The use of an electronic payment card does not constitute a "claim" under the claims procedures.

4.4 **Incurred Expenses.** An expense is "incurred" when the Participant is provided with the care giving rise to the Eligible Expense, not when the service is billed or paid. Reimbursement shall not be made for future projected expenses. To be reimbursable, the Participant must have incurred an Eligible Expense after his/her Entry Date.

4.5 **Timing of Reimbursement.** For claims made via a paper claim, Participants shall be reimbursed weekly.

4.6 **Maximum Reimbursement.** The maximum reimbursement a Participant may receive at any time shall be the amount of the Participant's HC Account balance at the time the reimbursement request is processed. The maximum reimbursement requirements apply to the Participant, Spouse, and Dependents on an aggregate basis, not an individual basis. Notwithstanding the foregoing, in order to accommodate fluctuations in the market value of the assets in which an HC Account is invested, the Plan Administrator (or its designee) may limit the amount of reimbursements a Participant may receive to 90% of the Participant's HC Account balance at the time the reimbursement request is processed. If a Participant's claim is for an amount that is more than the maximum described above, the excess, unreimbursed part of the claim will be pended and paid as the balance of the Participant's HC Account becomes adequate. Notwithstanding the foregoing, the excess, unreimbursed portion of a claim will not be pended if the HC Account has been exhausted and no further contributions will be made to the Participant's HC Account under Article V.

4.7 **Termination of Participation.**

(a) **Termination of Employment.** Notwithstanding anything herein to the contrary, a Participant will have the rights described in the Adoption Agreement when he/she terminates employment with his/her Employer (other than upon death) with a balance in his/her HC Account. If the Adoption Agreement indicates the balance of the Participant's

HC Account will be transferred to another HRA, the Plan Administrator may establish procedures for facilitating the transfer of the HC Account to the other HRA, including procedures related to reimbursement of Eligible Expenses incurred prior to the Participant's termination of employment. If the Adoption Agreement indicates the balance of the Participant's HC Account will be transferred to another HRA, the Plan Administrator may establish procedures for facilitating the transfer of the HC Account to the other HRA, including procedures related to reimbursement of Eligible Expenses incurred prior to the Participant's termination of employment.

(b) **Death.**

(1) Notwithstanding anything herein to the contrary, if a Participant incurred an Eligible Expense prior to his/her death that would have been reimbursable by the Plan but that has not been submitted for reimbursement, the deceased Participant's estate may submit such Eligible Expense for reimbursement in accordance with Section 4.3(a). A certified copy of the deceased Participant's death certificate and proof that the person acting upon behalf of such Participant's estate has authority to do so must be submitted with such claims.

(2) Notwithstanding anything herein to the contrary, if a Participant has a surviving Spouse or Dependents at the time of his/her death, such surviving Spouse and Dependents will have the rights described in the Adoption Agreement with respect to the balance of the Participant's HC Account. If the Adoption Agreement indicates the surviving Spouse and Dependents shall have access to the Participant's HC Account or the balance of the HC Account will be transferred to another HRA, no such access or transfer will occur unless and until a certified copy of the deceased Participant's death certificate has been provided to the Claims Administrator. The Plan Administrator may establish additional procedures for facilitating the access by the surviving Spouse and Dependents or the transfer of the HC Account to the other HRA, including procedures related to reimbursement of Eligible Expenses incurred prior to the Participant's death.

(3) Notwithstanding anything herein to the contrary, if a Participant does not have a surviving Spouse or Dependent but does have a Designated Beneficiary at the time of his/her death, the Participant's Designated Beneficiary will have the rights described in the Adoption Agreement with respect to the balance of the Participant's HC Account. If the Adoption Agreement indicates the Designated Beneficiary shall have access to the Participant's HC Account or the balance of the HC Account will be transferred to another HRA, no such access or transfer will occur unless and until a certified copy of the deceased Participant's death certificate has been provided to the Claims Administrator and the Designated Beneficiary has certified that the Participant does not have a surviving Spouse or Dependent. The Plan Administrator may establish additional procedures for facilitating the access by the Designated Beneficiary or the transfer of the HC Account to the other HRA, including procedures related to reimbursement of Eligible Expenses incurred prior to the Participant's death. If provided in accordance with the Adoption Agreement, reimbursements paid to a Designated Beneficiary shall be reported as taxable income to the Designated Beneficiary to the extent required by law. For purposes of the Plan, a "Designated Beneficiary" is a person designated by a Participant as his/her beneficiary in accordance with the procedures established by the Claims Administrator for doing so. A Participant may designate one or more contingent Designated Beneficiaries who will become a Designated Beneficiary if the primary Designated Beneficiary predeceases the

Participant. An individual who is the Participant's Spouse or Dependent is not a Designated Beneficiary even if the Participant has attempted to designate his/her Spouse or Dependent as a beneficiary.

4.8 **Nondiscrimination.** This Plan is intended to be nondiscriminatory and to meet the nondiscrimination requirements under applicable sections of the Code. If the Plan Administrator or an Employer determines before or during any Plan Year, that the Plan may fail to satisfy any nondiscrimination requirement imposed by the Code or any limitation on benefits provided to Highly Compensated Individuals, the Plan Administrator or Employer shall take such action as the Plan Administrator or Employer deems appropriate, under rules uniformly applicable to similarly situated Participants, to assure compliance with such requirements or limitation.

4.9 **HC Account Forfeitures.** Unless provided otherwise in the Adoption Agreement and subject to the provisions of Section 4.7, any amount remaining in a Participant's HC Account shall be forfeited following the later to occur of: (a) the termination of Participant's participation in the Plan (including, but not limited to, the Participant's election to opt out under Section 3.5), (b) the termination of any continuation coverage provided by the Plan under applicable law, or (c) the termination of any other coverage provided by the Plan in accordance with Section 4.7. Notwithstanding the forgoing, a Participant's HC Account shall also be forfeited if: (1) the balance of the HC account is less than $25, (2) no further contributions shall be made to the HC Account, and (3) no claim has been submitted by the Participant for a period of six (6) months. In addition, the portion of the Participant's HC Account that is not vested shall be forfeited upon the Participant's termination of employment. Forfeited amounts shall be used for the purposes described in the Adoption Agreement. However, except as allowed under the Trust, no amounts will revert to the Adopting Employer. If the Adoption Agreement indicates that forfeitures shall be contributed to the HC Accounts of other Participants, the following rules shall apply. Forfeitures occurring during a Plan Year shall be held in a separate subaccount until the close of the Plan Year. Immediately following the close of the Plan Year, the forfeitures shall be contributed to the HC Accounts of all Participants employed by the Adopting Employer on the last day of such Plan Year in the manner provided in the Adoption Agreement (i.e., on a per capita or pro rata basis). To the extent the full balance of the forfeiture subaccount cannot be allocated as provided in the Adoption Agreement (e.g., because the balance does not divide evenly among the number of Participants), any balance remaining shall be held in the forfeiture subaccount until the end of the subsequent Plan Year and allocated at that time.

4.10 **Qualified Medical Child Support Orders ("QMCSOs").** Notwithstanding any provision of this Plan to the contrary this Plan shall recognize Qualified Medical Child Support Orders ("QMCSOs"). To be a QMCSO, certain procedures established by the Plan Administrator must be followed. Participants involved in a divorce or child custody matter should be directed to have their legal counsel contact the Plan Administrator.

4.11 **Coordination with Cafeteria Plan.** To the extent the Adopting Employer also sponsors a medical reimbursement program as part of its cafeteria plan within the meaning of Section 125 of the Code, a Participant participates in the medical reimbursement program, and the Participant or a Covered Individual covered through such a Participant incurs an Eligible Expense that is also eligible for reimbursement under the medical reimbursement program, which program pays first is described in the Adoption Agreement.

4.12 **Further Limitations on Benefits**.

(a) This Plan does not cover expenses incurred for any loss caused by or resulting from injury or disease for which benefits are payable under any worker's compensation law or other employer, union, association or governmental sponsored group insurance plan.

(b) This Plan does not cover expenses incurred for any loss caused by or resulting from injury or disease for which benefits are received by the Participant, the Participant's Spouse or the Participant's Dependent under any health and accident insurance policy or program, whether or not premiums are paid by the Adopting Employer or by the Participant, the Participant's Spouse or the Participant's Dependent child.

(c) Amounts reimbursed under a dependent care assistance program described in Section 129 of the Code shall not be reimbursed under this Plan.

(d) Other limitations, if any, as set forth in the Adoption Agreement.

ARTICLE V.
CONTRIBUTIONS AND TRUST

5.1 **Employer Contributions**. The Adopting Employer shall make a fixed contribution per Participant as set forth in the Adoption Agreement. The amount of the Employer Contribution, and any restrictions on the use thereof, shall be identified in the Adoption Agreement and communicated to the Participants. The amount of the Employer Contribution may change from time to time as reflected in the Adoption Agreement.

5.2 **No Employee Contributions**. Except for contributions required for continuation coverage, no contributions other than Employer Contributions are required nor will they be accepted.

5.3 **Trust**. All contributions shall be held in the Trust. The investment of the assets of the Trust shall be directed as provided in the Adoption Agreement. Notwithstanding the foregoing, the investment of any assets of the Trust that constitute forfeitures shall be directed by the Plan Administrator until such time, if any, that such forfeitures are allocated to the HC Accounts of other Participants.

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ARTICLE VI.
CLAIMS DETERMINATIONS AND REVIEW OF DENIED CLAIM

The following procedures apply:

6.1 **General Provisions.** All claims and appeals will be adjudicated in a manner so that the independence and impartiality of the persons involved in making the determination are ensured. Decisions regarding hiring, compensation, termination, and similar matters with respect to any individual involved in the determination (e.g., a claims adjudicator or medical expert) shall not be based upon the likelihood that the individual will support a denial of benefits.

6.2 **Initial Claim Determination.**

(a) **Time Frame for Decision**. The Plan must determine the claim within thirty (30) days of receipt of the claim.

(b) **Extension of Time**. If the Plan is not able to determine the claim within this time period due to matters beyond its control, the Plan may take an additional period of up to fifteen (15) days to determine the claim. If this additional time will be needed, the Plan must notify the claimant or the claimant's Authorized Representative prior to the expiration of the initial thirty (30) day time period for determining the claim. This extension is only available once.

Notification: The notification of the need for the extension must include a description of the "matters beyond the Plan's control" that justify the extension and the date by which a decision is expected.

(c) **Incomplete Claims**. There is no special rule if a claim is incomplete. Incomplete claims can be addressed through the extension of time described above. If the reason for the extension is the failure to provide necessary information and the claimant is appropriately notified, the Plan's period of time to make a decision is "tolled."

Tolling: The period of time in which the Plan must determine a claim is suspended from the date upon which notification of the missing necessary information is sent until the date upon which the claimant responds.

Notification: For this purpose, notification can be made orally to the claimant or the health care professional, unless the claimant requests written notice. The notification will include a time frame in which the necessary information must be provided. Once the necessary information has been provided, the Plan must decide the claim within the extension described above. If the requested information is not provided within the time specified, the claim may be decided without that information.

6.3 **Decision.**

(a) **Notification of Decision**. Written (or electronic) notification of the Plan's determination must be provided to the claimant or the claimant's Authorized Representative. Such notification must be provided only where the decision is adverse. The notification will be provided in a culturally and linguistically appropriate manner in accordance with 29 CFR § 2590.715-2719, to the extent such regulation applies to the Plan.

"**Adverse**" means:

- A denial, reduction, or termination of a benefit;
- A failure to provide or make payment (in whole or in part) for a benefit; or
- A rescission of coverage under the Plan, which is a cancellation or discontinuance of coverage under the Plan that has retroactive effect other than a cancellation or discontinuance attributable to a failure to timely pay or make required premiums or contributions toward coverage.

(b) **Adverse Decision**. For adverse claim determinations, the notification shall at a minimum:

- Include information sufficient to identify the claim involved, including the date of service, the identity of the health care provider, and the claim amount, and to inform the claimant of the right to receive, upon request, the diagnosis and treatment codes (if any) and their corresponding meanings upon request;
- State the specific reason(s) for the determination, including the denial code (if any) and its corresponding meaning, and describe the Plan's standard, if any, used to make the determination;
- Reference specific Plan provision(s) upon which the determination is based;
- Describe additional material or information necessary to complete the claim and why such information is necessary;
- Describe the internal appeals and external review processes (if any) available under the Plan, including how to initiate an appeal and the procedures and time limits applicable to an appeal, and the right to sue under ERISA Section 502;
- Disclose any internal rule, guidelines, protocol or similar criterion relied on in making the adverse determination (or state that such information will be provided free of charge upon request);
- Where the decision involves scientific or clinical judgment, disclose either (1) an explanation of the scientific or clinical judgment applying the terms of the Plan to claimant's medical circumstances, or (2) a statement that such explanation will be provided at no charge upon request; and
- Disclose the availability of and contact information for any applicable office of health insurance consumer assistance or ombudsman established to assist individuals with the internal claims and appeals and external review processes (if any).

Notice of the adverse determination may be provided in written or electronic form. Electronic notices will be provided in a form that complies with applicable legal requirements.

(c) **Not Adverse Decision**. For claim determinations that are not adverse, notice will be provided that informs the claimant or the claimant's Authorized Representative the claim has been accepted.

6.4 Access to Relevant Documents.

In order (1) to evaluate whether to request review of an adverse determination, and (2) if review is requested, to prepare for such review, the claimant or the claimant's Authorized Representative will have access to all relevant documents.

Relevant: A document, record or other information is "relevant" if it was relied upon in making the determination, or was submitted to the Plan, considered by the Plan, or generated in the course of making the benefit determination without regard to whether it was relied upon.

6.5 **Appealing a Denied Claim.**

If a claim is denied, in whole or part, the claimant or the claimant's Authorized Representative may request the denied claim be reviewed.

(a) **Requesting Review**. The claimant or the claimant's Authorized Representative has a period of one-hundred eighty (180) days to appeal the claim determination. The appeal request must be in writing and should be sent to the address specified in the notification of adverse decision described above.

(b) **Full and Fair Review.** The clamant will have the right to review the claim file and to present evidence and testimony. The claimant will be provided, free of charge, with new or additional evidence considered, relied upon, or generated by the Plan in connection with the claim as soon as possible and sufficiently in advance of the date on which the notice of final internal adverse benefit determination is required to give the claimant a reasonable opportunity to respond prior to that date. Before the Plan issues a final internal adverse benefit determination based on a new or additional rationale, the claimant will be provided, free of charge, with the rationale as soon as possible and sufficiently in advance of the date on which the notice of final internal adverse benefit determined is required to give the claimant a reasonable opportunity to respond prior to that date. The review of the adverse benefit determinations will take into account all new information, whether or not presented or available at the initial determination. No deference will be afforded to the initial determination.

(c) **Consultation with Independent Medical Expert**. In the case of a claim denied on the grounds of a medical judgment, a health professional with appropriate training and experience will be consulted. The health care professional who is consulted on appeal will not be the individual who was consulted, if any, during the initial determination or a subordinate of that individual.

Disclosure: If the advice of a medical or vocational expert was obtained by the Plan in connection with the claim denial, the names of each such expert shall be provided, regardless of whether the advice was relied upon.

(d) **Time Frame for Decision**. If claimant or the claimant's Authorized Representative requests a review of a denied claim within the time frame described above, the Plan Administrator shall review the claim and make a determination no later than sixty (60) days from the date the review request was received.

(e) **Decision**. The review of the claim will be conducted by the Plan Administrator. It will be made by a person different from the person who made the initial determination and such person will not be a subordinate of the original decision maker. The information in the administrative record shall be reviewed. Additional information submitted shall be considered. The decision shall be based upon that information plus the terms of the Plan and past interpretations of the same and similar Plan provisions. The Plan may rely upon protocols, guidelines, or other criterion.

(f) **Notification of Decision**. Written (or electronic) notification of the Plan's determination must be provided to the claimant or the claimant's Authorized Representative. Such notification must be provided whether the decision is adverse or not adverse. The notification will be provided in a culturally and linguistically appropriate manner in accordance with 29 CFR § 2590.715-2719, to the extent such regulation applies to the Plan.

"**Adverse**" means:

- A denial, reduction, or termination of a benefit;
- A failure to provide or make payment (in whole or in part) for a benefit, or
- A rescission of coverage under the Plan, which is a cancellation or discontinuance of coverage under the Plan that has retroactive effect other than a cancellation or discontinuance attributable to a failure to timely pay or make required premiums or contributions toward coverage.

(g) **Adverse Decision**. For adverse appeal determinations, the notification shall reflect at least the following:

- Include information sufficient to identify the claim involved, including the date of service, the identity of the health care provider, and the claim amount, and to inform the claimant of the right to receive, upon request, the diagnosis and treatment codes (if any) and their corresponding meanings upon request;
- Contain a discussion of the determination, including the specific reason(s) for the determination, the denial code (if any) and its corresponding meaning, and the Plan's standard, if any, used to make the determination;
- Reference specific Plan provision(s) upon which the determination is based;
- Describe the external review process (if any) available under the Plan and the right to sue under ERISA Section 502;
- Disclose any internal rules, guidelines, protocol or similar criterion relied on in making the adverse determination (or state that such information will be provided free of charge upon request);
- A statement indicating entitlement to receive upon request, and without charge, reasonable access to or copies of all documents, records or other information relevant to the determination;
- Where the decision involves scientific or clinical judgment, disclose either (1) an explanation of the scientific or clinical judgment applying the terms of the Plan to claimant's medical circumstances, or (2) a statement that such explanation will be provided at no charge upon request; and
- Disclose the availability of and contact information for any applicable office of health insurance consumer assistance or ombudsman established to assist individuals with the external review process (if any).

Notice of the adverse determination may be provided in written or electronic form. Electronic notices will be provided in a form that complies with applicable legal requirements.

(h) **Not Adverse Decision**. For claim determinations that are not adverse, notice will be provided that informs the claimant or the claimant's Authorized Representative the decision has been reversed, and the claim accepted.

6.6 **Deemed Exhaustion.** If the Plan fails to adhere to the requirements described in 29 C.F.R. § 2590.715-2719(b)(2), the claimant will be deemed to have exhausted the internal claims and appeals process as provided in 29 CFR § 2590.715-2719(b)(2)(ii)(F), to the extent such regulation applies to the Plan.

6.7 **External Review.** The Plan will provide any applicable external review process that may be required to be provided by a health reimbursement arrangement under 29 CFR § 2590.715-2719, to the extent such regulation applies to the Plan.

ARTICLE VII.
HIPAA PRIVACY AND SECURITY PROVISIONS

The Privacy Rules and Security Rules under HIPAA apply to the Plan.

7.1 **Use and Disclosure of PHI**. The Plan will use PHI to the extent allowed by, and in accordance with, the uses and disclosures permitted by HIPAA. Specifically, the Plan will use and disclose PHI for purposes related to health care treatment, payment for health care and health care operations. The Plan will also use and disclose PHI as required by law and as permitted by authorization of the subject of PHI. If the Plan discloses PHI to the Adopting Employer in accordance with this Article VII, the Adopting Employer may use and further disclosure PHI for the same purposes and in the same situations as the Plan may use and disclose PHI, provided that such use or disclosure is for Plan administration functions performed by the Adopting Employer for the Plan or is required by law or permitted by authorization. All uses and disclosures of PHI, whether by the Plan or by Adopting Employer, shall be limited to the minimum PHI necessary to accomplish the intended purpose of the use or disclosure in accordance with HIPAA. Notwithstanding the foregoing, neither the Plan nor the Adopting Employer shall use PHI that is genetic information in a manner that is prohibited by the Genetic Information Nondiscrimination Act of 2008.

(a) **Payment** includes activities undertaken by the Plan to obtain premiums or determine or fulfill its responsibility for coverage and provision of Plan benefits that relate to an individual to whom health care is provided. These activities include, but are not limited to, the following:

(1) Determination of eligibility, coverage and cost sharing amounts (for example, cost of a benefit, plan maximums and co-payments as determined for an individual's claim);

(2) Coordination of benefits;

(3) Adjudication of health benefits claims (including appeals and other payment disputes);

(4) Subrogation of health benefit claims;

(5) Establishing employee contributions;

(6) Risk adjusting amounts due based on enrollee health status and demographic characteristics;

(7) Billing, collection activities, and related health care data processing;

(8) Claims management and related health care data processing, including auditing payments, investigating and resolving payment disputes and responding to participant inquiries about payments;

(9) Obtaining payment under a contract for reinsurance (including stop-loss and excess of loss insurance);

(10) Medical necessity reviews or reviews of appropriateness of care or justification of charges;

(11) Utilization review, including pre-certification, preauthorization, concurrent review and retrospective review;

(12) Disclosure to consumer reporting agencies related to the collection of premiums or reimbursement (the following PHI may be disclosed for payment purposes: name and address, date of birth, Social Security number, payment history, account number and name and address of provider and/or health Plan); and

(13) Reimbursement to the Plan.

(b) **Health care operations** include, but are not limited to, the following activities:

(1) Quality assessment;

(2) Population-based activities relating to improving health or reducing health care costs, protocol development, case management and care coordination, disease management, contacting health care providers and patients with information about treatment alternatives and related functions;

(3) Rating provider and Plan performance, including accreditation, certification, licensing or credentialing activities;

(4) Underwriting, premium rating and other activities relating to the creation, renewal or replacement of a contract of health insurance or health benefits, and ceding, securing or placing a contract for reinsurance of risk relating to health care claims (including stop-loss insurance and excess of loss insurance);

(5) Conducting or arranging for medical review, legal services and auditing function, including fraud and abuse detection and compliance programs;

(6) Business planning and development, such as conducting cost-management and planning-related analyses related to managing and operating the Plan, including formulary development and administration, development or improvement of payment methods or coverage policies;

(7) Business management and general administration activities of the Plan, including, but not limited to:

a. Management activities relating to the implementation of and compliance with HIPAA's administrative simplification requirements;

b. Customer service, including data analyses for policyholders;

(8) Resolution of internal grievances; and

(9) Due diligence in connection with the sale or transfer of assets to a potential successor in interest, if the potential successor in interest is a covered entity under HIPAA or following completion of the sale or transfer, will become a covered entity.

7.2 **Adopting Employer's Obligations under the Privacy Rules.** Under the Privacy Rules, the Plan may not disclose PHI to the Adopting Employer unless the Adopting Employer certifies that the Plan document has been amended to provide that the Plan will make such disclosures only upon receipt of a certification from the Adopting Employer that the Plan has been amended to

include certain conditions to the Adopting Employer's receipt of PHI and that Adopting Employer agrees to those conditions. By adopting this Plan document, the Adopting Employer certifies that the Plan has been amended as required by the Privacy Rules and that it agrees to the following conditions, thereby allowing the Plan to disclose PHI to the Adopting Employer. The Adopting Employer agrees to:

(a) Not use or further disclose PHI other than as permitted or required by the Plan document or as required by law;

(b) Ensure that any agents, including a subcontractor, to whom the Plan provides PHI received from the Plan agree to the same restrictions and conditions that apply to the Adopting Employer with respect to such PHI;

(c) Not use or disclose PHI for employment related actions and decisions unless authorized by an individual;

(d) Not use or disclose PHI in connection with any other benefit or employee benefit plan of the Adopting Employer unless authorized by an individual;

(e) Report to the Plan any PHI use or disclosure of which it becomes aware that is inconsistent with the uses or disclosures permitted hereunder and/or may constitute a "breach" as that term is defined in HIPAA;

(f) Make PHI available for access by the individual who is the subject of the PHI in accordance with HIPAA;

(g) Make PHI available for amendment and incorporate any amendments to PHI in accordance with HIPAA;

(h) Make available the information required to provide an accounting of disclosures in accordance with HIPAA;

(i) Make internal practices, books and records relating to the use and disclosure of PHI received from Plan available to the HHS Secretary for the purposes of determining the Plan's compliance with HIPAA; and

(j) If feasible, return or destroy all PHI received for the Plan that the Adopting Employer still maintains in any form, and retain no copies of such PHI when no longer needed for the purpose for which disclosure was made (or if return or destruction is not feasible, limit further uses and disclosures to those purposes that make the return or destruction infeasible).

7.3 **Adopting Employer's Obligations under Security Rules.** If the Adopting Employer creates, receives, maintains, or transmits ePHI (other than enrollment and disenrollment information and Summary Health Information, which are not subject to these restrictions), the Adopting Employer will:

(a) Implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of ePHI;

(b) Ensure that any agents, including subcontractors, who create, receive, maintain, or transmit ePHI on behalf of the Plan implement reasonable and appropriate security measures to protect the ePHI;

(c) Report to the Plan any Security Incident of which it becomes aware; and

(d) Implement reasonable and appropriate security measures to ensure that only those persons identified in Section 7.4 have access to ePHI and that such access is limited to the purposes identified in Section 7.5.

7.4 **Adequate separation between the Plan and the Adopting Employer must be maintained**. In accordance with HIPAA, only the following employees or classes of employees may be given access to PHI:

(a) the person employed in the position that is given primary responsibility for performing the Adopting Employer's duties as the Plan Administrator of the Plan; and

(b) staff designated by the person described in (a) above.

7.5 **Limitation of PHI and ePHI Access and Disclosure**. The persons described in Section 7.4 above may only have access to, and use and disclose, PHI and ePHI for Plan administration functions that the Adopting Employer performs for the Plan.

7.6 **Noncompliance Issues**. If the person(s) described in Section 7.4 above does not comply with this Plan document, the Adopting Employer shall provide a mechanism for resolving issues of noncompliance, including, but not limited to, disciplinary action against such person.

ARTICLE VIII.
PLAN ADMINISTRATION

8.1 **Plan Administrator**.

(a) The Plan Administrator shall be responsible for the general supervision of the Plan. The Plan Administrator shall also be the named fiduciary of the Plan in accordance with Section 402 of ERISA and shall have authority to control and manage the operation and administration of the Plan. The Plan Administrator shall perform any and all acts necessary or appropriate for the proper management and administration of the Plan.

(b) The Adopting Employer shall be the Plan Administrator unless its Managing Body designates a person or persons other than the Adopting Employer to be the Plan Administrator. The Adopting Employer shall also be the Plan Administrator if the person or persons so designated cease to be the Plan Administrator.

(c) The Plan Administrator may designate an individual or entity to act on its behalf with respect to certain powers, duties, and/or responsibilities regarding the operation and administration of this Plan.

8.2 **Plan Administrator Absolute Authority**. Any and all questions or controversies of whatever character, arising in any manner in connection with the Plan or the operation thereof, shall be submitted to the Plan Administrator and shall be considered and determined by the Plan Administrator. The Plan Administrator shall have the sole and absolute discretion to construe and interpret the Plan, including but not limited consideration of any and all of the provisions, rules, regulations, or procedures used to interpret the Plan. Benefits under the Plan shall be paid only if the Plan Administrator determines in its sole and absolute discretion that the claimant is entitled to such benefits. To the extent any Plan Administrator duties are delegated to others, the Plan Administrator retains the ultimate right and responsibility, in its sole and absolute discretion, to ultimately decide all appeals. Any exercise by the Plan Administrator (or its delegate) of the Plan Administrator's sole and absolute discretionary authority with respect to the construction and interpretation of the Plan, including but not limited to eligibility for coverage and entitlement to benefits, shall be final and binding.

8.3 **Agent for Service of Legal Process.** The agent for service of legal process for the Plan is the Plan Administrator.

8.4 **Allocation of Responsibility for Administration.** The Plan Administrator shall have the sole responsibility for the administration of this Plan as is specifically described in this Plan. The designated representatives of the Plan Administrator shall have only those specific powers, duties, responsibilities, and obligations as are specifically given to them under this Plan. The Plan Administrator warrants that any directions given, information furnished, or action taken by it shall be in accordance with the provisions of the Plan authorizing or providing for such direction, information or action. It is intended under this Plan that the Plan Administrator shall be responsible for the proper exercise of its own powers, duties, responsibilities, and obligations under this Plan and shall not be responsible for any act or failure to act of an Employee of the Adopting Employer. Neither the Plan Administrator nor the Adopting Employer makes any guarantee to any Participant in any manner for any loss or other event because of the Participant's participation in this Plan.

8.5 **Rules and Decisions.** Except as otherwise specifically provided in the Plan, the Plan Administrator may adopt such rules and procedures as it deems necessary, desirable, or appropriate. All rules and decisions of the Plan Administrator shall be uniformly and consistently applied to all Participants in similar circumstances. When making a determination or calculation,

the Plan Administrator shall be entitled to rely upon information furnished by a Participant, the Adopting Employer, or legal counsel, or other entity acting on behalf of the Adopting Employer or the Plan Administrator.

8.6 **Records and Reports.** The Plan Administrator shall be responsible for complying with all reporting, filing and disclosure requirements for the Plan.

8.7 **Authorization of Benefit Payments.** The Plan Administrator (or the Claims Administrator as its designee) shall issue directions to the Trustee concerning all benefits which are to be paid from the Trust, pursuant to the provisions of the Plan, and warrants that all such directions are in accordance with the Plan.

8.8 **Other Powers and Duties of the Administrator**. The Plan Administrator shall also have such other duties and powers as may be necessary to discharge its duties under the Plan including, but not limited to, the following:

(a) Discretion to construe and interpret the Plan in a non-discriminatory manner, to decide all questions of eligibility and to determine all questions arising in the administration and application of the Plan;

(b) To receive from the Adopting Employer and from Participants such information as shall be necessary for the proper administration of the Plan;

(c) To furnish the Adopting Employer, upon request, such annual reports with respect to the administration of the Plan as are reasonable and appropriate; and

(d) To appoint individuals to assist in the administration of the Plan and any other agents the Plan Administrator deems advisable including legal and actuarial counsel. The Plan Administrator shall not have the power to add to, subtract from, or modify any of the terms of the Plan, to change or add to any benefits provided by the Plan, or to waive or fail to apply any requirements of eligibility for a benefit under this Plan.

8.9 **Indemnification.** Subject to the requirements of ERISA, the Adopting Employer does hereby indemnify and hold harmless any Employee that is deemed to be a fiduciary with respect to the Plan under the terms and provisions of ERISA, the regulations promulgated thereunder or case law which develops under ERISA against any and all losses, claims, damages, expense (including court costs and attorneys' fees) and liability arising from the Employee's duties and responsibilities in connection with the Plan unless the same is determined to be intentional or willful.

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ARTICLE IX.
PLAN AMENDMENT AND TERMINATION

9.1 **Amendment by Adopting Employer.** The Adopting Employer reserves the right to amend, alter, or wholly revise this Plan or the Adoption Agreement, prospectively or retrospectively, at any time by the action of its Managing Body, and the interest of each Participant is subject to the powers so reserved. The Adopting Employer expressly may amend, alter or wholly revise this Plan or the Adoption Agreement if it determines it necessary or desirable, with or without retroactive effect, to comply with the law. Such changes shall not affect any right to benefits that accrued prior to such amendments. Such amendment shall be made in writing and shall be delivered promptly to the Claims Administrator, Plan Administrator, and Trustee.

9.2 **Adopting Employer's Right to Terminate.** Although the Adopting Employer expects the Plan to be maintained for an indefinite time, the Adopting Employer reserves the right to terminate the Plan or any portion of the Plan at any time. In the event of the dissolution, merger, consolidation, or reorganization of the Adopting Employer, the Plan shall terminate unless the Plan is continued by a successor to the Adopting Employer in accordance with the resolution of such successor's Managing Body. Such termination shall not affect any right to benefits that accrued prior to such termination. Such action shall be made in writing and shall be delivered to the Claims Administrator, Plan Administrator, and Trustee at least ninety (90) days prior to the effective date of the termination.

ARTICLE X.
GENERAL PROVISIONS

10.1 **No Reversion to the Plan Administrator or Adopting Employer**. Except as specifically allowed under the Trust, no part of the corpus or income of the Trust shall revert to the Adopting Employer or be used for or diverted to, purposes other than the exclusive benefit of participants and other persons entitled to benefits under the Plan.

10.2 **Persons Dealing With Trust**. No person dealing with the Trust shall be required to see to the application of any money paid or property delivered to the Trust, or to determine whether or not the Trust is acting pursuant to any authority granted to them under the Trust.

10.3 **Non-Alienation of Benefits**. Benefits payable under this Plan shall not be subject to anticipation, alienation, sale, transfer, execution, or levy of any kind either voluntary or involuntary, including any such liability which is for alimony or other payments for the support of a spouse or former spouse, or for any other relative of the Participant, prior to actually being received by the person entitled to the benefit under the terms of the Plan, and any attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber, charge or otherwise dispose of any right to benefits payable under the Plan shall be void. The Adopting Employer, Plan Administrator and/or Claims Administrator shall not in any manner be made liable for, or subject to, the debts, contracts, liabilities, engagements or torts of any person entitled to benefits under the Plan.

10.4 **Action by Employer**. Whenever the Adopting Employer, under the terms of this Plan, is permitted or required to do or perform any act or matter or thing, it shall be done and performed by the Managing Body of the Adopting Employer or such representatives of the Adopting Employer as the Managing Body may designate.

10.5 **No Guarantee of Tax Consequences**. Notwithstanding any provision in this Plan to the contrary, this Plan makes no commitment or guarantee that any amounts paid to or on behalf of a Participant under this Plan will be excludable from the Participant's gross income for federal or state income tax purposes. It shall be the obligation of each Participant to determine whether each payment is excludable from the Participant's gross income for federal and state income tax purposes, and to notify the Plan Administrator if the Participant has reason to believe that any such payment is not so excludable.

10.6 **Compensation and Expenses**. The cost of administering the Plan and Trust shall be paid as described in the Adoption Agreement.

10.7 **Governing Law**. This Plan shall be construed and enforced according to the laws of the State identified in the Adoption Agreement, except to the extent preempted by federal law.

10.8 **Family and Medical Leave Act of 1993 ("FMLA")**. Notwithstanding any provision of this Plan to the contrary, this Plan shall be operated and maintained in a manner consistent with FMLA, to the extent the Adopting Employer is subject to such law.

10.9 **Newborns' and Mothers' Health Protection Act ("NMHPA").** Notwithstanding any provision of this Plan to the contrary, this Plan shall be operated and maintained in a manner consistent with NMHPA. Federal law requires the following statement be included in the Plan document, verbatim:

> Under federal law, group health plans and health insurance issuers offering group health insurance generally may not restrict benefits for any hospital length of stay in connection with childbirth for the mother or newborn child to less than 48 hours following a vaginal delivery, or less than 96 hours following a cesarean section. However, the plan or issuer may pay for a

shorter stay if the attending physician (e.g., your physician, nurse, or midwife, or a physician assistant), after consultation with the mother, discharges the mother or newborn earlier. Also, under federal law, plans and issuers may not set the level of benefits or out-of-pocket costs so that any later portion of the 48-hour (or 96-hour) stay is treated in a manner less favorable to the mother or newborn than any earlier portion of the stay. In addition, a plan or issuer may not, under federal law, require that a physician or other health care provider obtain authorization for prescribing a length of stay of up 48 hours (or 96 hours). However, to use certain providers or facilities, or to reduce your out-of-pocket costs, you may be required to obtain precertification. For information on pre-certification, contact your Plan Administrator.

10.10 **Women's Health and Cancer Rights Act of 1998 ("WHCRA").** Notwithstanding any provision of this Plan to the contrary, this Plan shall be operated and maintained in a manner consistent with WHCRA.

10.11 **Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA").** Notwithstanding any provision of this Plan to the contrary, this Plan shall be operated and maintained in a manner consistent with COBRA. The Plan Administrator may, within the parameters of the law, establish uniform policies by which to provide such continuation coverage required by COBRA and such policies shall be incorporated herein by reference.

10.12 **Uniformed Services Employment and Reemployment Rights Act of 1994 ("USERRA")**. Notwithstanding any provision of this Plan to the contrary, this Plan shall be operated and maintained in a manner consistent with USERRA. The Plan Administrator may, within the parameters of the law, establish uniform policies by which to provide such continuation coverage required by USERRA and such policies shall be incorporated herein by reference.

10.13 **Plan Not a Contract of Employment**. The Plan is not an employment agreement and does not assure the continued employment of any Employee or Participant for any period of time. Nothing contained in the Plan shall interfere with the Adopting Employer's right to discharge an Employee at any time, regardless of the effect such discharge may have upon the individual as a Participant in this Plan.

10.14 **Erroneous Payments.** If the Plan makes a payment for benefits in excess of the benefits required by the Plan or makes a payment to or on behalf of an individual who is not currently covered by the Plan, the Plan shall be entitled to recover such erroneous payment from the recipient thereof.

10.15 **Medicare Secondary Payer.** The Plan shall comply with the Medicare secondary payer rules found in 42 U.S.C. § 1395y. In general, the Plan shall pay benefits primary to Medicare if any one of the following conditions is satisfied: (a) the Adopting Employer employed twenty (20) or more employees for each working day in at least twenty (20) weeks in either the calendar year in which the claim is made or the preceding calendar year, the Participant is employed by the Employer, and the Participant is actually covered by Medicare by reason of obtaining the age of 65; (b) the Adopting Employer employed 100 or more employees on at least 50% of its regular business days during the calendar year preceding the year in which the claim was made, the Participant is employed by the Employer, and the Participant is actually covered by Medicare by reason of disability; and (c) the Participant is entitled to Medicare by reason of end stage renal disease and the claim is made during the thirty (30) month period beginning in the first month in which such Participant is entitled to benefits under Medicare (regardless of whether he/she applies for such benefits). In all other cases, the Plan shall pay benefits secondary to Medicare.

10.16 **Medicare Part D.** The Plan shall cooperate with Medicare Part D prescription drug plans (and Covered Individuals who are enrolled in such plans) with respect to coordination of benefits between the Plan and the Medicare Part D plan, including the provision of information to the

Medicare Part D plan (or the Covered Individuals) regarding the benefits provided under the Plan for costs covered by the Medicare Part D plan. Covered Individuals enrolled in Medicare Part D plans shall cooperate with the Plan so that the Plan may perform its obligations under this subsection.

10.17 **Exhaustion of Administrative Remedies; Statute of Limitations.** For all claims subject to the administrative procedures described in Article VI, exhaustion of those administrative procedures is required prior to the initiation of a legal action. Thereafter, unless specifically provided otherwise in the Adoption Agreement, legal action by a Participant, or someone on behalf of a Participant, must be initiated within one (1) year of receipt of the written notification of denial upon appeal. To the extent exhaustion of the appeal process is not required, a Participant, or someone on behalf of the Participant, must initiate legal action within one (1) year of having submitted the initial claim request to the Plan Administrator, or its designee. No legal action may be brought by a Participant, or someone on behalf of the Participant, after expiration of the applicable limitations period. This Section 10.17 shall apply to the extent the provisions hereof are not prohibited by applicable law.

10.18 **Michelle's Law.** Notwithstanding any provision of this Plan to the contrary, this Plan shall be operated and maintained in a manner as required by Michelle's Law.

10.19 **Health Care Reform.** The Plan is intended to be exempt from the provisions of the Patient Protection and Affordable Health Care Act ("PPACA"), as amended by the Health Care and Education Reconciliation Act ("Reconciliation Act"), to the fullest extent allowed by law. The Plan may be exempt from one or more provisions of PPACA for the following reasons:

(a) If provided in the Adoption Agreement, the Plan is intended to be a grandfathered plan within the meaning of section 1251 of PPACA.

(b) If, to be eligible to receive contributions under the Plan, a Participant must be covered under an employer-sponsored group medical plan (whether sponsored by the Employer or another employer), then the Plan is intended to be an integrated HRA as defined under applicable regulatory guidance.

(c) If provided in the Adoption Agreement, the Plan is intended to be an excepted benefit under the HIPAA portability rules.

For purposes of the foregoing, to the extent necessary to ensure the Plan is either an integrated HRA or an excepted benefit under HIPAA, the Plan described in this document shall be disaggregated into separate plans each of which will be either an integrated HRA or an excepted benefit under HIPAA. In the event such disaggregation is necessary, each disaggregated plan shall be treated and operated as a separate plan for all purposes.

10.20 **ERISA Compliance.** The Trustee, Adopting Employer, Plan Administrator and/or Claims Administrator shall comply with applicable law including, but not limited to, ERISA.

FUNDED HEALTH REIMBURSEMENT ARRANGEMENT
BASIC PLAN DOCUMENT
ADOPTION AGREEMENT

This is the Adoption Agreement referred to in the Funded Health Reimbursement Arrangement Basic Plan Document (Single Employer Non-ERISA) (the "Basic Plan Document"). This Adoption Agreement plus the Basic Plan Document, as amended from time to time, constitutes the Plan.

ADOPTING EMPLOYER INFORMATION:

Name: **City of Yuba City**
Address: **1201 Civic Center Boulevard**
City, State Zip: **Yuba City, California 95993**
Federal ID # **94-6000460**

MISCELLANEOUS:

Addendum(s) Attached: ☐ Yes ☒ No

ARTICLE I: INTRODUCTION

1.1 Original Effective Date: **January 1, 2006**
(*month, day, year*)

Effective Date of Restatement: **November 5, 2024**
(*month, day, year*)

ARTICLE II: DEFINITIONS

2.9 Dependent means:

☒ "Dependent" means an individual (other than the Participant and the Participant's Spouse) with respect to whom amounts expended for medical care are excluded from the Participant's gross income under Section 105(b) of the Code, as amended.

☐ Other (*Describe*): _____

2.12 Entry Date means:

☒ Date Employee becomes eligible to participate.

☐ Other (*Describe*): _____

2.16 Health Care Expense means:

☒ Maximum permitted by law (i.e., expenses for medical care as defined in Sections 213(d) and 106(f) of the Code).

☐ Only expenses eligible for deductible & OOP credit under the following group medical plan:

_____

☐ Only expenses for dental and vision care that qualify as Section 213(d) medical expenses.

☐ Other _____

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2.20 Limited Scope Health Care Expense means:

- ☐ N/A
- ☒ As provided in the Basic Plan Document.
- ☐ Other: _____

2.24 Name of Plan: **City of Yuba City Retiree Welfare Benefits HRA Plan**

2.26 Plan Year is: **January 1 through December 31**
(*month, day, year*)

The initial "short" Plan Year is: **N/A**
(*month, day, year*)

2.30 Spouse means:

- ☒ An individual who is legally married to a Participant and who is treated as a "spouse" under the Code.
- ☐ Other (*Describe*): _____

2.31 Name of Trust: **City of Yuba City Retiree Welfare Benefit Plans**

ARTICLE III: ELIGIBILITY AND PARTICIPATION OF EMPLOYEES

3.1 Eligibility requirements are as follows (check and complete only those that apply):

- ☐ Age (*Describe*): _____
- ☐ Length of Service (*Describe*): _____
- ☐ Employment Classification (e.g., union, part-time, full-time) (*Describe*): _____
- ☐ Coverage under a specified group medical plan (*Describe*): _____
- ☒ Eligible for coverage under the Adopting Entity's group medical plan and actually covered under a group medical plan (the Adopting Entity's or another employer's)
- ☐ Coverage under the Adopting Employer's group medical plan
- ☒ Other (*Describe*): **Employees that were active prior to January 1, 2014; an active Employee will become immediately eligible upon a medical emergency of the Employee and/or one of the eligible dependents.**

3.4(a) Coverage options available under the Plan include:

- ☒ Full Scope Option.
- ☒ Limited Scope Option.
- ☒ Suspended Account Option.

Coverage for Spouses and Dependents:

- ☐ Only if enrolled in the Adopting Employer's group medical plan.
- ☒ If enrolled in any group medical plan (i.e., the Adopting Employer's or another employer's)

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3.4(b) Coverage option determined as follows:

- ☐ N/A
- ☒ As provided in the Basic Plan Document (i.e., Full Scope Option unless affirmative election of another option)
- ☐ Participants enrolled in the high deductible health plan are automatically enrolled in the following option unless they affirmatively elect another option:
  - ☐ Limited Scope Option.
  - ☐ Suspended Account Option.

3.4(c) Reimbursement rules:

- ☐ N/A
- ☒ As provided in the Basic Plan Document
- ☐ Other: _____

3.5 Effective date of waiver upon termination of employment:

- ☒ Date the Participant's employment with the Employer terminates
- ☐ Last day of the month in which the Participant's employment with the Employer terminates
- ☐ Date on which the Participant's coverage under the applicable group medical plan terminates

Expiration of opt out election:

- ☒ At the end of the Plan Year.
- ☐ N/A-Opt out election is permanent.
- ☐ Other (*Describe*): _____

3.6 Termination of Contributions:

- ☒ As provided in the Basic Plan Document (i.e., upon ceasing to be eligible, termination of employment, death, or termination of plan).
- ☐ Other (*Describe*): _____

3.7 Termination of Participation:

- ☒ As provided in the Basic Plan Document
- ☐ Other (*Describe*): _____

ARTICLE IV: BENEFITS UNDER THE PLAN

4.3(a) Claims Run-out Period: **In general, there is no deadline for filing claims. However, when (1) a Participant dies without a surviving Spouse or Dependent (or, if applicable a Designated Beneficiary), (2) a deceased Participant's last surviving Spouse or Dependent (or, if applicable, the Designated Beneficiary) who has access to the Participant's HC Account under this Plan dies, or (3) a Participant permanently opts out of the Plan, all claims incurred prior to the date on which such person's participation ceases must be submitted to the Plan within 365 days following the date on which participation ceases. Forfeiture of the HC Account will not occur until such deadline has passed.**

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4.7(a) Post-termination Access:

- ☐ In lieu of COBRA continuation coverage (if applicable), the former Participant may continue to access the HC Account for purposes of obtaining reimbursement of Eligible Expenses. Such access shall continue until the earliest to occur of the events identified in Section 3.7(b), (c), or (d). Such access shall also be provided to those individuals, if any, who were the Participant's Spouse or Dependents at the time of the termination of the Participant's employment. Such access to the Participant's HC Account by a Spouse and Dependents shall cease upon the earlier of the date of termination of the Participant's access or the date the Spouse ceases to be a Spouse or the Dependent ceases to be a Dependent, as the case may be.
- ☒ In lieu of COBRA continuation coverage (if applicable), the balance of the former Participant's HC Account shall be transferred to a post-employment HRA sponsored by the Adopting Employer for the purpose of allowing the Participant to spend down the HC Account under that plan.
- ☐ The balance of the Participant's HC Account will be forfeited after a Claims Run-out Period of: _____
- ☐ Other (*Describe*): _____

4.7(b) Post-death Access by Spouse & Dependents:

- ☐ In lieu of COBRA continuation coverage (if applicable), the deceased Participant's surviving Spouse and Dependents, if any, may continue to access the Participant's HC Account for purposes of obtaining reimbursement of Eligible Expenses until the earlier of: (1) the date on which the HC Account balance reaches zero; or (2) the date on which the last surviving Spouse or Dependent dies.
- ☒ In lieu of COBRA continuation coverage (if applicable), the balance of the former Participant's HC Account shall be transferred to a post-employment HRA sponsored by the Adopting Employer for the purpose of allowing the surviving Spouse and Dependents to spend down the HC Account under that plan.
- ☐ No access allowed. The balance of the Participant's HC Account will be forfeited after the Claims Run-out Period.
- ☐ Other (*Describe*): _____

Post-death Access by Designated Beneficiary:

- ☐ The deceased Participant's Designated Beneficiary, if any, may continue to access the Participant's HC Account for purposes of obtaining reimbursement of Eligible Expenses until the earlier of: (1) the date on which the HC Account balance reaches zero; or (2) the date on which the Designated Beneficiary dies.
- ☐ The balance of the former Participant's HC Account shall be transferred to a post-employment HRA sponsored by the Adopting Employer for the purpose of allowing the Designated Beneficiary to spend down the HC Account under that plan.
- ☒ No access allowed. The balance of the Participant's HC Account will be forfeited after the Claims Run-out Period.

4.9 Forfeitures occur:

- ☒ As provided in the Basic Document
- ☐ Other (*Describe*): _____

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4.9 Use of forfeitures:

- ☐ Pay administrative costs which would otherwise be paid from the Trust (i.e., Participants' HC Account balances)
- ☒ Contributed to the HC Accounts of other Participants
- ☐ Other (*Describe*): _____

4.11 Which plan pays first:

- ☒ This Plan
- ☐ Flex plan sponsored by the Adopting Employer.

4.12(d) Other Limitations, if any: _____

ARTICLE V: CONTRIBUTIONS AND TRUST

5.1 Employer Contribution amount, timing, restrictions (*check all that apply*):

☒ No Employer Contribution.

One Time Contribution:

☐ Fixed dollar amount $ _____

☐ Fixed formula (*Describe*): _____

☐ Restrictions, if any (*Describe*): _____

Contributed on (*Identify Date*): _____

Recurring Contributions:

☐ Fixed dollar amount _____

- ☐ Per month
- ☐ Per quarter
- ☐ Per year
- ☐ Other (*Describe*): _____

☐ Restrictions, if any (*Describe*): _____

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☐ Fixed formula (*Describe*): _____

_____

☐ Per month
☐ Per quarter
☐ Per year
☐ Other (*Describe*): _____

_____

☐ Restrictions, if any (*Describe*): _____

☐ Annual Contribution of Accumulated Paid Time Off, Vacation, or Sick Leave (Describe):

_____

☐ Contribution of Accumulated Paid Time Off, Vacation, or Sick Leave Upon Termination of Employment (*Describe*): _____

_____

5.3 Direction of Investments:

☐ Plan Administrator
☒ Participant
☐ Other (*Describe*): _____

_____

_____

ARTICLE X: GENERAL PROVISIONS

10.6 Administrative expenses shall be paid as follows:

☐ Fixed fees shall be charged to the Plan and paid from the general assets of the Adopting Employer; asset-based fees shall be charged to the Participant and paid from the Participant's HC Account.
☐ All fees shall be charged to the Plan and paid from the general assets of the Adopting Employer.
☐ All fees shall be charged to the Participant and paid from the Participant's HC Account.
☒ Other (*Describe*): _____

If the payment is different for Participants once they terminate employment, complete again:

☐ N/A
☐ Fixed fees shall be charged to the Plan and paid from the general assets of the Adopting Employer; asset-based fees shall be charged to the Participant and paid from the Participant's HC Account.
☐ All fees shall be charged to the Plan and paid from the general assets of the Adopting Employer.
☐ All fees shall be charged to the Participant and paid from the Participant's HC Account.
☐ Other (*Describe*): **As indicated on the fee schedule for the Plan.**

10.7 Governing law – State of **California**

10.17 Statute of Limitations:

☒ As provided in the Basic Plan Document

☐ Other (*Describe*): _____

10.19(a) Grandfathered Status:

☒ The Plan is a grandfathered plan

☐ The Plan is not a grandfathered plan

10.19(c) The Plan is a HIPAA excepted benefit ☐ Yes ☒ No

ACKNOWLEDGEMENTS

1. Pursuant to Section 2.10(b) of the Basic Plan Document, any collectively bargained Employees participating in this Plan participate because the collective bargaining agreement provides for coverage under this Plan.
2. This Plan has been duly adopted or authorized to be adopted by the Adopting Employer.
3. This Plan is a "covered entity" for purposes of the Privacy Rules under the Health Insurance Portability and Accountability Act (HIPAA).

ADOPTING EMPLOYER: City of Yuba City

Date: _____ By: _____

Its: _____

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FUNDED POST-EMPLOYMENT HEALTH REIMBURSEMENT ARRANGEMENT
BASIC PLAN DOCUMENT

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ARTICLE I.
INTRODUCTION

1.1 **Establishment.** An executed Adoption Agreement plus this Basic Plan Document constitute the "Plan." The effective date of the Plan is set forth in the Adoption Agreement.

1.2 **Purpose.** The purpose of the Plan is to provide certain former Employees with an opportunity to receive reimbursement for certain Eligible Expenses as provided in this Plan. It is the intention of the Adopting Employer that the benefits provided and payable under this Plan be eligible for exclusion from the gross income of Participants as provided by Sections 105(b) and 106 of the Code. In addition, it is the intention of the Adopting Employer that the Plan qualify as a Health Reimbursement Arrangement ("HRA") under IRS Revenue Ruling 2002-41 (June 26, 2002) and IRS Notice 2002-45 (June 26, 2002).

1.3 **HIPAA Privacy and Security Rules.** This Plan is a "covered entity" for purposes of the Privacy Rules and Security Rules as described in greater detail in Article VII below.

1.4 **Trust.** This Plan is funded through a Trust, reflected in a separate document.

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ARTICLE II.
DEFINITIONS

The following words and phrases are used in this Plan and shall have the meanings set forth in this Article unless a different meaning is clearly required by the context or is defined within an Article.

2.1 **Adopting Employer** means the entity that adopts this Plan by completing and executing an Adoption Agreement.

2.2 **Adoption Agreement** means the separate agreement, or portions thereof, completed and executed by an Adopting Employer setting forth the Adopting Employer's selection of options under the Plan.

2.3 **Authorized Representative** means, for the claims and appeal procedures, the person entitled to act on behalf of the claimant with respect to a benefit claim or appeal. In order for the Plan to recognize a person as an Authorized Representative, written notification to that affect signed by the claimant and notarized must be received by the Plan. An assignment for purposes of payment is ***not*** designation of an "Authorized Representative."

2.4 **Basic Plan Document** means this document, which together with an executed Adoption Agreement constitutes the Plan for an Adopting Employer.

2.5 **Claims Administrator** means the person or entity designated by and under contract with the Plan Administrator to perform certain administrative functions, including, but not limited to, claims administration and recordkeeping.

2.6 **Claims Run-out Period** means the period of time following the end of a Plan Year (Section 4.3) or the termination of a Participant's participation in the Plan (Section 4.7) during which the Participant may submit claims to the Plan for expenses incurred during the Plan Year or the Participant's participation (as the case may be).

2.7 **Code** means the Internal Revenue Code of 1986, as amended from time to time.

2.8 **Covered Individual** means a Participant, Dependent of a Participant and the Spouse of a Participant, and any other person appropriately covered under the Plan.

2.9 **Dependent** means as defined in the Adoption Agreement.

2.10 **Employee** means any person employed by the Adopting Employer and on the Employer's W-2 payroll. Employee does not include the following:

(a) Any self-employed individual as described in Section 401(c) of the Code;

(b) Any employee included within a unit of employees covered by a collective bargaining agreement unless such agreement expressly provides for coverage of the employee under this Plan;

(c) Any employee who is a nonresident alien and receives no earned income from the Adopting Employer from sources within the United States;

(d) Any employee who is a leased employee as defined in Section 414(n)(2) of the Code;

(e) An individual classified by the Employer as a contract worker, independent contractor, temporary employee, or casual employee, whether or not any such persons are on the Employer's W-2 payroll or are determined by the IRS or others to be common-law employees of the Employer; and

(f) Any individual who performs services for the Employer but who is paid by a temporary or other employment or staffing agency such as "Kelly," "Manpower," etc., whether or not such individuals are determined by the IRS or others to be common-law employees of the Employer.

2.11 **Employer Contribution** means a nonelective contribution made by the Adopting Employer on behalf of each Participant in accordance with Section 5.1. The Employer Contribution is an amount that has not been actually or constructively received by the Participant, and it is made available to the Participant exclusively for reimbursement under the Plan. Employer Contributions may include mandatory salary reduction contributions.

2.12 **Entry Date** means the date as of which an Employee becomes a Participant in this Plan as set forth in the Adoption Agreement.

2.13 **ePHI** means PHI maintained or transmitted in electronic media, including, but not limited to, electronic storage media (i.e., hard drives, digital memory medium) and transmission media used to exchange information in electronic storage media (i.e., internet, extranet, and other networks). PHI transmitted via facsimile and telephone is not considered to be transmissions via electronic media.

2.14 **ERISA** means the Employee Retirement Income Security Act of 1974 and regulations thereunder, as amended from time to time.

2.15 **HC Account** means "health care account" and is the record keeping account established under the Plan for each Participant.

2.16 **Health Care Expense** means as defined in the Adoption Agreement, provided it is defined no more broadly than as allowed under applicable law. Notwithstanding the foregoing, if the Adopting Employer sponsors a cafeteria plan, Health Care Expense shall not include premiums that may be paid on a pre-tax basis in accordance with the terms of such cafeteria plan, which may include premiums for major medical coverage provided by the Employer and premiums for coverage under an insurance contract, health maintenance organization agreement, or other benefit agreement providing coverage issued on a non-group, individual basis. To the extent Health Care Expense is defined in the Adoption Agreement to include premiums for qualified long-term care insurance, the amount of such premium that will qualify as a Health Care Expense shall be limited to the portion that constitutes "eligible long-term care premiums" as defined in Section 213(d)(10) of the Code. Notwithstanding the foregoing, if the Plan is an integrated HRA and the group medical plan in which a Participant is enrolled does not provide at least 60% minimum value, then, during the period of time in which such a Participant is receiving contributions to the Plan, Health Care Expense for such a Participant shall be defined no more broadly than allowed under applicable law. "Health Care Expense" shall not include premiums for a medical insurance policy issued in the individual insurance market or through a public exchange. Health Care Expenses are sometimes referred to herein as "Eligible Expenses."

2.17 **HIPAA** means the Health Insurance Portability and Accountability Act of 1996 and regulations thereunder, as amended from time to time.

2.18 **Health Reimbursement Arrangement ("HRA")** means the Employer-funded medical reimbursement program within the meaning of IRS Revenue Ruling 2002-41 (June 26, 2002) and IRS Notice 2002-45 (June 26, 2002).

2.19 **Highly Compensated Individual** means an individual who is (1) one of the five highest paid officers, (2) a more than ten percent shareholder, or (3) among the highest paid 25 percent of all Employees, except (i) Employees who have not completed 3 years of service, (ii) Employees who have not attained age 25, (iii) part-time or seasonal Employees, (iv) Employees not included in the Plan who are included under a collective bargaining agreement, and (v) Employees who are nonresident aliens and who receive no earned income from a source within the United States.

2.20 **Limited Scope Health Care Expense** means, unless provided otherwise in the Adoption Agreement, a Health Care Expense for dental or vision care that qualifies as an expense for medical care under Section 213(d) of the Code. Limited Scope Health Care Expenses are sometimes referred to herein as "Eligible Expenses."

2.21 **Managing Body** means the person or persons with authority to make decisions for the Adopting Employer.

2.22 **Participant** means any Employee (or former Employee) who is or may become eligible to receive a benefit through this Plan. In addition, Participant includes persons "deemed" to be Participants under a specific provision of this Plan.

2.23 **PHI** means health information that:

(a) Is created or received by a health care provider, health plan, or health care clearinghouse;

(b) Relates to the past, present, or future physical or mental health or condition of an individual (including "genetic information" as that term is defined in the Genetic Information Nondiscrimination Act of 2008); the provision of health care to an individual; or the past, present, or future payment for the provision of health care to an individual; and

(c) Either identifies the individual or reasonably could be used to identify the individual.

2.24 **Plan** means this Plan as may be amended from time to time. It consists of a completed Adoption Agreement plus the Basic Plan Document. The name of the Plan is specified in the Adoption Agreement.

2.25 **Plan Administrator** means the entity, person or persons determined under Section 8.1.

2.26 **Plan Year** means the twelve (12) month period beginning and ending as indicated in the Adoption Agreement. The initial Plan Year may be a "short" Plan Year beginning and ending as indicated in the Adoption Agreement. The records of the Plan will be kept based upon the Plan Year.

2.27 **Privacy Rules** means the *Standards of Privacy of Individually Identifiable Health Information* at 45 C.F.R. part 160 and part 164 at subparts A and E.

2.28 **Security Incident** means "security incident" as defined in 45 C.F.R. Section 164.304, which generally defines "security incident" to include attempted or successful unauthorized access, use, disclosure, modification, or destruction of ePHI.

2.29 **Security Rules** means the Security Standards and Implementation Specifications at 45 C.F.R. Part 160 and Part 164, subpart C.

2.30 **Spouse** means "Spouse" as defined in the Adoption Agreement.

2.31 **Trust** means the trust identified in the Adoption Agreement, created for the purpose of accepting and holding Employer Contributions, and limited other contributions, made under the Plan.

2.32 **Trustee** means the trustee of the Trust.

ARTICLE III.
ELIGIBILITY AND PARTICIPATION OF EMPLOYEES

3.1 **Eligibility Requirements.** An Employee or former Employee shall be eligible to participate in this Plan upon meeting the eligibility requirements set forth in the Adoption Agreement.

3.2 **Participant Status.** An Employee who has met the eligibility requirements described in Section 3.1 shall become a Participant as of the Employee's Entry Date. Becoming a Participant does not necessarily mean the Participant may receive benefits under the Plan. See Section 4.4 for more information.

3.3 **Conditions of Participation.** As a condition of participation and receipt of benefits under this Plan, the Participant agrees to:

(a) Observe all Plan rules and regulations;

(b) Consent to inquiries by the Claims Administrator and Plan Administrator with respect to any provider of services involved in a claim under this Plan;

(c) Submit to the Plan Administrator all notifications, reports, bills, and other information required by the Plan or which the Claims Administrator and Plan Administrator may reasonably require; and

(d) Cooperate with all reasonable requests of the Claims Administrator and Plan Administrator that may be necessary for the proper administration of the Plan.

Failure to comply with the foregoing conditions relieves the Plan, Plan Administrator, Claims Administrator, and Adopting Employer of any obligations under this Plan with respect to that Participant and any others claiming entitlement to benefits under this Plan through that Participant and shall result in the termination of the Participant's participation in the Plan.

3.4 **Coverage Options.** The Plan consists of one or more of the following coverage options as described below.

(a) One or more of the following coverage options, as indicated in the Adoption Agreement, are available under the Plan:

(1) **Full Scope Option**. Participants may receive reimbursement for Health Care Expenses incurred by themselves and their Spouses and Dependents.

(2) **Limited Scope Option**. Participants may receive reimbursement for only Limited Scope Health Care Expenses incurred by themselves and their Spouses and Dependents.

(3) **Suspended Account Option**. Participants may receive no reimbursements from their HC Accounts. However, the balance of the Participant's HC Account will be preserved for use in subsequent Plan Years.

(b) Participants will be covered under the "Full Scope Option" unless the Participant elects in writing and in a manner specified by the Plan Administrator to participate in another available coverage option. Notwithstanding the foregoing, if provided in the Adoption Agreement, Participants enrolled in a high deductible health plan (as defined in Section 223 of the Code) sponsored by the Adopting Employer shall automatically be enrolled in

the coverage option specified in the Adoption Agreement. If an election of coverage options is required, such an election shall be effective on a Plan Year basis, shall be made prior to the beginning of the Plan Year, shall be irrevocable during the Plan Year, and shall automatically renew for subsequent Plan Years unless the Participant makes an election (in the manner specified above) to participate in a different coverage option for such subsequent Plan Year. Notwithstanding the foregoing, the Plan Administrator may allow an election of a coverage option mid-year when a Participant enters the Plan mid-Plan Year, the Plan is amended mid-Plan Year to include an additional coverage option, or the Adopting Employer makes changes to its group medical plan (e.g., adds a high deductible health plan) mid-Plan Year.

(c) If a Participant changes coverage options, the following rules apply with respect to claims for reimbursement under the Plan:

(1) Expenses will be eligible for reimbursement under the Plan in accordance with the coverage option in which the Participant is enrolled at the time the expense is incurred. For example, if a Participant who is enrolled in the "Limited Scope Option" incurs an expense for something other than a Limited Scope Health Care Expense, that expense cannot be reimbursed under the Plan at any time in the future (e.g., if the Participant subsequently becomes covered under the "Full Scope Option").

(2) Notwithstanding the foregoing, unless provided otherwise in the Adoption Agreement, a Health Care Expense incurred while the Participant is covered under the "Full Scope Option" will not be reimbursed if the claim for such expense is submitted after the Participant has become covered under another coverage option and such expense is not reimbursable under the new coverage option. For example, if a Participant incurs an expense for something other than a Limited Scope Health Care Expense while covered under the "Full Scope Option," that expense cannot be reimbursed if the claim is submitted after the Participant becomes covered under the "Limited Scope Option."

3.5 **Termination of Contributions.** Unless provided otherwise in the Adoption Agreement, a Participant shall cease to be eligible to receive contributions under this Plan at midnight of the earliest of the following dates:

(a) The date of the death of the Participant;

(b) The date of termination of the Participant's employment with the Adopting Employer;

(c) The date of the Participant's failure to meet the eligibility requirements of Section 3.1, as may be amended from time to time in accordance with Article IX; or

(d) The date of termination of the Plan in accordance with Article IX.

Termination of contributions under this Plan shall not prevent a former Participant from receiving continuation coverage required by applicable law.

3.6 **Termination of Participation.** Unless provided otherwise in the Adoption Agreement, a Participant automatically ceases to be a Participant at midnight of the earliest of the following dates:

(a) The date of the death of the Participant;

(b) The date the balance of the Participant's HC Account reaches zero, if no further contributions will be made to said account under Article V; or

(c) The date of termination of the Plan in accordance with Article IX.

Participation may also terminate for cause, including for failing to comply with the conditions of participation described in Section 3.3 and/or for making fraudulent or improper claims. In certain cases, if participation is terminated for cause, the Participant's coverage may be terminated retroactively to the date on which the event giving rise to the cause occurred.

ARTICLE IV.
BENEFITS UNDER THE PLAN

4.1 **Benefits.** The Plan shall reimburse Eligible Expenses in accordance with Section 3.4 and this Article IV.

4.2 **Health Care ("HC") Account.** The HC Account will be credited with the Employer Contribution. A Participant's HC Account will be decreased from time to time in the amount of payments made to the Participant for Eligible Expenses.

4.3 **Claims for Reimbursement.** A Participant may obtain reimbursement of Eligible Expenses by submitting a paper claim or through an electronic payment card as described below.

(a) **Paper Claims**. A Participant may make a claim by completing a claim form and submitting such form to the Claims Administrator setting forth at least the following:

(1) the amount, date and nature of the expense, including the identity of the individual who incurred the expense;

(2) the name of the person or entity to which the expense was paid or is owed;

(3) the Participant's statement that the expense has not been reimbursed and the Participant will not seek reimbursement for the expense; and

(4) such other information as the Claims Administrator may require.

Such claim form shall be accompanied by such bills, invoices, receipts, explanations of benefits ("EOB") issued by a health plan, or other statements from an independent third party as is necessary to establish that an Eligible Expense has been incurred and the amount of the expense. The Claims Administrator is entitled to rely on the information provided on the claim form in processing claims under this Plan. A claim must be submitted for payment within the time period indicated in the Adoption Agreement. Where circumstances beyond the Participant's control prevent submission within the described time frame, notice of a claim with an explanation of the circumstances may be accepted by the Claims Administrator as a timely filing. Claims shall be determined in accordance with Article VI.

(b) **Electronic Payment Card.** A Participant may receive reimbursement of an Eligible Expense by use of an electronic payment card at the time the Eligible Expense is incurred. The use of the electronic payment card shall be subject following conditions:

(1) The electronic payment card will be deactivated when a Participant's participation in the Plan terminates.

(2) The balance of the electronic payment card shall be limited to 90% of the balance of the Participant's HC Account.

(3) A Participant must certify in writing prior to issuance of the electronic payment card that:

(i) the electronic payment card will be used only for Eligible Expenses that have not been reimbursed under any other plan covering similar benefits; and

(ii) the Participant will not seek reimbursement for any expense paid with the electronic payment card under any other plan covering benefits.

The electronic payment card shall include a statement providing that each use of the card shall constitute a reaffirmation of the certification.

(4) The electronic payment card may be used only at merchants who are health care providers (e.g., doctor's office, hospital, pharmacy, etc.) or other merchants identified in applicable IRS guidance.

(5) Each time the electronic payment card is used, a Participant shall obtain and retain a third party statement from the health care provider containing the information necessary to substantiate that the expense paid by the card was an Eligible Expense.

(6) Claims shall be substantiated if one of the following conditions is satisfied:

(i) The Participant provides, upon request by the Claims Administrator (or its designee), the third party statement with respect to the claim.

(ii) The payment was made to a merchant who is a health care provider and it matches a specific co-payment the Participant has under a group medical or group dental plan sponsored by the Adopting Employer or a multiple of that co-payment of not more than five (5) times the dollar amount of the co-payment.

(iii) The payment was made to a merchant who is a health care provider and is for an expense with the same amount, duration, and health care provider as a previously approved expense under this Plan.

(iv) The payment was made to a merchant who is a health care provider and the electronic claim file with respect to the expense is accompanied by an electronic or written confirmation from the health care provider that verifies the nature and amount of the expense and that the expense is an Eligible Expense.

(v) The electronic payment card is used at a merchant (of any kind) that participates in an inventory information approval system developed by the card provider that verifies, at the time of purchase, that the goods being purchased constitute medical care.

(7) Special rules apply to the use of the electronic payment card to purchase over-the-counter drugs and medicines other than insulin. Notwithstanding the rules described above regarding the use of the card to purchase medical care, unless and until the IRS issues guidance providing the following procedures need not be followed (in which case such guidance shall be incorporated herein by reference), the card may be used to purchase such over-the-counter drugs and medicines only in the following circumstances:

(i) At any 90% pharmacy if the expense is substantiated after the purchase in accordance with paragraph (6)(i) above.

(ii) At drug stores, pharmacies, non-health care merchants that have pharmacies, and mail order or web-based merchants that sell prescription drugs if (a) the cardholder presents the prescription to the pharmacist; (b) the pharmacist assigns a prescription number and dispenses the over-the-counter drug or medicine in accordance with applicable law; (c) the pharmacy retains a record of the transaction, including the name on prescription, prescription number, date, and the amount of the purchase; (d) the pharmacy's records are accessible by the employer or its agent; (e) the debit card system does not allow over-the-counter drugs or medicines without a prescription number; and (f) the expense is substantiated in accordance with the standard rules described above in paragraph (6).

(iii) At merchants having healthcare related merchant codes (other than merchants described in item ii above) if the expense is substantiated in accordance with the standard rules described above in paragraph (6).

(8) A Participant shall repay the Plan for a payment with respect to any claim not substantiated (and therefore not eligible for reimbursement) as required above. The Plan shall handle unsubstantiated claims as required under the Code and applicable regulations.

(9) The use of an electronic payment card does not constitute a "claim" under the claims procedures.

4.4 **Incurred Expenses.** An expense is "incurred" when the Participant is provided with the care giving rise to the Eligible Expense, not when the service is billed or paid. Reimbursement shall not be made for future projected expenses. To be reimbursable, the Participant must have incurred an Eligible Expense after his/her Entry Date. In addition, the Participant must have incurred the Eligible Expense after termination of employment and such other event identified in the Adoption Agreement (if any). Notwithstanding the foregoing, if a Participant with an HC Account balance is rehired by the Employer after having terminated employment, then any Eligible Expenses incurred by the Participant (or the Participant's Spouse or Dependents) during the Participant's period of reemployment by the Employer shall not be eligible for reimbursement under the Plan. The restriction on reimbursements described in the preceding sentence shall apply regardless of: (1) the length of the period of time between the initial separation from service and the reemployment; (2) the nature of the Participant's employment upon rehire (e.g., whether the Participant is rehired on part-time, temporary, seasonal, etc. basis); and (3) any other factor (e.g., vesting status, the number of hours per week the Participant is reemployed to work, etc.). Upon such reemployed Participants subsequent termination of employment with the Employer, the Participant shall again become eligible to receive reimbursements from his or her HC Account for Eligible Expenses incurred after his or her reemployment ends.

4.5 **Timing of Reimbursement.** For claims made via a paper claim, Participants shall be reimbursed weekly.

4.6 **Maximum Reimbursement.** The maximum reimbursement a Participant may receive at any time shall be the amount of the Participant's HC Account balance at the time the reimbursement request is processed. The maximum reimbursement requirements apply to the Participant, Spouse, and Dependents on an aggregate basis, not an individual basis. Notwithstanding the foregoing, in

order to accommodate fluctuations in the market value of the assets in which an HC Account is invested, the Plan Administrator (or its designee) may limit the amount of reimbursements a Participant may receive to 90% of the Participant's HC Account balance at the time the reimbursement request is processed. If a Participant's claim is for an amount that is more than the maximum described above, the excess, unreimbursed part of the claim will be pended and paid as the balance of the Participant's HC Account becomes adequate. Notwithstanding the foregoing, the excess, unreimbursed portion of a claim will not be pended if the HC Account has been exhausted and no further contributions will be made to the Participant's HC Account under Article V.

4.7 **Death of a Participant**.

(a) Notwithstanding anything herein to the contrary, unless specifically provided otherwise in the Adoption Agreement, in the event a Participant's participation in the Plan terminates because of the Participant's death, the Participant has no surviving Spouse or Dependents, and the former Participant incurred a Eligible Expense prior to the Participant's death that would have been reimbursable out of the Participant's HC Account but that has not been submitted for reimbursement, the deceased Participant's estate may submit such Eligible Expense for reimbursement in accordance with Section 4.3. A certified copy of the deceased Participant's death certificate and proof that the person acting upon behalf of such Participant's estate has authority to do so must be submitted with such claims.

(b) Notwithstanding anything herein to the contrary, unless specifically provided otherwise in the Adoption Agreement, the deceased Participant's surviving Spouse, if any, may continue to access the Participant's HC Account for purposes of obtaining reimbursement of Eligible Expenses until the earlier of: (1) the date on which the HC Account balance reaches zero; or (2) the date on which the surviving Spouse dies. No claim shall be paid to a surviving Spouse pursuant to this subsection (ii) unless a certified copy of the deceased Participant's death certificate has been provided to the Claims Administrator. If continuation coverage is required by applicable law, the access described in this Section 4.7(b) shall be provided only if offered as and selected in lieu of such continuation coverage.

(c) Notwithstanding anything herein to the contrary, unless specifically provided otherwise in the Adoption Agreement, the deceased Participant's surviving Dependents, if any, may continue to access the Participant's HC Account for purposes of obtaining reimbursement of Eligible Expenses until the earlier of: (1) the date on which the HC Account balance reaches zero; or (2) the date the last surviving Dependent dies. No claim shall be paid to a surviving Dependent pursuant to this subsection (iii) unless a certified copy of the deceased Participant's death certificate has been provided to the Claims Administrator. If continuation coverage is required by applicable law, the access described in this Section 4.7(c) shall be provided only if offered as and selected in lieu of such continuation coverage.

(d) Notwithstanding anything herein to the contrary, if provided in the Adoption Agreement, upon a Participant's death, the Participant's Designated Beneficiary may continue to access the Participant's HC Account for purposes of obtaining reimbursement of Eligible Expenses incurred by the Designated Beneficiary if the Participant is not survived by a Spouse or Dependent. Such access shall be provided until the earlier of: (1) the date on which the HC Account balance reaches zero; or (2) the date on which the Designated Beneficiary dies. No claim shall be paid to a Designated Beneficiary unless a certified copy of the deceased Participant's death

certificate has been provided to the Claims Administrator and the Designated Beneficiary has certified that the Participant does not have a surviving Spouse or Dependent. Reimbursements paid to a Designated Beneficiary shall be reported as taxable income to the Designated Beneficiary to the extent required by law. For purposes of the Plan, a "Designated Beneficiary" is a person designated by a Participant as his/her beneficiary in accordance with the procedures established by the Claims Administrator for doing so. A Participant may designate one or more contingent Designated Beneficiaries who will become a Designated Beneficiary if the primary Designated Beneficiary predeceases the Participant. An individual who is the Participant's Spouse or Dependent is not a Designated Beneficiary even if the Participant has attempted to designate his/her Spouse or Dependent as a beneficiary.

4.8 **Nondiscrimination.** This Plan is intended to be nondiscriminatory and to meet the nondiscrimination requirements under applicable sections of the Code. If the Plan Administrator or an Employer determines before or during any Plan Year, that the Plan may fail to satisfy any nondiscrimination requirement imposed by the Code or any limitation on benefits provided to Highly Compensated Individuals, the Plan Administrator or Employer shall take such action as the Plan Administrator or Employer deems appropriate, under rules uniformly applicable to similarly situated Participants, to assure compliance with such requirements or limitation.

4.9 **HC Account Forfeitures.** Unless provided otherwise in the Adoption Agreement, any amount remaining in a Participant's HC Account shall be forfeited following the later to occur of: (a) the termination of Participant's participation in the Plan, (b) the termination of any other continuation coverage provided by the Plan under applicable law, or (c) the termination of any other coverage provided by the Plan in accordance with Section 4.7; provided that where participation or coverage is terminated because of the death of the Participant, forfeiture shall not occur until the expiration of the time period contained in Section 4.3 for the submission of claims. Notwithstanding the forgoing, a Participant's HC Account shall also be forfeited if: (i) the balance of the HC account is less than $25, (ii) no further contributions shall be made to the HC Account, and (iii) no claim has been submitted by the Participant for a period of six (6) months. In addition, the portion of the Participant's HC Account that is not vested shall be forfeited upon the Participant's termination of employment. A Participant's interest in his/her HC Account shall vest as provided in the Adoption Agreement. Forfeited amounts shall be used for the purposes described in the Adoption Agreement. However, except as allowed under the Trust, no amounts will revert to the Adopting Employer. To the extent the full balance of the forfeiture subaccount cannot be allocated as provided in the Adoption Agreement (e.g., because the balance does not divide evenly among the number of Participants), any balance remaining shall be held in the forfeiture subaccount until the end of the subsequent Plan Year and allocated at that time.

4.10 **Qualified Medical Child Support Orders ("QMCSOs").** Notwithstanding any provision of this Plan to the contrary this Plan shall recognize Qualified Medical Child Support Orders ("QMCSOs"). To be a QMCSO, certain procedures established by the Plan Administrator must be followed. Participants involved in a divorce or child custody matter should be directed to have their legal counsel contact the Plan Administrator.

4.11 **Coordination with Cafeteria Plan.** To the extent the Adopting Employer also sponsors a medical reimbursement program as part of its cafeteria plan within the meaning of Section 125 of the Code, a Participant participates in the medical reimbursement program, and the Participant or a Covered Individual covered through such a Participant incurs an Eligible Expense that is also eligible for reimbursement under the medical reimbursement program, the medical reimbursement program shall pay first.

4.12 **Further Limitations on Benefits**.

(a) This Plan does not cover expenses incurred for any loss caused by or resulting from injury or disease for which benefits are payable under any worker's compensation law or other employer, union, association or governmental sponsored group insurance plan.

(b) This Plan does not cover expenses incurred for any loss caused by or resulting from injury or disease for which benefits are received by the Participant, the Participant's Spouse or the Participant's Dependent under any health and accident insurance policy or program, whether or not premiums are paid by the Adopting Employer or by the Participant, the Participant's Spouse or the Participant's Dependent child.

(c) Amounts reimbursed under a dependent care assistance program described in Section 129 of the Code shall not be reimbursed under this Plan.

(d) Other limitations, if any, as set forth in the Adoption Agreement.

ARTICLE V.
CONTRIBUTIONS AND TRUST

5.1 **Employer Contributions**. The Adopting Employer shall make a fixed contribution per Participant as set forth in the Adoption Agreement. The amount of the Employer Contribution, and any restrictions on the use thereof, shall be identified in the Adoption Agreement and communicated to the Participants. The amount of the Employer Contribution may change from time to time as reflected in the Adoption Agreement. In addition, if indicated in the Adoption Agreement, contributions to this Plan may consist of a transfer of a Participant's account balance under another HRA sponsored by the Adopting Employer, which shall be made upon such Employee's termination of employment or death. If a transfer is made to this Plan upon an eligible Employee's death, such transfer shall be made for the benefit of such Employee's surviving Spouse and Dependents or, if applicable, designated beneficiary under the HRA, in which case such surviving Spouse and Dependents or designated beneficiary shall be treated as a Participant under this Plan.

5.2 **No Employee Contributions**. Except for contributions required for continuation coverage, no contributions other than Employer Contributions are required nor will they be accepted.

5.3 **Trust**. All contributions shall be held in the Trust. The investment of the assets of the Trust shall be directed as provided in the Adoption Agreement. Notwithstanding the foregoing, the investment of any assets of the Trust that constitute forfeitures shall be directed by the Plan Administrator until such time, if any, that such forfeitures are allocated to the HC Accounts of other Participants.

ARTICLE VI.
CLAIMS DETERMINATIONS AND REVIEW OF DENIED CLAIM

The following procedures apply:

6.1 **General Provisions.** All claims and appeals will be adjudicated in a manner so that the independence and impartiality of the persons involved in making the determination are ensured. Decisions regarding hiring, compensation, termination, and similar matters with respect to any individual involved in the determination (e.g., a claims adjudicator or medical expert) shall not be based upon the likelihood that the individual will support a denial of benefits.

6.2 **Initial Claim Determination.**

(a) **Time Frame for Decision**. The Plan must determine the claim within thirty (30) days of receipt of the claim.

(b) **Extension of Time**. If the Plan is not able to determine the claim within this time period due to matters beyond its control, the Plan may take an additional period of up to fifteen (15) days to determine the claim. If this additional time will be needed, the Plan must notify the claimant or the claimant's Authorized Representative prior to the expiration of the initial thirty (30) day time period for determining the claim. This extension is only available once.

Notification: The notification of the need for the extension must include a description of the "matters beyond the Plan's control" that justify the extension and the date by which a decision is expected.

(c) **Incomplete Claims**. There is no special rule if a claim is incomplete. Incomplete claims can be addressed through the extension of time described above. If the reason for the extension is the failure to provide necessary information and the claimant is appropriately notified, the Plan's period of time to make a decision is "tolled."

Tolling: The period of time in which the Plan must determine a claim is suspended from the date upon which notification of the missing necessary information is sent until the date upon which the claimant responds.

Notification: For this purpose, notification can be made orally to the claimant or the health care professional, unless the claimant requests written notice. The notification will include a time frame in which the necessary information must be provided. Once the necessary information has been provided, the Plan must decide the claim within the extension described above. If the requested information is not provided within the time specified, the claim may be decided without that information.

6.3 **Decision.**

(a) **Notification of Decision**. Written (or electronic) notification of the Plan's determination must be provided to the claimant or the claimant's Authorized Representative. Such notification must be provided only where the decision is adverse. The notification will be provided in a culturally and linguistically

appropriate manner in accordance with 29 CFR § 2590.715-2719, to the extent such regulation applies to the Plan.

"**Adverse**" means:

- A denial, reduction, or termination of a benefit;
- A failure to provide or make payment (in whole or in part) for a benefit; or
- A rescission of coverage under the Plan, which is a cancellation or discontinuance of coverage under the Plan that has retroactive effect other than a cancellation or discontinuance attributable to a failure to timely pay or make required premiums or contributions toward coverage.

(b) **Adverse Decision**. For adverse claim determinations, the notification shall at a minimum:

- Include information sufficient to identify the claim involved, including the date of service, the identity of the health care provider, and the claim amount, and to inform the claimant of the right to receive, upon request, the diagnosis and treatment codes (if any) and their corresponding meanings upon request;
- State the specific reason(s) for the determination, including the denial code (if any) and its corresponding meaning, and describe the Plan's standard, if any, used to make the determination;
- Reference specific Plan provision(s) upon which the determination is based;
- Describe additional material or information necessary to complete the claim and why such information is necessary;
- Describe the internal appeals and external review processes (if any) available under the Plan, including how to initiate an appeal and the procedures and time limits applicable to an appeal, and the right to sue under ERISA Section 502;
- Disclose any internal rule, guidelines, protocol or similar criterion relied on in making the adverse determination (or state that such information will be provided free of charge upon request);
- Where the decision involves scientific or clinical judgment, disclose either (1) an explanation of the scientific or clinical judgment applying the terms of the Plan to claimant's medical circumstances, or (2) a statement that such explanation will be provided at no charge upon request; and
- Disclose the availability of and contact information for any applicable office of health insurance consumer assistance or ombudsman established to assist individuals with the internal claims and appeals and external review processes (if any).

Notice of the adverse determination may be provided in written or electronic form. Electronic notices will be provided in a form that complies with applicable legal requirements.

(c) **Not Adverse Decision**. For claim determinations that are not adverse, notice will be provided that informs the claimant or the claimant's Authorized Representative the claim has been accepted.

6.4 **Access to Relevant Documents.**

In order (1) to evaluate whether to request review of an adverse determination, and (2) if review is requested, to prepare for such review, the claimant or the claimant's Authorized Representative will have access to all relevant documents.

Relevant: A document, record or other information is "relevant" if it was relied upon in making the determination, or was submitted to the Plan, considered by the Plan, or generated in the course of making the benefit determination without regard to whether it was relied upon.

6.5 **Appealing a Denied Claim.**

If a claim is denied, in whole or part, the claimant or the claimant's Authorized Representative may request the denied claim be reviewed.

(a) **Requesting Review**. The claimant or the claimant's Authorized Representative has a period of one-hundred eighty (180) days to appeal the claim determination. The appeal request must be in writing and should be sent to the address specified in the notification of adverse decision described above.

(b) **Full and Fair Review.** The clamant will have the right to review the claim file and to present evidence and testimony. The claimant will be provided, free of charge, with new or additional evidence considered, relied upon, or generated by the Plan in connection with the claim as soon as possible and sufficiently in advance of the date on which the notice of final internal adverse benefit determination is required to give the claimant a reasonable opportunity to respond prior to that date. Before the Plan issues a final internal adverse benefit determination based on a new or additional rationale, the claimant will be provided, free of charge, with the rationale as soon as possible and sufficiently in advance of the date on which the notice of final internal adverse benefit determined is required to give the claimant a reasonable opportunity to respond prior to that date. The review of the adverse benefit determinations will take into account all new information, whether or not presented or available at the initial determination. No deference will be afforded to the initial determination.

(c) **Consultation with Independent Medical Expert**. In the case of a claim denied on the grounds of a medical judgment, a health professional with appropriate training and experience will be consulted. The health care professional who is consulted on appeal will not be the individual who was consulted, if any, during the initial determination or a subordinate of that individual.

Disclosure: If the advice of a medical or vocational expert was obtained by the Plan in connection with the claim denial, the names of each such expert shall be provided, regardless of whether the advice was relied upon.

(d) **Time Frame for Decision**. If claimant or the claimant's Authorized Representative requests a review of a denied claim within the time frame described above, the Plan Administrator shall review the claim and make a determination no later than sixty (60) days from the date the review request was received.

(e) **Decision**. The review of the claim will be conducted by the Plan Administrator. It will be made by a person different from the person who made the initial determination and such person will not be a subordinate of the original decision

maker. The information in the administrative record shall be reviewed. Additional information submitted shall be considered. The decision shall be based upon that information plus the terms of the Plan and past interpretations of the same and similar Plan provisions. The Plan may rely upon protocols, guidelines, or other criterion.

(f) **Notification of Decision**. Written (or electronic) notification of the Plan's determination must be provided to the claimant or the claimant's Authorized Representative. Such notification must be provided whether the decision is adverse or not adverse. The notification will be provided in a culturally and linguistically appropriate manner in accordance with 29 CFR § 2590.715-2719, to the extent such regulation applies to the Plan.

"**Adverse**" means:

- A denial, reduction, or termination of a benefit;
- A failure to provide or make payment (in whole or in part) for a benefit, or
- A rescission of coverage under the Plan, which is a cancellation or discontinuance of coverage under the Plan that has retroactive effect other than a cancellation or discontinuance attributable to a failure to timely pay or make required premiums or contributions toward coverage.

(g) **Adverse Decision**. For adverse appeal determinations, the notification shall reflect at least the following:

- Include information sufficient to identify the claim involved, including the date of service, the identity of the health care provider, and the claim amount, and to inform the claimant of the right to receive, upon request, the diagnosis and treatment codes (if any) and their corresponding meanings upon request;
- Contain a discussion of the determination, including the specific reason(s) for the determination, the denial code (if any) and its corresponding meaning, and the Plan's standard, if any, used to make the determination;
- Reference specific Plan provision(s) upon which the determination is based;
- Describe the external review process (if any) available under the Plan and the right to sue under ERISA Section 502;
- Disclose any internal rules, guidelines, protocol or similar criterion relied on in making the adverse determination (or state that such information will be provided free of charge upon request);
- A statement indicating entitlement to receive upon request, and without charge, reasonable access to or copies of all documents, records or other information relevant to the determination;
- Where the decision involves scientific or clinical judgment, disclose either (1) an explanation of the scientific or clinical judgment applying the terms of the Plan to claimant's medical circumstances, or (2) a statement that such explanation will be provided at no charge upon request; and
- Disclose the availability of and contact information for any applicable office of health insurance consumer assistance or ombudsman established to assist individuals with the external review process (if any).

Notice of the adverse determination may be provided in written or electronic form. Electronic notices will be provided in a form that complies with applicable legal requirements.

(h) **Not Adverse Decision**. For claim determinations that are not adverse, notice will be provided that informs the claimant or the claimant's Authorized Representative the decision has been reversed, and the claim accepted.

6.6 **Deemed Exhaustion.** If the Plan fails to adhere to the requirements described in 29 C.F.R. § 2590.715-2719(b)(2), the claimant will be deemed to have exhausted the internal claims and appeals process as provided in 29 CFR § 2590.715-2719(b)(2)(ii)(F), to the extent such regulation applies to the Plan.

6.7 **External Review.** The Plan will provide any applicable external review process that may be required to be provided by a health reimbursement arrangement under 29 CFR § 2590.715-2719, to the extent such regulation applies to the Plan.

ARTICLE VII.
HIPAA PRIVACY AND SECURITY PROVISIONS

The Privacy Rules and Security Rules under HIPAA apply to the Plan.

7.1 **Use and Disclosure of PHI**. The Plan will use PHI to the extent allowed by, and in accordance with, the uses and disclosures permitted by HIPAA. Specifically, the Plan will use and disclose PHI for purposes related to health care treatment, payment for health care and health care operations. The Plan will also use and disclose PHI as required by law and as permitted by authorization of the subject of PHI. If the Plan discloses PHI to the Adopting Employer in accordance with this Article VII, the Adopting Employer may use and further disclosure PHI for the same purposes and in the same situations as the Plan may use and disclose PHI, provided that such use or disclosure is for Plan administration functions performed by the Adopting Employer for the Plan or is required by law or permitted by authorization. All uses and disclosures of PHI, whether by the Plan or by Adopting Employer, shall be limited to the minimum PHI necessary to accomplish the intended purpose of the use or disclosure in accordance with HIPAA. Notwithstanding the foregoing, neither the Plan nor the Adopting Employer shall use PHI that is genetic information in a manner that is prohibited by the Genetic Information Nondiscrimination Act of 2008.

(a) **Payment** includes activities undertaken by the Plan to obtain premiums or determine or fulfill its responsibility for coverage and provision of Plan benefits that relate to an individual to whom health care is provided. These activities include, but are not limited to, the following:

(1) Determination of eligibility, coverage and cost sharing amounts (for example, cost of a benefit, plan maximums and co-payments as determined for an individual's claim);

(2) Coordination of benefits;

(3) Adjudication of health benefits claims (including appeals and other payment disputes);

(4) Subrogation of health benefit claims;

(5) Establishing employee contributions;

(6) Risk adjusting amounts due based on enrollee health status and demographic characteristics;

(7) Billing, collection activities, and related health care data processing;

(8) Claims management and related health care data processing, including auditing payments, investigating and resolving payment disputes and responding to participant inquiries about payments;

(9) Obtaining payment under a contract for reinsurance (including stop-loss and excess of loss insurance);

(10) Medical necessity reviews or reviews of appropriateness of care or justification of charges;

(11) Utilization review, including pre-certification, preauthorization, concurrent review and retrospective review;

(12) Disclosure to consumer reporting agencies related to the collection of premiums or reimbursement (the following PHI may be disclosed for payment purposes: name and address, date of birth, Social Security number, payment history, account number and name and address of provider and/or health Plan); and

(13) Reimbursement to the Plan.

(b) **Health care operations** include, but are not limited to, the following activities:

(1) Quality assessment;

(2) Population-based activities relating to improving health or reducing health care costs, protocol development, case management and care coordination, disease management, contacting health care providers and patients with information about treatment alternatives and related functions;

(3) Rating provider and Plan performance, including accreditation, certification, licensing or credentialing activities;

(4) Underwriting, premium rating and other activities relating to the creation, renewal or replacement of a contract of health insurance or health benefits, and ceding, securing or placing a contract for reinsurance of risk relating to health care claims (including stop-loss insurance and excess of loss insurance);

(5) Conducting or arranging for medical review, legal services and auditing function, including fraud and abuse detection and compliance programs;

(6) Business planning and development, such as conducting cost-management and planning-related analyses related to managing and operating the Plan, including formulary development and administration, development or improvement of payment methods or coverage policies;

(7) Business management and general administration activities of the Plan, including, but not limited to:

a. Management activities relating to the implementation of and compliance with HIPAA's administrative simplification requirements;

b. Customer service, including data analyses for policyholders;

(8) Resolution of internal grievances; and

(9) Due diligence in connection with the sale or transfer of assets to a potential successor in interest, if the potential successor in interest is a covered entity under HIPAA or following completion of the sale or transfer, will become a covered entity.

7.2 **Adopting Employer's Obligations under the Privacy Rules.** Under the Privacy Rules, the Plan may not disclose PHI to the Adopting Employer unless the Adopting Employer certifies that the Plan document has been amended to provide that the Plan will make such disclosures only upon receipt of a certification from the Adopting Employer that the Plan has been amended to

include certain conditions to the Adopting Employer's receipt of PHI and that Adopting Employer agrees to those conditions. By adopting this Plan document, the Adopting Employer certifies that the Plan has been amended as required by the Privacy Rules and that it agrees to the following conditions, thereby allowing the Plan to disclose PHI to the Adopting Employer. The Adopting Employer agrees to:

(a) Not use or further disclose PHI other than as permitted or required by the Plan document or as required by law;

(b) Ensure that any agents, including a subcontractor, to whom the Plan provides PHI received from the Plan agree to the same restrictions and conditions that apply to the Adopting Employer with respect to such PHI;

(c) Not use or disclose PHI for employment related actions and decisions unless authorized by an individual;

(d) Not use or disclose PHI in connection with any other benefit or employee benefit plan of the Adopting Employer unless authorized by an individual;

(e) Report to the Plan any PHI use or disclosure of which it becomes aware that is inconsistent with the uses or disclosures permitted hereunder and/or may constitute a "breach" as that term is defined in HIPAA;

(f) Make PHI available for access by the individual who is the subject of the PHI in accordance with HIPAA;

(g) Make PHI available for amendment and incorporate any amendments to PHI in accordance with HIPAA;

(h) Make available the information required to provide an accounting of disclosures in accordance with HIPAA;

(i) Make internal practices, books and records relating to the use and disclosure of PHI received from Plan available to the HHS Secretary for the purposes of determining the Plan's compliance with HIPAA; and

(j) If feasible, return or destroy all PHI received for the Plan that the Adopting Employer still maintains in any form, and retain no copies of such PHI when no longer needed for the purpose for which disclosure was made (or if return or destruction is not feasible, limit further uses and disclosures to those purposes that make the return or destruction infeasible).

7.3 **Adopting Employer's Obligations under Security Rules.** If the Adopting Employer creates, receives, maintains, or transmits ePHI (other than enrollment and disenrollment information and Summary Health Information, which are not subject to these restrictions), the Adopting Employer will:

(a) Implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of ePHI;

(b) Ensure that any agents, including subcontractors, who create, receive, maintain, or transmit ePHI on behalf of the Plan implement reasonable and appropriate security measures to protect the ePHI;

(c) Report to the Plan any Security Incident of which it becomes aware; and

(d) Implement reasonable and appropriate security measures to ensure that only those persons identified in Section 7.4 have access to ePHI and that such access is limited to the purposes identified in Section 7.5.

7.4 **Adequate separation between the Plan and the Adopting Employer must be maintained**. In accordance with HIPAA, only the following employees or classes of employees may be given access to PHI:

(a) the person employed in the position that is given primary responsibility for performing the Adopting Employer's duties as the Plan Administrator of the Plan; and

(b) staff designated by the person described in (a) above.

7.5 **Limitation of PHI and ePHI Access and Disclosure**. The persons described in Section 7.4 above may only have access to, and use and disclose, PHI and ePHI for Plan administration functions that the Adopting Employer performs for the Plan.

7.6 **Noncompliance Issues**. If the person(s) described in Section 7.4 above does not comply with this Plan document, the Adopting Employer shall provide a mechanism for resolving issues of noncompliance, including, but not limited to, disciplinary action against such person.

ARTICLE VIII.
PLAN ADMINISTRATION

8.1 **Plan Administrator**.

(a) The Plan Administrator shall be responsible for the general supervision of the Plan. The Plan Administrator shall also be the named fiduciary of the Plan in accordance with Section 402 of ERISA and shall have authority to control and manage the operation and administration of the Plan. The Plan Administrator shall perform any and all acts necessary or appropriate for the proper management and administration of the Plan.

(b) The Adopting Employer shall be the Plan Administrator unless its Managing Body designates a person or persons other than the Adopting Employer to be the Plan Administrator. The Adopting Employer shall also be the Plan Administrator if the person or persons so designated cease to be the Plan Administrator.

(c) The Plan Administrator may designate an individual or entity to act on its behalf with respect to certain powers, duties, and/or responsibilities regarding the operation and administration of this Plan.

8.2 **Plan Administrator Absolute Authority**. Any and all questions or controversies of whatever character, arising in any manner in connection with the Plan or the operation thereof, shall be submitted to the Plan Administrator and shall be considered and determined by the Plan Administrator. The Plan Administrator shall have the sole and absolute discretion to construe and interpret the Plan, including but not limited consideration of any and all of the provisions, rules, regulations, or procedures used to interpret the Plan. Benefits under the Plan shall be paid only if the Plan Administrator determines in its sole and absolute discretion that the claimant is entitled to such benefits. To the extent any Plan Administrator duties are delegated to others, the Plan Administrator retains the ultimate right and responsibility, in its sole and absolute discretion, to ultimately decide all appeals. Any exercise by the Plan Administrator (or its delegate) of the Plan Administrator's sole and absolute discretionary authority with respect to the construction and interpretation of the Plan, including but not limited to eligibility for coverage and entitlement to benefits, shall be final and binding.

8.3 **Agent for Service of Legal Process.** The agent for service of legal process for the Plan is the Plan Administrator.

8.4 **Allocation of Responsibility for Administration.** The Plan Administrator shall have the sole responsibility for the administration of this Plan as is specifically described in this Plan. The designated representatives of the Plan Administrator shall have only those specific powers, duties, responsibilities, and obligations as are specifically given to them under this Plan. The Plan Administrator warrants that any directions given, information furnished, or action taken by it shall be in accordance with the provisions of the Plan authorizing or providing for such direction, information or action. It is intended under this Plan that the Plan Administrator shall be responsible for the proper exercise of its own powers, duties, responsibilities, and obligations under this Plan and shall not be responsible for any act or failure to act of an Employee of the Adopting Employer. Neither the Plan Administrator nor the Adopting Employer makes any guarantee to any Participant in any manner for any loss or other event because of the Participant's participation in this Plan.

8.5 **Rules and Decisions.** Except as otherwise specifically provided in the Plan, the Plan Administrator may adopt such rules and procedures as it deems necessary, desirable, or appropriate. All rules and decisions of the Plan Administrator shall be uniformly and consistently

applied to all Participants in similar circumstances. When making a determination or calculation, the Plan Administrator shall be entitled to rely upon information furnished by a Participant, the Adopting Employer, or legal counsel, or other entity acting on behalf of the Adopting Employer or the Plan Administrator.

8.6 **Records and Reports.** The Plan Administrator shall be responsible for complying with all reporting, filing and disclosure requirements for the Plan.

8.7 **Authorization of Benefit Payments.** The Plan Administrator (or the Claims Administrator as its designee) shall issue directions to the Trustee concerning all benefits which are to be paid from the Trust, pursuant to the provisions of the Plan, and warrants that all such directions are in accordance with the Plan.

8.8 **Other Powers and Duties of the Administrator**. The Plan Administrator shall also have such other duties and powers as may be necessary to discharge its duties under the Plan including, but not limited to, the following:

(a) Discretion to construe and interpret the Plan in a non-discriminatory manner, to decide all questions of eligibility and to determine all questions arising in the administration and application of the Plan;

(b) To receive from the Adopting Employer and from Participants such information as shall be necessary for the proper administration of the Plan;

(c) To furnish the Adopting Employer, upon request, such annual reports with respect to the administration of the Plan as are reasonable and appropriate; and

(d) To appoint individuals to assist in the administration of the Plan and any other agents the Plan Administrator deems advisable including legal and actuarial counsel. The Plan Administrator shall not have the power to add to, subtract from, or modify any of the terms of the Plan, to change or add to any benefits provided by the Plan, or to waive or fail to apply any requirements of eligibility for a benefit under this Plan.

8.9 **Indemnification.** Subject to the requirements of ERISA, the Adopting Employer does hereby indemnify and hold harmless any Employee that is deemed to be a fiduciary with respect to the Plan under the terms and provisions of ERISA, the regulations promulgated thereunder or case law which develops under ERISA against any and all losses, claims, damages, expense (including court costs and attorneys' fees) and liability arising from the Employee's duties and responsibilities in connection with the Plan unless the same is determined to be intentional or willful.

ARTICLE IX.
PLAN AMENDMENT AND TERMINATION

9.1 **Amendment by Adopting Employer.** The Adopting Employer reserves the right to amend, alter, or wholly revise this Plan or the Adoption Agreement, prospectively or retrospectively, at any time by the action of its Managing Body, and the interest of each Participant is subject to the powers so reserved. The Adopting Employer expressly may amend, alter or wholly revise this Plan or the Adoption Agreement if it determines it necessary or desirable, with or without retroactive effect, to comply with the law. Such changes shall not affect any right to benefits that accrued prior to such amendments. Such amendment shall be made in writing and shall be delivered promptly to the Claims Administrator, Plan Administrator, and Trustee.

9.2 **Adopting Employer's Right to Terminate.** Although the Adopting Employer expects the Plan to be maintained for an indefinite time, the Adopting Employer reserves the right to terminate the Plan or any portion of the Plan at any time. In the event of the dissolution, merger, consolidation, or reorganization of the Adopting Employer, the Plan shall terminate unless the Plan is continued by a successor to the Adopting Employer in accordance with the resolution of such successor's Managing Body. Such termination shall not affect any right to benefits that accrued prior to such termination. Such action shall be made in writing and shall be delivered to the Claims Administrator, Plan Administrator, and Trustee at least ninety (90) days prior to the effective date of the termination.

ARTICLE X.
GENERAL PROVISIONS

10.1 **No Reversion to the Plan Administrator or Adopting Employer**. Except as specifically allowed under the Trust, no part of the corpus or income of the Trust shall revert to the Adopting Employer or be used for or diverted to, purposes other than the exclusive benefit of participants and other persons entitled to benefits under the Plan.

10.2 **Persons Dealing With Trust**. No person dealing with the Trust shall be required to see to the application of any money paid or property delivered to the Trust, or to determine whether or not the Trust is acting pursuant to any authority granted to them under the Trust.

10.3 **Non-Alienation of Benefits**. Benefits payable under this Plan shall not be subject to anticipation, alienation, sale, transfer, execution, or levy of any kind either voluntary or involuntary, including any such liability which is for alimony or other payments for the support of a spouse or former spouse, or for any other relative of the Participant, prior to actually being received by the person entitled to the benefit under the terms of the Plan, and any attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber, charge or otherwise dispose of any right to benefits payable under the Plan shall be void. The Adopting Employer, Plan Administrator and/or Claims Administrator shall not in any manner be made liable for, or subject to, the debts, contracts, liabilities, engagements or torts of any person entitled to benefits under the Plan.

10.4 **Action by Employer**. Whenever the Adopting Employer, under the terms of this Plan, is permitted or required to do or perform any act or matter or thing, it shall be done and performed by the Managing Body of the Adopting Employer or such representatives of the Adopting Employer as the Managing Body may designate.

10.5 **No Guarantee of Tax Consequences**. Notwithstanding any provision in this Plan to the contrary, this Plan makes no commitment or guarantee that any amounts paid to or on behalf of a Participant under this Plan will be excludable from the Participant's gross income for federal or state income tax purposes. It shall be the obligation of each Participant to determine whether each payment is excludable from the Participant's gross income for federal and state income tax purposes, and to notify the Plan Administrator if the Participant has reason to believe that any such payment is not so excludable.

10.6 **Compensation and Expenses**. The cost of administering the Plan and Trust shall be paid as described in the Adoption Agreement.

10.7 **Governing Law**. This Plan shall be construed and enforced according to the laws of the State identified in the Adoption Agreement, except to the extent preempted by federal law.

10.8 **Family and Medical Leave Act of 1993 ("FMLA")**. Notwithstanding any provision of this Plan to the contrary, this Plan shall be operated and maintained in a manner consistent with FMLA, to the extent the Adopting Employer is subject to such law.

10.9 **Newborns' and Mothers' Health Protection Act ("NMHPA").** Notwithstanding any provision of this Plan to the contrary, this Plan shall be operated and maintained in a manner consistent with NMHPA. Federal law requires the following statement be included in the Plan document, verbatim:

> Under federal law, group health plans and health insurance issuers offering group health insurance generally may not restrict benefits for any hospital length of stay in connection with childbirth for the mother or newborn child to less than 48 hours following a vaginal delivery, or less than 96 hours following a cesarean section. However, the plan or issuer may pay for a

shorter stay if the attending physician (e.g., your physician, nurse, or midwife, or a physician assistant), after consultation with the mother, discharges the mother or newborn earlier. Also, under federal law, plans and issuers may not set the level of benefits or out-of-pocket costs so that any later portion of the 48-hour (or 96-hour) stay is treated in a manner less favorable to the mother or newborn than any earlier portion of the stay. In addition, a plan or issuer may not, under federal law, require that a physician or other health care provider obtain authorization for prescribing a length of stay of up 48 hours (or 96 hours). However, to use certain providers or facilities, or to reduce your out-of-pocket costs, you may be required to obtain precertification. For information on pre-certification, contact your Plan Administrator.

10.10 **Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA").** Notwithstanding any provision of this Plan to the contrary, this Plan shall be operated and maintained in a manner consistent with COBRA. The Plan Administrator may, within the parameters of the law, establish uniform policies by which to provide such continuation coverage required by COBRA and such policies shall be incorporated herein by reference.

10.11 **Uniformed Services Employment and Reemployment Rights Act of 1994 ("USERRA")**. Notwithstanding any provision of this Plan to the contrary, this Plan shall be operated and maintained in a manner consistent with USERRA. The Plan Administrator may, within the parameters of the law, establish uniform policies by which to provide such continuation coverage required by USERRA and such policies shall be incorporated herein by reference.

10.12 **Plan Not a Contract of Employment**. The Plan is not an employment agreement and does not assure the continued employment of any Employee or Participant for any period of time. Nothing contained in the Plan shall interfere with the Adopting Employer's right to discharge an Employee at any time, regardless of the effect such discharge may have upon the individual as a Participant in this Plan.

10.13 **Erroneous Payments.** If the Plan makes a payment for benefits in excess of the benefits required by the Plan or makes a payment to or on behalf of an individual who is not currently covered by the Plan, the Plan shall be entitled to recover such erroneous payment from the recipient thereof.

10.14 **Medicare Secondary Payer.** The Plan shall comply with the Medicare secondary payer rules found in 42 U.S.C. § 1395y. In general, the Plan shall pay benefits primary to Medicare if any one of the following conditions is satisfied: (a) the Adopting Employer employed twenty (20) or more employees for each working day in at least twenty (20) weeks in either the calendar year in which the claim is made or the preceding calendar year, the Participant is employed by the Employer, and the Participant is actually covered by Medicare by reason of obtaining the age of 65; (b) the Adopting Employer employed 100 or more employees on at least 50% of its regular business days during the calendar year preceding the year in which the claim was made, the Participant is employed by the Employer, and the Participant is actually covered by Medicare by reason of disability; and (c) the Participant is entitled to Medicare by reason of end stage renal disease and the claim is made during the thirty (30) month period beginning in the first month in which such Participant is entitled to benefits under Medicare (regardless of whether he/she applies for such benefits). In all other cases, the Plan shall pay benefits secondary to Medicare.

10.15 **Medicare Part D.** The Plan shall cooperate with Medicare Part D prescription drug plans (and Covered Individuals who are enrolled in such plans) with respect to coordination of benefits between the Plan and the Medicare Part D plan, including the provision of information to the Medicare Part D plan (or the Covered Individuals) regarding the benefits provided under the Plan for costs covered by the Medicare Part D plan. Covered Individuals enrolled in Medicare Part D plans shall cooperate with the Plan so that the Plan may perform its obligations under this subsection.

10.16 **Exhaustion of Administrative Remedies; Statute of Limitations.** For all claims subject to the administrative procedures described in Article VI, exhaustion of those administrative procedures is required prior to the initiation of a legal action. Thereafter, unless specifically provided otherwise in the Adoption Agreement, legal action by a Participant, or someone on behalf of a Participant, must be initiated within one (1) year of receipt of the written notification of denial upon appeal. To the extent exhaustion of the appeal process is not required, a Participant, or someone on behalf of the Participant, must initiate legal action within one (1) year of having submitted the initial claim request to the Plan Administrator, or its designee. No legal action may be brought by a Participant, or someone on behalf of the Participant, after expiration of the applicable limitations period. This Section 10.17 shall apply to the extent the provisions hereof are not prohibited by applicable law.

10.17 **Health Care Reform.** The Plan is intended to be exempt from the provisions of the Patient Protection and Affordable Health Care Act ("PPACA"), as amended by the Health Care and Education Reconciliation Act ("Reconciliation Act"), to the fullest extent allowed by law. Because expenses must be incurred after the Participant's termination of employment with the Employer to be reimbursable under the Plan (as provided in Section 4.4), the Plan is intended to cover fewer than two current Employees of the Employers (i.e., the Plan is a "retiree-only" HRA).

10.18 **ERISA Compliance.** The Trustee, Adopting Employer, Plan Administrator and/or Claims Administrator shall comply with applicable law including, but not limited to, ERISA.

FUNDED POST-EMPLOYMENT HEALTH REIMBURSEMENT ARRANGEMENT
BASIC PLAN DOCUMENT
ADOPTION AGREEMENT

This is the Adoption Agreement referred to in the Funded Post-Employment Health Reimbursement Arrangement Basic Plan Document ("Basic Plan Document"). This Adoption Agreement plus the Basic Plan Document, as amended from time to time, constitutes the Plan.

ADOPTING EMPLOYER INFORMATION:

Name:	**City of Yuba City**
Address:	**1201 Civic Center Boulevard**
City, State Zip:	**Yuba City, California 95993**
Federal ID #	**94-6000460**

MISCELLANEOUS:

Addendum(s) Attached: ☐ Yes ☒ No

ARTICLE I: INTRODUCTION

1.1 Original Effective Date: **January 01, 2006**
(*month, day, year*)

Effective Date of Restatement: **November 5, 2024**
(*month, day, year*)

ARTICLE II: DEFINITIONS

2.9 Dependent means:

☒ "Dependent" means an individual (other than the Participant and the Participant's Spouse) with respect to whom amounts expended for medical care are excluded from the Participant's gross income under Section 105(b) of the Code, as amended.

☐ Other (*Describe*): _____

2.12 Entry Date means:

☒ Date Employee becomes eligible to participate.

☐ Other (*Describe*): _____

2.16 Health Care Expense means:

☒ Maximum permitted by law (i.e., expenses for medical care as defined in Sections 213(d) and 106(f) of the Code).

☐ Only expenses eligible for deductible & OOP credit under the following group medical plan:

_____

☐ Only expenses for dental and vision care that qualify as Section 213(d) medical expenses.

☐ Other _____

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2.20 Limited Scope Health Care Expense means:

☐ N/A
☒ As provided in the Basic Plan Document.
☐ Other: _____

2.24 Name of Plan: **City of Yuba City Retiree Welfare Benefits PRA Plan**

2.26 Plan Year is: **January 1 through December 31**
(*month, day, year*)

The initial "short" Plan Year is: **N/A**
(*month, day, year*)

2.30 Spouse means:

☒ An individual who is legally married to a Participant and who is treated as a "spouse" under the Code.
☐ Other (*Describe*): _____

2.31 Name of Trust: **City of Yuba City Retiree Welfare Benefit Plans**

ARTICLE III: ELIGIBILITY AND PARTICIPATION OF EMPLOYEES AND FORMER EMPLOYEES

3.1 Eligibility requirements are as follows (check and complete only those that apply):

☐ Age (*Describe*): _____

☐ Length of Service (*Describe*): _____

☒ Employment Classification (e.g., union, part-time, full-time) (*Describe*):
Police First Level Managers, Police Mid Managers, Police Officer's Association, Firefighters Local 3793, Fire Management Association, and Department Heads hired before January 1, 2006.

☒ A former or deceased Employee who, at the time of termination of employment or death, is covered under the following health reimbursement arrangement sponsored
by the Adopting Employer: **City of Yuba City Retiree Welfare Benefits HRA Plan**

☐ Other (*Describe*): _____

3.4(a) Coverage options available under the Plan include:

☒ Full Scope Option.
☒ Limited Scope Option.
☒ Suspended Account Option.

3.4(b) Coverage option determined as follows:

☐ N/A
☒ As provided in the Basic Plan Document (i.e., Full Scope Option unless affirmative election of another option)
☐ Participants enrolled in the high deductible health plan are automatically enrolled in the following option unless they affirmatively elect another option:

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☐ Limited Scope Option.
☐ Suspended Account Option.

3.4(c) Reimbursement rules:

☐ N/A
☒ As provided in the Basic Plan Document
☐ Other: _____

3.5 Termination of Contributions:

☒ As provided in the Basic Plan Document (i.e., upon ceasing to be eligible, termination of employment, death, or termination of plan).
☒ Upon completion of the account transfer described in Section 5.1.
☐ Other (*Describe*): _____

3.6 Termination of Participation:

☒ As provided in the Basic Plan Document
☐ Other (*Describe*): _____

ARTICLE IV: BENEFITS UNDER THE PLAN

4.3(a) Claims Run-out Period: **In general, there is no deadline for filing claims. However, when (1) a Participant dies without a surviving Spouse or Dependent (or, if applicable, a Designated Beneficiary), (2) a deceased Participant's last surviving Spouse or Dependent (or, if applicable, the Designated Beneficiary) who has access to the Participant's HC Account under this Plan dies, or (3) a Participant permanently opts out of the Plan, all claims incurred prior to the date on which such person's participation ceases must be submitted to the Plan within 365 days following the date on which participation ceases. Forfeiture of the HC Account will not occur until such deadline has passed.**

4.4 Expenses must be incurred:

☒ After termination of the Participant's employment with Employer
☐ Additional events: _____

4.7 Post-death Access by Spouse & Dependents:

☒ As provided in the Basic Document.
☐ Other (*Describe*): _____

Post-death Access by Designated Beneficiary:

☐ Allowed as provided in the Basic Document.
☒ Not allowed.

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4.9 Forfeitures occur:

☒ As provided in the Basic Document.

☐ Other (*Describe*): _____

4.9 Use of forfeitures:

☐ Pay administrative costs which would otherwise be paid from the Trust (i.e., Participants' HC Account balances)

☒ At the close of the Plan Year in which such forfeitures occur, contributed to the HC Accounts of all Participants on a per capita basis.

☐ Other (*Describe*): _____

4.9 Vesting:

☒ 100% vesting at Entry Date

☐ Vesting occurs pursuant to the following schedule: _____

4.12(d) Other Limitations, if any: _____

ARTICLE V: CONTRIBUTIONS AND TRUST

5.1 Employer Contribution amount, timing, restrictions (*check all that apply*):

One Time Contribution:

☐ Fixed dollar amount $ _____

☐ Fixed formula (*Describe*): _____

☐ Restrictions, if any (*Describe*): _____

Contributed on (*Identify Date*): _____

Recurring Contributions:

☐ Fixed dollar amount _____

☐ Per month

☐ Per quarter

☐ Per year

☐ Other (*Describe*): _____

☐ Restrictions, if any (*Describe*): _____

☐ Fixed formula (*Describe*): _____

_____

☐ Per month
☐ Per quarter
☐ Per year
☐ Other (*Describe*): _____

_____

☐ Restrictions, if any (*Describe*): _____

☐ Annual Contribution of Accumulated Paid Time Off, Vacation, or Sick Leave (Describe):

_____

☒ Contribution of Accumulated Paid Time Off, Vacation, or Sick Leave Upon Termination of Employment (*Describe*): **At time of termination, a one-time Accumulated Paid Time Off, Sick Leave, Administrative Leave and/or Compensation time.**

5.1 Transfers from another HRA:

☐ N/A
☒ Shall be made from the HRA described in Section 3.1 as described in the Basic Document.
☐ Other (*Describe*): _____

_____

_____

5.3 Direction of Investments:

☐ Plan Administrator
☒ Participant
☐ Other (*Describe*): _____

_____

_____

ARTICLE X: GENERAL PROVISIONS

10.6 Administrative expenses shall be paid as follows:

☐ Fixed fees shall be charged to the Plan and paid from the general assets of the Adopting Employer; asset-based fees shall be charged to the Participant and paid from the Participant's HC Account.
☐ All fees shall be charged to the Plan and paid from the general assets of the Adopting Employer.
☐ All fees shall be charged to the Participant and paid from the Participant's HC Account.
☒ Other (*Describe*): **as included in the fee schedule for the Plan.**

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If the payment is different for Participants once they terminate employment, complete again:

- ☐ N/A
- ☐ Fixed fees shall be charged to the Plan and paid from the general assets of the Adopting Employer; asset-based fees shall be charged to the Participant and paid from the Participant's HC Account.
- ☐ All fees shall be charged to the Plan and paid from the general assets of the Adopting Employer.
- ☐ All fees shall be charged to the Participant and paid from the Participant's HC Account.
- ☒ Other (*Describe*): **As included in the fee schedule for the Plan.**

10.7 Governing law – State of **California**

10.16 Statute of Limitations:

- ☒ As provided in the Basic Plan Document
- ☐ Other (*Describe*): _____

ACKNOWLEDGEMENTS

1. Pursuant to Section 2.9(b) of the Basic Plan Document, any collectively bargained Employees participating in this Plan participate because the collective bargaining agreement provides for coverage under this Plan.
2. This Plan has been duly adopted or authorized to be adopted by the Adopting Employer.
3. This Plan is a "covered entity" for purposes of the Privacy Rules under the Health Insurance Portability and Accountability Act (HIPAA).

ADOPTING EMPLOYER: **City of Yuba City**

Date: _____ By: _____

Its: _____

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CITY OF YUBA CITY
STAFF REPORT

Date: August 20, 2024
To: Honorable Mayor & Members of the City Council;
From: Police Department
Presentation By: Brent Slade, Lieutenant

Summary

Subject: Purchase of Four (4) Chevrolet Tahoe Pursuit Vehicles

Recommendation: Adopt a Resolution which takes the following actions:

A. Awards the purchase of four (4) Chevrolet Tahoe Pursuit Vehicles to Winner Chevrolet, Inc., of Sacramento, CA, in the amount of $264,009.04
B. Authorizes the purchase and installation of equipment to Cop Shop Installations of Yuba City, CA, in the estimated amount of $101,729.90, with the finding that it is in the best interest of the City
C. Authorizes the purchase of four (4) APX 8500 all-band radios to Sutter Buttes Communication of Yuba City, CA, in the estimated amount of $38,890.36, with the finding that it is in the best interest of the City

Fiscal Impact: $264,009.04 for the vehicles plus an additional $140,620.26 for the equipment and installation for a total of $404,629.30. Funding is available in the Vehicle Replacement Fund Account 6610-69401

Purpose:

Purchase of four (4) Chevrolet Tahoe 2WD Police Pursuit Vehicles

Council's Strategic Goal:

This item supports the City Council's Strategic Goal of Public Safety.

Background:

Each year, Fleet Maintenance staff reviews the City's vehicles to determine which are recommended for replacement. This is done by reviewing the age of the vehicle, the number of miles on the vehicle and the anticipated maintenance cost if the vehicle remains in service. The Police Department is due to replace several vehicles. The following is the list of vehicles needing replacement because they have reached their threshold: 20-10, 20-11, 19-15 (K-9), and 19-16 (K9).

With the expected purchase of the Chevrolet Tahoe 2WD Police Pursuit vehicles, the City must also fit the vehicles with the needed equipment. Equipment to be purchased and/or installed includes light bars, sirens, computers, radios, and modems. The City always attempts to salvage equipment from

vehicles going out of service and place it in new vehicles, assuming they are compatible. This allows the City to save money on equipment.

With the adoption of law enforcement agencies having the ability to use both unencrypted and encrypted radio channels, the city will need to transition to full band radios, which will allow the police department to communicate with allied agencies using those same channels.

The APX8500 supports VHF, UHF, 700/800 MHz bands, providing flexibility to operate across multiple frequency bands. The current radios, APX6500, are limited to UHF band only, which restricts its interoperability and coverage options during natural disasters such as fires and floods. The APX8500 will also be more adaptable to future changes in communication standards and technologies, ensuring a longer useful life cycle and a better return on investment. The APX8500 not only improves the communication between local law enforcement agencies, it also improves the communication with mutual aid requests outside the police department's jurisdiction, making it easier and safer for officers to communicate with different law enforcement agencies under stressful conditions. With the integration of the APX8500 radio, officers would no longer be required to carry two separate radios to communicate during mutual aid incidents.

Analysis:

The City has opted to utilize Winner Chevrolet, Inc., of Sacramento, CA, to purchase the four (4) Chevrolet Tahoe PPV's because Winner Chevrolet, Inc. holds the state contract for vehicle procurement. This decision leverages the state's pre-negotiated terms, ensuring the city benefits from competitive pricing, standardized vehicle specifications, and streamlined procurement processes. By utilizing the state contract, the city ensures compliance with regulatory requirements and guarantees the acquisition of reliable, high-quality vehicles that meet the specific needs of law enforcement operations. This approach not only simplifies the purchasing process but also provides cost savings and efficiency, reinforcing the city's commitment to fiscal responsibility and operational effectiveness.

In August 2024, staff received notification from General Motors that the deadline to order 2025 police vehicles will be the first part of September 2024. If vehicles are not ordered by then, there will be an approximate one-year waiting period until 2026 when vehicles can be ordered. Delaying the acquisition of new patrol vehicles can lead to increased maintenance costs and potential downtime for the current four aging vehicles needing replacement. This can hinder the effectiveness and responsiveness of law enforcement operations, compromising public safety. The delay could also result in higher future costs due to inflation and changes in market conditions, making it financially less advantageous for the city in the long run.

Ordering vehicles for the 2025/26 fiscal year in 2024 is necessary due to the limited availability of the 2025 Chevrolet Tahoe PPV. This small window for orders means the city must act promptly to secure the needed patrol vehicles. By ordering now, the city will help ensure it receives the patrol vehicles between late spring to early fall 2025 and avoids the potential disruptions of their patrol fleet and maintaining optimal public safety services. Once received, these vehicles will need to be upfitted which, due to supply chain issues which have continued into 2024, can still take up to one to two months per vehicle to actually be put into service.

The City will also have Cop Shop Installations in Yuba City, CA to perform the installation of all the equipment that will be going into each vehicle. The City has worked with Cop Shop Installations and has been satisfied with the work done in previous years. Historically, Cop Shop Installations have been the lowest bidder and at times have been the only bidder. The Cop Shop has specialized experience and expertise in the installation of police equipment, including advanced lighting systems, communication devices, and other critical components. Their deep understanding of law enforcement needs ensures that installations are both functional and reliable, which reduces operational risks and

enhances officer safety. The Cop Shop ensures that all installations comply with federal, state, and local regulations specific to law enforcement equipment, reducing the risk of legal issues or non-compliance. It is in the best interest of the City to sole source the equipment installation for Cop Shop Installations.

It is in the best interest of the City to sole source the Motorola APX8500 radio purchase to Sutter Buttes Communications as they are the only authorized Motorola distributor I the area. This exclusivity means that they are able to provide genuine Motorola APX8500 radios, ensuring the equipment is authentic, fully supported by the manufacturer, and covered by the appropriate warranty. Besides just supplying the radios, Sutter Buttes Communication offers integrated services, including programming and ongoing technical support. This comprehensive package ensures that the radios are fully functional and optimized for the department's specific communication needs.

Fiscal Impact:

$264,009.04 for the vehicles plus an additional $140,620.26 for the equipment and installation for a total of $404,629.30. Funding is available in the Vehicle Replacement Fund Account 6610-69401

Alternatives:

1. Do not purchase replacement Chevrolet Tahoe Pursuit Vehicles and direct staff to wait until the next window for purchase opens in 2025 for 2026 models.
2. Direct staff to evaluate other vendors for the purchase and installation of equipment.
2. Do not purchase APX8500 radios.

Recommendation:

Adopt a Resolution which takes the following actions:

A. Awards the purchase of four (4) Chevrolet Tahoe Pursuit Vehicles to Winner Chevrolet, Inc., of Sacramento, CA, in the amount of $264,009.04.
B. Authorizes the purchase and installation of equipment to Cop Shop Installations of Yuba City, CA, in the estimated amount of $101,720.90, with the finding that it is in the best interest of the City.
C. Authorizes the purchase of four (4) APX 8500 all-band radios to Sutter Buttes Communication of Yuba City, CA, in the estimated amount of $38,890.36, with the finding that it is in the best interest of the City.

Attachments:
1. RESOLUTION
2. WINNER CHEVROLET
3. SUTTER BUTTES COMMUNICATIONS
4. COP SHOP INSTALLATIONS

Prepared By:
Brent Slade
Police Lieutenant

Submitted By:
Diana Langley
City Manager

ATTACHMENT 1

RESOLUTION NO. ___

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUBA CITY AWARDING THE PURCHASE OF FOUR (4) CHEVROLET TAHOE POLICE VEHICLES TO WINNER CHEVROLET INC, AUTHORIZING THE SOLE SOURCE PURCHASE AND INSTALLATION OF VEHICLE EQUIPMENT TO COP SHOP INSTALLATIONS, AND AUTHORZING THE SOLE SOURCE PURCHASE OF APX8500 RADIOS TO SUTTER BUTTES COMMUNICATIONS, WITH THE FINDINGS THAT IT IS IN THE BEST INTEREST OF THE CITY

WHEREAS**,** the City intends to utilize the state's vehicle procurement contract with, Winner Chevrolet, Inc to provide four (4) Chevrolet Tahoe Police vehicles; and

WHEREAS, the City intends to sole source the purchase of four (4) APX8500 radios to Sutter Buttes Communications of Yuba City, CA due to a special situation; and

WHEREAS, the City intends to sole source the purchase and installation of the required vehicle equipment to Cop Shop Installations of Yuba City, CA due to a special situation; and

WHEREAS, Cop Shop Installations has historically provided the most satisfactory work at the most reasonable hourly work rate, thus leading to the most favorable pricing in the area; and,

WHEREAS, the City recommends sole sourcing the purchase and installation of vehicle equipment to Cop Shop Installations and Sutter Buttes Communication of Yuba City, CA; and

WHEREAS, the City has met the special situation requirement to sole source the equipment purchase and installation pursuant to the City Purchasing Policies section 9-3; and,

WHEREAS, the City desires to authorize the sole source purchase of the equipment and installation for the Chevrolet Tahoe Police vehicles from Cop Shop Installations and Sutter Buttes Communication with the finding that it is in the best interest of the City.

NOW, THEREFORE, the City Council of the City of Yuba City does resolve as follows:

1. The City Council of Yuba City finds that Winner Chevrolet Inc. provided a quote at a fair and reasonable cost as set forth by the state vehicle procurement process. The City Council hereby authorizes the City Manager to purchase the four (4) Chevrolet Tahoe Police vehicles from Winner Chevrolet Inc. in the amount not to exceed $264,009.04, without additional written consent from the City, subject to approval as to legal form by the City Attorney.

2. The City Council of Yuba City finds that a sole source award is appropriate on grounds that Sutter Buttes Communication has previously provided the city with satisfactory equipment. Sutter Buttes Communication is the only business that is a certified dealer of the Motorola APX8500 radio that has the capabilities of programming the radios to fit the needs of the police department. As such, the City Council approves the purchase of radios for the vehicles to Sutter Buttes Communications of Yuba City in the amount of

$38,890.36 and authorizes the City Manager to enter into an agreement for the same, subject to approval as to legal form by the City Attorney.

3. The City Council of Yuba City finds that a sole source award is appropriate on grounds that Cop Shop Installations has previously provided the City with satisfactory equipment and installation at a very reasonable price. Historically, Cop Shop Installations has provided the lowest hourly work rate, leading to an overall lower work cost, and has provided equipment with the design/specifications that are essential to department operations and for which departmental staff have training. The purchase and installation of Police vehicle equipment to Cop Shop Installations is in the best interest of the City as they have provided satisfactory work on Police vehicles in the past at a reasonable cost and the proposed negotiated prices are reasonable as well. As such, the City Council approves the purchase of equipment for the vehicles to Cop Shop Installations of Yuba City in the amount of $101,720.90 and authorizes the City Manager to enter into an agreement for the same, subject to approval as to legal form by the City Attorney.

4. The City Council authorizes the capital acquisition of four (4) Chevrolet Tahoe PPV to enhance the operational capabilities of the police department. These vehicles are deemed necessary to support the essential functions of the police department, ensuring safety, reliability, and efficiency in the performance of its duties. The capital acquisition shall be funded through the vehicle replacement fund (6610-69401), with all procurement process adhering to the applicable policies and procedures of the City.

5. This Resolution shall take effect immediately.

The foregoing Resolution was duly and regularly introduced, passed, and adopted by the City Council of the City of Yuba City at a regular meeting thereof held on the 20th day of August 2024.

AYES:

NOES:

ABSENT:

_____

Shon Harris, Mayor

ATTEST:

Ciara Wakefield, Deputy City Clerk

APPROVED AS TO FORM:
COUNSEL FOR YUBA CITY:

Shannon Chaffin, City Attorney

Aleshire & Wynder, LLP

ATTACHMENT 2

Winner Chevrolet

7220 Fawn Way,
Sacramento, CA 95823
(916)509-8598 - Desk
(916)792-3672 - Cell

To:
Brent Slade
Yuba City PD

(530) 822-4678

DATE August 6, 2024
Quotation # 3046

Prepared by: Andrew Villareal

Comments or special instructions: Vehicle build and options are in additional pages.
State Contract # 1-22-23-23D

Description	AMOUNT
Line #3 Chevy Tahoe	$ 52,700.00
Options (Refer to Window Sticker):	$ 2,991.00
Upgrade to PPV	$ 3,000.00
Paint 4 Doors White (Black roof)	$ 2,500.00
****** Please review, sign, and return a copy of the quote and ******	
****** specs with the PO or the vehicle will not be ordered. ******	
******Shipping charge added for deliveries beyond Sacramento. No charge for will call.******	
Subtotal	$ 61,191.00
DOC Fee	$ 85.00
(Order Acknowledgment Signature) **(Date)** **Taxable Subtotal:**	$ 61,276.00
Tax Rate(Subject to change): 7.250%	$ 4,442.51
CA Tire Fee: $1.75 / Per Tire **Tire Fee:**	$8.75
Delivery Charge:	$ 275.00
Total:	**$ 66,002.26**
QTY 4 **Grand Total**	$ 264,009.04

If you have any questions concerning this quotation, contact Andrew Villareal at (916)509-8598
or email at AVillareal@LasherAuto.com

THANK YOU FOR YOUR BUSINESS!

ATTACHMENT 3

MOTOROLA SOLUTIONS

QUOTE-2737437
APX8500 All Band

Billing Address:
YUBA CITY POLICE DEPT
Yuba City Police Dept
1545 Poole Blvd
Yuba City, California 95991
US

Shipping Address:
YUBA CITY POLICE DEPT
1545 POOLE BLVD
YUBA CITY, CA 95991
US

Quote Date:08/02/2024
Expiration Date:10/01/2024
Quote Created By:
Andrew Welch
Sales
awelch@sutterbuttescomm.com
530-673-3475

End Customer:
YUBA CITY POLICE DEPT
Brent Slade
bslade@yubacity.net
530-822-4678

Contract: 17724 - HGAC (TX)-RA05-21
Freight Terms:FREIGHT PREPAID
Payment Terms:30 NET

Delivery Address:
Sutter Buttes Communications
445 N Palora Ave
Yuba City, California 95991
US

Programming and installation not included.

Line #	Item Number	Description	Qty	List Price	Sale Price	Ext. Sale Price
	APX™ 8500					
1	M37TSS9PW1AN	APX8500 ALL BAND MP MOBILE	1	$5,893.68	$4,302.39	$4,302.39
1a	GA09008AA	ADD: GROUP SERVICES	1	$165.00	$120.45	$120.45
1b	GA09007AA	ADD: OUT OF THE BOX WIFI PROVISIONING	1	$0.00	$0.00	$0.00
1c	GA00318AF	ENH: 5 YEAR ESSENTIAL SVC	1	$480.00	$480.00	$480.00
1d	G996AS	ENH: OVER THE AIR PROVISIONING	1	$110.00	$80.30	$80.30
1e	GA00250AA	ADD: GNSS/BT-WIFI THRU MNT ANT, 17FT LOW LOSS PFP-100A/240, QMA	1	$110.00	$80.30	$80.30
1f	GA00580AA	ADD: TDMA OPERATION	1	$495.00	$361.35	$361.35
1g	G51AT	ENH:SMARTZONE	1	$1,650.00	$1,204.50	$1,204.50
1h	GA09001AA	ADD: WI-FI CAPABILITY	1	$330.00	$240.90	$240.90
1i	B18CR	ADD: AUXILIARY SPKR 7.5 WATT APX	1	$66.00	$48.18	$48.18

Any sales transaction following Motorola's quote is based on and subject to the terms and conditions of the valid and executed written contract between Customer and Motorola (the ""Underlying Agreement"") that authorizes Customer to purchase equipment and/or services or license software (collectively ""Products""). If no Underlying Agreement exists between Motorola and Customer, then Motorola's Standard Terms of Use and Motorola's Standard Terms and Conditions of Sales and Supply shall govern the purchase of the Products.
Motorola Solutions, Inc.: 500 West Monroe, United States - 60661 ~ #: 36-1115800

Line #	Item Number	Description	Qty	List Price	Sale Price	Ext. Sale Price
1j	G843AH	ADD: AES ENCRYPTION AND ADP	1	$523.00	$381.79	$381.79
1k	G89AC	ADD: NO RF ANTENNA NEEDED	1	$0.00	$0.00	$0.00
1l	G444AH	ADD: APX CONTROL HEAD SOFTWARE	1	$0.00	$0.00	$0.00
1m	G67EH	ADD: REMOTE MOUNT E5 MP	1	$327.00	$238.71	$238.71
1n	GA01517AA	DEL: NO J600 ADAPTER CABLE NEEDED	1	$0.00	$0.00	$0.00
1o	G806BL	ENH: ASTRO DIGITAL CAI OP APX	1	$567.00	$413.91	$413.91
1p	GA01670AA	ADD: APX E5 CONTROL HEAD	1	$717.00	$523.41	$523.41
1q	W22BA	ADD: STD PALM MICROPHONE APX	1	$79.00	$57.67	$57.67
1r	QA09113AB	ADD: BASELINE RELEASE SW	1	$0.00	$0.00	$0.00
1s	GA01630AA	ADD: SMARTCONNECT	1	$0.00	$0.00	$0.00
1t	W969BG	ENH: MULTIKEY OPERATION	1	$363.00	$264.99	$264.99
1u	G361AH	ENH: P25 TRUNKING SOFTWARE APX	1	$330.00	$240.90	$240.90
2	HKVN4915A	LICENSE,LICENSE, RADIO ALIAS UPDATE (PER USER)*	1	$12.00	$9.60	$9.60
3	HKVN4913A	LICENSE,LICENSE, TRUNKED RADIO USER (PER USER)*	1	$20.00	$16.00	$16.00

Subtotal $9,065.35

Estimated Tax $657.24

Grand Total $9,722.59(USD)

Notes:

- Additional information is required for one or more items on the quote for an order.

Any sales transaction following Motorola's quote is based on and subject to the terms and conditions of the valid and executed written contract between Customer and Motorola (the ""Underlying Agreement"") that authorizes Customer to purchase equipment and/or services or license software (collectively ""Products""). If no Underlying Agreement exists between Motorola and Customer, then Motorola's Standard Terms of Use and Motorola's Standard Terms and Conditions of Sales and Supply shall govern the purchase of the Products.

Motorola Solutions, Inc.: 500 West Monroe, United States - 60661 ~ #: 36-1115800

MOTOROLA SOLUTIONS

Purchase Order Checklist
Marked as PO/ Contract/ Notice to Proceed on Company Letterhead (PO will not be processed without this)
PO Number/ Contract Number
PO Date
Vendor = Motorola Solutions, Inc.
Payment (Billing) Terms/ State Contract Number
Bill-To Name on PO must be equal to the *Legal* Bill-To Name
Bill-To Address
Ship-To Address (If we are shipping to a MR location, it must be documented on PO)
Ultimate Address (If the Ship-To address is the MR location then the Ultimate Destination address must be documented on PO)
PO Amount must be equal to or greater than Order Total
Non-Editable Format (Word/ Excel templates cannot be accepted)
Bill To Contact Name & Phone # and EMAIL for customer accounts payable dept
Ship To Contact Name & Phone #
Tax Exemption Status
Signatures (As required)

ATTACHMENT 4

COP SHOP INSTALLATIONS

Emergency Equipment Installations, Sales, & Service

QUOTE FOR:YUBA CITY PD

BILL TO:

TAX? N

Tel:

Fax:

Attn: LT SLADE

2025 TAHOE PATROL

ITEM	QTY	MODEL #	DESCRIPTION	UNIT	EXTENDED
1	1	CC-21TH-1012-OS	22in WIDE BODY COSOLE	$ 632.69	$ 632.69
2	1	AC-INBHG	INTERNAL BEVERAGE HOLDER	$ 46.22	$ 46.22
3	1	PS-21TH-OS-R	PRISONER SEAT REAR CAGE COMBO	$ 1,682.13	$ 1,682.13
4	1	EM-21TH-CRGDCK-SST-2DRW-TL		$ 2,527.87	$ 2,527.87
5	1	DP-TH-SET	TAHOE DRIVER AND PASSENGER DOOR PANEL	$ 268.68	$ 268.68
6	1	WG-TH-SET	SET OF WELDED WINDOW BARS	$ 301.90	$ 301.90
7	1	36-4045	PUSH BUMPER	$ 593.36	$ 593.36
8	1	36-6015F2MP	2 CHANNEL LED LIGHT CHANNEL FOR PUSH BAR	$ 43.33	$ 43.33
9	2	MAG MIC	MAGNETIC MIC SETUP	$ 42.80	$ 85.60
10	1	42-3TRBA-CM	REAR CITADEL ARROW STIK LIGHTING	$ 1,417.75	$ 1,417.75
11	2	MPSW9-RB	RED/BLUE MIRROR LEDS	$ 180.23	$ 360.46
12	2	MPSMW9-TAH21MIR	SIDE MIRROR LIGHT BRACKETS	$ 43.62	$ 87.24
13	2	MPS63U-RBW	REAR LICENSE PLATE RED/BLUE/WHITE LED	$ 160.50	$ 321.00
14	1	IPX-LPV2	LICENSE PLATE BRACKET	$ 60.18	$ 60.18
			SEE PAGE 2	$ -	$ -
		TERMS:	**PARTS: WHEN EQUIPMENT IS RECEIVED**	TOTAL	$ 8,428.41
			LABOR: 30 DAYS FROM COMPLETION OF WORK	TAX 7.25%	$ -
				Labor*	$ -
				Freight	$ -
		Notes:		TRAVEL	$ -
				TOTAL	$ 8,428.41

****** THIS IS A QUOTE ONLY..PLEASE CALL TO START ORDER******

Proposal good for 60 days.

DATE: **8/7/2024**

DELIVERY:

*Labor does not include program

Thank - You,

Cop Shop Installations Inc

Ned Whisler

President/CEO

Signed By:

PO #

1257 Hassett Avenue, Ste D Yuba City, CA 95991 Ph: (530) 673-6454 Fx: (530) 673-6456 Nwhisler@copshopinstalls.com

COP SHOP INSTALLATIONS

Emergency Equipment Installations, Sales, & Service

QUOTE FOR:YUBA CITY PD

BILL TO:

TAX? N

2025 TAHOE
PATROL
PAGE 2

Tel:
Fax:
Attn:

ITM	QTY	MODEL #	DESCRIPTION	UNIT	EXTENDED
15	6	MPS63U-RBW	RUNNING BOARD LEDS RED/BLUE	$ 160.50	$ 963.00
16	2	416900Z-RB	BACKUP BLUE LED HIDEAWAY	$ 80.25	$ 160.50
17	1	49165	450-470 ANTENNA	$ 20.70	$ 20.70
18	1	STC-254	4 GA JUMP CABLE KIT	$ 369.15	$ 369.15
19	1	MISC	C.S.I. WIRE AND HARDWARE KIT	$ 374.50	$ 374.50
20	1	HK8-LPCHGR11	LIGHTBAR HOOK KIT	$ 48.15	$ 48.15
21	4	MPS62U-RB	MICROPULSE RED/BLUE LED FOR BUMPER	$ 90.41	$ 361.64
22	2	MPS62U-RB	REAR HATCH REB/BLUE LED	$ 90.41	$ 180.82
23	1	ES100C	SIREN SPEAKER	$ 208.65	$ 208.65
24	1	ESB-U	SIREN SPEAKER MOUNT	$ 37.45	$ 37.45
25	1	KIT-TP-SM1-21TH-SS	STASH N STOW CAGE W/LOWERS SW	$ 1,064.65	$ 1,064.65
26	1	SS0008	SAFE STOP	$ 201.69	$ 201.69
27	1	TM-5502-SMP	TABLET MOUNT	$ 581.81	$ 581.81
28	1	ANGARM-01-00354	FRONT FRIVER BALLISTIC DOOR PANEL	$ 974.77	$ 974.77
29	1	ANGARM-01-00355	FRONT PASSENGER BALLISTIC DOOR PANEL	$ 974.77	$ 974.77
30	1	VALOR LIGHTBAR RFURBISH KIT		$ 385.20	$ 385.20
			SEE PAGE 3		
		TERMS:	**PARTS: WHEN EQUIPMENT IS RECEIVED**	TOTAL PG2*	$ 6,907.45
			LABOR: 30 DAYS FROM COMPLETION OF WORK	TOTAL PG1*	$ 8,428.41
				TOTAL*	$ 15,335.86
				TAX 7.25%	$ 1,111.85
				Labor	$ -
		Notes:		Freight	$ -
				TRAVEL	$ -
				TOTAL	*$ 16,447.71*

******THIS IS A QUOTE ONLY..PLEASE CALL TO START ORDER******

Proposal good for 60 days.
DATE: **8/7/2024**
DELIVERY:
*Labor does not include program

Thank - You,
Cop Shop Installations

Signed By:

Ned Whisler
President/CEO

PO #

1257 Hassett Avenue, Ste D Yuba City, CA 95991 Ph: (530) 673-6454 Fx: (530) 673-6456 Nwhisler@copshopinstalls.com

COP SHOP INSTALLATIONS

Emergency Equipment Installations, Sales, & Service

QUOTE FOR:YUBA CITY PD

BILL TO:

Tax N

Tel:

Fax:

Attn:

2025 TAHOE
PATROL
PAGE 3

ITM	QTY	MODEL #	DESCRIPTION	UNIT	EXTENDED
31	1	CW0411RW	CARGO LIFTGATE LED LIGHT	$ 130.27	$ 130.27
32	1	475-0051	DUAL WEAPONS RACK	$ 369.15	$ 369.15
33	1	15.0553	3 OUTLET POWER POINT	$ 48.15	$ 48.15
34	1	5601B	EQIPMENT TIMER	$ 80.25	$ 80.25
35	1	ELECTRONIC FAN		$ 26.75	$ 26.75
36	1	BCT15X	SCANNER	$ 359.52	$ 359.52
37	1	PF200S17B	PATHFINDER SIREN AND LIGHT CONTROLLER	$ 1,417.75	$ 1,417.75
38	2	XSM2-RB	REAR SIDE WINDOW LEDS	$ 265.00	$ 530.00
42	0			$ -	$ -
43	0			$ -	$ -
44	0			$ -	$ -
45	0			$ -	$ -
				$ -	$ -
				$ -	$ -
				$ -	$ -
				$ -	$ -
				$ -	$ -
				$ -	$ -
		TERMS:	PARTS: WHEN EQUIPMENT IS RECEIVED	PG3*	$ 2,961.84
			LABOR: 30 DAYS FROM COMPLETION OF WORK	PG2*	$ 6,907.45
				PG1*	$ 8,428.41
				TOTAL*	$ 18,297.70
		Notes:		TAX 7.25%	$ 1,326.58
				Labor	$ 3,500.00
				Freight	$ 600.00
				TRAVEL	$ -
			THIS IS A QUOTE ONLY..PLEASE CALL TO START ORDER	**TOTAL***	**$ 23,724.28**

Thank - You,

Cop Shop Installations

Proposal good for 60 days.

DATE:* **8/7/2024**

DELIVERY:

*Labor does not include program

Signed By:

Ned Whisler
President/CEO

PO #

1257 Hassett Avenue, Ste D Yuba City, CA 95991 Ph: (530) 673-6454 Fx: (530) 673-6456 Nwhisler@copshopinstalls.com

COP SHOP INSTALLATIONS

Emergency Equipment Installations, Sales, & Service

QUOTE FOR:YUBA CITY PD

BILL TO:

TAX? N

Tel:

Fax:

Attn: LT SLADE

2025 TAHOE

K9

ITEM	QTY	MODEL #	DESCRIPTION	UNIT	EXTENDED
1	1	CC-21TH-1012-OS	22in WIDE BODY COSOLE	$ 632.69	$ 632.69
2	1	AC-INBHG	INTERNAL BEVERAGE HOLDER	$ 46.22	$ 46.22
3	1	EM-21TH-CRGDCK-SST-2DRW-TL		$ 2,527.88	$ 2,527.88
4	1	36-4045	PUSH BUMPER	$ 593.37	$ 593.37
5	1	36-6015F2MP	2 CHANNEL LED LIGHT CHANNEL FOR PUSH BAR	$ 42.33	$ 42.33
6	2	MAG MIC	MAGNETIC MIC SETUP	$ 42.80	$ 85.60
7	1	42-3TRBA-CM	REAR CITADEL ARROW STIK LIGHTING	$ 1,417.75	$ 1,417.75
8	2	MPSW9-RB	RED/BLUE MIRROR LEDS	$ 180.23	$ 360.46
9	2	MPSMW9-TAH21MIR	SIDE MIRROR LIGHT BRACKETS	$ 43.60	$ 87.20
10	2	MPS63U-RBW	REAR LICENSE PLATE RED/BLUE/WHITE LED	$ 160.50	$ 321.00
11	1	IPX-LPV2	LICENSE PLATE BRACKET	$ 60.18	$ 60.18
			SEE PAGE 2	$ -	$ -
		TERMS:	**PARTS: WHEN EQUIPMENT IS RECEIVED**	TOTAL	$ 6,174.68
			LABOR: 30 DAYS FROM COMPLETION OF WORK	TAX 7.25%	$ -
				Labor*	$ -
				Freight	
		Notes:		TRAVEL	$ -
				TOTAL	$ 6,174.68

****** THIS IS A QUOTE ONLY..PLEASE CALL TO START ORDER******

Proposal good for 60 days.

DATE: **8/7/2024**

DELIVERY:

*Labor does not include program

Thank - You,

Cop Shop Installations Inc

Ned Whisler

President/CEO

Signed By:

PO #

1257 Hassett Avenue, Ste D Yuba City, CA 95991 Ph: (530) 673-6454 Fx: (530) 673-6456 Nwhisler@copshopinstalls.com

COP SHOP INSTALLATIONS

Emergency Equipment Installations, Sales, & Service

QUOTE FOR:YUBA CITY PD

BILL TO:

TAX? N

Tel:

Fax:

Attn:

2025 TAHOE

K9

PAGE 2

ITM	QTY	MODEL #	DESCRIPTION	UNIT	EXTENDED
12	6	MPS63U-RBW	RUNNING BOARD LEDS RED/BLUE	$ 132.50	$ 795.00
13	4	416900Z-RB	BACKUP BLUE LED HIDEAWAY	$ 80.25	$ 321.00
14	1	49165	450-470 ANTENNA	$ 21.40	$ 21.40
15	1	STC-254	4 GA JUMP CABLE KIT	$ 369.15	$ 369.15
16	1	MISC	C.S.I. WIRE AND HARDWARE KIT	$ 374.50	$ 374.50
17	1	HK8-LPCHGR11	LIGHTBAR HOOK KIT	$ 48.15	$ 48.15
18	4	MPS62U-RB	MICROPULSE RED/BLUE LED FOR BUMPER	$ 102.50	$ 410.00
19	2	MPS62U-RB	REAR HATCH REB/BLUE LED	$ 102.50	$ 205.00
20	1	ES100C	SIREN SPEAKER	$ 208.65	$ 208.65
21	1	ESB-U	SIREN SPEAKER MOUNT	$ 37.65	$ 37.65
22	1	SS0008	SAFE STOP	$ 201.69	$ 201.69
23	1	TM-5502-SMP	TABLET MOUNT	$ 581.81	$ 581.81
24	1	ANGARM-01-00354	FRONT FRIVER BALLISTIC DOOR PANEL	$ 974.77	$ 974.77
25	1	ANGARM-01-00355	FRONT PASSENGER BALLISTIC DOOR PANEL	$ 974.77	$ 974.77
34	1	VALOR LIGHTBAR RFURBISH KIT		$ 385.20	$ 385.20
			SEE PAGE 3		
		TERMS:	**PARTS: WHEN EQUIPMENT IS RECEIVED**	TOTAL PG2*	$ 5,908.74
			LABOR: 30 DAYS FROM COMPLETION OF WORK	TOTAL PG1*	$ 6,174.68
				TOTAL*	$ 12,083.42
				TAX 7.25%	$ 876.05
				Labor	$ -
		Notes:		Freight	$ -
				TRAVEL	$ -
				TOTAL	*$ 12,959.47*

****** THIS IS A QUOTE ONLY..PLEASE CALL TO START ORDER******

Proposal good for 60 days.

DATE: **8/7/2024**

DELIVERY:

*Labor does not include program

Thank - You,

Cop Shop Installations

Signed By:

Ned Whisler
President/CEO

PO #

1257 Hassett Avenue, Ste D Yuba City, CA 95991 Ph: (530) 673-6454 Fx: (530) 673-6456 Nwhisler@copshopinstalls.com

COP SHOP INSTALLATIONS

Emergency Equipment Installations, Sales, & Service

QUOTE FOR:YUBA CITY PD

BILL TO:

Tax N

2025 TAHOE
K9
PG 3

Tel:
Fax:
Attn:

ITM	QTY	MODEL #	DESCRIPTION	UNIT	EXTENDED
34	1	CW0411RW	CARGO LIFTGATE LED LIGHT	$ 130.27	$ 130.27
35	1	475-0051	DUAL WEAPONS RACK	$ 369.15	$ 369.15
36	1	15.0553	3 OUTLET POWER POINT	$ 48.15	$ 48.15
37	1	5601B	EQIPMENT TIMER	$ 80.25	$ 80.25
38	1	ELECTRONIC FAN		$ 26.75	$ 26.75
39	1	BCT15X	SCANNER	$ 359.52	$ 359.52
40	1	PF200S17B	PATHFINDER SIREN AND LIGHT CONTROLLER	$ 1,417.75	$ 1,417.75
41	2	XSM2-RB	REAR SIDE WINDOW LEDS	$ 265.00	$ 530.00
42	1	EZPF-TAH	E/Z K9 INSERT	$ 3,251.25	$ 3,251.25
43	1	HP52CT21	K9 HOT-N-POP	$ 2,924.48	$ 2,924.48
44	1	CC-21TH-07	OVERHEAD CONSOLE	$ 262.15	$ 262.15
45	0			$ -	$ -
				$ -	$ -
				$ -	$ -
				$ -	$ -
				$ -	$ -
				$ -	$ -
				$ -	$ -
		TERMS:	PARTS: WHEN EQUIPMENT IS RECEIVED	PG3*	$ 9,399.72
			LABOR: 30 DAYS FROM COMPLETION OF WORK	PG2*	$ 5,908.74
				PG1*	$ 6,174.68
				TOTAL*	$ 21,483.14
		Notes:		TAX 7.25%	$ 1,557.53
				Labor	$ 3,500.00
				Freight	$ 600.00
				TRAVEL	$ -
			**** THIS IS A QUOTE ONLY..PLEASE CALL TO START ORDER****	**TOTAL***	**$ 27,140.67**

Thank - You,
Cop Shop Installations

Proposal good for 60 days.
DATE:* **8/7/2024**
DELIVERY:
*Labor does not include program

Signed By:

Ned Whisler
President/CEO

PO #

1257 Hassett Avenue, Ste D Yuba City, CA 95991 Ph: (530) 673-6454 Fx: (530) 673-6456 Nwhisler@copshopinstalls.com

CITY OF YUBA CITY
STAFF REPORT

Date: August 20, 2024
To: Honorable Mayor & Members of the City Council;
From: Community Services Department
Presentation By: Ann Gillen, Community Services Director

Summary

Subject: Bogue Park Playground Replacement Project Award and Purchase

Recommendation: Adopt a Resolution which takes the following actions:

A. Adopts a CEQA Class 2 Categorical Exemption
B. Awards a construction contract to BCI Burke Company in the amount of $81,140.61 through Sourcewell Contract No. 010521-BUR, with the finding that it is in the best interest of the City
C. Authorizes the City Manager to execute all necessary documents related to the project

Fiscal Impact: Total Project Cost: $81,140.61
$81,140.61 - Account No. 901222 (Annual Playground Replacement)

Purpose:

To maintain and enhance the City's quality of life through safe parks and promote healthy opportunities for residents of all ages.

Council's Strategic Goal:

Improving infrastructure and improving the quality of life for our community.

Background:

As part of the comprehensive operation and maintenance of the City's recreation facilities, staff routinely inspect and evaluate the safety and functionality of the equipment at each of the City's 16 parks that have play structures. Recommendation for equipment replacement is based on age, condition, industry standards, and regulatory compliance. The playground equipment at Bogue Park has been identified for replacement based on these areas of evaluation. The lifespan of play equipment is typically 15-20 years. The Bogue Park playground is currently 26 years old.

Analysis:

Staff inspected and evaluated the playground equipment at Bogue Park in order to identify the current safety and risk factors. Based on the age and wear, staff recommends replacing the equipment in

order to provide a safer environment for the residents utilizing the equipment. In order to expedite the procurement process, staff recommends utilizing the Sourcewell Cooperative Program (Sourcewell).

Sourcewell gathers nationwide bids for products and services resulting in time and cost efficiencies through the procurement process, and better purchasing leverage due to a nationwide scope. The City has utilized Sourcewell on various occasions in recent years for purchases and construction contracts, with great results. Some of these include: purchase and installation of playground equipment, the design/build contract for the bike park at Didar S. Bains Park, the Blackburn Talley LED Stadium Lighting Retrofit, and the storm drain installation for Didar S. Bains Park.

Fiscal Impact:

Burke's Sourcewell Contract is $81,140.61 for the proposed scope of work. The project is proposed to be funded through CIP Account No. 901222 (Annual Playground Replacement). Currently, the account has a balance of $165,000.

Environmental Determination:

Staff has performed a preliminary environmental assessment of this project and determined that it falls within a Class 2 Categorical Exemption set forth in CEQA Guidelines Section 15302, as the Project's scope consists of the replacement of the existing playground structures with new structures of substantially the same size, purpose, and capacity. Further, none of the exceptions to Categorical Exemptions set forth in CEQA Guidelines 15302 apply to this Project.

Alternatives:

Do not award the Sourcewell Contract to BCI Burke Company and utilize the standard formal bidding procedures. This will result in project delays.

Recommendation:

Adopt a Resolution which takes the following actions:

A. Adopts a CEQA Class 2 Categorical Exemption

B. Awards a construction contract to BCI Burke Company in the amount of $81,140.61 through Sourcewell Contract No. 010521-BUR, with the finding that it is in the best interest of the City

C. Authorizes the City Manager to execute all necessary documents related to the project

Attachments:
1. Resolution
2. Equipment Renderings

Prepared By:	Submitted By:
Maddy Laffond	Diana Langley
Administrative Assistant	City Manager

ATTACHMENT 1

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUBA CITY ADOPTING A CEQA CLASS 2 CATEGORICAL EXEMPTION; AWARDING A CONSTRUCTION CONTRACT TO BCI BURKE COMPANY, INC. IN THE AMOUNT OF $81,140.61 THROUGH SOURCEWELL CONTRACT NO. 010521-BUR, WITH THE FINDING THAT IT IS IN THE BEST INTEREST OF THE CITY; AND AUTHORIZING THE CITY MANAGER TO EXECUTE ALL NECESSARY DOCUMENTS RELATED TO THE PROJECT

WHEREAS, the City of Yuba City desires to utilize Sourcewell Cooperative Contract No. 010521-BUR for the procurement of the Bogue Park Playground Replacement Project construction contract at a competitively bid, negotiated price; and,

WHEREAS, Sourcewell Cooperative awarded Contract No. 010521-BUR to BCI Burke Company, Inc of Fond du Lac, WI following a nationwide competitive Request for Quotation process; and,

WHEREAS, the City desires to award the bid to BCI Burke Company, Inc. of Fond du Lac, WI through the Sourcewell Cooperative Contract No. 010521-BUR negotiated price of $81,140.61.

NOW, THEREFORE, be it resolved by the City Council of Yuba City as follows:

Section 1. The City Council finds and determines that a Class 2 Categorical Exemption set forth in the California Environmental Quality Act (CEQA) Guidelines, Section 15301, applies to this project, as the Project's scope consists of the replacement of the existing playground structures with new structures of substantially the same size, purpose, and capacity. Further, none of the exceptions to Categorical Exemptions set forth in CEQA Guidelines 15300.2 apply to this Project.

Section 2. The City Council of the City Yuba City awards the construction contract to BCI Burke Company Inc, of Yuba City, CA by piggybacking on the Sourcewell Cooperative Contract No. 010521-BUR negotiated price of $81,140.61, with the finding that it is in the best interest of the City.

Section 3. The City Manager is authorized to execute any agreement or other document required for the purchase subject to approval as to legal form by the City Attorney.

Section 4. This Resolution shall take effect immediately.

The foregoing Resolution was duly and regularly introduced, passed, and adopted by the City Council of the City of Yuba City at a regular meeting thereof held on the 20th day of August 2024.

AYES:

NOES:

ABSENT:

_____
Shon Harris, Mayor

ATTEST:

_____
Ciara Wakefield, City Clerk Administrator

APPROVED AS TO FORM
COUNSEL FOR YUBA CITY:

_____
Shannon Chaffin, City Attorney
Aleshire & Wynder, LLP

Attachment(s):

Exhibit A - Quote

EXHIBIT A

Remit Payment to:
BCI Burke Company **PO Box 549** **Fond du Lac, WI 54936-0549**

Prepared on behalf of:
Vera Pakshina - 916.599.9194

Accepted and Approved

The undersigned hereby agrees to the charges listed in this quotation and to the attached terms and conditions. An order will be placed in accordance to this quotation unless otherwise noted.

Signed: _____ Dated: _____

Print Full Name & Title _____

Quotation #	Date	Expiration Date	Est. Lead Time	Payment Terms	Prepared by
24-135R1	5/17/2024	6/16/2024	6-8 Weeks from Order Date	Net 30	Nellie Xiong Sales Administrator

Project Name	Proposal Number	Member ID Number
Bogue Park Option 2	977-185059-1	84769

Site Contact	Billing	Shipping	Site Location
Maddy Laffond mlafford@yubacity.net 530-822-7565	City of Yuba City Maddy Laffond 1201 Civic Center Blvd. Yuba City, CA 95993	City of Yuba City Maddy Laffond Crystal Creek Ln. Yuba City, CA 95991	City of Yuba City Crystal Creek Ln. Yuba City, CA 95991
Call 24 Hours Before Delivery			**County of Installation**
TBD			Sutter County

Product Code	Description	Qty	Price	Total Price
Equipment	Custom Burke Equipment for age 5 to 12 years per proposal	1	$49,626.00	$49,626.00
Discount	Sourcewell discount	1	-$3,473.82	-$3,473.82
Install	Installation of Burke Equipment **In Ground**, includes temp fencing and removal of spoils. **Prevailing wage applies.**	1	$27,243.75	$27,243.75
Freight	Delivery of Burke Equipment (LK9GB91354)	1	$4,398.65	$4,398.65
		Subtotal		**$77,794.58**
		Tax Rate (Subject to Change)	**7.250%**	**$3,346.03**
		Total		**$81,140.61**

Sourcewell
Awarded Contract
Contract # 010521-BUR

To place an order, please review and return this signed quote with a copy of your purchase order and tax exempt certificate, if applicable, to avoid state/local sales taxes. Payment by credit card may be accepted; a 4.5% fee will be added per transaction.

Explanation of Payment Terms
$53,896.86 due 30 days after Burke equipment ship date. **$27,243.75 due 45 days after completion of project.**

Terms of Sale

Acceptance by either a signature or a purchase order based on this quotation indicates that you are in full agreement with all terms and conditions of this quotation including the following:

If a mutually agreed upon contract has been signed, those terms and conditions will supersede these terms and conditions.

Prices are stated in USD and are valid for 30 days. After 30 days, prices are subject to change without notice. Sales tax will be charged unless a copy of a valid Sales tax exemption certificate is presented with order.

Quoted lead times are based on normal production levels. Actual lead times may vary due to quantities ordered, seasonality and higher than normal production levels. Customer will receive an order acknowledgement which will state the anticipated ship date.

Specify all color selections in writing. Any discrepancies that arise due to oral color selections will be the responsibility of the customer. Custom colors, where available, would be an additional charge.

If customer is installing equipment, all equipment is to be installed per manufacturer's instructions and appropriate guidelines such as ASTM and CPSC.

Loss or Damage in Transit: A signed bill of lading is our receipt from a carrier that our shipment to you was complete and in good condition upon arrival. Before you sign, please check the Bill of Lading carefully when the shipment arrives to make sure nothing is missing and there are no damages. Freight terms are FOB Fond du Lac, WI and charges are predicated on all items being ordered and shipped at the same time. Therefore, once the shipment leaves our plant, we are no longer responsible for any damage, loss or shortage.

Installation, site work, building permits, engineered drawings, etc. are not included unless noted in quotation.

Installation Terms:

A. Burke Responsibilities (Applicable if Burke quoted)
Standard Services Include:
- Shipping Notification/Receiving Instructions
- Installation of Equipment and Materials
- Trash Clean Up (Not including cost for Dumpsters and Off-Site Trash Disposal unless noted)
- All Burke Structure shipments include a FREE Maintenance Kit (Includes Installation Booklet, Graffiti Remover, Tools and Touch Up Paint).

B. Optional Responsibilities (Must be clearly outlined in the applicable Burke quotation/contract):
- Removal of Existing Equipment.
- Underground Utility Check.
- Accept Delivery and Unload Equipment.
- Site Preparation and Grading, Drainage Systems, etc.
- Engineered Drawings for Purchased Equipment.
- Other Permits or Engineered Drawings (i.e. zoning permits, environmental permits, site surveys, etc.).
- Provision of Temporary Fencing.

*All other responsibilities must be clearly outlined in the applicable quotation/contract.

Customer Responsibilities (Applicable if BCI Burke is NOT quoting installation):
- Trash Disposal - Dumpsters or Off Site Disposal.
- Underground Utility Check.
- Accept Delivery and Unload Equipment.
- Provide Area for Storage and Staging.
- Provide Temporary Fencing.
- Secure Site and Equipment.
- Provide Access as Outlined below.

Building Permits
Building permits are the responsibility of the owner. If a building permit is required for your project, there will be an administrative, expeditor, and application fee included on project quote. This fee does not include the cost of the actual permit. Customer will be charged "actual permit" cost on final invoice.

NOTE - All zoning, planning, environmental, etc. permits and approvals are the responsibility of others.

Other Notes:
Access/Utilities. Access must be provided to the installation area for heavy trucks and equipment. Access of equipment and personnel is the obligation of the customer to provide until the project is fully completed. We will take every precaution to avoid damage, however any damage caused by the normal installation of our product, such as sod, concrete sidewalks, private underground utilities, etc., will be the responsibility of the customer, as will any additional costs associated with limiting damage such as providing plywood over sod for access. If access is not reasonably close to the jobsite, any additional costs incurred due to having to transport materials and/or supplies will be the responsibility of the customer.

Rock/Foreign Object Clause. Most installations require digging of holes and footing equipment in concrete below finished grade. Removal of existing ground covers such as asphalt, concrete, tan bark, sand, pea gravel, wood fiber, rubber matting, poured-in-place rubber surfacing, or any other material that interferes or delays the digging of holes, is the responsibility of others, unless otherwise noted. If excessive underground obstructions such as rock, coral, asphalt, concrete, pipes, drainage systems, root systems, water, or any other unknown obstructions are discovered, charges will be added to the original proposal.

Playground Surfacing. All playground equipment is to be installed in conjunction with safety surfacing per CPSC guidelines and ASTM standards. If the customer contracts for something contrary to the guidelines, they are accepting all responsibility for any liability and future litigation that may arise.

ATTACHMENT 2

Burke
PLAY THAT MOVES YOU
BCIBURKE.COM • 800.266.1250
BOGUE PARK (OPTION 2)
PROPOSAL #: 977-185059-1
COLOR KEY
PURPLE
FUCHSIA
OCEAN
YELLOW
GRAY/BLACK
YELLOW/BLACK
3D Designer. Heidi

Burke
PLAY THAT MOVES YOU
BCIBURKE.COM • 800.266.1250
BOGUE PARK (OPTION 2)
PROPOSAL #: 977-185059-1
3D Designer. Heidi

CITY OF YUBA CITY
STAFF REPORT

Date: August 20, 2024
To: Honorable Mayor & Members of the City Council;
From: Public Works
Presentation By: Ben Moody, Public Works & Development Services Director

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Summary

Subject: Harter Parkway Corridor Improvement Project (Contract Award)

Recommendation: Adopt a Resolution with the following actions:

A. Awards a construction contract to JPB Designs, of Orangevale, CA in the amount of their total bid of $1,300,860.00 and authorizes the City Manager to execute the contract on behalf of the City, subject to review and approval as to legal form by the City Attorney
B. Authorizes the Finance Director to make necessary budget adjustments and supplemental appropriations
C. Adopts a CEQA Class 1 categorical exemption

Fiscal Impact: $1,515,501.90 – Total Project Cost
$1,300,860.00 - Contract Award Amount
$195,129.00 - Construction Contingency (15%)
$19,512.90 - City Administration (1.5%)

Purpose:

To facilitate and encourage the development of infill property located in the Harter Specific Plan area.

Council's Strategic Goal:

This project addresses multiple City Council Strategic Goals: maintaining the financial stability and sustainability of the City, enhancing the business-friendly environment for the City, and developing the City's infrastructure.

Background:

Since May 2022, City staff have been coordinating with staff from the Sacramento Area Council of Governments' (SACOG's) to develop the Harter Parkway Corridor Improvement Project in support of SACOG's Green Means Go initiative. On October 27, 2022, after pre-application consultation with SACOG staff, City staff submitted a Green Means Go grant application for the Harter Parkway Corridor Improvement Project with the intention of encouraging development of a future multi-family housing at the southwest corner of Harter Parkway and Butte House Road. On March 16, 2023, SACOG notified staff that the City's application was approved. The grant agreement was executed by the City and

SACOG on October 18, 2023.

In February 2024, staff advertised the project for bid and on April 25, 2024, four (4) bids were received and opened. Of the four (4) bids, the apparent low bidder and second low bidder did not comply with Disadvantaged Business Enterprise bidding requirements mandated by State funding sources. The third low bidder was approximately 63.4% over the engineer's estimate.

On June 4, 2024, Council rejected all bids, approved modified plans and specifications and authorized the Public Works Department to re-advertise the project for bids with clarified Disadvantaged Business Enterprise requirements, inclusion of recent groundwater and soil data, and the portion adjacent to the Harter North subdivision as being constructed by others, all in order to obtain the most cost competitive bid.

The Harter Parkway Corridor Improvement Project includes construction of an 18-inch diameter sanitary sewer trunk main, along with related roadway restoration improvements, and is intended to encourage development of a future multi-family housing project at the southwest corner of Harter Parkway and Butte House Road (Attachment 2).

Analysis:

The Harter Parkway Corridor Improvement Project was re-advertised for bids beginning June 6, 2024. Plans and specifications were posted on publicpurchase.com and provided to local builder/contractor exchanges. On June 28, 2024, three (3) bids were received and opened by the City Clerk. A list of the bids received and the Engineer's Estimate are shown below:

Company	Total Bid
JPB Designs, Inc., Orangevale	$1,300,860.00
Lafleur Engineering, Inc., Roseville	$1,805,141.00
R&R Pacific Construction, Woodland	$2,292,750.00
Engineer's Estimate	*$1,318,393.00*

JPB Designs, Inc. is the low responsive, responsible bidder.

Contract administration, including construction management and inspection, will be performed by Public Works Department staff.

Fiscal Impact:

The estimated total project cost is approximately $1,515,501.90 which consists of the following components:

Construction Contract	$1,300,860.00
Construction Contingency (15%)	$ 195,129.00
Construction Management & Inspection (1.5%)	$ 19,512.90
	Total: $1,515,501.90

Staff is proposing a construction contingency of 15% due to the presence of high groundwater requiring substantial trench dewatering operations in order to install the proposed pipe in dry conditions. The complicated nature of installing and operating a large trench dewatering system present the opportunity for numerous complications and unpredictable variables.

The current funding agreement with SACOG provides $1,351,000 in grant funds for construction costs,

however, the Governor's budget reduces the City's Green Means Go grant funding by 6.2% to $1,267,000.00. Staff is coordinating with SACOG to amend the grant agreement scope and cost to reflect the Governor's budget and actual construction costs. On August 15th, 2024, the SACOG board is anticipated to approve the amended grant agreement scope and cost. On October 17, 2023, Council authorized the City Manager to execute all documents associated with the Green Means Go program. Staff will coordinate execution of the amended grant agreement with the City Manager.

Staff proposes funding the construction through CIP Account 1331 (Harter Parkway Corridor) as follows:

SACOG Green Means Go Grant:	$1,267,000.00
Budget transfer from CIP Account 1104 (Recurring Collections or Rehabilitation System Project)	$248,501.90
	Total: $1,515,501.90

CIP Account 1104 has an estimated $1,130,000.00.

Staff is requesting authorization for the Finance Director to make the necessary budget adjustments and supplemental appropriations to receive the grant funding and provide the required City wastewater funds.

Environmental:
Staff has determined that this project falls within the Class 1 Categorical Exemption set forth in CEQA Guideline Section 15301, as the extension of an existing sewer pipeline is defined as a repair, maintenance, or minor alteration of existing utility system involving negligible or no capacity expansion Further, none of the exceptions to Categorical Exemptions set forth in CEQA Guidelines Section 15300.2 apply to this project.

Alternatives:

Reject the bids and delay/cancel the project. Delaying/canceling the project will jeopardize SACOG funding.

Attachments:
1. Resolution - Harter Parkway Corridor Improvement Project

Prepared By:	Submitted By:
Nick Menezes	Diana Langley
Associate Civil Engineer	City Manager

ATTACHMENT 1

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUBA CITY ADOPTING A CEQA CLASS 1 CATEGORICAL EXEMPTION AND AWARDING A CONSTRUCTION CONTRACT TO JPB DESIGNS, INC. IN THE AMOUNT OF THEIR TOTAL BID OF $1,300,860.00 (HARTER PARKWAY CORRIDOR IMPROVEMENT PROJECT CONTRACT NO. 24-01)

WHEREAS, the City of Yuba City (City) advertised for bids for the City's Harter Parkway Corridor Improvement Project (Project); and,

WHEREAS, in response to the advertisement, the City received nine (9) bids for the Project in the following bid amounts:

JPB Designs, Inc.	$1,300,860.00
LaFleur Engineering, Inc.	$1,805,141.00
R&R Pacific Construction	$2,292,750.00; and

WHEREAS, the City Public Works Department reviewed the three (3) bids, and examined JPB Designs, Inc. and its bid response, found it to be both the lowest qualified responsive and responsible bidder; and

WHEREAS, the City desires to award the bid to JPB Designs, Inc. of Orangevale, CA and enter into an agreement with JPB Designs to construct the Harter Parkway Corridor Improvement Project

NOW, THEREFORE, be it resolved by the City Council of Yuba City as follows:

1. The City Council of the City of Yuba City finds that all of the facts set forth in the recitals above are true and current and incorporated herein.

2. The City has performed a preliminary environmental assessment of this project relative to California Environmental Quality Act (CEQA) requirements and the City Council finds and determines that the project falls within the Class 1 Categorical Exemption set forth in CEQA Guidelines Section 15301, as the extension of an existing sewer pipeline is defined as a repair, maintenance, or minor alteration of existing utility system involving negligible or no capacity expansion. Additionally, the replacement or relocation of existing water line services will service the same property and have substantially the same purpose and capacity. Further, none of the exceptions to Categorical Exemptions set forth in CEQA Guidelines Section 15300.2 apply to this project.

3. The City Council of the City of Yuba City does hereby accept the three (3) bids received as noted above, finds that JPB Designs, Inc., is the lowest responsive and responsible bidder, and awards the construction contract to JPB Designs, Inc. in their total amount bid of $1,300,860.00 for the Harter Parkway Corridor Improvement Project. Said contract agreement shall substantially comply with the terms and conditions presented in the draft agreement attached to this Resolution, shall be subjected to review and approval as to legal form by the City Attorney, and the City Manager shall be authorized to execute the same on behalf of the City of Yuba City.

4. The City Council of the City of Yuba City does hereby authorize the Finance Director to make the necessary budget adjustments and supplemental appropriations to fund the Harter Parkway Corridor Improvement Project.

The foregoing resolution was duly and regularly introduced, passed, and adopted by the City Council of the City of Yuba City at a regular meeting thereof held on the 20th day of August, 2024.

AYES:

NOES:

ABSENT:

_____
Shon Harris, Mayor

ATTEST:

_____
Ciara Wakefield, City Clerk Administrator

APPROVED AS TO FORM
COUNSEL FOR YUBA CITY:

_____
Shannon Chaffin, City Attorney
Aleshire & Wynder, LLP

Exhibit(s):

A. (Draft) Agreement – JPB Designs, Inc. Contract No. 24-01

EXHIBIT A
CITY OF YUBA CITY
DEPARTMENT OF PUBLIC WORKS

DRAFT CONTRACT AGREEMENT

HARTER PARKWAY CORRIDOR IMPROVEMENT PROJECT
CONTRACT NO. 24-01

THIS AGREEMENT, made and concluded this ____ day of _____ 20___, between the City of Yuba City, party of the first part, and _____, Contractor, party of the second part.

ARTICLE I. – WITNESSETH, that for and in consideration of the payments and agreements hereinafter mentioned to be made and performed by the said party of the first part under the conditions expressed in the two bonds bearing even date with these presents and hereunto annexed, the said party of the second part agrees with the said party of the first part, at his own proper cost and expense, to do all the work and furnish all the materials, except such as are mentioned in the specifications to be furnished by said party of the first part, necessary to construct and complete in a good, workmanlike and substantial manner and to the satisfaction of the Department of Public Works, construction on various roads, all in accordance with the Special Provisions hereto annexed and also in accordance with the State of California Department of Transportation dated 2018, the Standard Plans dated 2018, the "Labor Surcharge" and "Equipment Rental Rates" in effect on the date the work is accomplished, and the "General Prevailing Wage Rates" of the State of California Department of Transportation, which said Special Provisions, Standard Plans, Standard Specifications are hereby specially referred to and by such reference made a part hereof.

The Special Provisions and the project plans for the work to be done are entitled:

HARTER PARKWAY CORRIDOR IMPROVEMENT PROJECT

Which are hereby made part of this contract.

ARTICLE II. – The said Contractor agrees to receive and accept the following prices as full compensation for furnishing all materials and for doing all the work contemplated and embraced in this Agreement; also for all loss or damage arising out of the nature of the work aforesaid, or from the action of the elements, or from any unforeseen difficulties or obstructions which may arise or be encountered in the prosecution of the work until its acceptance by the City of Yuba City and for all risks of every description connected with the work; also for all expenses incurred by or in consequence of the suspension or discontinuance of work and for well and faithfully completing the work, and the whole thereof, in the manner and according to the plans and specifications and the requirements of the Engineer under them, to wit.

ARTICLE III. – The said party of the first part hereby promises and agrees with the said Contractor to employ, and does hereby employ, the said Contractor to provide the materials and to do the work according to the terms and conditions herein contained and referred to, for the prices hereinafter set forth, and hereby contracts to pay the same at the time, in the manner and

upon the conditions above set forth; and the said parties for themselves, their heirs, executors, administrators, successors and assigns, do hereby agree to the full performance of the covenants herein contained.

ARTICLE IV. – By my signature hereunder, as Contractor, I certify that I am aware of the provisions of Section 3700 of the Labor Code which requires every employer to be insured against liability for Workers Compensation or to undertake self-insurance in accordance with the provisions of that Code, and I will comply with such provisions before commencing the performance of the work of this contract.

ARTICLE V. – It is further expressly agreed by and between the parties hereto that should there be any conflict between the terms of this instrument and the bid or proposal of said Contractor, then this instrument shall control and nothing herein shall be considered as an acceptance of the said terms of said proposal conflicting herewith.

ARTICLE VI. – The City of Yuba City hereby employs Contractor to provide material and to do the work according to the terms and conditions herein contained and referred to for the following prices to be paid at the time, in the manner and upon the conditions hereinafter set forth.

ARTICLE VII. – The improvement contemplated in the performance of this contract is an improvement over which the City of Yuba City shall exercise general supervision.

ARTICLE VIII. – The statement of prevailing wages appearing in the General Prevailing Wage Rates is hereby specifically referred to and by this reference is made a part of this contract. It is further expressly agreed, by and between the terms of this instrument and the bid or proposal of said Contractor, that this instrument shall control and nothing herein shall be considered as an acceptance of the said terms of said proposal conflicting herewith.

HARTER PARKWAY CORRIDOR IMPROVEMENT PROJECT
CONTRACT NO. 24-01

Item No.	Item Description	Est. Qty.	Unit of Measure	Item Price	Total Amount
Bid Schedule A Harter Parkway					
1	Mobilization/Demobilization	1	LS	$56,000.00	$56,000.00
2	Traffic Control	1	LS	$20,000.00	$20,000.00
3	Dewatering (Includes Dewatering System Treatment)	1	LS	$25,000.00	$25,000.00
4	Pavement Restoration (Type A)	54	LF	$400	$21,600.00
5	Connect to Existing Sewer	1	EA	$12,000.00	$12,000.00
6	Sanitary Sewer Manhole (YC SS1)	3	EA	$15,000.00	$45,000.00
7	Sanitary Sewer Stub - Cleanout (YC SS4)	1	EA	$10,000.00	$10,000.00

8	4" Sewer Lateral Connection	1	EA	15,000.00	15,000.00
9	18-Inch Sewer Pipe - Vitrified Clay Pipe, SDR 26 PVC, or, Epoxy Ductile Iron Pipe (Harter Parkway Crossing - Optional Boring 67+20.1 to 69+12.8) (Includes boring & receiving pits and pit restoration)	203	LF	$500.00	$101,500.00
10	18-Inch Sewer Pipe - Vitrified Clay Pipe, SDR 26 PVC, or, Epoxy Ductile Iron Pipe	549	LF	$500.00	$274,500.00
11	10-Inch Sewer Pipe - Vitrified Clay Pipe, SDR 26 PVC, or, Epoxy Ductile Iron Pipe	82	LF	$480.00	$39,360.00
12	Project SWPPP & Erosion Control (Construction Entrance)	1	LS	$8,000.00	$8,000.00
Total Bid Schedule 'A' = $627,960.00					
Item No.	**Item Description**	**Est. Qty.**	**Unit of Measure**	**Item Price**	**Total Amount**
Deductive Alternate Bid Schedule B - Butte House Road					
1	Traffic Control	1	LS	$10,000.00	$10,000.00
2	Dewatering (Includes Dewatering System Treatment)	1	LS	$20,000.00	$20,000.00
3	Pavement Restoration (Type A)	90	LF	$400.00	$36,000.00
4	Sanitary Sewer Stub Plug	3	EA	$10,000.00	$30,000.00
5	Sanitary Sewer Manhole (YC SS1)	1	EA	$15,000.00	$15,000.00
6	18-Inch Sewer Pipe - Vitrified Clay Pipe, SDR 26 PVC, or Epoxy Ductile Iron Pipe (Butte House Crossing - Optional Boring 50+42.00 to 49+61.8)(Includes boring & receiving pits and pit restoration)	82	LF	$650.00	$53,300.00
7	12-Inch Sewer Pipe - Vitrified Clay Pipe, SDR 26 PVC, or Epoxy Ductile Iron Pipe	20	LF	$600.00	$12,000.00
8	8-Inch Sewer Pipe - Vitrified Clay Pipe, SDR 26 PVC, or Epoxy Ductile Iron Pipe	20	LF	$500.00	$10,000.00

Total Bid Schedule 'B' = $186,300.00					
Item No.	**Item Description**	**Est. Qty.**	**Unit of Measure**	**Item Price**	**Total Amount**
Deductive Alternate Bid Schedule C - Harter Parkway Road Section					
1	Mobilization/Demobilization	1	LS	$45,000.00	$45,000.00
2	Class 2 Aggregate Base (22-Inch-Road Section)	2,160	TON	$85.00	$183,600.00
3	Asphalt Concrete (Type A) (6-Inch - Road Section)	590	TON	$300.00	$177,000.00
4	Heavy Duty Driveway (YC ST11)	1	LS	$25,000.00	$25,000.00
5	Minor Concrete (YC ST4 6" Barrier Curb)	700	LF	$80.00	$56,000.00
Total Bid Schedule 'C' = $486,600.00					
TOTAL AMOUNT BID (BID SCHEDULES A + B + C) = $1,300,860.00					

City Attorney, City of Yuba City

CITY OF YUBA CITY

Diana Langley
City Manager

Date

CONTRACTOR

Company Name

By and Title (signature)

Date

By and Title (printed)

Address

Telephone Number

CITY OF YUBA CITY
STAFF REPORT

Date: August 20, 2024
To: Honorable Mayor & Members of the City Council;
From: Public Works
Presentation By: Joshua Wolffe, Associate Engineer

Summary

Subject: Sutter Bike Path Gap Closure (Plans and Specifications)

Recommendation: Adopt a Resolution adopting a CEQA Class 4 Categorical Exemption, approving the plans and specifications and authorizing advertisement for bids for the Sutter Bike Path Gap Closure Project

Fiscal Impact: Engineer's Estimate $1,900,223 – Account No. 1266 (Sutter Bike Path Gap Closure)

Purpose:

To extend the existing Sutter Bike Path to Harter Parkway and construct a ten-foot wide shared-use path along the west side of Harter Parkway.

Council Strategic Goal:

This project addresses the City Council's Strategic Goal of improving the City's infrastructure, as it will expand the City's active transportation infrastructure, ultimately creating a more accessible and connected active transportation network.

Background:

The Public Works Department has been working to facilitate the extension of the existing Sutter Bike Path eastward. The scope of proposed improvements includes the eastward construction of a Class I shared-use path from the existing east end of the Sutter Bike Path at Hooper Road to Harter Parkway. The improvements also include the construction of a Class I shared use path along the west side of Harter Parkway from Butte House Road to State Route 20. The proposed improvements can be seen in Attachment 2.

The Sutter Bike Path Gap Closure Project (Project) will provide a direct path for pedestrians and bicyclists traveling from as far west as the Town of Sutter to Harter Parkway in Yuba City, connecting path users to Didar S. Bains Park, and adjacent existing and proposed shopping centers. The improvements along Harter Parkway will also provide a safe area for students that walk or bike to and from River Valley High School and Feather River Academy. This will create more opportunities for recreation, exercise, and shopping.

The City has been awarded $1,984,000 in Federal grant funds through the Regional Surface

Transportation/Surface Transportation Block Grant Program (RST/STBGP) for the construction of the project. Staff and consultants are currently working with Caltrans to secure authorization to use these funds, with completion of this process anticipated by late August.

Analysis:

The plans, specifications, and estimate for the Sutter Bike Path Gap Closure Project have been completed. With Council approval of the plans and specifications and authorization to advertise for bids, staff anticipates the following schedule:

Advertise for Bid:	September 2024
Award Contract:	October 2024
Start Construction:	Fall/Winter 2024
Completion:	Spring 2025

The plans and specifications for the project are on file in the Public Works Department at City Hall and at http://www.yubacity.net/publicworksplans. Construction management and inspection will be administered by the City's Public Works Department staff.

Fiscal Impact:

The project's engineer's estimate totals $1,900,223, which includes a 10% contingency of $190,022 and a 2.5% allocation for construction management and inspection, amounting to $42,227. Funding for the project will be drawn from CIP Account No. 1266 (Sutter Bike Path Gap Closure), which currently has a balance of $2,231,278. Detailed fiscal impacts will be presented to the Council at the time of the award, based on actual bid amounts.

Once construction is finished, staff will seek reimbursement for the incurred costs through the awarded RST/STBGP funds.

Environmental:

Staff has performed a preliminary environmental assessment of this project and has determined that it falls within Class 4 Categorical Exemption set forth in CEQA Guidelines Section 15304, as the extension of an existing bicycle path, and construction of a shared use path within existing City right of way is a minor alteration of land which does not involve removal of healthy, mature, scenic trees. Further, none of the exceptions to Categorical Exemptions set forth in CEQA Guidelines 15300.2 apply to this project.

Alternatives:

Instruct staff to modify the plans and specifications. The project delivery schedule will be impacted.

Reccomendation:

Adopt a Resolution adopting a CEQA Class 4 Categorical Exemption, approving the plans and specifications and authorizing advertisement for bids for the Sutter Bike Path Gap Closure Project

Attachments:

1. Attachment 1 - Resolution
2. Attachment 2 - Project Exhibit

Prepared By:
Josh Wolffe
Senior Civil Engineer

Submitted By:
Diana Langley
City Manager

ATTACHMENT 1

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUBA CITY ADOPTING A CEQA CLASS 4 CATEGORICAL EXEMPTION, APPROVING THE PLANS AND SPECIFICATIONS, AND AUTHORIZING ADVERTISEMENT FOR BIDS FOR THE SUTTER BIKE PATH GAP CLOSURE PROJECT

WHEREAS, the Public Works Department intends to solicit bids for construction of the Sutter Bike Path Gap Closure Project.

NOW, THEREFORE, be it resolved and ordered by the City Council of Yuba City as follows:

Section 1. The City has performed a preliminary environmental assessment of this project relative to California Environmental Quality Act (CEQA) requirements and the City Council finds and determines that the project falls within Class 4 Categorical Exemption set forth in CEQA Guidelines Section 15304, as the extension of an existing bicycle path, and construction of a shared use path within existing City right of way is a minor alteration of land which does not involve removal of healthy, mature, scenic trees. Further, none of the exceptions to Categorical Exemptions set forth in CEQA Guidelines Section 15300.2 apply to this project.

Section 2. The plans and specifications for the Sutter Bike Path Gap Closure Project are approved.

Section 3. The Public Works Department is hereby authorized and directed to advertise for bids for the Sutter Bike Path Gap Closure Project.

Section 4. This Resolution shall take effect immediately.

The foregoing resolution was duly and regularly introduced, passed, and adopted by the City Council of the City of Yuba City at a regular meeting thereof held on the 20th day of August, 2024.

AYES:

NOES:

ABSENT:

_____
Shon Harris, Mayor

ATTEST:

_____

Ciara Wakefield, Deputy City Clerk

APPROVED AS TO FORM
COUNSEL FOR YUBA CITY

_____

Shannon L. Chaffin, City Attorney
Aleshire & Wynder, LLP

ATTACHMENT 2

DEPARTMENT OF PUBLIC WORKS
CITY OF YUBA CITY

PROJECT PLANS FOR CONSTRUCTION OF IMPROVEMENTS

IN SUTTER COUNTY AND THE CITY OF YUBA CITY FOR

SUTTER BIKE PATH GAP CLOSURE PROJECT

To be supplemented by California Department of Transportation Standard Plans and Specifications dated 2023 and City of Yuba City Standard Details dated 2009.

FEDERAL PROJECT No: ATPSB1L-5163(036)

REVISION #	DATE:	DESCRIPTION AND SHEET NO.:	APPROVED BY:	DATE:

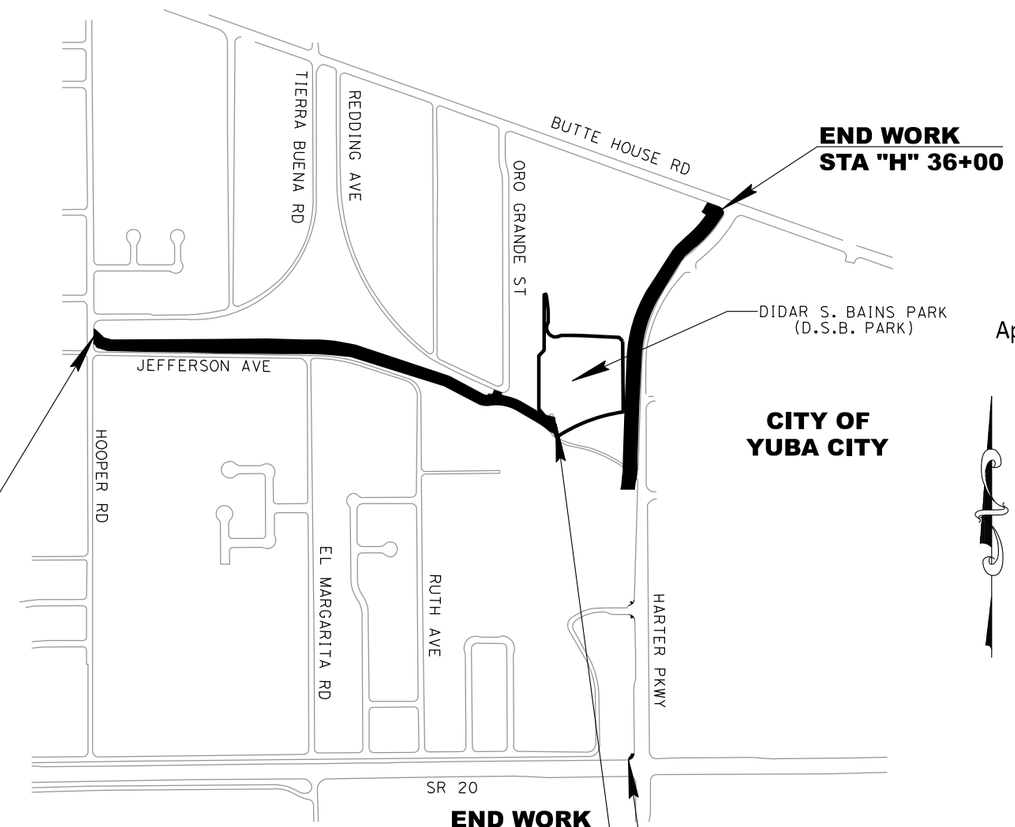
REGISTERED PROFESSIONAL ENGINEER ERIC J. ESPINOZA C 72383 REN. 06/30/26 CIVIL STATE OF CALIFORNIA

INDEX OF SHEETS

SHEET NO.	TITLE
2-3	TYPICAL SECTIONS
4	KEY MAP
5	SURVEY CONTROL
6-15	PLAN & PROFILE
16-22	CONSTRUCTION DETAILS
23-27	CONTOUR GRADING
28-30	DRAINAGE PLAN
31-32	DRAINAGE PROFILE
33	DRAINAGE DETAILS
34	DRAINAGE QUANTITIES
35-41	UTILITY PLAN
42	CONSTRUCTION AREA SIGNS
43-45	TRAFFIC HANDLING
46-52	SIGN & PAVEMENT DELINEATION PLAN
53	SIGN QUANTITIES
54	SUMMARY OF QUANTITIES
55-58	IRRIGATION DETAILS
59	PLANTING PLAN
60-61	ELECTRICAL PLANS

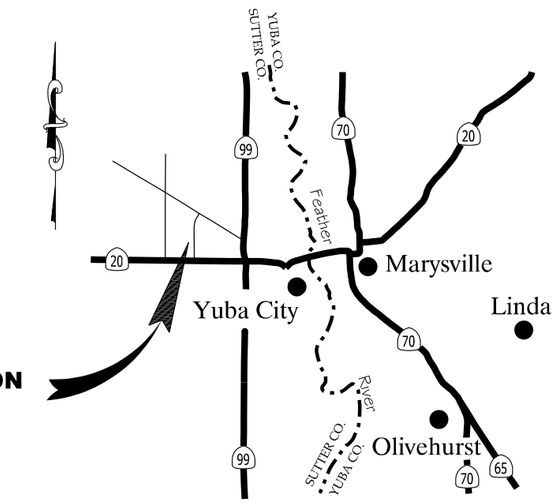
STANDARD ABBREVIATIONS

AB	AGGREGATE BASE
AP	ANGLE POINT
BC	BEGIN HORIZONTAL CURVE
BEG	BEGIN
BVC	BEGIN VERTICAL CURVE
CLF	CHAIN LINK FENCE
CONC	CONCRETE
DG	DECOMPOSED GRANITE
DI	DRAINAGE INLET
DSB	DIDAR S. BAINS
EC	END HORIZONTAL CURVE
ELEV	ELEVATION
EP	EDGE OF PAVEMENT
EVC	END VERTICAL CURVE
FG	FINISHED GRADE
FL	FLOW LINE
GB	GRADE BREAK
GTR	GUTTER
HMA	HOT MIX ASPHALT
LT	LEFT
NO	NUMBER
OG	ORIGINAL GROUND
PCC	POINT OF COMPOUND CURVE
PG	PROFILE GRADE
PIP	PROTECT IN PLACE
POT	POINT ON TANGENT
PRC	POINT OF REVERSE CURVE
PUE	PUBLIC UTILITY EASEMENT
RCP	REINFORCED CONCRETE PIPE
RT	RIGHT
RSP	ROCK SLOPE PROTECTION
R/W	RIGHT OF WAY
SHLDR	SHOULDER
STA	STATION
TBW	TOP BACK OF WALK
TG	TOP OF GRADE
TOC	TOP OF CURB
VAR	VARIABLE; VARIES
VPI	VERTICAL POINT OF INTERSECTION



LOCATION MAP
No Scale

PROJECT LOCATION
(SEE LOCATION MAP)



VICINITY MAP
No Scale

Approved By:

BENJAMIN MOODY, PE
PUBLIC WORKS & DEVELOPMENT SERVICES
DIRECTOR
CITY OF YUBA CITY
RCE 72383 EXP. 06/30/26

Date

FOR REDUCED PLANS ORIGINAL SCALE IS IN INCHES 0 1 2 3

ALL DIMENSIONS SHOWN IN FEET UNLESS OTHERWISE NOTED

CONTRACT No. 19-01

PLAN SCALE: AS SHOWN
PROFILE SCALE:
HORIZ:
VERT:

CONTRACT NO: 19-01
DESIGNED: J. BARAJAS
DRAWN: J. BARAJAS
CHECKED: E. ESPINOZA
RECORD DRAWINGS: DATE:

DOKKEN ENGINEERING
110 BLUE RAVINE ROAD 1200
FOLSOM, CA 95630
PHONE: (916) 858-5400
FAX: (916) 858-5401

CITY OF YUBA CITY

SUTTER BIKE PATH GAP CLOSURE
TITLE SHEET

SHEET NO. 1 OF 61

$DATE$
$FILEABBREV$

CITY OF YUBA CITY
STAFF REPORT

Date: August 20, 2024
To: Honorable Mayor & Members of the City Council;
From: Public Works
Presentation By: Ben Moody, Public Works & Development Services Director

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Summary

Subject: Citywide Signal Hardware Upgrades (Plans & Specifications)

Recommendation: Adopt a Resolution adopting a CEQA Class 1 Categorical Exemption, approving the plans and specifications, and authorizing advertisement for bids for the Citywide Signal Hardware Upgrades Project (24-09)

Fiscal Impact: $800,000 - Engineer's Estimate
$550,000 - Account No. 1314 (Citywide Signal Hardware Upgrades)
$250,000 - Account No. 1317 (SHS Signal Hardware Upgrades)

Purpose:

To promote vehicle and pedestrian safety by upgrading and improving signal hardware at various signalized intersections throughout the City.

Council's Strategic Goal:

This project addresses the City Council's Strategic Goal of improving the City's infrastructure.

Background:

The City of Yuba City strives to provide better and safer transportation infrastructure to its residents and visitors. In August 2020, the City developed the Systemic Safety Analysis Report (SSAR) to identify safety issues through collision analysis and developing systemic low-cost countermeasures. Upgrading traffic signal hardware was one such countermeasure identified in the SSAR as a systemic, citywide safety project.

The SSAR was then used to submit a grant application through the Caltrans Highway Safety Improvement Program (HSIP) and to secure funding for this project. Two grants were awarded for the project, one for city-owned traffic signals, and one for Caltrans-owned traffic signals, within the City limits.

The locations to be addressed are shown on the Project Location Map (Attachment 2).

Analysis:

Public Works has prepared the project plans, specifications, and cost estimate for the Citywide Signal

Hardware Upgrades Project. The project involves the improvements of signal hardware at fifty-three (53) signalized intersections throughout the City. The scope of improvements includes new backplates, replacing 8" light bulbs with 12" light bulbs, installation of LED internally illuminated street name signs, upgrading Type IX street name signs, and installing retroreflective tape on backplates. With Council approval of the plans and specifications and authorization to advertise for bids, staff proposes the following schedule weather permitting:

Advertise for Bid:	September 2024
Award Contract:	October 2024
Start of Construction:	November 2024
Completion:	March 2025

The plans and specifications for the project are on file in the Public Works Department at City Hall and at http://www.yubacity.net/publicworksplans for review.

Fiscal Impact:

The estimated project cost is $800,000. This estimate includes 15% contingency and 10% construction management to reflect total project cost. The project will be funded primarily with HSIP funds through CIP Account No. 1314 (Citywide Signal Hardware Upgrades) and CIP Account No. 1317 (SHS Signal Hardware Upgrades). Detailed fiscal impacts will be presented to Council at the award of the contract based on the actual bid amounts.

Environmental:

Staff has performed a preliminary environmental assessment of this project and has determined that it falls within Class 1 Categorical Exemption set forth in CEQA Guidelines Section 15301, as improving and upgrading signal hardware on existing City facilities are defined as repairs, maintenance, or minor alterations of existing public facilities, involving negligible or no expansion of existing or former use. Further, none of the exceptions to Categorical Exemptions set forth in CEQA Guidelines 15300.2 apply to this project.

Alternatives:

A. Provide staff with alternative direction regarding priority locations and/or modify project scope.
B. Delay or cancel proposed project

Recommendation:

Adopt a Resolution adopting a CEQA Class 1 Categorical Exemption, approving the plans and specifications, and authorizing advertisement for bids for the Citywide Signal Hardware Upgrades Project (24-09).

Attachments:
1. Resolution – Approval of Plans and Specifications
2. Project Location Map

Prepared By:	Submitted By:
Fabiola Vazquez	Diana Langley
Assistant Engineer	City Manager

ATTACHMENT 1

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUBA CITY ADOPTING A CEQA CLASS 1 CATEGORICAL EXEMPTION, APPROVING THE PLANS AND SPECIFICATIONS, AND AUTHORIZING ADVERTISEMENT FOR BIDS FOR THE CITYWIDE SIGNAL HARDWARE UPGRADES PROJECT (24-09)

WHEREAS, the Public Works Department intends to solicit bids for construction of the Citywide Signal Hardware Upgrades Project (24-09).

NOW, THEREFORE, be it resolved and ordered by the City Council of Yuba City as follows:

1. The City has performed a preliminary environmental assessment of this project relative to California Environmental Quality Act (CEQA) requirements and the City Council finds and determines that the project falls within Class 1 Categorical Exemption set forth in CEQA Guidelines Section 15301, as improving and upgrading signal hardware on existing City facilities are qualifying repairs, maintenance, or minor alteration of existing public facilities involving negligible or no expansion. Further, none of the exceptions to Categorical Exemptions set forth in CEQA Guidelines Section 15300.2 apply to this project.

2. The plans and specifications for the Citywide Signal Hardware Upgrades Project (24-09) be approved.

3. The Public Works Department is hereby authorized and directed to advertise for bids for the Citywide Signal Hardware Upgrades Project (24-09).

The foregoing resolution was duly and regularly introduced, passed, and adopted by the City Council of the City of Yuba City at a regular meeting thereof held on the 20th day of August, 2024.

AYES:

NOES:

ABSENT:

_____
Wade Kirchner, Mayor

ATTEST:

_____

Ciara Wakefield, City Clerk Administrator

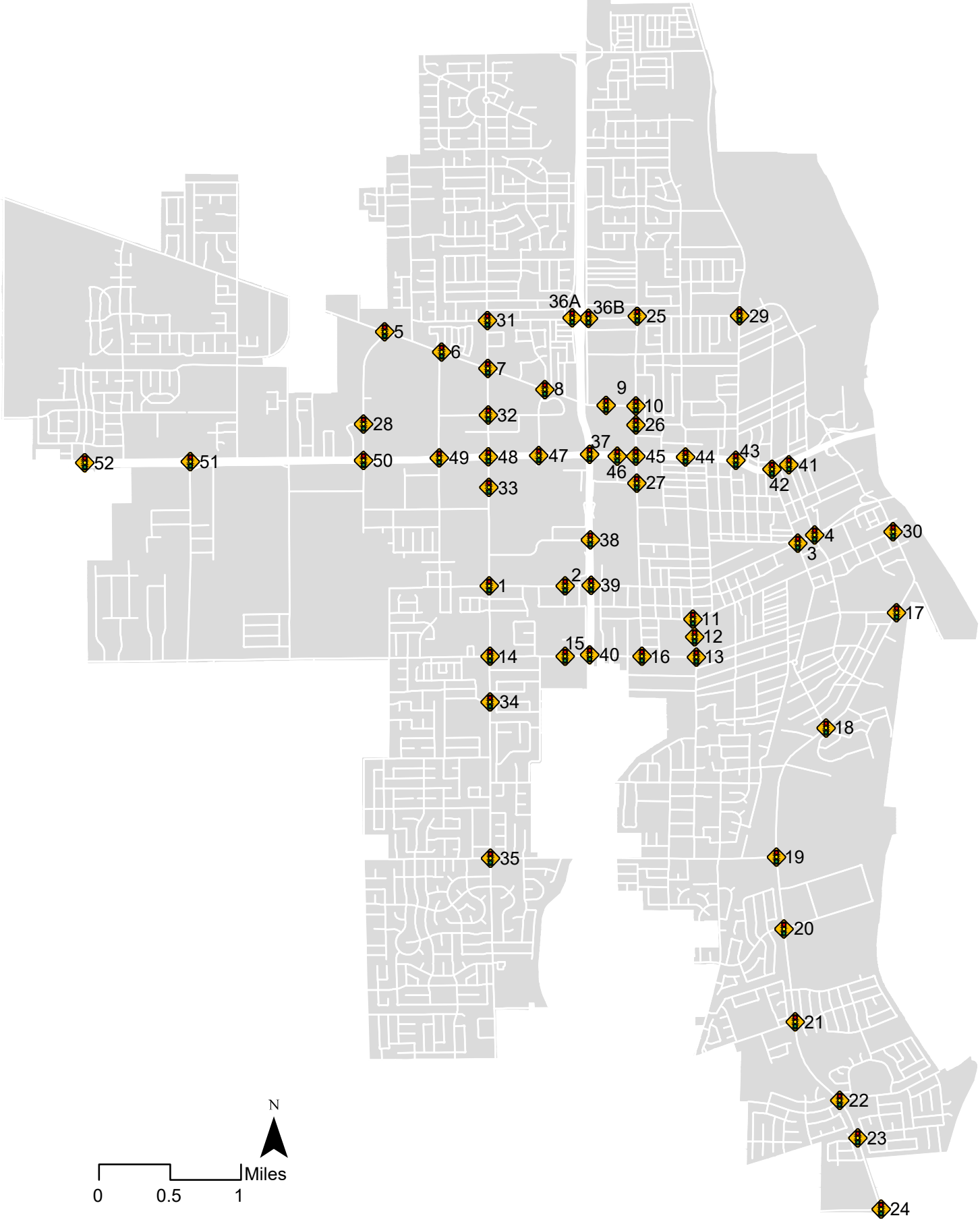
APPROVED AS TO FORM
COUNSEL FOR YUBA CITY:

_____

Shannon L. Chaffin, City Attorney
Aleshire & Wynder, LLP

ATTACHMENT 2

CITYWIDE SIGNAL HARDWARE UPGRADES
PROJECT LOCATION MAP



SITE	LOCATION
1	BRIDGE ST & WALTON AVE
2	BRIDGE ST & OJI WAY
3	BRIDGE ST & PLUMAS ST
4	BRIDGE ST & SHASTA ST
5	BUTTE HOUSE RD & HARTER PKWY
6	BUTTE HOUSE RD & THARP RD
7	BUTTE HOUSE RD & STABLER LN
8	BUTTE HOUSE RD & CIVIC CENTER BLVD
9	BUTTE HOUSE RD & YUBA PLAZA
10	BUTTE HOUSE RD & GRAY AVE
11	CLARK AVE & B ST
12	CLARK AVE AT YCHS CROSSWALK
13	CLARK AVE & FRANKLIN AVE
14	FRANKLIN AVE & WALTON AVE
15	FRANKLIN AVE AT WINCO
16	FRANKLIN AVE & GRAY AVE
17	GARDEN HWY & FRANKLIN AVE
18	GARDEN HWY & PERCY AVE
19	GARDEN HWY & LINCOLN RD
20	GARDEN HWY & BURNS DR
21	GARDEN HWY & BOGUE RD
22	GARDEN HWY & SHANGHAI BEND RD
23	GARDEN HWY & EUREKA DR
24	GARDEN HWY & STEWART RD
25	GRAY AVE & QUEENS AVE
26	GRAY AVE & AINSLEY AVE
27	GRAY AVE & LOUISE AVE
28	HARTER PKWY & N COLUSA FRONTAGE RD
29	LIVE OAK BLVD & QUEENS AVE
30	SECOND ST & B ST
31	STABLER LN & QUEENS AVE
32	STABLER LN & POOLE BLVD
33	WALTON AVE & SAM'S CLUB
34	WALTON AVE & CAMINO DE FLORES
35	WALTON AVE & LINCOLN RD

SITE	LOCATION
36A	SR 99 & QUEENS AVE (WEST)
36B	SR 99 & QUEENS AVE (EAST)
37	SR 99 & SR 20
38	SR 99 & SUNSWEET BLVD
39	SR 99 & BRIDGE ST
40	SR 99 & FRANKLIN RD
41	SR 20 & SHASTA ST
42	SR 20 & PLUMAS ST
43	SR 20 & LIVE OAK BLVD
44	SR 20 & CLARK AVE
45	SR 20 & GRAY AVE
46	SR 20 & ROCCA WAY
47	SR 20 & CIVIC CENTER BLVD
48	SR 20 & N WALTON AVE
49	SR 20 & THARP RD
50	SR 20 & HARTER PKWY
51	SR 20 & N GEORGE WASHINGTON BLVD
52	SR 20 & WESTERN PKWY

Agenda Item **20**

CITY OF YUBA CITY
STAFF REPORT

Date: August 20, 2024
To: Honorable Mayor & Members of the City Council;
From: Fire Department
Presentation By: Jesse Alexander, Fire Chief

Summary

Subject: Medical Priority Dispatch System

Recommendation: Adopt a Resolution awarding the purchase of a Medical Priority Dispatch System, ProQA, to Priority Dispatch of Salt Lake City, UT, in the amount of $113,102, with the finding that it is in the best interest of the City

Fiscal Impact: $113,102 plus staff time for training and implementation - Account No. 2170-62701
$13,310 annually ongoing cost

Purpose:

To implement a Medical Priority Dispatch System (MPDS), ProQA, at the Yuba City Dispatch Center, which will provide the ability to classify medical-aid calls based on level of acuity.

Council's Strategic Goal:

The implementation of an MPDS will address Council's goal of Public Safety.

Background:

Emergency Medical Dispatch (EMD), a system of categorizing and prioritizing emergency calls to help assess the severity of the medical incident and determine what resources need to be dispatched, is an accepted part of pre-hospital care and can significantly impact patient outcomes. The Yuba City Dispatch Center utilizes card sets, which are manual cards that dispatchers reference to ask a series of medical questions and provide instructions. However, the manual card sets are no longer supported by the vendor, Priority Dispatch, and do not provide the opportunity to record emergency medical calls based on acuity.

The Yuba City Fire Department (YCFD) responds to a variety of calls throughout the year. As reflected in Table 1, 60.6% of the calls that the YCFD responded to in 2023 were emergency medical-aid calls. The YCFD utilizes a Code 3 response to all medical-aid calls, meaning lights and sirens are activated, to dispatch a fire apparatus and corresponding crew, regardless of level of acuity.

Table 1: *2023 Calls for Service Broken Down by Call Type*

Incident Type	Number	Percentage
Fire	347	3.2%
Emergency Medical	6,595	60.6%
Rescue/Vehicle Accident	627	5.8%
Hazardous Materials/Conditions	188	1.7%
Good Intent/Service Calls	2,743	25.2%
False Alarm	377	3.5%
Total:	10,877	100%

Analysis:

In a fully implemented EMD system, also known as a Medical Priority Dispatch System (MPDS), EMD is interfaced with the computer-aided dispatch (CAD) system so that once the initial vital questions are asked, the software gives a determinant of the level of response required - from the highest priority - ECHO - down through DELTA, CHARLIE, BRAVO, and finally the lowest priority - ALPHA. Adopting a structured protocol EMD call-taking system has many benefits including:

- Streamlines and accelerates training, provides consistency and standards, reduces risk and cost, and improves performance.
- Increases the quality and priority of information transfer gathered and relayed to responders.
- Accurately and consistently prioritizes events based on information that is gathered in a manner that addresses the most critical and scene safety/life-threatening information first.
- Records medical-aid calls based on acuity.
- Allows YCFD staff to analyze call data for opportunities to make operational improvements.
- Provides Bi-County Ambulance, the pre-hospital care ambulance provider within Yuba City and Sutter County, data to deploy the appropriate level of response - Advanced Life Support, Basic Life Support, Code 2 or 3, or even non-emergency referrals.

The Sutter County Sheriff's Department has an MPDS through Priority Dispatch, though it is understood that the utilization of the system is currently on hold. Staff recommends purchasing an MPDS, ProQA, from Priority Dispatch due to their long-standing established leadership in the field and for consistency within the region for Bi-County Ambulance.

Fiscal Impact:

The initial cost to purchase ProQA is $113,102, and includes the software, licenses, training, and implementation support. Once the program is implemented, the ongoing annual cost for system license renewal, services, and support is $13,310. The Communications Division of the Police Department has several vacancies which will result in significant salary savings for FY 24/25. Staff proposes to utilize salary savings to fund the upfront cost of $113,102.

Alternatives:

Do not proceed with implementing a Medical Priority Dispatch System at this time and recommend that staff submit the request as part of the FY 25/26 budget process.

Recommendation:

Adopt a Resolution awarding the purchase of a Medical Priority Dispatch System, ProQA, to Priority Dispatch of Salt Lake City, UT, in the amount of $113,102, with the finding that it is in the best interest of the City.

Attachments:

1. Attachment 1 - Resolution - Priority Dispatch
2. Attachment 2 - ProQA Proposal

Prepared By:	Submitted By:
Diana Langley	Diana Langley
City Manager	City Manager

ATTACHMENT 1

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUBA CITY AWARDING THE PURCHASE OF A MEDICAL PRIORITY DISPATCH SYSTEM TO PRIORITY DISPATCH OF SALT LAKE CITY, UT, IN THE AMOUNT OF $113,102, WITH THE FINDING THAT IT IS IN THE BEST INTEREST OF THE CITY

WHEREAS, Emergency Medical Dispatch (EMD) is a system of categorizing and prioritizing emergency calls to help assess the severity of the medical incident and determine what resources need to be dispatched; and

WHEREAS, the Yuba City Dispatch Center utilizes an EMD consisting of card sets manufactured by Priority Dispatch that are no longer supported; and

WHEREAS, the Yuba City Fire Department responds to a variety of calls throughout the year, of which a large percentage are medical-aid calls; and

WHEREAS, a fully implemented EMD system, also known as a Medical Priority Dispatch System (MPDS), would provide the ability to determine the level of response required for medical-aid calls – from the highest priority – ECHO – down through DELTA, CHARLIE, BRAVO, and finally the lowest priority - ALPHA; and

WHEREAS, implementing an MPDS has many benefits including: streamlining and accelerating training of dispatchers, providing consistency and standards, reducing risk and cost, and improving performance; and

WHEREAS, Priority Dispatch of Salt Lake City, UT, is a recognized industry vendor of MPDS's; and

WHEREAS, the Sutter County Sheriff's Department has an MPDS from Priority Dispatch so that the purchase of a system through Priority Dispatch would provide regional consistency, and

WHEREAS, the City has met the requirements to sole source the contract pursuant to City Purchasing Policy section 9-3.1.2; and

WHEREAS, the City Council now desires to authorize the sole source purchase of a MPDS from Priority Dispatch.

NOW, THEREFORE, be it resolved by the City Council of Yuba City as follows:

1. The City Council finds that all the facts set forth in the recitals above are true and correct and incorporated herein.

2. The City Council finds that a sole source award is appropriate on grounds including that Priority Dispatch is an established and recognized provider of MPDS's throughout the nation, and that purchasing a system from Priority Dispatch maintains consistency within the region, which is important for Bi-County Ambulance's operations. Given this, the City Council finds that it is in the best interest of the City to make a sole source award to Priority Dispatch for a Medical Priority Dispatch System. As such, the City Council of the

City of Yuba City awards the purchase of a Medical Priority Dispatch System to Priority Dispatch of Salt Lake City, UT, in the amount of $113,102.

The foregoing Resolution was duly and regularly introduced, passed, and adopted by the City Council of the City of Yuba City at a regular meeting thereof held on the 20th day of August, 2024.

AYES:

NOES:

ABSENT:

_____
Shon Harris, Mayor

ATTEST:

_____
Ciara Wakefield, Deputy City Clerk

APPROVED AS TO FORM
COUNSEL FOR YUBA CITY:

_____
Shannon Chaffin, City Attorney
Aleshire & Wynder, LLP

QUOTE

110 Regent Street, Suite 500
Salt Lake City, UT 84111
USA
www.prioritydispatch.net
Prepared By: Tim Martin
Phone: (800) 363-9127
Direct:
Email: tim.martin@prioritydispatch.net

Agency:	Yuba City Police Department
Agency ID#:	1696
Quote #:	Q-71563
Date:	3/10/2024
Offer Valid Through:	5/2/2024
Payment Terms	Net 30
Currency:	USD

Bill To:
Yuba City Police Department
PO BOX 3447
Yuba City, California 95992-3447
United States

Ship To:
Yuba City Police Department
1545 Poole Blvd
Yuba City, California 95993-2615
United States

Product	Qty	Amount
Xlerator: 1-20 License	1	USD 3,850.00
ProQA Supervisor License **Supervisor Software Licenses Monitoring and reporting software**	1	USD 2,475.00
ProQA Production/Live License **Automated calltaking software**	5	USD 23,375.00
AQUA Case Review Software **Quality Assurance (case review) software base engine and discipline module**	1	USD 2,750.00
Installation and Configuration **technical assistance for software installation and configuration for IT personnel**	1	USD 6,353.00
ProQA & AQUA Reports Training Remote - **(4 hours) for administrators, managers and supervisors on ProQA and AQUA reporting functions**	1	USD 179.00
ProQA Software Training Remote **Per person cost for four hours of ProQA software** **training completed in a virtual, instructor-led environment**	8	USD 1,432.00
AQUA Software Training Remote **Per person cost for a 6 hour course completed in a virtual, instructor-led environment**	4	USD 916.00
Certification Training ED-Q On-site (Per) **Materials, tuition and certification (2 days, 16 hours)**	4	USD 2,620.00
Implementation Support **Implementation support and quality management program development**	1	USD 33,000.00
Q Plus (Per Call) **Expert case review and reporting. Subscription auto-renews without written cancellation**	936	USD 20,592.00
ACE Accreditation New Application **IAED fee for accreditation**	1	USD 2,250.00
The One Plan Maintenance Package **System License Renewal, Services & Support**	1	USD 13,310.00
	Year 1 Implementation and Support TOTAL:	USD 113,102.00

"To lead the creation of meaningful change in public safety and health."

QUOTE

Product	Qty	Amount
The One Plan Maintenance Package **System License Renewal, Services & Support**	1	USD 13,310.00
	Year 2 Service and Support TOTAL:	USD 13,310.00

Subtotal	USD 113,102.00
Estimated Tax	
Total	USD 113,102.00

Customer Signature:		**Date:**	
Customer Name:		**Purchase Order ID:**	
Expiration Date:			

TERMS AND CONDITIONS

This quote is valid for 120 days from date of issue. All prices quoted are exclusive of any applicable taxes, duties, or government assessments relating to this transaction, which are the sole obligation of Buyer. You can find it here: https://prioritydispatch.net/licensing/

"To lead the creation of meaningful change in public safety and health."

Agenda Item **21**

CITY OF YUBA CITY
STAFF REPORT

Date: August 20, 2024
To: Honorable Mayor & Members of the City Council;
From: Administration Department
Presentation By: Diana Langley, City Manager

Summary

Subject: 2024 Nagar Kirtan Sikh Parade
Recommendation: Receive an update from the Sikh Parade Ad Hoc Committee on the planning efforts for the 2024 Nagar Kirtan Sikh Parade
Fiscal Impact: None

Purpose:

To receive an update on the public safety planning efforts for the annual Sikh Parade, scheduled for November 3, 2024.

Council's Strategic Goal:

This addresses Council's goal of Public Safety.

Background:

Every year on the first Sunday in November, the Gurdwara Sahib Sikh Temple (Temple) on Tierra Buena Road hosts the Nagar Kirtan which includes a parade that begins at the Temple, which is located in Sutter County, and continues through the northwestern portion of Yuba City. In December 2023, City Council designated Mayor Harris and Vice Mayor Shaw to lead a Sikh Parade Ad Hoc Committee to work with Temple representatives on coordination of the required Special Event Permit from the City.

Analysis:

Mayor Harris and Vice Mayor Shaw will provide a status update on planning efforts and the Special Event Permit.

Fiscal Impact:

None.

Recommendation:

Receive an update from Sikh Parade Ad Hoc on the planning efforts for the 2024 Nagar Kirtan Sikh Parade.

Attachments:
None

Prepared By:
Diana Langley
City Manager

Submitted By:
Diana Langley
City Manager

Future Agenda Items

- Councilmember Boomgaarden
- Councilmember Kirchner
- Councilmember Pasquale
- Vice Mayor Shaw
- Mayor Harris

Reports and Communications

The following reports and communication items are provided for the Council's information. No action can be taken on items under this section unless the Council agrees to include it on a subsequent agenda

City Manager's Report

Reports and Communications

The following reports and communication items are provided for the Council's information. No action can be taken on items under this section unless the Council agrees to include it on a subsequent agenda

City Council Reports

- Councilmember Boomgaarden
- Councilmember Kirchner
- Councilmember Pasquale
- Vice Mayor Shaw
- Mayor Harris

Adjournment