

May 10, 2010

Council Meeting
May 25, 2010

Honorable Mayor and Members
Of the Torrance City Council
City Hall
Torrance, California

Members of the City Council:

SUBJECT: Approve renewal of contracts and adopt RESOLUTION related to 457 Deferred Compensation Plans and 401(a) Defined Contribution Plans for City of Torrance employees.

RECOMMENDATION:

Recommendation of the **City Treasurer**, as the Plan Administrator; that City Council:

1. Approve the renewal of the Contract with Great West Life & Annuity Insurance Company to be the City of Torrance Deferred Compensation Program retirement plan vendor for a period of 2 years; and
2. Adopt a **RESOLUTION** approving a Service Agreement, Annuity Contracts and Letter Agreement with Great West Life & Annuity Insurance Company related to the 457 Deferred Compensation Plans and the 401(a) Defined Contribution Plans for the City of Torrance Employees.

FUNDING

N/A

BACKGROUND:

In 1974, an IRS 457 Deferred Compensation Plan was adopted, with the City Treasurer appointed as Plan Administrator, to provide a tax exempt method for employees to defer income for retirement. The funds are currently invested with Great West Life & Annuity Insurance Company ("Great West") in both Fixed Income Fund options and variable mutual funds. Great-West continues to be rated A+ by A.M. Best, which is a superior rating based on Insurance Company ratings.

In City of Torrance's continuing efforts to improve and enhance its employee benefits, the Deferred Compensation Plan Committee (the "Committee") benchmarked the services and costs associated with Great West. To assist with this project, the City engaged Benefit Funding Services Group ("BFSG") to conduct an evaluation of the retirement plan marketplace. BFSG is an independent fiduciary consulting firm providing customized solutions to committees of public and private sector retirement plans.

ANALYSIS:

Through evaluation of the City's plans' objectives and demographics, the retirement plan vendor universe was narrowed from 100+ vendors to twelve, including the incumbent. A customized Request for Proposal (RFP) was drafted and sent to the following vendors:

- Diversified
- Fidelity
- Hartford
- ICMA-RC
- ING
- Nationwide
- PERS
- PARS (part time plan only)
- Prudential
- TIAA-CREF
- T. Rowe Price
- Great West (incumbent)

The following six vendors declined to respond: Fidelity; Hartford; ING; PERS; Prudential; and T. Rowe Price. The remaining six responded accordingly.

The next step involved an initial vendor analysis detailing the responses from each vendor, which resulted in a narrowing of the list of six vendors down to three based on the Committee's criteria outlined below:

- Vendor's proven commitment to City of Torrance's core market
- State-of-the-art technology and premium recordkeeping platform
- Investment flexibility and performance
- Maintain or reduce current plans' costs
- Ability to offer personalized educational services and financial planning assistance to the City employees

Additional due diligence was performed on the 3 vendors (Great West; ICMA-RC; and Nationwide) to evaluate their capabilities in these four broad categories:

1. Recordkeeping/Administration, with an emphasis on outsourcing day to day administrative functions
2. Investment flexibility
3. Participant education, communication and financial planning assistance
4. Costs

The results of the detailed vendor analysis demonstrated that the two vendors best suited to meet the needs of City of Torrance were ICMA-RC or Great West. These two finalists were brought in for in-person finals presentations, with a focus on participant education/communication, plan sponsor/participant website experience, compliance support and administrative capabilities.

After extensive review of the materials submitted by each vendor, the analysis done by BFGS, and the in-person presentations, the Committee determined that Great West continues to be the best fit for the City of Torrance Deferred Compensation Program based on the following factors:

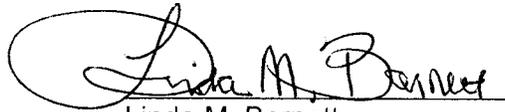
1. Outstanding service to the City of Torrance for 20+ years
2. Strong employee education/communication support, including the ability to offer Financial Planning at very competitive costs
3. Flexibility in accommodating the City's request to eliminate restrictive Fixed Fund options from the Plans

4. A willingness to provide additional services and benefits to accommodate the City's needs, such as complete QDRO (Qualified Domestic Relations Order) outsourcing and loan repayments from terminated participants
5. The use of lower expense ratio funds, which results in savings for participants, and a reduction in revenue requirements, resulting in the City having a greater reimbursement account to use towards plan-related expenses

In order to implement the enhanced changes, the Great West Contract agreements for the Deferred Compensation Program must be approved and executed. A copy of said Contracts is available for review in the City Clerk's Office during regular business hours.

The contracts have been reviewed by the City Treasurer's Office and the City Attorney's Office and have been approved as to form.

Respectfully submitted,



Linda M. Barnett
City Treasurer

Noted:


LeRoy J. Jackson
City Manager

ATTACHMENTS:

- (1) Great West Service Agreement and Exhibits (Special Limited Distribution)
- (2) Resolution

Great-West Retirement Services®

AGREEMENT FOR RECORDKEEPING AND COMMUNICATION SERVICES

§457(b) Deferred Compensation Plan “A”

Group No. 98215-01

And

§457(b) Deferred Compensation Plan “B”

Group No. 98215-02

And

§401(a) Defined Contribution Plans

Group No. 98215-03;

Group No. 98215-04;

Group No. 98215-05; and

Group No. 98215-06

Great-West Retirement Services®

AGREEMENT FOR RECORDKEEPING AND COMMUNICATION SERVICES

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Great-West Retirement Services®

AGREEMENT FOR RECORDKEEPING AND COMMUNICATION SERVICES

This Agreement is entered into by and between Great-West Life & Annuity Insurance Company ("Great-West"), located at 8515 East Orchard Road, Greenwood Village, CO 80111 ("Home Office"), and/or any successor, assign or affiliate, and the City of Torrance (hereinafter referred to as "Plan Sponsor"), located at 3031 Torrance Blvd., Torrance, CA 90503 with respect to the services to be provided to the Deferred Compensation Plan A (hereinafter referred to as the "457 Plan A"), the Deferred Compensation Plan B (hereinafter referred to as the "457 Plan B") and 401(a) Defined Contribution Plan (hereinafter referred to as the "401(a) Plan") (or collectively as the "Plan" or "Plans").

WHEREAS, Plan Sponsor has established or adopted the 457 Plan for its eligible employees in accordance with Section 457 of the Internal Revenue Code ("Code") and all applicable federal regulations, state and/or municipal statutes for the purpose of providing retirement plan benefits to employees, and

WHEREAS, Plan Sponsor has established or adopted the 401(a) Plan for its eligible employees in accordance with Section 401(a) of the Internal Revenue Code ("Code") and all applicable federal regulations, state and/or municipal statutes for the purpose of providing retirement plan benefits to employees, and

WHEREAS, Plan Sponsor (or its designee) serves as the Plan Administrator and named fiduciary of the Plan, and

WHEREAS, Plan Sponsor has placed all 457 Plan assets into a trust, custodial account or annuity contract meeting the requirements of Section 457(g) of the Code, or is serving as self-trustee, and will continue to meet such requirements for the duration of this Agreement, and

WHEREAS, Plan Sponsor has placed all 401(a) Plan assets into a trust, custodial account or annuity contract meeting the requirements of Section 401(a) of the Code, or is serving as self-trustee, and will continue to meet such requirements for the duration of this Agreement, and

WHEREAS, the parties agree that, on the Effective Date, this Agreement shall replace in its entirety the Agreement for Recordkeeping and Communication Services ("Prior Agreement") between Great-West Life & Annuity Insurance Company and that was effective May 28, 2004, and

WHEREAS, Great-West has agreed to act in a non-fiduciary capacity as directed, nondiscretionary service provider and Great-West will facilitate the performance of the services outlined in this Agreement as directed by Plan Sponsor in compliance with all applicable federal, state and local laws and regulations.

NOW THEREFORE, the parties hereby agree as follows:

I. Recordkeeping Services Provided by Great-West under this Agreement

A. Participant Account Establishment

Great-West will establish Participant and related data on its recordkeeping system that includes, but is not limited to, indicative data (name, address, birth date, etc.).

Great-West will provide assistance to coordinate the establishment of Participant contribution processing to its recordkeeping system.

B. Participant Account Information

A Participant account will consist of the following:

1. Participant indicative data when received by Great-West in good order at its Home Office as follows:
 - a. Name
 - b. Gender
 - c. Social Security Number
 - d. Mailing Address
 - e. Telephone Number
 - f. Date of Birth
 - g. Beneficiary Information.

For Group Nos. 98215-01 (457(b) "A" Plan); 98215-03, 98215-04, 98215-05, and 98215-06 (401(a) Plans) only

Plan Sponsor hereby instructs and authorizes Great-West to accept, maintain and file all Beneficiary designation forms received by it in good order and in a manner acceptable to Great-West without Plan Sponsor's signature. If spousal consent is required by the Plan, Plan Sponsor instructs Great-West to rely on the marital status specified by the Participant on the Beneficiary designation form and to obtain spousal consent, when applicable.

2. Current investment allocation for each investment option authorized by Plan Sponsor.
3. Current account balances of each Participant in each investment option authorized by Plan Sponsor.

C. Online Enrollment

Plan Sponsor hereby instructs Great-West to allow online enrollment and agrees to utilize the Plan Service Center ("PSC"), or other mutually agreed to process, and provide a full Payroll Data Interchange ("PDI") file with a listing of all employees and required information as requested from time to time. Once the PDI file is transmitted, Plan Sponsor instructs Great-West to issue a Personal Identification Number ("PIN") to every eligible employee allowing enrollment in the Plan through the website

D. Investment Options

1. Authorized Investment Options

For Group No. 98215-02 – Plan Sponsor has selected the Custom Stable Asset Fund, the FutureFunds II package of fixed and variable annuity investment options issued by the Great-West Life & Annuity Insurance Company for the Plan.

For Group Nos. 98215-01, 98215-03, 98215-04, 98215-05 and 98215-06 – Plan Sponsor has selected the Custom Stable Asset Fund and a number of mutual funds, consisting initially of the investment options listed in the Initial Authorized Investment Option Exhibit (“Authorized Investment Options”).

Plan Sponsor may replace the Authorized Investment Options at any time

Sixty (60) days advance written notice of the intent by either party to add or terminate an investment option is required. Great-West will cooperate with Plan Sponsor to terminate or add new investment options and Great-West will assist Plan Sponsor in appropriately notifying Participants of any changes via Participant quarterly statements. Great-West agrees that such replacement(s) in extraordinary situations will be made as soon as practicable, as agreed to by the parties. If any of the Authorized Investment Options are terminated in the future, and Plan Sponsor wishes to replace the terminated option(s), Plan Sponsor agrees to replace the terminated option(s) with an available fund from any fund company that currently has, or will enter into, a trading agreement with Great-West.

2. Designated Investment Option

Plan Sponsor initially designates the Custom Stable Asset Fund investment option (“Designated Investment Option”) for amounts received from Participants, including contributions, transfers and direct rollovers, without complete allocation instructions. The Designated Investment Option shall remain in effect for amounts received from Participants, including contributions, transfers and direct rollovers, without complete allocation instructions until Plan Sponsor selects a new investment option. Once the Participant provides complete allocation instructions in good order to Great-West, future contributions will be invested pursuant to such instructions. However, funds deposited into the Designated Investment Option will remain invested therein until the Participant initiates transfer instructions.

3. Self-Directed Brokerage Account

Provided Great-West’s Letter of Instruction Regarding Self-Directed Brokerage Account, the Self-Directed Brokerage (“SDB”) Provider’s plan application, SDB Provider’s investment restriction form and any other documents required by SDB provider (collectively “SDB Provider Documents”) have been executed, the SDB Account shall be available to the Plan. The SDB shall be administered according to Great-West’s current SDB Policies and Procedures Exhibit attached to this Agreement.

E. Valuation of Participant Account Balances

Participant Account Balances held with respect to the Plan will be accounted for as follows:

1. Amounts that are not guaranteed as to principal or interest will be accounted for at their fair market value as of the close of each Business Day. The term "Business Day" is defined as any day, and only for as many hours as, the New York Stock Exchange is open.
2. Amounts receiving a guaranteed interest rate and a guarantee of principal will be accounted for at book value. Interest will be accounted for on a daily effective method.

F. Contributions, Transfers and Limitations

All parties agree that purchases and sales of securities at the direction of Plan Participants will be effected through a broker/dealer affiliate of Great-West. Instructions for the purchase, sale, exchange or transfer of shares on behalf of the Plan shall be transferred to GWFS Equities, Inc. for processing.

1. Contributions

Contributions sent directly online to Great-West's recordkeeping system (currently called the "Plan Service Center") and processed by 12:00 Midnight Mountain Time will be allocated effective the next Business Day (at that Business Day's unit value). If contributions are processed via the Plan Service Center after 12:00 Midnight Mountain Time, they will be effective the next Business Day thereafter. Funds must be sent via Automated Clearinghouse (ACH) within the Plan Service Center system functionality.

2. Transfers

Participant initiated transfers will be processed and effective the Business Day they are received at Great-West's Home Office, if received before the close of the New York Stock Exchange (typically 4:00 p.m. Eastern Time or such earlier time as may have to be implemented to comply with any applicable future law, rule or regulation). If transfers are received at Great-West's Home Office after the close of the New York Stock Exchange, transfers will be processed and be effective the next Business Day (or such earlier time as may have to be implemented to comply with any applicable future law, rule or regulation).

3. Transfer Limitations

Plan Sponsor hereby acknowledges receipt of and agrees to adhere to the terms and conditions of the Market Timing and Excessive Trading Procedures attached to this Agreement as the Procedures for Complying with Fund Company Market Timing and Excessive Trading Policies Exhibit.

G. Automated Voice Response System

Participants will have access to a toll free, automated voice response system to inquire or make applicable changes with respect to their account from a touch-tone telephone.

Inquiry services available from the automated voice response system will utilize share prices, unit values and account balances, which are as of the last calculated unit value/share price.

The recordkeeping system is available 24 hours a day, except for routine maintenance of the system, which when necessary generally takes place on Sunday between the hours of 12:01 a.m. Mountain Time and 12:01 p.m. Mountain Time. However, the recordkeeping system may be unavailable at other times if necessary for maintenance.

H. Internet Site

Participants will have access to a web site to inquire or make changes with respect to their account via the Internet.

The web site is available 24 hours a day, except for routine maintenance of the system, which when necessary generally takes place on Sunday between the hours of 12:01 a.m. Mountain Time and 12:01 p.m. Mountain Time. However, access to the web site may be limited or unavailable during periods of peak demand, market volatility, systems upgrades, maintenance or for other reasons.

The appearance (content) of the Internet web site will be customized in terms of such items as the Plan Sponsor's logo, information and colors, headers, fonts, news message, URL www.torrance457.com. The web site functionality and access to system data cannot be customized. Mutually agreeable enhancements to the web site's content and errors in the web site's content will be completed/corrected on a weekly basis after written notification is received at the Home Office. Corrections to the functionality of Great-West's recordkeeping system or data records maintained on the recordkeeping system shall be made only as mutually agreeable.

I. Client Service

Client service representatives will be available toll-free from Great-West's Home Office to answer Participant questions and process applicable transactions requested between the hours of 6:00 a.m. Pacific Time and 5:00 p.m. Pacific Time each Business Day.

J. Plan Sponsor Access to Recordkeeping System

Plan Sponsor may access online the recordkeeping system (currently called the "Plan Service Center") to inquire or make changes while administering the Plan.

Representative(s) will be made available to assist and train employees of Plan Sponsor in properly accessing and processing transactions on to the recordkeeping system as requested.

The recordkeeping system is available consistent with the availability of the automated voice response system.

K. Reporting

1. Participant Statements

Each Participant will receive a statement of his/her account summarizing all activity for the previous calendar quarter, including:

- a. Beginning and ending balances.
- b. All transactions processed during the quarter, including contributions.
- c. Interest or change in value.
- d. Fees/Charges (if applicable).
- e. Transfers and withdrawals for the quarter.

Participants will have the option to access such statements via the Electronic Filing Cabinet within the web site or continue to receive such statements via the mail. Participant statements will continue to be mailed for those Participants who do not specifically elect to access their statements via the web site. However, if a Participant elects to access his or her Participant statement via the web site, no future Participant statements will be mailed to that Participant. For those Participants who desire to change their election (from website to mail), future statements for those Participants will be mailed each quarter after the election change.

Such statements will be available on the website or mailed within twenty (20) Business Days of the end of each calendar quarter, or within ten (10) Business Days after receipt of information in good order from third party sources, whichever is later. The parties acknowledge that the first quarterly statement may be available at a later date while records are being established.

If Participant statements are to be mailed, statements will be mailed to each Participant's last known home address as provided by Plan Sponsor and/or Prior Recordkeeper.

Participants will also have access to their account activity via a voice response unit, KeyTalk[®], and the web site. Should notification of any errors on a Participant's statement be received at the home office within ninety (90) days after the statement date, Great-West will retroactively correct the error(s). However, should errors not be identified within ninety (90) days of the statement date or if the errors have been made by the Participant, Plan Sponsor or other third party, the error(s) will be corrected, but not made effective retroactively.

2. Employer Reporting

a. Employer Plan Summary

Plan Sponsor will receive an Employer Plan Summary Report summarizing plan level assets and Participant account balances no

later than thirty (30) Business Days after each calendar quarter end, or within ten (10) Business Days after receipt of information in good order from third party sources, whichever is later. However, the first report may be delayed beyond this thirty (30) Business Day period while records are being set up. The following plan information is outlined in the report:

- 1) Account summary—a summarization of plan transactions and assets.
- 2) Summarization of contributions processed.
- 3) Withdrawals.
- 4) Annuities purchased, if applicable.
- 5) Periodic payments.
- 6) Investment option grand totals—summarizes both dollars and units/shares and plan activity.
- 7) Investment option totals by money type—summarizes both dollars and units/shares and money type activity.
- 8) Participant summary—report of account activity for each Participant.

b. Annual Plan Review

Plan Sponsor will receive an Annual Plan Review including the following information:

- 1) Review of enrollment efforts.
- 2) Asset allocation information/contribution distributions (investment options and fixed/variable split).
- 3) Voice response usage and enhancements.
- 4) Benefit payments.
- 5) Direct online system access - current services and available services.
- 6) Legislative updates.

c. Great-West agrees to provide Plan Sponsor with an annual investment performance report. Great-West has contracted with Advised Assets Group, LLC ("AAG"), a registered investment advisor and a wholly owned subsidiary of Great-West Life & Annuity Insurance Company, to provide this service to Great-West. AAG does not act as a fiduciary in the issuance of this report.

L. Regulatory Updates

Great-West agrees to periodically make information available concerning federal legislative activity of which Great-West is aware which may affect the Plan and related funding contracts. Such information, however, does not constitute legal or tax advice regarding the legal sufficiency of the Plan.

M. Benefits, Tax Withholding and Reporting

For any benefit payment request that cannot be processed without the Plan Sponsor's signature according to the provisions of the Agreement, upon receipt of complete payment instructions from Plan Sponsor by Great-West at its Home Office, benefit payments to Participants and beneficiaries will be made within two (2) Business Days. For the purposes of this Agreement, "complete payment instructions" means that all of the requested information on the Participant benefit request form has been completed along with the required signature(s) and Great-West has completed its review of the claim in accordance with applicable sections of this Agreement. The benefit payments with respect to each Participant account will be made, tax withheld and the tax reporting reported as follows:

1. A record will be maintained of any distribution from the Plan made with respect to the Participant and the reason for the distribution.
2. Appropriate federal and state income tax withholding and tax reporting that is applicable at the time of the distribution will be performed and sent to the Participant or beneficiary for each benefit payment from the Plan with respect to the Participant or beneficiary.
3. The income tax withholding will be forwarded to the Internal Revenue Service and other appropriate state entities and will be completed by the applicable due dates.
4. Information will be provided to the Internal Revenue Service annually showing an accounting of all Participants who have received distributions during the previous calendar year.

N. Distribution Processing Other than for Death and Disability

Plan Sponsor hereby approves and instructs Great-West to process, without Plan Sponsor signature, Participant requests for distribution due to severance from service for any reason other than disability or death, that are received in good order and in a manner acceptable to Great-West, if Plan Sponsor provides Great-West a full Payroll Data Interchange ("PDI") file with Participant termination dates and addresses and up-to-date full service vesting information electronically.

If Plan Sponsor does not provide the Participant's termination date or other required information, Plan Sponsor instructs Great-West to route the request to Plan Sponsor for approval before processing the distribution. Plan Sponsor instructs Great-West to rely on the marital status specified by the Participant on the Distribution Request form for spousal consent purposes.

O. Unforeseeable Emergencies

Plan Sponsor agrees to provide up-to-date vesting, if applicable, and address information on all Participants in the Plan with each payroll remittance (full PDI) and agrees to retain Great-West to perform deferral processing services pursuant to the previous section. Plan Sponsor instructs Great-West to process, without Plan Sponsor signature, all Unforeseeable Emergency Requests ("Requests") received in good order, and in a manner satisfactory to Great-West, due to an unforeseeable emergency as described below resulting in a severe financial hardship to the Participant or Beneficiary that cannot be alleviated by any other means available to the Participant. Plan Sponsor further instructs Great-West to rely on any and all representations made by a Participant in a Request, including, but not limited to:

1. An illness or accident of the Participant or Beneficiary, the Participant's or Beneficiary's spouse, or Participant's or Beneficiary's dependent (as defined in Internal Revenue Code §152, and for taxable years beginning on or after January 1, 2005, without regard to §152(b)(1), (b)(2) and (d)(1)(B));
2. Loss of the Participant's or Beneficiary's property due to casualty;
3. The following extraordinary and unforeseeable circumstances if they arise as a result of events beyond the control of the Participant or Beneficiary:
 - a. The imminent foreclosure of or eviction from the Participant's or Beneficiary's primary residence;
 - b. The need to pay for medical expenses, including nonrefundable deductibles, as well as the cost of prescription drug medication; and
 - c. The need to pay for the funeral expenses of a spouse or a dependent (as defined in Internal Revenue Code §152, and, for taxable years beginning on or after January 1, 2005, without regard to §152(b)(1), (b)(2) and (d)(1)(B)) of Participant or Beneficiary.

SITUATIONS NOT QUALIFYING FOR WITHDRAWAL

Except in extraordinary circumstances, the following are examples of situations that are not considered eligible for withdrawal:

1. Purchase of real estate;
2. Payment of college tuition;
3. Unpaid rent or mortgage payments, except in the event of imminent foreclosure or eviction;
4. Unpaid utility bills;
5. Loan repayments;
6. Personal bankruptcy (except when resulting directly and solely from illness, casualty loss or other similar extraordinary and unforeseeable circumstances beyond your control);
7. Payment of taxes, interest or penalties; or

8. Marital separation or divorce.

Plan Sponsor will make the determination with respect to any unforeseeable emergency distribution request that does not clearly fall within the guidelines set forth above and shall be the arbitrator of all appeals.

In the event of any changes to applicable laws and/or regulations, Great-West may revise this authorization and instruction from time to time and without further notice to Plan Sponsor. This authorization and instruction shall remain in effect until revoked by either party.

For each Participant receiving an unforeseeable emergency distribution, Plan Sponsor instructs Great-West to notify Plan Sponsor to suspend elective deferrals for the period required by the Plan, if any. For each Request that cannot be processed due to its failure to satisfy an unforeseeable emergency event, Plan Sponsor instructs Great-West to notify the Participant to contact Plan Sponsor if he or she wishes to appeal the determination.

P. Safe Harbor Hardships

Plan Sponsor agrees to provide and address information on all Participants in the Plan with each payroll remittance (full PDI) and Plan Sponsor agrees to retain Great-West to perform deferral processing services as set forth in this Agreement. Plan Sponsor instructs Great-West to process, without Plan Sponsor signature, all Safe Harbor Hardship Requests ("Requests") received in good order, and in a manner satisfactory to Great-West, pursuant to the safe harbor distribution events listed below resulting in an immediate and heavy financial need to the Participant that cannot be alleviated by any other means available to the Participant. Plan Sponsor further instructs Great-West to rely on any and all representations made by a Participant in a Request, including, but not limited to:

1. Participant has taken all available in-service distributions from the Plan; and
2. Participant has obtained all non-taxable loans available under all Plans maintained by Plan Sponsor to the extent such loan(s) would not cause the Participant to incur an additional financial hardship.

A distribution is deemed to be for an immediate and heavy financial need if it is made for any one or a combination of the following safe harbor reasons as defined in Section 1.401(k)(d)(3)(iii)(B), as amended from time to time:

1. Medical expenses (described in Code Section 213(d) previously incurred by the Participant, the Participant's primary beneficiary, spouse or any dependents (as defined in Code Section 152, and for taxable years beginning on or after January 1, 2005, without regard to section 152(b)(1), (b)(2) and (d)(1)(B));
2. The need to prevent the eviction of the Participant from his/her principal residence or foreclosure on the mortgage of the Participant's principal residence;

3. The purchase (excluding mortgage payments) of a principal residence of the Participant;
4. The payment of tuition and related educational expenses for the next 12 months of post-secondary education for the Participant, the Participant's primary beneficiary, spouse, children or dependents (as defined in Code Section 152, and for taxable years beginning on or after January 1, 2005, without regard to section 152(b)(1), (b)(2) and (d)(1)(B));
5. Funeral or burial expenses for the Participant's deceased primary beneficiary, parent, spouse, children or dependents (as defined in IRC Section 152, and for taxable years beginning on or after January 1, 2005, without regard to section 152(b)(1), (b)(2) and (d)(1)(B)); or
6. Principal residence repair expenses for repair of damage to the employee's principal residence that qualifies for the casualty deduction (as defined in IRC Section 165), determined without regard to whether the loss exceeds 10% of adjusted gross income.

For each Participant receiving a hardship distribution, Plan Sponsor instructs Great-West to notify Plan Sponsor to suspend elective deferrals for a 6-month period, or such other period as may be required by the Code, as amended from time to time. For each Request that cannot be processed due to its failure to satisfy a safe harbor event, Plan Sponsor instructs Great-West to notify the Participant to contact Plan Sponsor if he or she wishes to appeal the determination.

In the event of any changes to applicable laws and/or regulations, Great-West may revise this authorization and instruction from time to time and without further notice to Plan Sponsor. This authorization and instruction shall remain in effect until revoked by either party.

Q. Qualified Domestic Relations Orders (QDROs)

Plan Sponsor's approved model form of the Qualified Domestic Relations Order ("QDRO") for the Plan is attached to this Agreement as Plan Sponsor's approved model form of Qualified Domestic Relations Order ("QDRO"). Plan Sponsor hereby approves and instructs Great-West to treat as qualified each QDRO received by Great-West in good order using the model QDRO form, or a form that is similar in all materials respects to the model QDRO form. Great-West is instructed to process the QDRO, without Plan Sponsor signature, by establishing a separate account for the Alternate Payee or, making a lump sum distribution to the Alternate Payee if elected by the time the QDRO is processed. Plan Sponsor instructs Great-West to send a copy of each QDRO confirmation or rejection letter to Plan Sponsor.

Great-West is further instructed to process distribution requests received in good order, and in a manner acceptable to Great-West, from Alternate Payee accounts established before or after the effective date of this Agreement without Plan Sponsor's signature. Plan Sponsor instructs Great-West to calculate any Alternate Payee's QDRO amount based solely on the participant's account records on Great-West's recordkeeping system, and to reject any QDRO that specifies a valuation date prior to the date Great-West began providing recordkeeping services to the Plan.

If the Alternate Payee's awarded share exceeds the value of the Participant's core investment account(s) under the Plan to which the order applies, Great-West shall notify the Participant in writing to liquidate and transfer the necessary remaining sum from the Self-directed Brokerage ("SDB") into the core investment options to enable the implementation of the QDRO. If the Participant fails to transfer the necessary amount within 15 business days of the date of the notification letter, Great-West is instructed to notify the SDB provider to liquidate all of the Participant's SDB investments, transfer the entire amount into the SDB money market fund and then transfer such amount into the core investment account(s).

Plan Sponsor agrees to make determinations with respect to any orders received that are not materially similar to the Plan's approved model form of QDRO for reasons other than the inclusion of a valuation date which precedes the date Great-West commenced providing recordkeeping services to the Plan.

R. Loans

If loans are available under the Plan, Plan Sponsor agrees that all loans shall be account reduction loans repaid by payroll deduction and consistent with the loan policy and the procedures established by the recordkeeper from time to time. Plan Sponsor instructs Great-West to process, without Plan Sponsor approval, Participant loan requests submitted through a form acceptable to Great-west or through the website, if Plan Sponsor provides Great-West with Participant information in a full PDI file and up-to-date full service vesting information electronically. Home loans will be routed to Plan Sponsor for its authorization. Participants will be subject to the fees in the loan documents.

S. Code Section 457(b) Sample Plan Document and Adoption Agreement

Great-West will offer a sample Plan document, an adoption agreement, and any Plan document amendments that may be required due to changes in applicable laws and regulations, prior to the date required.

T. Code Section 401 Plan Document

Great-West will offer, through a document vendor, a model Plan document, an adoption agreement, and any Plan document amendments that may be required due to changes in applicable laws and regulations, prior to the date required.

U. Rollovers from Other Eligible Code Section 457 Governmental Plans, Code Sections 401(a), 401(k) & 403(b) Plans & IRAs

1. 457 Plans

If the Plan(s) accepts pre-tax rollovers from other eligible retirement plans, including Individual Retirement Accounts or Annuities ("IRAs"), beginning January 1, 2002 or thereafter, separate accounts will be maintained for rollovers from eligible Code section 457 plans, Code section 401(a), 401(k) and 403(b) plans and IRAs. Other accounts may be established from time to time for plan administration.

2. 401(a)/(k) Plan(s)

If the Plan(s) accepts rollovers from other eligible retirement plans, including Individual Retirement Accounts or Annuities ("IRAs"), beginning January 1, 2002 or thereafter, separate accounts will be maintained for rollovers from eligible Code Section 457 plans, Code Section 401(a), 401(k) and 403(b) plans, IRAs and direct rollovers of after-tax contributions from an Code Section 401(a) or 401(k) plan, if any. Other accounts may be established from time to time as required for plan administration.

Plan Sponsor agrees that rollovers will be administered according to the rollover procedures established by the recordkeeper from time to time. Amounts distributed from rollover accounts will be tax reported pursuant to the internal revenue laws in effect on the date of the distribution.

V. Code Section 402(f) Notice

Great-West shall provide the Internal Revenue Service Model Notice, as amended from time to time, to Participants pursuant to Code Section 402(f).

W. Required Minimum Distribution at Age 70 ½

Great-West will provide a notice and distribution form to each Participant attaining age 70½ or older in the current calendar year. The notice informs the Participant that required minimum distributions must begin no later than April 1 of the calendar year following the later of age 70 ½ or retirement.

II. Communication Responsibilities

A. Special Representations

1. Representative(s) assigned to perform services under this Agreement will be properly licensed, trained and supervised with respect to the conduct of their business activities.
2. Representative(s) will provide information in a manner consistent with applicable insurance and securities law. However, information supplied to Participants shall not constitute "investment and/or tax advice" upon which Plan Sponsor may rely.
3. No representative may discriminate with respect to investment options provided under the Plan. Representative(s) will give equal and fair representations when describing the various investment options available under the Plan.
4. Compensation to representative(s) will not vary based upon investment options selected by the Participants.
5. Plan Sponsor will be able to participate in the selection of the on-site representatives assigned to the Plans.

B. Communication Materials

Great-West will provide participant educational and communication materials regarding financial investing and retirement options. These materials will be customized to include the Plan Sponsor's brand and enhanced services and may include, but are not limited to, newsletters, brochures, and other materials as mutually agreed upon.

C. Group Presentations

Representative(s) will conduct group meetings at which some or all of the following will be communicated:

1. Summary of the key provisions of the Plan.
2. Summary of investment options.
3. Discussion of services including automated voice response system inquiry, retirement planning, and investment seminars.
4. Instructions on how to sign up for the Plan or request an individual counseling session.

D. Individual Counseling Sessions

Upon request, representative(s) will conduct prescheduled individual counseling sessions utilizing a Participant paycheck analysis, an asset allocation model and retirement counseling services as approved by Plan Sponsor.

E. Miscellaneous Services

Representative(s) will attend periodic Plan Sponsor Committee meetings and will be prepared to provide information regarding program and its activities.

F. Representative(s)

Great-West will assign representative(s) the equivalent of sixty five (65) annual representative days to provide communication and marketing services exclusively to the Plan. Such representative will be responsible for all group meetings and counseling sessions as directed by Plan Sponsor.

G. Retirement Planning Education, Distribution Counseling

Ongoing retirement planning education, distribution counseling and an IRA may also be made available to Participants. The objective is to encourage Participants to roll other retirement plans into this Plan and to remain in this Plan once separated from service. However, where a Participant wants to either contribute or rollover to an IRA, an IRA product will be made available.

H. Plan Participant Surveys

A mutually agreeable annual on-line web site Participant survey will be developed that will include an evaluation of recordkeeping and administration services, Plan Sponsor Committee's performance, comparison with other programs and other items to be

determined by Plan Sponsor and are mutually agreeable. Plan Sponsor will have final approval of the survey instrument before the survey is conducted.

I. Financial Planning Services

Plan Sponsor hereby instructs, as fiduciary to the Plan, that a Registered Investment Adviser (RIA), which shall be a wholly-owned subsidiary of Great-West, provide participants access to financial planning reports and one-on-one consultations which will include:

- Financial Needs Assessment
- Asset Allocation
- Retirement Distribution Summary
- Financial Needs Summary

As part of this service provided by the RIA, the first 250 financial plans provided by the RIA per annum shall be provided at no additional charge in the base Annual Recordkeeping and Communication Fee as set forth in Article VIII of this Agreement. Once the annual 250 financial plan minimum per annum has been met, the Plan or participant will be charged \$75 per financial plan for each financial plan exceeding the 250 per annum, as may be agreed to with the RIA.

III. **Miscellaneous Provisions**

Great-West and Plan Sponsor specifically accept and agree to each of the following requirements:

A. Confidentiality of Data and Privacy Notice

Great-West shall treat all Plan, Participant and customer information or data received from Plan Sponsor and/or Participants as confidential. Great-West shall not disclose confidential information to a third party or use such information except for the purpose of providing services under this Agreement without the written approval of Plan Sponsor. Any third party retained by Great-West to provide services under this Agreement and who has access to confidential information relating to a customer, Plan Sponsor or Plan Participant, shall agree in writing to be bound by provisions similar to those of this section of the Agreement and to use such confidential information only for the performance of specific services under this Agreement. Great-West may disclose information as permitted or required by law without prior written consent of Plan Sponsor. Great-West's current Privacy Notice is attached to this Agreement as the Privacy Notice Exhibit. By executing this Agreement, Plan Sponsor acknowledges receipt of said policy. Such policy shall be updated periodically by Great-West.

B. Business Continuity Plans Notice

Great-West's current Business Continuity Plans notice is attached to this Agreement as the Business Continuity Plans Notice Exhibit. By executing this Agreement, Plan Sponsor acknowledges receipt of said policy. Such policy may be updated periodically by Great-West.

C. Responsibilities at Termination

Upon relinquishing responsibilities at the termination of the Agreement, the following information will be provided within thirty (30) Business Days of termination of the Agreement in the recordkeeping system's standard format:

1. All Participant indicative data maintained on the recordkeeping system, including beneficiary information;
2. Each Participant account balance as of the termination date;
3. Participant current investment allocation and deferral information;
4. Information regarding outstanding periodic payments, QDROs and hardships, if any.
5. Reasonable cooperation to help facilitate transition.

Participant statements and Employer Plan Summaries will be provided up to and including the statement for the last calendar quarter covered by this Agreement.

D. Insurance

Great-West shall procure and maintain the following:

1. Commercial General Liability Insurance covering all of Great-West's operations hereunder, including, but not limited to, liability assumed under Section VI Hold Harmless and Indemnification provision below, with liability limits of not less than (1) ten million dollars (\$10,000,000) for injury or death of any one person (2) ten million dollars (\$10,000,000) for injury or death of two or more persons; and (3) ten million dollars (\$10,000,000) as a combined single limit.
2. Workers' Compensation in the amount required by the State of California, where applicable.
3. A Fidelity Bond as required by regulatory agencies in an amount of not less than twenty-five million dollars (\$25,000,000).
4. Errors and Omissions Insurance for all Great-West employees and agents on a self-insured basis for services rendered or performed by such employees and agents within the course and scope of their employment or agency relationship with Great-West, alleged to fall below the standard of care which a reasonably prudent person shall exercise under the same or similar conditions.

Proof of such insurances shall be given to Plan Sponsor upon request.

IV. Plan Sponsor Responsibilities

- A. Neither this Agreement nor any duties or obligations hereunder may be assigned or subcontracted by Great-West without prior written consent of Plan Sponsor. However, Plan Sponsor hereby agrees Great-West may utilize the service of an

affiliate within its controlled group to perform any services of this Agreement and Great-West shall remain responsible for such affiliate's compliance with this Agreement.

- B. Plan Sponsor hereby appoints Great-West to exclusively provide the non-discretionary recordkeeping, communication and other services set forth in this Agreement for the Plan for the term of this Agreement.
- C. Plan Sponsor agrees that if Plan Sponsor changes the reporting format for contribution reporting, two (2) weeks advance notice will be given by Plan Sponsor to test the new format before monies are remitted on the new file format. If Plan Sponsor does not provide two (2) weeks advance notice of the new reporting format, then contributions will be made effective two (2) Business Days from receipt of such monies sent in with the new file format.
- D. Plan Sponsor authorizes that employees may be contacted at (his/her) home or business address to obtain information needed to perform the services set forth in this Agreement.
- E. Plan Sponsor agrees to provide all information necessary for Great-West to perform its duties set forth in this Agreement.
- F. Plan Sponsor agrees to use its best efforts, including, if necessary, the termination of a participating investment provider(s), to secure and maintain the cooperation of the participating investment provider(s) in providing the timely and accurate transmittal of data, including providing daily interest rates and unit/share values, required by Great-West pursuant to its responsibilities to the Plan.
- G. Should Plan Sponsor choose a custodial or trust account, the trustee/custodian must be able to interface with the recordkeeping system in a "passive" role and all the monies must be sent to the omnibus custodial bank account. Plan Sponsor agrees to require trustee/custodian to provide all information in the possession of trustee/custodian that is necessary for the performance of the recordkeeping duties under this Agreement.
- H. Plan Sponsor agrees to facilitate the scheduling of group and individual presentations and to provide facilities at which both Plan Sponsor and Great-West mutually agree that satisfactory attendance can be expected.

V. Warranty, Indemnification and Limitation of Liability

Great-West agrees to indemnify Plan Sponsor from and against any and all expenses, costs, reasonable attorney's fees, settlements, fines, judgments, damages, penalties or court awards ("Damages") actually incurred which are the direct result of any breach of this Agreement by Great-West, or any failure by Great-West to perform its obligations under this Agreement in a manner consistent with generally accepted industry standards.

Notwithstanding anything to the contrary herein, Great-West shall not be liable to Plan Sponsor for any Damages relating to or resulting from: 1) any breach of this Agreement by Plan Sponsor; 2) any direction of Plan Sponsor or any authorized agent thereof; or 3) any direction of any third party retained by Plan Sponsor to provide services relating to the Plan, including but not limited to an investment advisor, or any authorized agent thereof.

In no event will Great-West be liable for indirect, special, consequential, or punitive damages arising from its obligations under this Agreement, whether or not foreseeable. The parties agree that this section represents a reasonable allocation of risk and will survive the termination of this Agreement. Plan Sponsor agrees to be bound by any other limitations on warranties, indemnification and liability that are set forth the Agreement and all attachments hereto.

Plan Sponsor acknowledges that Great-West, its affiliates and their directors, officers, employees, and authorized representatives are not responsible for investment performance of any authorized investment options under the program.

VI. Notification

All notices, requests, demands or other communications provided for or required by this Agreement (or any instrument or document delivered pursuant to this Agreement) will be in writing.

Notices to Great-West will be addressed as follows:

Great-West Retirement Services®, Charles P. Nelson, President and
Beverly A. Byrne, Chief Compliance Officer
8515 East Orchard Road, 10T2
Greenwood Village, CO 80111

and

Great-West Retirement Services®, Usha Archer, Regional Director
655 N. Central Ave. #1900
Glendale, CA 91203
Phone: (800) 382-8924

Notices to Plan Sponsor will be addressed as follows:

Linda Barnett, Treasurer
City of Torrance
3031 Torrance Blvd.
Torrance, CA 90503

Each party may designate a different address by sending written notice to the other parties, to be effective within ten (10) days of the date of the notice.

VII. Agreement Term and Termination

This Agreement will be in effect on **June 1, 2010** or such later date as this Agreement has been signed by both Plan Sponsor and Great-West (the "Effective Date"). The term of the Agreement is for a period of two (2) years from June 1, 2010 through May 31, 2012 with automatic renewal for successive one (1) year periods unless either Plan Sponsor or Great-West provides ninety (90) days written notice prior to the expiration of the period.

In addition to any other remedies in this Agreement, this Agreement may be terminated for cause. For purposes of this Agreement, "cause" is defined as malfeasance, misfeasance,

fraud, and/or material breach of any of the material services provided by the Great-West in the Agreement.

Either Great-West or the Plan Sponsor may terminate this Agreement immediately in the event the other party commits an act of malfeasance, misfeasance, and/or fraud.

In the event Great-West commits a material breach in its performance of a material service under this Agreement and Great-West fails to cure such breach within ninety (90) days after written notification, the Plan Sponsor may terminate this Agreement. Such ninety (90) day period such begin with receipt of a written notice from the Plan Sponsor specifying the material breach. If more than ninety (90) days are required by Great-West to cure such default or breach, a reasonable time in excess of ninety (90) days may be established, provided both parties agree in writing as to the time period to be substituted. Such agreement will not be unreasonably withheld.

After receipt by Great-West of a notice that a material breach of any of the services as described above, Great-West is obligated to continue to provide all services outlined in this Agreement including the services in violation. If Great-West remedies the violation within such cure period in a manner acceptable to the Plan Sponsor, whose acceptance shall be evidenced in writing and shall not be unreasonably withheld, the notice of termination shall not become effective. If the violation is not "cured" as indicated above, the Plan Sponsor may terminate the Agreement on the termination date specified in the notice.

Once a notice of termination becomes effective, the obligations under this Agreement shall cease at a date specified by the Plan Sponsor not longer than three (3) months after the effective termination date.

VIII. Recordkeeping, Communication and Other Fees

A. Annual Recordkeeping and Communication Fee

The parties have agreed that the basic Recordkeeping and Communication Fees payable to Great-West under this Agreement shall not be less than 0.12% of total variable/mutual fund Participant account balances per annum in Group #98215-01 through #98215-06 combined as described below. The parties further agree that such fees are to be paid, to the extent possible, from fees Great-West and/or one or more of its affiliates receives from mutual fund families and other investment providers for providing certain administrative or other services ("Revenue"). The 0.12% annual amount will be calculated quarterly (at the rate of .03%) on the average total variable/mutual fund Participant account balances for the calendar quarter. The average total variable/mutual fund Participant account balance shall be determined using the following formula:

Total variable/mutual fund Participant account balances on the first day of the calendar quarter (or the first day of Agreement Term if later) plus total variable/mutual fund Participant account balances on the last day of the calendar quarter (or the last day of the Agreement term if earlier) divided by 2. Partial quarters at the beginning and end of the Agreement Term(s) shall be calculated on a pro-rata basis.

In the event that the Revenue paid to Great-West by the investment providers total less than 0.12% per annum of the average total variable/mutual fund Participant

account balances each calendar quarter, the Plan will pay Great-West the difference between the amount of Revenue Great-West received from the investment providers and the 0.03% quarterly fee. The Plans may pay the difference to Great-West by instructing Great-West to collect the difference from Participant account balances.

B. Revenue Sharing to the Plan

In the event the Revenue paid to Great-West in respect of the Plans exceeds 0.12% annually (as calculated in A above), such excess amount will be paid by Great-West to the Plans within forty-five (45) days after each calendar quarter end and shall be placed into an unallocated trust assets account to be used for plan purposes as set forth in the plan document. These assets will be invested in a single investment option as specified by Plan Sponsor. Within forty-five (45) days after each calendar quarter end, Great-West agrees to prepare an accounting of the amount of shareholder service fees, 12b-1 fees and/or reallowances received by Great-West from all investment providers and the applicable amount paid to the unallocated trust assets account.

C. Loan Fees

A \$50 loan origination fee will be deducted from the amount of each loan processed. In addition, a \$25.00 annual maintenance fee per loan will be deducted from the Participant's account in an amount of \$6.25 per quarter.

E. Authorized Investment Option Administration Fees

If Plan Sponsor utilizes more than twenty-five (25) Authorized Investment Options at any one time or requests an investment option that is materially different than the types of investment options currently in use, Great-West reserves the right to modify the fees and services quoted in this Agreement.

F. Bank Credit Disclosure

Great-West may earn credits and/or interest on Plan assets awaiting investment or pending distribution. Any credits or interest earned by Great-West are aggregated with credits and/or interest earned by Great-West affiliates and will be used to defray the aggregate expenses for the maintenance of bank accounts. Great-West will not retain credits and/or interest earned in excess of such maintenance expenses.

Credits and/or interest are earned from the use of (i) uninvested contributions received too late in the day or not received in good order to be invested same-day and (ii) proceeds from investment option redemptions where Plan distribution checks have not been presented for payment by Plan participants. Credits and/or interest (i) begin to accrue on contributions, on the date such amounts are deposited into the bank account and end on the date such amounts are invested pursuant to Plan participant instructions and (ii) begin to accrue on distributions, on the date the check is written or on the wire date, as applicable and end on the date the check is presented for payment or when the wire clears against the account, as applicable. Earnings of credits and/or interest are at the rate the bank provides from time to time.

G. Miscellaneous Fee Provisions

If Plan Sponsor selects a custodian or trustee that requires the procedures or services in this Agreement to change, Great-West reserves the right to adjust fees in this Section.

Should a Participant request an overnight delivery, Great-West will assess the Participant its current overnight delivery fee.

Should a Participant request a payment via Automated Clearing House (ACH) for partial and full withdrawals, Great-West will assess the Participant its current ACH fee.

Should a Participant request a payment via wire for partial and full withdrawals, Great-West will assess the Participant its current wire fee. Partial and full withdrawals mailed by check or via direct deposit will not incur a fee.

A fee of \$250 for each QDRO reviewed and processed will be charged to the Participant and/or Alternate Payee as specified in the Plan's approved model QDRO. The Participant's portion of the fee will be deducted from the Participant's account balance and the Alternate Payee's portion of the fee will be deducted from the Alternate Payee's account or from the lump sum distribution, as applicable.

An annualized fee of **\$60.00** per Plan will be collected from each Participant utilizing the self-directed brokerage option, deducted from each Participant's account balance in an amount of **\$15.00** per quarter. In addition, Participants selecting investment options in the self-directed brokerage option will be assessed separately by the self-directed brokerage option provider its fees, the management and other fees specific to each investment option selected, and the fees noted in this Section of this Agreement.

Plan Sponsor may direct Great-West in writing to assess a mutually agreeable per Participant fee, asset fee, or combination fee to Participants account balances. Such fee(s) may be deposited into an unallocated trust assets account to be used for plan purposes as set forth in the plan document and as directed in writing by Plan Sponsor. These assets may be invested in a single investment option and such fees may be adjusted annually as specified by Plan Sponsor, if applicable.

The parties agree that any services which Great-West is requested to perform beyond the scope of the services described in this Agreement shall be provided at a mutually agreed upon price negotiated prior to the performance of such services.

VII. Performance Guarantees

STANDARD	MEASUREMENT/REWARD-FEE FOR NON-PERFORMANCE
Participant Satisfaction Survey	A mutually agreeable online Web site participant survey will be developed and conducted every other year (or on a schedule as mutually agreeable with the plan) that will demonstrate both statistical significance and validity and will coincide with the following measurements and fee penalties. Such online Web site survey will include an evaluation of recordkeeping and administration

	<p>services, Plan Sponsor Committee's performance, comparison with other programs and other items to be determined by the plan sponsor and are mutually agreeable. The plan sponsor will have final approval of the survey instrument before the survey is conducted. The average score will be based upon a mutually agreed upon weighting of each applicable category surveyed:</p> <p>Measurement/Reward-Non-Performance Fees:</p> <p>Average score 29% or lower: \$5,000 non-performance fee</p> <p>Average score range 30% to 49%: \$3,000 non-performance fee</p> <p>Average score range 50% to 69% \$1,000 non-performance fee</p> <p>Average score range 70% to 100%: no non-performance fee</p>
Web Site Availability	<p>Web site availability will be maintained at an average of ninety five percent (95%) during any prior four (4) calendar quarters. This guarantee is contingent upon the plan sponsor's internet service provider being available one hundred percent (100%) of the time.</p> <p>Reward-Non-Performance Fees</p> <p>In the event that the web site is available on average less than ninety-five percent (95%) during any prior four (4) calendar quarter period and the plan sponsor's internet service provider was available one hundred percent (100%) of the time, a non-performance fee of \$500 shall be paid to the plan(s) for that particular Agreement period.</p>
Contributions	<p>Great-West will correct, at its expense, any errors Great-West commits in processing contributions sent by the plan sponsor directly online to Great-West's recordkeeping system PSC and processed within the PSC system functionality and processing schedules.</p>
Fund Transfers	<p>If notification of a transfer processing error is received in good order as described below, the error will be corrected to one hundred percent (100%) of the value the participant should have received as a result of fund transfers provided:</p> <ul style="list-style-type: none"> • Participant had originally provided complete and accurate information using the automated voice response system and/or Internet web site and the completed transfer is acknowledged by a confirmation number, and • Notification has been received of such error made on the participant's previous statement within ninety (90) days after the statement date. <p>Should notification of an error not be received within the ninety (90) day period of the statement date, or the participant, plan sponsor or other third party has made the error, the error will be corrected current day.</p>
Participant Transaction Confirmations	<p>Confirmations of the following participant transactions completed will be provided within five (5) business days following the transaction:</p> <ul style="list-style-type: none"> • Initial participant account establishment. • Transfers (including dollar cost averaging and rebalancing). • Allocation and deferral, if applicable, changes.

	<ul style="list-style-type: none"> Name, address and beneficiary changes. <p>Reward-Non-Performance Fees</p> <p>If a ninety percent (90%) of all confirmations for the plan have not been mailed within five (5) business days following the transaction effective date during a year of the Agreement, a non-performance fee of \$500 shall be paid to the plan for that particular Agreement year.</p>
<p>Participant Statement Mailing</p>	<p>Starting with the second calendar quarter, ninety percent (90%) of all participant statements will be mailed within fifteen (15) business days of the date that all required information to be included with the statements from third parties is received, including such information as final fund values, return information from the participating investment providers, insurance valuations and all newsletter information from the plan sponsor.</p> <p>Reward-Non-Performance Fees</p> <p>If all of the required information has been received and ninety percent (90%) of all participant statements have not been mailed within fifteen (15) business days after receipt of such required information, a non-performance fee of \$500 per calendar quarter will be paid to the Plan.</p> <p>The fifteen (15) business day standard begins on the business day that all required information to be included with the statements has been received and ends on the date statements are postmarked for mailing.</p> <p>If all of the required information required from third parties has not been received as described above, no non-performance fee will be paid.</p>
<p>Local Serving</p> <p>Number of on-site group seminars</p> <p>Number of on-site Individual Meetings (face to face and phone)</p>	<p>On an annual basis, a minimum of 12 group meetings and 300 individual meetings will be conducted.</p> <p>Reward-Non-Performance Fees</p> <p>A \$500 penalty in any year Great-West fails to conduct at least 12 group meetings.</p> <p>A \$500 penalty in any year Great-West fails to conduct at least 300 individual meetings.</p>
<p>Plan Sponsor Summary Report Mailing</p>	<p>Starting with the second calendar quarter, the Plan Sponsor Summary Report will be mailed within thirty (30) business days of the date that all necessary reconciliation information and all required information to be included with the participant statements from third parties is received, including such information as final fund values, return information from the participating investment providers, insurance valuations and all newsletter information from the plan sponsor.</p> <p>Reward-Non-Performance Fees</p>

	<p>If all of the required information has been received and the Plan Sponsor Summary Report has not been mailed within thirty (30) business days after receipt of such required information, a non-performance fee of \$500 per calendar quarter will be paid to the plan.</p> <p>The thirty (30) business day standard begins on the business day that all necessary reconciliation information and the required information to be included with the statements has been received and ends on the date statements are postmarked for mailing.</p> <p>If all of the required information required from third parties has not been received as described above, no non-performance fee will be paid.</p>
<p>Distributions</p>	<p>Distributions will be processed and ready for mailing within two (2) business days of the receipt (at the Home Office) and acceptance of a properly executed complete and accurate distribution request.</p> <p>Reward-Non-Performance Fees</p> <p>If all of the required information has been received as described above and ninety percent (90%) of all such distributions have not been processed and ready for mailing within two (2) business days after receipt of such required information, a non-performance fee of \$500 per year will be paid to the plan.</p> <p>The two (2) business day standard begins on the business day that all required information has been received and ends on the date the distribution is postmarked for mailing.</p> <p>If all of the required information required has not been received as described above, no non-performance fee will be paid.</p>

IX. Modification and Consent

No modification of any provision of this Agreement and no consent by any party to any deviation from its terms by any other party will be effective unless such modification or consent is in writing and signed by all parties. The modification or consent will be effective only for the period, on the conditions and for the specific instance and purposes specified in such writing. The waiver of any breach of any term or condition in this Agreement will not be deemed a waiver of any prior or subsequent breach. For purposes of this section of this Agreement, writing signed by the parties shall be deemed to include electronic mail transmissions only if such transmissions include PDF or other facsimile transmissions clearly reproducing the manual signature of an officer of each party who is authorized to execute an amendment of this Agreement and specifically referencing this section of this Agreement.

X. Dispute Resolution

- A. Mediation: If there is a dispute arising out of or relating to this Agreement, the parties will make a reasonable and good faith effort to negotiate between themselves a resolution of the matter. If the parties are unable to agree between themselves, and to the extent that the parties are not legally barred from entering into mediation, the parties shall endeavor to resolve any dispute out of or relating to this Agreement by participating in non-binding mediation. The mediation shall be conducted by a private mediator agreed to by both parties or, if the parties cannot agree, by a mediator selected by JAMS (“Judicial Arbitration and Mediation Services”) or another nationally recognized, independent arbitration or mediation organization to which the parties mutually agree. The cost of any agreed upon mediation shall be borne equally by the parties, and each party shall pay its own expenses.
- B. Litigation: If the dispute has not been resolved by non-binding mediation as provided for in paragraph A above, within ninety (90) days of the initiation of such procedure, either party may initiate litigation; provided, however, that if one party has requested the other party to participate in mediation and the other party rejects the proposal to participate, the requesting party may initiate litigation before the expiration of the above period. Litigation shall be conducted in a court of competent jurisdiction located within Los Angeles County, California.

XI. Entire Agreement

This document and any subsequent amendments thereto represent the entire agreement between the parties with respect to the subject matter of this Agreement. Great-West may amend this Agreement without Plan Sponsor’s approval or signature, as required to comply with changes to applicable law. No other amendments shall be made to this Agreement except as mutually agreed to in writing and signed by the authorized agents of each party.

XII. Governing Law

This Agreement will be construed and enforced in accordance with and governed by the laws of the State of California.

XIII. Severability

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

XIV. Authorized Persons

Plan Sponsor and any duly appointed investment advisor(s) will furnish a list to Great-West (and from time to time whenever there are changes therein) of the individuals authorized to transmit instructions to Great-West concerning the Plan and/or assets in the account, and written direction regarding the form of such instructions.

XV. Legal Advice

Nothing in this Agreement is intended to constitute legal or tax advice from Great-West to Plan Sponsor or any other party.

XVI. Force Majeure

None of the parties hereto shall be liable to the other for any and all losses, damages, costs, charges, counsel fees, payments, expenses or liability due to delay or interruption in performing its obligations hereunder, and without the fault or negligence of such party, due to causes or conditions beyond its control including, without limitation, labor disputes, riots, war and war-like operations including acts of terrorism, epidemics, explosions, sabotage, acts of God, failure of power, fire or other casualty, natural disasters or disruptions in orderly trading on any relevant exchange or market, including disruptions due to extraordinary market volume that result in substantial delay in receipt of correct data.

XVII. Signatures

By signing this Agreement, in duplicate, the parties certify that they have read and understood it, that they agree to be bound by the terms of the Agreement, that they have the authority to sign it, and that they have received a signed and dated copy of the Agreement. This Agreement is not binding on either party until approved by both parties.

CITY of TORRANCE
a municipal corporation

By: _____
Frank Scotto, Mayor

Date: _____

ATTEST:

By: _____
Sue Herbers, City Clerk

Date: _____

APPROVED AS TO FORM:

JOHN L. FELLOWS III
City Attorney

By: _____

Date: _____

Great-West Life & Annuity Insurance Company

By: _____
Gregory E. Seller, Senior Vice President
Government Markets

Date: _____

Initial Authorized Investment Option Exhibit**Group Nos. 98215-01, 98215-03, 98215-04, 98215-05 and 98215-06**

Initial Authorized Investment Option Name	Ticker Symbol	Initial Authorized Investment Option Name	Ticker Symbol
Custom Aggressive Lifestyle	N/A	Custom Moderate Lifestyle	NA
Custom Conservative Lifestyle	NA	AllianceBernstein International Growth A	AWPAX
Artisan International	ARTIX	BlackRock EAFE Equity Index Coll F	NA
BlackRock Russell 2000 Index Coll F	NA	Columbia Small Cap Value Fund II – Z	NSVAX
Jennison Small Company A	PGOAX	BlackRock Mid Cap Index – Coll F	NA
Fidelity Advisor Leveraged Co Stock A	FLSAX	JPMorgan Mid Cap Value Fund A	JAMCX
T. Rowe Price Mid-Cap Growth Fund Adv	PAMCX	American Funds Growth Fund R4	RGSEX
American Funds Fundamental Inv R4	RFNEX	BlackRock Equity Index-Coll F	NA
Dodge & Cox Stock Fund	DODGX	Dodge & Cox Income Fund	DODIX
PIMCo Total Return Fund-Admin	PTRAX	Custom Stable Asset Fund	NA

Annuity Contract, Letter Agreement and Contract Amendments Exhibit

**GREAT-WEST LIFE & ANNUITY INSURANCE COMPANY
HOME OFFICE - GREENWOOD VILLAGE, COLORADO
ADMINISTRATIVE OFFICES
GREENWOOD VILLAGE, COLORADO**

GROUP POLICYHOLDER	City of Torrance
GROUP POLICY NUMBER	98215-01, 98215-02, 98215-03, 98215-04, 98215-05, 98215-06
GROUP ANNUITY CONTRACT DATE	June 1, 2010

Group Deferred Stable Asset Fund Annuity Contract, Non-Participating

The provisions on the following pages, together with the Application for this Group Annuity Contract, are part of this Group Annuity Contract.

For the purposes of this Group Annuity Contract, "Plan" means the plan and adoption agreement that the Group Policyholder has designated as the County of Orange 457 Defined Contribution Plan, 401(a) Plan, Extra Help Employees Deferred Compensation Plan, 457 Tier III Defined Contribution Plan and 401(a) Tier III Defined Contribution Plan.

Signed for the Great-West Life & Annuity Insurance Company on the issuance of the Group Annuity Contract on the Annuity Contract Date.

General Counsel and Secretary

President and Chief Executive Officer

For the Actuary

This Group Annuity Contract is a legal contract between the Group Policyholder and the Great-West Life & Annuity Insurance Company. PLEASE READ THIS ANNUITY CONTRACT CAREFULLY. IT IS A CONTRACT WHICH MAY PROVIDE FOR PAYMENTS OR VALUES WHICH ARE NOT GUARANTEED AS TO FIXED-DOLLAR AMOUNT BUT MAY INCREASE OR DECREASE, ACCORDING TO THE INVESTMENT EXPERIENCE OF A VARIABLE ANNUITY ACCOUNT.

Group Deferred Stable Asset Fund Annuity Contract

Form No. STAC 1-95

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SECTION 1. DEFINITIONS

Accumulation Period - the period during which the Participant is covered under this Group Annuity Contract prior to the Participant's Annuity Commencement Date.

Administrative Offices - 8515 East Orchard Road, Greenwood Village, Colorado 80111.

Annuitant - the person upon whose life the payment of an annuity is based.

Annuity Commencement Date - the date on which annuity payments commence under a payment option, which for any Participant is the date required under the Group Policyholder's Plan.

Annuity Payment Period - the period during which the Participant is covered under this Group Annuity Contract after the Participant's Annuity Commencement Date.

Book Value of Participant Annuity Accounts - the sum of the Participant Annuity Account Values on any date during the Accumulation Period.

Book Value of the Separate Account - is determined monthly and defined in greater detail in Section 5.5 of the Contract.

Company - Great-West Life & Annuity Insurance Company.

Competing Fund - any of the following types of funds offered by the Group Policyholder:

- a) any fund with a known or periodically declared rate of interest, or
- b) any money market fund, or
- c) any bond fund with a duration of 3 years or less.

Deposit - contributions, transfers and other amounts deposited to the Stable Asset Fund.

Group Annuity Contract Date - the effective date indicated by the Group Policyholder on the Application for this Group Annuity Contract, or such other date which is acceptable to the Company.

Group Policyholder - the employer of a Participant and the applicant for this Group Annuity Contract.

Interest Rate(s) - an annual effective rate of interest to be determined by the Company prior to the last day of each calendar quarter, effective for Deposits in the next calendar quarter and money already included in the Participant Annuity Account Value. This annual effective rate will never be less than the Minimum Guaranteed Interest Rate and will be compounded daily. Should the interest crediting method be modified by the Company, the Company will provide the Group Policyholder with notice of the changes.

Letter Agreement - a formal written agreement signed by the Company and the Group Policyholder which is used to clarify or modify certain provisions of the Contract and will be attached to and form a part of this Group Annuity Contract.

Market Value of the Separate Account - is determined monthly and defined in greater detail in Section 5.4 of the Contract.

Minimum Guaranteed Interest Rate - equal to 0%.

Participant - an employee who has met the eligibility requirements under the Plan and for whom the Group Policyholder has applied for coverage.

Participant Annuity Account - a separate record in the name of each Participant which reflects his or her pro-rata share in the Stable Asset Fund.

Participant Annuity Account Value - the dollar value of the Participant Annuity Account.

Participant Effective Date - the date on which the first Deposit is credited to a Participant Annuity Account.

Payee - the Group Policyholder or the person, including the Participant, designated to receive the value of the Participant Annuity Account.

Plan - the underlying plan document of the Group Policyholder written in accordance with Section 457, Section 401(a), or Section 401(k) of the Internal Revenue Code. Although the Company may have knowledge of certain provisions of the Plan, the legal sufficiency of the Plan remains solely the responsibility of the Group Policyholder.

SECTION 1. DEFINITIONS (continued)

Premium Tax - the amount of tax, if any, charged by a state or other governmental authority on premiums.

Request - any request in a form, either written, telephoned or computerized, satisfactory to the Company and received by the Company at its Administrative Offices from the Owner, or the Owner's designee, as required by any provision of this Contract, or as required by the Company.

Rollover - Amounts moved from or into the Stable Asset Fund in connection with an eligible plan under Section 401(a) or 401(k) of the Internal Revenue Code. Such amounts shall be moved only upon Request from the Group Policyholder on behalf of a Participant.

Stable Asset Fund - is the Stable Asset Fund separate account, a segregated investment account established by Great-West Life & Annuity Insurance Company under Colorado law. Assets within the Stable Asset Fund will be invested in either securities backed by the full faith and credit of the U.S. government or its agencies or instrumentalities or in investment grade corporate bonds at the time of purchase according to the investment guidelines agreed to by the Group Policyholder and the Company.

Transaction Date - Deposits and Requests will be processed on the date received by the Company at its Administrative Offices provided that its offices are open. Deposits and Requests received after 4:00 p.m. EST/EDT shall be deemed to have been received on the next business day.

Transfer to Other Companies - amounts moved from the Stable Asset Fund to another company upon each Request from the Group Policyholder on behalf of the Participant.

SECTION 2. OWNERSHIP PROVISIONS

2.1 Ownership of the Stable Asset Fund

The Company has absolute ownership of the assets of the Stable Asset Fund. The portion of the assets of the Stable Asset Fund equal to the reserves and other contract liabilities of the Stable Asset Fund are not chargeable with liabilities arising out of any other business the Company may conduct.

2.2 Ownership of the Group Annuity Contract

Upon the Group Policyholder's Application for this Group Annuity Contract, the Group Policyholder becomes the owner of the Group Annuity Contract. It alone has all rights, remedies and recourses given in the Group Annuity Contract, and, while the Group Annuity Contract and the Participant Annuity Accounts are held in respect of Participants, there is no contractual relationship between the Company and the Participants. While the Group Policyholder may request the opinion of the Participant on matters and transactions affecting the Participant Annuity Account, the Group Policyholder may act according to the dictates of its own judgment and discretion.

Subject to the Plan participation provisions, each employee for whom Deposits have been made is a Participant for whom a Participant Annuity Account is kept.

2.3 Transfer and Assignment

The interest of the Group Policyholder in this Group Annuity Contract may not be transferred, sold, assigned, pledged, charged, encumbered, or in any way alienated without the prior written consent of the Company.

SECTION 3. GENERAL PROVISIONS

3.1 The Group Annuity Contract

The Group Annuity Contract is issued by the Company to the Group Policyholder.

3.2 No Competing Funds

The Group Policyholder may not offer Competing Funds, as defined in Section 1 of the Contract.

3.3 Entire Contract

This Group Annuity Contract, its Application, Tables and /or Letter Agreements, if any, form the entire contract between the Group Policyholder and the Company. A copy of the Application is attached to the Group Annuity Contract when issued to the Group Policyholder.

After issue, modifications to the Group Annuity Contract under the Contract Modification provisions become part of the Group Annuity Contract.

All statements in the Application, in the absence of fraud, have been accepted as representations and not as warranties.

Only the President, a Vice-President, or the Secretary of the Company can modify or waive any provisions of the Group Annuity Contract.

3.4 The Plan

The terms and provisions of the Plan do not for any purpose form any part of this Group Annuity Contract and are not binding on the Company.

Notwithstanding the fact that the Company may have knowledge of the terms of the Plan, the obligations of the Company are measured and determined solely by the terms and provisions of this Group Annuity Contract.

3.5 Non-Participating

This Group Annuity Contract is non-participating, meaning that it is not eligible to share in the Company's divisible surplus.

SECTION 3. GENERAL PROVISIONS (continued)

3.6 Currency and Payment of Deposits

All amounts to be paid to or by the Company must be in the currency of the United States of America. All Deposits to this Group Annuity Contract must be made payable to the Company or its designated agent.

3.7 Age

If the age of the Participant or Payee has been misstated, the payments established for him/her under the Participant Annuity Account will be made on the basis of his/her correct age.

If payments were too large because of misstatement, the difference with interest may be deducted by the Company from the next payment or payments. If payments were too small, the difference with interest may be added by the Company to the next payment. This interest will be not less than 4% per year.

3.8 Notice and Proof

Any notice or demand by the Company to or upon the Group Policyholder or any Payee may be given by mailing it to that person's last known address as stated in the Company's file.

An application, report, Request, election, direction, notice or demand by the Group Policyholder or Payee will be made in a form satisfactory to the Company. When the Company requires it, the Group Policyholder will obtain the signature of the Participant's or Payee's spouse on forms provided by the Company.

The Company may require adequate proof of the age and death of any Payee before it admits a claim for or pays any payment.

Written materials developed by the Group Policyholder to describe this Group Annuity Contract must first be approved by the Company.

SECTION 4. PURCHASE PROVISIONS

4.1 Commencement and Termination of Coverage

The Group Policyholder may make application for coverage of any employee if the Company is then accepting applications for coverage under this Group Annuity Contract, unless a Date of Cessation of Deposits has been declared.

An employee for whom an adequate application has been made becomes covered as a Participant as of the Participant Effective Date. Coverage of a Participant terminates upon a total or partial distribution which results in a Participant Annuity Account Value of \$0.

4.2 Deposits

Unless a Date of Cessation of Deposits has been declared, the Group Policyholder may from time to time pay Deposits in cash in respect of a Participant until the earlier of his/her death, Annuity Commencement Date, or the termination of the Participant Annuity Account.

The amount of Deposits to be paid by the Group Policyholder in respect of any Participant will be determined by the Group Policyholder.

The Group Policyholder will report the amount paid as Deposits on forms acceptable to the Company. The Group Policyholder's report is conclusive and binding on it and any person or entity claiming an interest under the Group Annuity Contract or any Participant Annuity Account. When the Group Policyholder's report does not coincide with the Deposits received, the Company may return them.

4.3 Allocation of Deposits

After an adequate application on behalf of a Participant has been made, Deposits, less Premium Tax, if any, will be allocated in the Participant Annuity Account when received by the Company at its Administrative Offices.

Deposits on behalf of the Participant will be allocated to the Stable Asset Fund.

SECTION 5. CONTRACT VALUE PROVISIONS

5.1 Stable Asset Fund Deposits

From time to time, the Group Policyholder, on behalf of a Participant, will make Deposits to the Stable Asset Fund. The Company may offer the Stable Asset Fund to any Participant who, by Request, may allocate any Deposit to the Stable Asset Fund.

5.2 Interest Crediting Method

Interest Rates are calculated quarterly by equating the Book Value of the Separate Account to the Book Value of the Participant Annuity Accounts over the average remaining life of the assets in the separate account unless otherwise agreed to by the Company and the Group Policyholder. Deposits will commence earning interest on the day the Deposit is allocated to the Stable Asset Fund.

5.3 Contract Value

The contract value, at any given time, will either be the Book Value of the Separate Account or the Market Value of the Separate Account, as defined below. The Book Value will apply to Cessation Option #1 when it is elected under Section 11 of this Contract. The Market Value will apply to Cessation Option #2 when it is elected under Section 11 of this Contract.

5.4 Market Value of the Separate Account

The Market Value of the Separate Account is determined monthly or on the Premium Cessation Date. This value is based on the closing market price for each security in the account, less the outstanding balance, if any, of amounts borrowed from the Company's General Account as described in Section 5.6 below, and less the Investment Management Fee described in Section 5.8.

5.5 Book Value of the Separate Account

The Book Value of the Separate Account is determined monthly or on the Premium Cessation Date. This value is the amortized cost of the securities owned by the separate account, plus cash, plus accrued interest, less the outstanding balance, if any, of amounts borrowed from the Company's General Account as described in Section 5.6 below, and less the Investment Management Fee described in Section 5.8.

5.6 Loan from the General Account of the Company

If the amount of any transfer or distribution exceeds the Cash Balance in the Stable Asset Fund, the Stable Asset Fund may borrow such deficiency from the General Account of the Company. The General Account may, but is not obligated to, make loans to the Stable Asset Fund. In the event that a loan is made from the General Account to the Stable Asset Fund, excess funds investments shall not be made in a loan to any one borrower, including all affiliates which shall be treated as one borrower, in an amount exceeding 10% of the capital stock and surplus or 1% of the admitted assets of the lending insurer, whichever amount is greater. All subsequent Deposits and proceeds from the maturities of Stable Asset Fund assets will first be applied to reduce the outstanding balance of this loan. Interest will be charged monthly by the Company's General Account at an annual effective rate equal to the 30 day LIBOR rate, plus .35%, or such other current market rate that is fair and acceptable to the General Account.

5.7 Amortization of Bond Defaults

In the event that any bonds in the Stable Asset Fund go into default, losses will be amortized through the setting of a lower credited Interest Rate.

5.8 Investment Management Fee

An Investment Management Fee will be assessed and deducted against the Stable Asset Fund each calendar quarter. In no event will the Investment Management Fee exceed an annual effective rate of 1.5% of the assets in the Stable Asset Fund.

SECTION 6. TRANSFERS ON BEHALF OF INDIVIDUAL PARTICIPANTS

6.1 Transfers

Except as noted below, the Group Policyholder may make transfers to other non-Competing Funds offered by the Company under another contract, or Transfers to Other Companies by Request on behalf of individual Participants. Such individual Participant Transfers will be based upon the individual Participant's Participant Annuity Account Value.

6.2 Transfer Terms

- a. A transfer will take effect on the Transaction Date.
- b. No transfers are permitted after the Annuity Commencement Date.
- c. When the Group Policyholder is effecting Transfers on behalf of all Participants under the Group Annuity Contract, the Market Value of the Separate Account and the provisions of Section 11 of the Contract shall apply.
- d. When and if the Group Policyholder encourages Participants to transfer out of the Group Annuity Contract, the Market Value of the Separate Account and the provisions of Section 11 of the Contract shall apply.

6.3 Transfers to Other Companies

At any time prior to the Annuity Commencement Date, the Group Policyholder on behalf of the Participant may by Request transfer all or a portion of the Participant Annuity Account Value to an account currently offered by another company under the terms of the Plan and in accordance with the appropriate provisions of the Internal Revenue Code of 1986, as amended. Such individual Participant transfers will be based upon the Participant Annuity Account Value.

6.4 Transfers to the Company

Amounts transferred to the Company shall be treated as Deposits under Section 4 of this Contract.

6.5 Non-Taxable Distribution

No amount transferred pursuant to Section 6 of this Contract will be treated as a taxable distribution to the Participant.

6.6 Business Hardship Withdrawal

For IRC 401(a) and IRC 401(k) Group Policyholders only, in the event of a 20% or more reduction in the work force in one calendar year, the first 20% of the Book Value of the Separate Account on the first day of the calendar year may be paid at the Book Value of the Separate Account. Reductions in the work force of less than 20% in one calendar year will be paid at the Book Value of the Separate Account. Transfers in excess of the above noted 20% will always be paid at the Market Value of the Separate Account.

SECTION 7. DISTRIBUTIONS TO A BENEFICIARY

7.1 Death of Participant after Annuity Commencement Date

If the Participant dies after the Annuity Commencement Date and before his/her entire interest has been distributed, payments will continue to the Beneficiary under the distribution method applicable to the Participant on the Participant's date of death. However, if the Plan allows the Beneficiary to change the method of distribution, a new Payment Option may be elected by Request by the Group Policyholder on behalf of the Beneficiary only so long as payments are made to the Beneficiary not less rapidly than under the Payment Option effective on the Participant's date of death.

7.2 Death of Participant before Annuity Commencement Date

- a. 5-Year Rule If the Participant dies before the Annuity Commencement Date, the entire interest of the Participant must be distributed on or before December 31 of the year containing the fifth anniversary of the Participant's death. This Rule will always apply to non-individual entities.
- b. 1-Year Rule If the Plan provides that any portion of the Participant's interest is payable to a designated Beneficiary, such portion may be distributed over the lesser of (1) the life of the designated Beneficiary, or (2) over a period not extending beyond the life expectancy of the designated Beneficiary or (3) 15 years. Such distributions to a designated Beneficiary must begin not later than December 31 of the year following the date of the Participant's death. The Group Policyholder on behalf of the designated Beneficiary may elect by Request to take distributions either under the 5-Year Rule or under this 1-Year Rule.

If no election is received by the Company by November 1 of the year following the year of the Participant's death, distributions will be made pursuant to the 5-Year Rule described in subsection a. of Section 7.2.

For purposes of this section, a designated Beneficiary is any individual named as a Beneficiary by the Participant.

- c. Special Rule for Surviving Spouse. If the designated Beneficiary is the surviving spouse of the Participant, the date on which the distributions are required to begin shall not be earlier than the date on which the Participant would have attained age 70 1/2. Distributions may be elected at any time pursuant to Section 9 of this Contract; but in any event must commence on or before the later of (1) December 31 of the year immediately following the Participant's death and (2) December 31 of the calendar year in which the Participant would have attained age 70 1/2.
- d. Any payments made under an IRC Section 457 Plan which are made over a period greater than one year can only be made in substantially non-increasing amounts paid not less frequently than annually.

7.3 Amount Payable on Death of Participant

If the Participant dies before the Annuity Commencement Date the Amount Payable on death will be:

- a. Where death occurs before the Participant's 70th birthday, the greater of:
 - (i) the Participant Annuity Account Value, less Premium Tax, if any, and
 - (ii) the sum of Deposits paid to, less any Partial Distributions made from, the Participant Annuity Account, less Premium Tax, if any.
- b. Where death occurs on or after the Participant's 70th birthday, the Participant Annuity Account Value, less Premium Tax, if any.

7.4 Requests For Distributions

Subject to the 5-Year rule, the 1-Year rule or the Special Rule for Surviving Spouse, as applicable, set forth in Section 7.2, an election to receive the amount described in Section 7.3 must be made pursuant to Section 9 of this Contract.

SECTION 8. DISTRIBUTIONS TO A PARTICIPANT

8.1 Requests for Distributions

On the Company's receipt of a Request at least 30 days before the Annuity Commencement Date, the Group Policyholder on behalf of the Participant may:

- a. Elect or change a Payment Option.
- b. Elect or change the Participant's Annuity Commencement Date to any future date which is not later than the date required under the Internal Revenue Code of 1986, as amended. If any Annuity Commencement Date would be less than 30 days from the date the Request is received, the Company may delay the Annuity Commencement Date elected by 30 days.
- c. If the Group Policyholder on behalf of the Participant has failed to elect a Payment Option within 30 days of the Annuity Commencement Date, the Company will pay the Group Policyholder on behalf of the Participant a Fixed Life Annuity with 10 Year Guaranteed Period from the Participant Annuity Account Value.

8.2 Distribution at Annuity Commencement Date or Separation from Service

Except as provided in Section 8.3, no distributions will be allowed prior to the Participant's Annuity Commencement Date or separation from service, as determined by the Group Policyholder in accordance with the provisions of the Plan. The distribution must be elected pursuant to Section 9 of this Contract and will take effect on the later of the date elected or the date the Request is received at the Administrative Offices of the Company.

8.3 Distribution Due to Unforeseeable Emergency or Hardship

If the Participant incurs an unforeseeable emergency under an IRC Section 457 Plan, or a Hardship under an IRC Section 401(a) or 401(k) Plan, as determined by the Group Policyholder under the terms of the Plan, then the Group Policyholder on behalf of the Participant may by Request take a total or partial distribution from the Participant Annuity Account. The distribution will take effect on the later of the date elected or the

date the Request is received at the Administrative Offices of the Company.

8.4 Amount Payable on Distribution

If a total distribution is requested, the amount payable will be paid under the Payment Option provisions of Section 9 designated by the Group Policyholder on behalf of the Participant. Distributions to a Participant are based on the Participant Annuity Account Value and distributions will only be available to a Participant or Payee who is entitled to a distribution in accordance with the Plan, as determined by the Group Policyholder

If a partial distribution is requested, the amount payable will be in one sum. In either event, the amount will be equal to:

- a. The amount of the distribution requested as of the effective date of the distribution, less
- b. Premium Tax, if any.

8.5 Conditions of Payment

Payment will only be made if then available to the Payee under the terms and provisions of the Plan as determined by the Group Policyholder, and will only be made to the Group Policyholder or to the order of the person designated in Request by the Group Policyholder to receive payment.

8.6 Adequate Proof

The Company may require adequate proof of age, separation from service, hardship (IRC 401(a) or 401 (k)), or unforeseeable emergency (IRC 457) to establish that a benefit has become payable under the provisions of the Plan prior to making any payment under this Group Annuity Contract.

SECTION 9. PAYMENT OPTIONS

9.1 Selection of Payment Options

- a. A total or partial lump sum or one of the fixed dollar payment options may be elected.
- b. If a lump sum option is elected, the amount to be distributed is the amount requested as a lump sum less the Premium Tax, if any, as of the date the amount is distributed.
- c. If a fixed dollar method of payment option is elected, the amount to be applied is the Participant Annuity Account Value, less Premium Tax, if any, as of the Annuity Commencement Date.

9.2 How to Elect Payment Options

A Request by the Group Policyholder on behalf of the Participant or Payee is required to elect, or change the election of, a Payment Option and must be received by the Company at least 30 days prior to the Annuity Commencement Date, or, if the Participant dies prior to the Annuity Commencement Date, within 60 days of the date the Company receives adequate proof of the Participant's death.

The Company will rely on the Group Policyholder's determination with respect to the timing and amount of any benefit payable to the Participant or Payee under this Contract. Nothing contained herein shall be construed to be tax or legal advice and the Company assumes no responsibility or liability for any costs, including but not limited to taxes, penalties or interest incurred by the Plan, the Group Policyholder, the Participant or any Payee arising out of such determination.

9.3 Fixed Dollar Payment Options

The following fixed dollar payment options are available:

- a. *Option 1: Income of Specified Amount*
The Company will pay an income at 12-, 6-, 3-, or 1-month intervals, of an amount elected by the Payee for an Annuity Payment Period of not less than 36 months nor more than 240 months. Upon death of the Payee, any amounts remaining payable under this payment option will be paid to the Group Policyholder or other Payee designated by the Group Policyholder under Section 7 of

this Group Annuity Contract. Table A is applicable to this option.

- b. *Option 2: Income for a Specified Period*
The Company will pay an income at 12-, 6-, 3-, or 1-month intervals, for the number of years elected by the Payee for an Annuity Payment Period of not less than 36 months nor more than 240 months. Upon death of the Payee, any amounts remaining payable under this payment option will be paid to the Group Policyholder or other Payee designated by the Group Policyholder under Section 7 of this Group Annuity Contract. Table A is applicable to this option.

- c. *Option 3: Fixed Life Annuity with Guaranteed Period*

The Company will pay a monthly payment for the guaranteed Annuity Payment Period elected. Payments will continue for the lifetime of the Payee. Upon death of the Payee, any amounts remaining payable under this payment option will be paid to the Group Policyholder or other Payee designated by the Group Policyholder under Section 7 of this Group Annuity Contract. Table B is applicable to this option.

The guaranteed Annuity Payment Period elected may be 5, 10, 15 or 20 years, or may be a period referred to as "Installment Refund." Under the Installment Refund period, payments will be made until the total of the payments made equals the amount applied.

- d. *Option 4: Fixed Life Annuity*
The Company will pay a monthly payment during the Payee's lifetime. Table B is applicable to this option.

- e. *Option 5: Joint and One-Half Survivor Fixed Annuity*

A joint and one-half survivor fixed annuity provides a fixed monthly payment to an Annuitant for his/her lifetime; thereafter, and upon receipt by the Company of adequate proof of the Annuitant's death, one-half of the fixed payment amount continues to a designated Payee, if living, and terminates upon his/her death. Table C is applicable to this option.

SECTION 9. PAYMENT OPTIONS (continued)

f. *Option 6: Periodic Payment Option*

(i) For IRC 457 Plans, a Periodic Payment Option is available in accordance with the provisions set forth in the Periodic Payment Option Rider - 457 Plans Rider attached to the back of this Contract.

(ii) For IRC 401(a)/(k) Plans, a Periodic Payment Option is available in accordance with the provisions set forth in the Periodic Payment Option Rider - 401(a)/(k) Plans Rider attached to the back of this Contract.

g. Fixed dollar payment options are subject to the following provisions:

(i) Payments under a fixed dollar payment option are guaranteed by the Company as to dollar amount throughout the Annuity Payment Period.

The amount of the payment under any fixed dollar payment option will be determined by applying the Company's then current non-participating group single premium rates for this class of group annuity contracts to the amount applied under the option.

Those current rates will not be less than the rate obtained from the Table which is applicable to the elected option.

(ii) If any payment to be made under the elected payment option will be less than \$50, the Company may make the payments in the most frequent interval which produces a payment of at least \$50. The minimum amount that may be applied under the elected payment option is \$2,000. If the amount is less than \$2,000, the Company may pay it in one sum. The maximum amount that may be applied under any elected payment option is \$1,000,000. For the application of any greater amount, the Company's consent is required.

(iii) No commutation of annuities will be permitted.

SECTION 10. CONTRACT MODIFICATION

10.1 Contract Modification

This Group Annuity Contract may be modified at any time by written agreement between the Company and the Group Policyholder. No such modification will, without the written consent of the Group Policyholder, affect the terms, provisions, or conditions of this Group Annuity Contract which are or may be applicable to Deposits paid in respect of Participants prior to the date of such modification.

However, the Company may at any time and without the consent of the Group Policyholder or any Participant or other person, but upon 30 days' written notice to the Group Policyholder, modify this Group Annuity Contract in any respect to conform it to changes in tax or other law, including applicable regulations or rulings.

10.2 Modification of Tables

The Company may at any time and without the consent of the Group Policyholder or any Participant or other person, but upon 30 days' written notice to the Group Policyholder, modify Tables A, B, and C, or any of them. However, no such modification will affect the terms, provisions or conditions of the Group Annuity contract which are or may be applicable to Deposits paid in respect of Participants prior to the date of such modification.

SECTION 11. CESSATION OF DEPOSITS, COMPLETE TRANSFERS, AND BUSINESS HARDSHIPS

11.1 Cessation of Deposits

Upon 60 days' written notice to the other, the Group Policyholder or the Company may declare that, as from the date stated in the notice (that date being called the Date of Cessation of Deposits), no further Deposits will be made to the Group Annuity Contract.

After the Date of Cessation of Deposits is declared, no new Participant Annuity Account will be established.

11.2 Options on Date of Cessation of Deposits

Upon the Date of Cessation of Deposits, the Group Policyholder may by Request elect Cessation Option (1) or Cessation Option (2) below. If the Group Policyholder has not elected a cessation option within 30 days of the Date of Cessation, the Company will make the election in its sole discretion. Such election shall be binding on the Group Policyholder.

Cessation Option (1). Maintenance of each Participant Annuity Account Value:

The Company will maintain each Participant Annuity Account Value until it is applied to a Payment Option or distributed to a Participant or Beneficiary. When such individual transactions are applied or paid, they will be calculated at the Book Value of the Participant Annuity Account.

Cessation Option (2). Market Value of the Stable Asset Fund:

If Cessation Option (2) is elected, the Group Policyholder must specify option A or B below at the same time it notifies the Company it is ceasing Deposits and the Company will pay the Market Value of the Stable Asset Fund within 30 days after the Date of Cessation of Deposits.

Option A

After notification of Cessation of Deposits, the Company will sell all non-cash assets in the account attributable to the terminating contract and convert them to cash assets or short-term money market instruments. The time when all non-cash assets have been converted to cash or short-term money market instruments will be no later than the Date of Cessation of Deposits.

SECTION 11. CESSATION OF DEPOSITS, COMPLETE TRANSFERS, AND BUSINESS HARDSHIPS (continued)

Option B

After notification of Cessation of Deposits is received, the Company will value the separate account on the Date of Cessation of Deposits and transfer the assets of the separate account attributable to the terminating contract to the successor insurer or the Group Policyholder.

11.3 Complete Transfers

When a Group Policyholder elects to transfer the aggregate of all Participant Annuity Accounts to another carrier at any one time, such transfers will be calculated at the Market Value of the Separate Account.

11.4 Business Hardships

In accordance with the provisions of Section 6.6 of the Contract, the Company may transfer funds for business hardships as described in the above noted section.

TABLE A - Income of Specified Amount
 - Income of a Specified Period

Monthly Payment for Each \$1,000
 of Participant Annuity Account Value

<u>Years</u>	<u>Payment</u>
3	28.61
4	21.82
5	17.75
6	15.04
7	13.10
8	11.66
9	10.54
10	9.63
11	8.90
12	8.30
13	7.78
14	7.34
15	6.96
16	6.63
17	6.34
18	6.08
19	5.85
20	5.64

To determine the payment for other frequencies of payment, multiply the above monthly payment by the following factors:

	<u>Factor</u>
Quarterly payment	2.99
Semi-annual payment	5.96
Annual payment	11.81

If payments are for an amount or duration different than that outlined above, the Company will determine the proper amount or duration using the actuarial basis used to determine the above Table.

TABLE B - Fixed Life Annuity

Monthly Payment for Each \$1,000
of Participant Annuity Account Value

Age of Payee	Without Guaranteed Period	With Guaranteed Period			
		5 Years	10 Years	15 Years	20 Years
50	3.99	3.99	3.98	3.96	3.94
55	4.31	4.30	4.27	4.24	4.19
60	4.71	4.70	4.67	4.60	4.49
65	5.28	5.25	5.18	5.05	4.84
70	6.07	6.02	5.85	5.56	5.15
75	7.22	7.09	6.68	6.07	5.41

If payments commence on any other date than the exact age of the Payee as shown above, the amount of the monthly payment shall be determined by the Company on the actuarial basis used by it in determining the above amounts.

TABLE C - Joint and One-Half Survivor Fixed Annuity

Monthly Payment for Each \$1,000
of Participant Annuity Account Value

Age of Annuitant	If Designated Payee is Age					
	50	55	60	65	70	75
50	3.88	3.91	3.94	3.96	3.97	3.98
55	4.09	4.15	4.19	4.23	4.25	4.27
60	4.34	4.43	4.51	4.58	4.63	4.66
65	4.64	4.77	4.90	5.01	5.10	5.16
70	4.99	5.17	5.36	5.55	5.70	5.83
75	5.40	5.65	5.91	6.19	6.46	6.69

If payments commence on any other date than the exact age of the Annuitant or designated Payee as shown above, the amount of the monthly payment shall be determined by the Company on the actuarial basis used by it in determining the above amounts.

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PERIODIC PAYMENTS OPTION RIDER - 457 PLANS

ATTACHED TO AND FORMING PART OF THE GROUP ANNUITY CONTRACT

WHEREAS, the Group Policyholder has previously entered into a Group Annuity Contract ("Contract") with Great-West Life - Annuity Insurance Company (hereinafter referred to as "the Company"),

AND WHEREAS, the Group Policyholder and the Company desire to make the Periodic Payment Option available under the Contract,

NOW THEREFORE, the Group Policyholder and the Company agree that the following provisions will be added to the Contract as of the date executed below.

Election of Periodic Payment Option

If the Participant has separated from service with the Group Policyholder or has attained age 70 1/2, the Group Policyholder, on behalf of a Participant, may elect to apply all or a portion of the Participant Annuity Account to a Periodic Payment Option. The entire Participant Annuity Account must be applied to a Payment Option under which substantially equal payments are made as required by Sections 457(d) and 401(a)(9) of the Internal Revenue Code. Once payments have begun, they cannot be changed or stopped.

If the Participant wishes to take a partial withdrawal, such withdrawal must be taken prior to the selection of a Periodic Payment Option, and will be subject to any applicable charges.

Payments to a Beneficiary

If the Participant is receiving Periodic Payments, any Periodic Payments remaining to be paid as of the Participant's date of death will be paid to the Participant's beneficiary. The Beneficiary will receive payments remaining under the payment option in effect as of the date of the Participant's death unless a lump sum is elected on the death claim.

If the Participant dies prior to the time payments have commenced, the Group Policyholder may elect to apply the entire Participant Annuity Account to a Periodic Payment Option for the Beneficiary. All payments to a Beneficiary must comply with the distribution requirements of Sections 457(d) and 401(a)(9) of the Internal Revenue Code.

Periodic Payment Options Available

The Group Policyholder, on behalf of a Participant, must elect one of the three payment options listed below. If the Participant dies prior to the time any payments have been made, the Group Policyholder, on behalf of the Beneficiary, must elect one of the first two payment options listed below. (Minimum Distribution Payments are not available to

Beneficiaries.) Payments must be elected over a period of at least 36 months.

1. *Payments for a Specified Period.* The period over which payments will be made is elected. The amount of each payment will be substantially equal but may vary slightly depending upon investment performance. The duration period may not be changed and must result in a dollar amount, which meets the minimum distribution requirements.
2. *Payments of a Specified Amount.* The dollar amount of each payment is elected. The dollar amount may not be changed and must meet the minimum distribution requirements. Based on the amount elected, the duration of the payments may vary.
3. *Minimum Distribution Payments.* Payments will be made as required to meet the minimum distribution requirements of Internal Revenue Code section 401 (a) (9).

Payments will cease when the Annuity Account Value is zero.

Frequency and Amount of Payments

The Request must specify:

1. the payment frequency of either 12-, 6-, 3-, or 1-month intervals;
2. the payment amount; a minimum of \$50 is required;
3. the month, day and year on which payments are to begin; and
4. the payment option.

PERIODIC PAYMENTS OPTION RIDER - 457 PLANS (continued)

The amount of each payment will be prorated across all Variable and Guaranteed Sub-Accounts in proportion to the assets in each sub-account unless the fund from which the periodic payments are to be made is designated. Once a selected fund has been depleted, any amounts remaining to be paid by the Company will be prorated across all sub-accounts as described above, unless another fund has been selected.

Operation of Participant Annuity Account

While periodic payments are being received:

1. no contributions may be made;
2. no partial withdrawals may be made except in the event of an Unforeseeable Emergency;
3. current Guaranteed and Variable Sub-Accounts may be continued or changed as allowed under the contract; and
4. charges and fees under the Contract, if applicable, continue to apply, except that the Contingent Deferred Sales Charge does not apply to a Periodic Payment Option of a minimum of 36 months.

**AMENDMENT NO. 1-97C (STAC) ATTACHED TO AND FORMING PART OF
THE GROUP DEFERRED COMPENSATION ANNUITY CONTRACT**

WHEREAS, the Group Policyholder has either previously entered into a Group Deferred Stable Asset Fund Annuity Contract (the "Group Annuity Contract") and Application for Group Deferred Stable Asset Fund Annuity Contract (the "Application") with Great-West Life & Annuity Insurance Company, or will be entering into such Group Annuity Contract and Application with the execution of this Amendment,

AND WHEREAS, the above noted Group Annuity Contract and Application require amendments to conform to recent changes made to the Internal Revenue Code of 1986, as amended (hereinafter referred to as the "Code"),

AND WHEREAS, immediately upon the Group Policyholder's amendment of the Plan document to place all assets in trust, the trust provisions described below will become effective,

AND WHEREAS, in order to maintain eligibility under Code Section 457, the Plan will continue to hold Plan assets in trust,

NOW THEREFORE, pursuant to Section 10.1 the Group Annuity Contract, the following amendments will be made to the Group Annuity Contract and Application.

1. The following sentence will be added to the Application:

"Notwithstanding any provision in this Application to the contrary, in no event shall the assets under the Group Annuity Contract be subject to the claims of general creditors of the employer after the Plan is amended to place plan assets in trust."

2. In Section 1 of the Group Annuity Contract, the definition following the term "Group Policyholder" is hereby deleted. In place thereof, the following definition of Group Policyholder will be added:

"the named trustee, or the governmental employer sponsoring the Plan, as trustee, and the applicant for this Group Annuity Contract."

3. Section 2.2 of the Group Annuity Contract is hereby deleted. In place thereof, the following Section will be added:

2.2 Ownership of the Group Annuity Contract

Upon the Group Policyholder's Application for this Group Annuity Contract, the Group Policyholder becomes the owner of the Group Annuity Contract. Effective the earlier of January 1, 1999 or the date the Plan is amended to meet the trust requirement, the Group Policyholder, as the trustee of the Plan, may exercise all rights hereunder for the exclusive benefit of Plan Participants and beneficiaries. There is no contractual relationship between the Company and the Participants.

The Group Policyholder, as owner of the contract, is deemed to be the trustee of the assets invested in the Group Annuity Contract, and such contract is intended to satisfy the trust requirements of Code Sections 457(g) and 401(f).

4. Section 2.3 of the Group Annuity Contract is hereby deleted. In place thereof, the following Section will be added:

2.3 Transfer and Assignment

No portion of the Plan's assets and the earnings thereon may be used for, or diverted to, any purpose other than for the exclusive benefit of plan participants and beneficiaries prior to the satisfaction of all liabilities with respect to employees and their beneficiaries.

5. A new Section 2.4 will be added to the Group Annuity Contract and shall read as follows:

2.4 Trustee of the Group Annuity Contract and Plan Assets

Notwithstanding any provision of this Group Annuity Contract or the Application to the contrary, the Group Policyholder, as owner of the Group Annuity Contract, is the trustee with respect to all Plan assets deposited into the Group Annuity Contract, and the earnings thereon, and shall hold all such assets for the exclusive benefit of Plan Participants and Beneficiaries. The Group Annuity Contract shall be treated as a trust for purposes of Code Sections 457(g) and 401(f), and no portion of the amount deposited in the Group Annuity Contract, or the earnings thereon, may be used for, or diverted to, any purpose other than for the exclusive benefit of Plan Participants and Beneficiaries prior to the satisfaction of all liabilities with respect to employees and their Beneficiaries.

6. The first sentence of Section 8.2 of the Group Annuity Contract is hereby deleted. In place thereof, the following sentence will be added:

Except as provided in Section 8.3, no distributions will be allowed prior to the Participant's Annuity Commencement Date, attainment of age 70 1/2, or separation from service, as determined by the Group Policyholder, unless, for years after December 31, 1996, the Plan provides for a cash out of a Participant Annuity Account which does not exceed \$3,500 and meets all of the other requirements of Code Section 457(e)(9)(A).

AMENDMENT TO SECTION 457 PLANS

ATTACHED TO AND FORMING PART OF THE GROUP ANNUITY CONTRACT

WHEREAS, the Group Contractholder/Group Policyholder has entered into a Group Annuity Contract (the "Contract") with Great-West Life & Annuity Insurance Company (the "Company"),

WHEREAS, the Contract and related riders, endorsements, amendments, and other related forms, if any, issued under the Contract require this Amendment pursuant to the Economic Growth and Tax Relief Reconciliation Act of 2001 ("EGTRRA"),

WHEREAS, the Contract, related riders, endorsements, amendments, and other related forms, if any, issued under the Contract require this Amendment pursuant to required minimum distribution regulations issued by the Federal Department of Treasury,

AND WHEREAS, the provisions of this amendment shall be effective January 1, 2002, unless otherwise indicated below, and shall supercede the provisions of the Contract and related riders, endorsements or amendments, if any to the extent those provisions are inconsistent with the provisions of this amendment.

NOW THEREFORE, the following Amendment is hereby made to the Contract and related riders, endorsements, amendments, or any related forms, if any, issued under the Contract.

1. EGTRRA

a. Distributions

Notwithstanding any distribution provision to the contrary, distributions made under the Contract shall be made at the time and in the amount and manner allowed under the terms of the Plan and applicable Internal Revenue Code rules and regulations promulgated thereunder, as amended from time to time, and will be tax reported under the applicable rules in effect on the date of distribution.

b. Rollovers

In the event that a Plan has been amended to accept rollovers from other eligible retirement plans, such rollovers shall be treated as Deposits under the terms of the Contract. Amounts distributed may be rolled over to an IRA or any other eligible retirement plan that accepts such rollovers. Amounts directly rolled over will not be tax reported until distributed.

c. Qualified Domestic Relations Orders (QDROs)

In the event that a Section 457 Deferred Compensation Plan accepts QDROs, the Company shall process approved Requests to establish a separate account administered on behalf of the Alternate Payee named in such QDRO or make payment to the Alternate Payee in accordance with the provisions of the Plan. Distributions to an Alternate Payee shall be tax

reported under the rules in effect on the date of the distribution. This provision shall replace any and all provisions related to Conforming Equitable Distribution Orders (CEDOs).

d. Deemed IRAs

In the event that a Plan has been amended to establish Deemed IRA(s), including traditional, Roth or both, as part of the Plan effective on or after January 1, 2003, all contributions and rollovers to the Deemed IRA(s) shall be treated as a Deposit under the terms of the Contract and will be administered pursuant to Internal Revenue Code Section 408(q), as amended from time to time, and any applicable rulings and regulations promulgated thereunder.

e. Unforeseeable Emergency Distributions

The terms and provisions of the Plan and the applicable provisions of the Internal Revenue Code and Treasury regulations promulgated thereunder, as amended from time to time shall govern all aspects of Unforeseeable Emergency Distributions.

2. Minimum Distribution Requirement Regulations

Required minimum distributions under the Contract shall only be made in a manner consistent with Internal Revenue Code Section 401(a)(9), as amended from time to time, and applicable Federal Treasury regulations promulgated thereunder in effect at the time of the distribution.

AMENDMENT TO SECTION 401(a) and 401(k) PLANS

ATTACHED TO AND FORMING PART OF THE GROUP ANNUITY CONTRACT

WHEREAS, the Group Contractholder/Group Policyholder has entered into a Group Annuity Contract (the "Contract") with Great-West Life & Annuity Insurance Company (the "Company"),

WHEREAS, the Contract and related riders, endorsements, amendments, and other related forms, if any, issued under the Contract require this Amendment pursuant to the Economic Growth and Tax Relief Reconciliation Act of 2001 ("EGTRRA"),

WHEREAS, the Contract, related riders, endorsements, amendments, and other related forms, if any, issued under the Contract require this Amendment pursuant to required minimum distribution regulations issued by the Federal Department of Treasury,

AND WHEREAS, the provisions of this amendment shall be effective January 1, 2002, unless otherwise indicated below, and shall supercede the provisions of the Contract and related riders, endorsements or amendments, if any to the extent those provisions are inconsistent with the provisions of this amendment.

NOW THEREFORE, the following Amendment is hereby made to the Contract and related riders, endorsements, amendments, or any related forms, if any, issued under the Contract.

3. EGTRRA

a. Distributions

Notwithstanding any distribution provision to the contrary, distributions made under the Contract shall be made at the time and in the amount and manner allowed under the terms of the Plan and applicable Internal Revenue Code rules and regulations promulgated thereunder, as amended from time to time, and will be tax reported under the applicable rules in effect on the date of distribution.

b. Rollovers

In the event that a Plan has been amended to accept rollovers from other eligible retirement plans, such rollovers shall be treated as Deposits under the terms of the Contract. Amounts distributed may be rolled over to an IRA or any other eligible retirement plan that accepts such rollovers. Amounts directly rolled over will not be tax reported until distributed.

c. Deemed IRAs

In the event that a Plan has been amended to establish Deemed IRA(s), including traditional, Roth or both, as part of the Plan effective on or after January 1, 2003, all contributions and rollovers to the Deemed IRA(s) shall be treated as a Deposit under the terms of the Contract and will be administered pursuant to Internal Revenue Code Section

408(q), as amended from time to time, and any applicable rulings and regulations promulgated thereunder.

d. Hardship Distributions

The terms and provisions of the Plan, applicable provisions of the Internal Revenue Code and Treasury regulations promulgated thereunder, as amended from time to time, shall govern all aspects of Hardship Distributions.

4. Minimum Distribution Requirement Regulations

Required minimum distributions under the Contract shall only be made in a manner consistent with Internal Revenue Code Section 401(a)(9), as amended from time to time, and applicable Federal Treasury regulations promulgated thereunder in effect at the time of the distribution.

California Life and Health Insurance
Guarantee Association Act
Summary Document and Disclaimer

Residents of California who purchase life and health insurance and annuities should know that the insurance companies licensed in this state to write these types of insurance are members of the California Life and Health Insurance Guarantee Association ("CLHIGA"). The purpose of this Association is to assure that policyholders will be protected, within limits, in the unlikely event that a member insurer becomes financially unable to meet its obligations. If this should happen, the Guarantee Association will assess its other member insurance companies for the money to pay the claims of insured persons who live in this state and, in some cases, to keep coverage in force. The valuable extra protection provided through the Association is not unlimited, as noted in the box below, and is not a substitute for consumers' care in selecting insurers.

The California Life and Health Insurance Guarantee Association may not provide coverage for this policy. If coverage is provided, it may be subject to substantial limitations or exclusions, and require continued residency in California. You should not rely on coverage by the Association in selecting an insurance company or in selecting an insurance policy.

Coverage is NOT provided for your policy or any portion of it that is not guaranteed by the insurer or for which you have assumed the risk, such as a variable contract sold by prospectus.

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 Guarantee Association to induce you to purchase any kind of insurance policy.

Policyholders with additional questions should first contact their insurer or agent or may then contact

California Life and Health Insurance
 Guarantee Association
 P.O. Box 16860
 Beverly Hills, CA 90209

or

Consumer Service Division
 California Department of Insurance
 300 South Spring Street
 Los Angeles, CA 90013

Below is a brief summary of this law's coverages, exclusions and limits. This summary does not cover all provisions of the law; nor does it in any way change anyone's rights or obligations under the Act or the rights or obligations of the Association.

COVERAGE

Generally, individuals will be protected by the California Life and Health Insurance Guarantee Association if they live in this state and hold a life or health insurance contract, or an annuity, or if they are insured under a group insurance contract, issued by a member insurer. The beneficiaries, payees or assignees of insured persons are protected as well, even if they live in another state.

EXCLUSIONS FROM COVERAGE

However, persons holding such policies are not protected by this Guarantee Association if:

- Their insurer was not authorized to do business in this state when it issued the policy or contract;
- Their policy was issued by a health care service plan (HMO), Blue Cross, Blue Shield, a charitable organization, a fraternal benefit society, a mandatory state pooling plan, a mutual assessment company, an insurance exchange, or a grants and annuities society;
- They are eligible for protection under the laws of another state. This may occur when the insolvent insurer was incorporated in another state whose guaranty association protects insureds who live outside that state.

The Guarantee Association also does not provide coverage for:

- Unallocated annuity contracts; that is, contracts which are not issued to and owned by an individual and which guarantee rights to group contract holders, not individuals;
- Employer and association plans, to the extent they are self-funded or uninsured;
- Synthetic guaranteed interest contracts;
- Any policy or portion of a policy which is not guaranteed by the insurer or for which the individual has assumed the risk, such as a variable contract sold by prospectus;
- Any policy of reinsurance unless an assumption certificate was issued;
- Interest rate yields that exceed an average rate;
- Any portion of a contract that provides dividends or experience rating credits.

LIMITS ON AMOUNTS OF COVERAGE The Act limits the Association to pay benefits as follows:

LIFE AND ANNUITY BENEFITS

- 80% of what the life insurance company would owe under a life policy or annuity contract up to
- \$100,000 in cash surrender values,
- \$100,000 in present value of annuities, or
- \$250,000 in life insurance death benefits.
- A maximum of \$250,000 for any one insured life no matter how many policies and contracts there were with the same company, even if the policies provided different types of coverages.

HEALTH BENEFITS

- A maximum of \$200,000 of the contractual obligations that the health insurance company would owe were it not insolvent. The maximum may increase or decrease annually based upon changes in the health care cost component of the consumer price index.

PREMIUM SURCHARGE

Member insurers are required to recoup assessments paid to the Association by way of a surcharge on premiums charged for health insurance policies to which the Act applies.

**Amendment Rider Forming Part of the
Great-West Life & Annuity Insurance Company ("Company")
Group Annuity Contract to which it is attached.**

GROUP ANNUITY CONTRACT AMENDMENT ("Amendment")

GROUP POLICYHOLDER:	City of Torrance
GROUP POLICY NUMBER:	98215-01, 98215-02, 98215-03, 98215-04, 98215-05, 98215-06
GROUP ANNUITY CONTRACT AMENDMENT DATE:	June 1, 2010

The Amendment is effective June 1, 2010.

The following Amendment is added and attached to the Group Annuity Contract ("Contract") and will supersede the provisions of the Contract and related riders, booklets, endorsements, amendments or other documents attached to the Contract, if any, to the extent those provisions are inconsistent with the provisions of this Amendment.

Restorations

Company agrees to restore under the Contract all or a portion of the back-end load charges, market value adjustments or other investment charges deducted from Plan assets under a prior investment option ("Restorations"). Restorations may be recouped as Start-up Costs under the Contract.

Restoration Amount –The dollar amount necessary to restore amounts incurred by Participant(s) up to 100% of the amount transferred to the Contract from the prior investment option.

Great-West Life & Annuity Insurance Company

Letter Agreement

Notwithstanding the provisions of the Great-West Life & Annuity Insurance Company Group Deferred Stable Asset Fund Annuity Contract (hereinafter referred to as the "Contract"), Group Policy Numbers **98215-01, 98215-02, 98215-03, 98215-04, 98215-05, 98215-06**, the Great-West Life & Annuity Insurance Company (hereinafter referred to as the "Company") and the City of Torrance (hereinafter referred to as the "Group Policyholder") agree to the following clarifications and modifications of said Contract issued by the Company. This Letter Agreement supersedes and replaces any other previous Letter Agreement or representation.

1. Investment Management Fee – The Investment Management Fee as described in Section 5.8 is declared to be **0.42%** per annum, of which 0.30% is the management fee and 0.12% is the administrative fee.
2. Investment Guidelines – The Investment Guidelines as set forth in the definition of Stable Asset Fund in Section 1 of the Contract shall be as agreed to by the parties in writing from time to time.
3. Amendment No. 1-96C – The reference to "\$3,500" in Section 6 shall be replaced in its entirety with "\$5,000 (or such other amount as provided from time to time by the Code)".

This Letter Agreement shall become effective on the later of June 1, 2010 and the date both parties execute this Letter Agreement ("Effective Date"). This Letter Agreement is in effect as long as the Company is acting in its current capacities as the exclusive investment option, recordkeeping and communication provider for the Group Policyholder's Plan. Additionally, the Company shall maintain the right to terminate this Letter Agreement in the event that there are substantial changes in the operation of the Group Policyholder's Plan, including but not limited to a change in approved investment product providers, marketers or required recordkeeping services. This Letter Agreement may be modified at any time upon mutual consent of both parties.

Great-West Life & Annuity Insurance Company

"SEE ATTACHED – Signature Page Addendum"

By: Gregory E. Seller
 Its: Senior Vice President, Government Markets

Date: _____

City of Torrance

"SEE ATTACHED – Signature Page Addendum"

By: _____
 Its: _____

Date: _____

**Amendment Rider Forming Part of the
Great-West Life & Annuity Insurance Company (“Company”)
Group Annuity Contract to which it is attached.**

GROUP ANNUITY CONTRACT AMENDMENT (“Amendment”)

GROUP CONTRACTHOLDER: City of Torrance

GROUP ANNUITY CONTRACT NUMBER: 98215-01

GROUP ANNUITY CONTRACT AMENDMENT DATE: June 1, 2010

The Amendment is effective June 1, 2010.

The following Amendments are added and attached to the Group Annuity Contract (“Contract”) and will supersede the provisions of the Contract and related riders, booklets, endorsements, amendments or other documents attached to the Contract, if any, to the extent those provisions are inconsistent with the provisions of these Amendments.

Contract Termination Due to Contract Conversion

Group Contractholder declares a Contract Termination Due to Contract Conversion on its current Contract (*effective June 1, 2004*) (“Old Contract”) on June 1, 2010, called the Contract Termination Date. The Old Contract shall terminate on the Contract Termination Date and Group Contractholder and Company shall enter into a new Group Annuity Contract (“New Contract”) effective on such date. All new Contributions received after the Contract Termination Date will be deposited into the New Contract. Unless otherwise agreed to, on and after the Contract Termination Date, Group Contractholder acknowledges that all assets previously held under the Old Contract will be governed under the provisions of the New Contract. All fees and charges imposed under the Old Contract will transfer to and be payable under the New Contract, unless Group Contractholder and Company mutually agree that different fees will apply under the New Contract.

- The Stable Asset Value Fund will become subject to the rules and be governed by the Stable Asset Value fund provisions of the New Contract.
- The Stable Asset Value Fund will be mapped to The Stable Asset Value Fund in the New Contract.
- The Guaranteed Certificate Fund will be mapped to investment options in an amount equivalent to the value of the Participants’ Certificate on the expiration date of such Certificate Account that occurs after the Contribution Termination Date.

Group Contractholder and Company reserve the right to mutually agree to amend any other contractual provisions required to transfer Plan assets from the Old Contract to the New Contract.

Signed for Great-West Life & Annuity Insurance Company on _____, 2010.

President and Chief Executive Officer

Signed and accepted by the Group Contractholder as part of Group Annuity Contract Number 98215-01 on "SEE ATTACHED - Signature Page Addendum".

Group Contractholder
CITY of TORRANCE

By: "SEE ATTACHED - Signature Page Addendum"
Name: _____
Title: _____

**Amendment Rider Forming Part of the
Great-West Life & Annuity Insurance Company (“Company”)
Group Annuity Contract to which it is attached.**

GROUP ANNUITY CONTRACT AMENDMENT (“Amendment”)

GROUP POLICYHOLDER: City of Torrance

GROUP POLICY NUMBER: 98215-02

GROUP ANNUITY CONTRACT AMENDMENT DATE: June 1, 2010

The Amendment is effective June 1, 2010.

The following Amendment is added and attached to the Group Annuity Contract (“Contract”) and will supersede the provisions of the Contract and related riders, booklets, endorsements, amendments or other documents attached to the Contract, if any, to the extent those provisions are inconsistent with the provisions of this Amendment.

Contract Termination Due to Contract Conversion

Group Policyholder declares a Contract Termination Due to Contract Conversion on its current Contract (*effective February 1, 1994*) (“Old Contract”) on June 1, 2010, called the Contract Termination Date. The Old Contract shall terminate on the Contract Termination Date and Group Policyholder and Company shall enter into a new Group Annuity Contract (“New Contract”) effective on such date. All new Deposits received after the Contract Termination Date will be deposited into the New Contract. Unless otherwise agreed to, on and after the Contract Termination Date, Group Policyholder acknowledges that all assets previously held under the Old Contract will be governed under the provisions of the New Contract. All fees and charges imposed under the Old Contract will transfer to and be payable under the New Contract, unless Group Policyholder and Company mutually agree that different fees will apply under the New Contract.

- The Guaranteed Fixed Fund will be mapped to The Stable Asset Value Fund in the New Contract.
- The Daily Interest Guarantee Fund will be mapped to The Stable Asset Value Fund in the New Contract.
- The Guaranteed Government Fund will be mapped to The Stable Asset Value Fund in the New Contract.

Group Policyholder and Company reserve the right to mutually agree to amend any other contractual provisions required to transfer Plan assets from the Old Contract to the New Contract.

Signed for Great-West Life & Annuity Insurance Company on _____, 2010.

President and Chief Executive Officer

Signed and accepted by the Group Contractholder as part of Group Annuity Contract Number 98215-02 on "SEE ATTACHED - Signature Page Addendum".

Group Contractholder
CITY of TORRANCE

By: "SEE ATTACHED - Signature Page Addendum"
Name: _____
Title: _____

**Amendment Rider Forming Part of the
Great-West Life & Annuity Insurance Company ("Company")
Group Annuity Contract to which it is attached.**

GROUP ANNUITY CONTRACT AMENDMENT ("Amendment")

GROUP CONTRACTHOLDER: City of Torrance

GROUP ANNUITY CONTRACT NUMBER: 98215-03,
98215-04,
98215-05,
98215-06

GROUP ANNUITY CONTRACT AMENDMENT DATE: June 1, 2010

The Amendment is effective June 1, 2010.

The following Amendments are added and attached to the Group Annuity Contract ("Contract") and will supersede the provisions of the Contract and related riders, booklets, endorsements, amendments or other documents attached to the Contract, if any, to the extent those provisions are inconsistent with the provisions of these Amendments.

Contract Termination Due to Contract Conversion

Group Contractholder declares a Contract Termination Due to Contract Conversion on its current Contract (*effective June 1, 2004*) ("Old Contract") on June 1, 2010, called the Contract Termination Date. The Old Contract shall terminate on the Contract Termination Date and Group Contractholder and Company shall enter into a new Group Annuity Contract ("New Contract") effective on such date. All new Contributions received after the Contract Termination Date will be deposited into the New Contract. Unless otherwise agreed to, on and after the Contract Termination Date, Group Contractholder acknowledges that all assets previously held under the Old Contract will be governed under the provisions of the New Contract. All fees and charges imposed under the Old Contract will transfer to and be payable under the New Contract, unless Group Contractholder and Company mutually agree that different fees will apply under the New Contract.

- The Stable Asset Value Fund (*for group numbers 98215-03, 98215-04, 98215-05, and 98215-06*) will become subject to the rules and be governed by the Stable Asset Value fund provisions of the New Contract.
- The Stable Asset Value Fund (*for group numbers 98215-03, 98215-04, 98215-05, and 98215-06*) will be mapped to The Stable Asset Value Fund in the New Contract.
- The Guaranteed Certificate Fund (*for group number 98215-05*) will be mapped to investment options in an amount equivalent to the value of the Participants' Certificate on the expiration date of such Certificate Account that occurs after the Contribution Termination Date.

Group Contractholder and Company reserve the right to mutually agree to amend any other contractual provisions required to transfer Plan assets from the Old Contract to the New Contract.

Signed for Great-West Life & Annuity Insurance Company on _____, 2010.

President and Chief Executive Officer

Signed and accepted by the Group Contractholder as part of Group Annuity Contract Numbers *98215-03, 98215-04, 98215-05, and 98215-06* on "SEE ATTACHED - Signature Page Addendum".

Group Contractholder
CITY of TORRANCE

By: "SEE ATTACHED - Signature Page Addendum"
Name: _____
Title: _____

Signature Page ADDENDUM

CITY of TORRANCE
a municipal corporation

By: _____
Frank Scotto, Mayor

Date: _____

ATTEST:

By: _____
Sue Herbers, City Clerk

Date: _____

APPROVED AS TO FORM:

JOHN L. FELLOWS III
City Attorney

By: _____

Date: _____

Great-West Life & Annuity Insurance Company

By: _____
Gregory E. Seller, Senior Vice President
Government Markets

Date: _____

Ameritrade Self-Directed Brokerage Account Option

Policies and Procedures (SDB Policies) Exhibit

A. GENERAL DESCRIPTION

The Self-Directed Brokerage Account ("SDB") option with SDB Provider is described as follows:

1. Account Establishment and Funding

SDB Provider has agreed to offer a SDB option to the employees of the Plan Sponsor. The SDB will be treated as a separate investment option under the Plan.

Participants must apply to SDB Provider to establish an account with SDB Provider and must affirmatively accept an indemnity/release statement via either Great-West's web site or automated voice response system prior to participating in the SDB arrangement. Participants utilizing the SDB prior to the electronic indemnity/release statement being available will be required to accept an indemnity/release statement prior to making additional transfers to the SDB via web or voice response system.

Under the SDB option, the Participant chooses from eligible investments, including, mutual funds, stocks and bonds allowed by the Plan, as specified in the SDB Provider Restriction Form completed by the Plan and submitted to SDB Provider, subject to certain trading restrictions.

2. Core Investment Minimums

All investment options other than the SDB option shall be defined as "Core Investments". The amount that must be left in the Core Investments, as established by Great-West, will be \$2,500. Great-West may change the aforementioned minimum with thirty (30) days advance written notice.

If the participant has not met the required Core Investments minimum, transfers will be restricted from the Core Investments to SDB Provider. In the event a Participant's total balance in the Core Investments falls to twenty (20) percent below the stated Core Investments minimum, the Participant will be mailed a letter each month for up to three consecutive months requesting that the Participant transfer from the SDB to Core Investments the amount required to meet the Core Investments minimum. If after the third letter the participant's total balance in the Core Investments is insufficient to recover fees owed under the terms of this Agreement, Plan Sponsor agrees to provide instruction to transfer the amount necessary from funds available in the participant's Money Market Fund at SDB Provider. If it is necessary to liquidate securities in the participant's SDB account, Plan Sponsor will provide written instructions on the specific securities to be liquidated and the number of shares to be liquidated.

3. Transfers and Contributions to SDB Provider

Participants may transfer assets to SDB Provider from the Core Investments, subject to any transfer restrictions or other rules associated with a particular investment option. Contributions from salary reduction may also be allocated to SDB Provider to the extent the Core Investments minimum has been met.

Participants must initiate transfers to SDB Provider via Great-West's web-site, or the client service representative. Transfers may be made only in U.S. dollars and only into the SDB Money Market Fund at SDB Provider, or other comparable fund as designated by SDB Provider. Any cash balances within a Participant's SDB shall be automatically invested in the SDB Money Market Fund.

When a Participant provides direction to transfer assets or to contribute directly to SDB Provider, the transfer of the assets from the Core Investments or contributions directly to SDB and receipt of those assets by SDB Provider will not be simultaneous.

A Participant's initial transfer to SDB Provider must be at least \$1,000.00 and each subsequent transfers must be at least \$1,000.00. Either SDB Provider or Great-West may change any of the aforementioned minimums with thirty (30) days advance written notice.

All transfers between SDB Provider and the Core Investments will be prorated against all money sources within a Participant's account unless the participant directs a customer service representative to transfer only one money source.

Transfers to SDB Provider will not be permitted if a Participant's total balance in the Core Investments falls below the Core Investments minimum.

4. Brokerage Activity

After funds are transferred or contributed to a Participant's SDB, the Participant must contact SDB Provider to buy mutual funds or securities. Participants may provide investment instructions to SDB Provider by calling a SDB Provider Investor Service Representative, via the SDB Provider Voice Response System or via the Internet by accessing SDB Provider's web-site. Securities eligible for trading in a SDB include only investment companies registered under the Investment Company Act of 1940; securities traded on a national securities exchange or over-the-counter and taxable debt instruments or obligations. SDB Provider will not accept orders for any transactions involving certain securities if so instructed by the Plan Sponsor pursuant to SDB Provider's Restriction Form executed by the Plan Sponsor and Trustee, if applicable.

Plan Sponsor acknowledges that SDB Provider will provide each Participant with any annual reports, proxy, tender offer, prospectus, or any other information it receives in connection with securities held in the Participant's SDB (collectively referred to as "Shareholder Communications"), including information regarding voting, tendering or any other shareholder actions. SDB Provider will cause its Clearing Agent to exercise the default option under the reorganization terms on voluntary actions if the Participant provides no instruction. In no case will either SDB Provider or Great-West and/or its affiliates be under any duty to determine how, or if, proxies are voted or acted upon or to take any action in connection with any Shareholder Communication.

5. Transfers from SDB Provider

Participants must transfer assets from their SDB via Great-West's web-site, or the client service representative to the Core Investments to the extent that funds are required for a scheduled or requested loan, distribution, periodic payment or rollovers or distributions pursuant to a Qualified Domestic Relations Order (QDRO). Periodic payments scheduled for the ninety (90) day period following a distribution request and scheduled irrevocable payments are not available for other distributions. The minimum required balance for the Core Investments will not be available for any distributions if the Participant has a balance in the SDB. Transfers may be made only in U.S.

dollars and only from the SDB Money Market Fund. Participants must contact SDB Provider and liquidate mutual funds, stocks, and/or bonds prior to transferring from SDB Provider to the Core Investments. Before initiating a transfer, Participants must cancel any open "buy" orders for securities to the extent the open "buy" orders exceed the remaining balance available in the SDB option. Participants must then contact Great-West to initiate transfers from the SDB Money Market Fund to the Core Investments. Transfers initiated by the participant from the SDB Money Market Fund at SDB Provider to the Core Investments will be allocated among the Core Investments according to the Participant's instructions, or to the plan default in the absence of instructions from the Participant from time to time.

Assistance will be afforded the Participant in maintaining the minimum required in the Core Investments via a periodic letter notifying them of an insufficient amount of money in the Core Investments. If the Participant fails to comply with the notice to maintain the minimum required in the Core Investments, the Participant's account will be restricted so no additional money can be transferred into the SDB account.

6. Non-Required Future Payments

Any Participant who has established a SDB account and has set up future payments (including periodic payments) will be responsible for transferring the amount of money sufficient to maintain their future payments to the Core Investments.

If a future payment fails because there is not enough money in the Core Investments, the following will occur:

- a. The Participant will receive a letter each month for three (3) consecutive months notifying them that they have not met the required Core Investments minimum for future payments (the stated \$2,500 Core Investment minimum plus 150% of the next three (3) months of scheduled future payments) and request that the Participant transfer from the SDB to Core Investments the amount required to meet the Core Investments minimum.
- b. If the amount in the Core Investments is not sufficient to make a payment, the future payments will be terminated on the recordkeeping system. Notification will be sent to the Plan Sponsor, who may request that the all securities held at SDB Provider will be liquidated;
- c. Transfers of money from SDB Provider to the Core Investments to satisfy future payments can only be made by the Participant;
- d. Future payments will not be backdated to the original effective date.

To restart future payments, the Participant must transfer money to the Core Investments and resubmit any forms necessary to set up future payments.

7. Required Payments under the Plan, the Code or the Payment Option Selected

Any Participant who has established a SDB account and has required payments will be responsible for transferring the amount of money sufficient to maintain their periodic payments to the Core Investments.

If required payments fail because there is not enough money in the Core Investments, the following will occur:

- a. The Participant will be mailed a letter each month for three (3) consecutive months notifying them that they have not met the required Core Investments minimum for required payments (the stated \$2,500 Core Investment minimum plus 150% of the next three (3) months of required payments).

- b. If the amount in the Core Investments is not sufficient to make a payment, the Plan Sponsor will be notified that all securities held at SDB Provider will be liquidated according to the Letter of Instruction from the Plan Sponsor and the total balance will be transferred back to the Core Investments and allocated to the Plan default option, in the absence of instructions from the Participant;
- c. A restriction will be placed on the account, preventing the Participant from moving money to the SDB;
- d. Required payments will be made as of the current date; and
- e. The required payment schedule will be restarted for future required payments.

8. Death Benefit Payments

A beneficiary cannot access the SDB. Upon receipt of a death benefit claim form in good order, SDB Provider will be directed to freeze SDB activity and cancel any open orders. Unless an in-kind rollover to eligible retirement plan is selected, securities held in the SDB Provider account will be liquidated according to the Letter of Instruction from the Plan Sponsor and the proceeds will be transferred to the plan default in the Core Investments for distribution. Trailing dividends will be transferred to the Core Investments for distribution.

9. Closing SDBs

Participants must call SDB Provider to close their account. Once the account is closed, the Participant cannot initiate any further transfers to the SDB account. If a dividend is paid into the account after the Participant has transferred all money to the Core Investments, the Participant must call SDB Provider to liquidate securities and wait for the transaction to settle in the SDB Money Market Fund. Once the securities have settled in the SDB Money Market Fund, the Participant must call Great-West to initiate the transfer from the SDB Provider SDB Money Market Fund to the Core Investments. If a Participant closes their SDB account, they will have to open a new account with a new account number.

10. Name and Address Changes

Name and Address changes must be submitted to Great-West. Participants must also notify the SDB Provider of any address changes.

11. Special Recordkeeping Associated with the Self-Directed Brokerage Option

The parties hereto agree and acknowledge that the recordkeeping in respect of the SDB program will differ from the recordkeeping services described elsewhere in this Agreement.

- a. Rebalancer and dollar cost averaging are not available for any SDB;
- b. Participant statements issued according to this Agreement will show one balance for the SDB account. The SDB balance will be included in the rate of return on the statement for the SDB balances. No transactions within the SDB will be shown on this statement.
- c. The following information will not be shown on the quarterly Plan Summary Report for SDBs:
 - i. Realized and unrealized gains and losses;
 - ii. Cost basis; and
 - iii. Reportable transactions.
- d. In-kind rollovers are allowed from the SDB account, if provided for in the plan document.
- e. Transaction timing information is described in Schedule A attached.

B. GENERAL INFORMATION

1. The parties hereto agree and acknowledge that SDB Provider is an independent, unaffiliated third party to Great-West and its affiliates and that SDB Provider may review and amend the fees charged at any time without notice.
2. The availability of a mutual fund, stock, or bond under the SDB program does not constitute a determination by Great-West, its affiliates or their employees, officers, directors, agents or affiliates (collectively Great-West) of the merits, prudence, or advisability of the SDB program, nor does Great-West or its affiliates provide investment advice or recommend or evaluate the merits or suitability of any investment available through the SDB program. Neither Great-West nor its affiliates act as a fiduciary with respect to the selection and retention of the SDB program or any Participant SDBs held thereunder.
3. Plan Sponsor understands that neither Great-West nor its affiliates have any discretionary authority and cannot exercise discretionary control on behalf of the Plan or SDB Provider and are not an agent of SDB Provider. However, except those duties expressly performed by Plan Sponsor or SDB Provider pursuant to this Recordkeeping and Administrative Responsibilities Agreement, all ministerial administrative functions related to the SDB arrangement are to be performed by Great-West according to this Agreement. Plan Sponsor agrees that SDB Provider may act pursuant to instructions provided according to the terms of this Agreement and pursuant to Participant directions.
4. Plan Sponsor hereby authorizes that the services in this Agreement to be performed in the following limited and nondiscretionary capacity: to forward cash to SDB Provider on behalf of the Plan and Plan Participants; to direct SDB Provider to liquidate any SDB assets and transfer such assets to the recordkeeping system in order to pay fees, expenses and benefits in respect to payment options required under the Plan and close Participant SDB accounts according to Letter of Instruction Regarding Self Directed Brokerage Account and/or Participant instructions. The limited authority granted above includes the authority to transmit instructions to SDB Provider to transfer assets from SDBs to another Plan investment provider; to transfer assets to or from a SDB in accordance with this Agreement; and to take any other ministerial actions incidental to the administration of the foregoing.
5. In addition to the recordkeeping and communication fee described in the Agreement, an annualized fee of **\$60.00** per year per Plan shall be collected from the account of each Participant utilizing the SDB, deducted from each participant's Core Investments account balance on a pro rata basis in an amount of **\$15.00** per quarter (as defined below) per Plan. A quarter shall be defined as the period from the 21st day of the third month of the preceding calendar quarter to the 20th day of the third month of the current calendar quarter. This fee will not be assessed in respect of any quarter that the Participant maintains a zero (\$0) balance in the SDB for the entire quarter. Participants electing to invest in the SDB will also be assessed separately by SDB Provider its fees, the management and other fees specific to each investment option selected. The commissions and/or fees charged by SDB Provider are set forth on SDB Provider's Web site and will be charged to the Participant's SDB as they apply to the SDB arrangement. These commissions and/or fees are subject to change at any time without notice. Great-West and/or one or more of its affiliates may receive revenues from SDB Provider which reimburses for administrative and systems interface.

C. LIABILITY

Plan Sponsor acknowledges that neither SDB Provider nor Great-West and its affiliates acts as a fiduciary with respect to the Participant's selection or retention of SDB assets or investments. Neither SDB Provider nor Great-West and its affiliates has any duty to monitor purchases, sales, or exchanges of securities in the Participant SDBs and other transactions in the SDB, or to determine whether the amount contributed or transferred to SDB Provider from the recordkeeping system for any Participant Account is proper or correct.

D. TERMINATION

The SDB arrangement may be terminated by Plan Sponsor or Great-West at any time upon written notice to the other parties. Such termination will be effective sixty (60) days after the date of mailing such notice. Upon termination, the Plan Sponsor agrees to provide direction with respect to the disbursement of any monies or securities invested in the SDB arrangement.

Schedule A

Transaction Timing

A. Transfers and Contributions to SDB Provider:

Participant initiated transfer and contribution requests from the Core Investments to the SDB account that are received on a Business Day before 2:00 p.m. Mountain Time will be processed and sent to SDB Provider the second Business Day, if all of the Core Investment option providers associated with the transfer and contribution request meet the "late day" trading requirements. "Late day" trading means that the investment option provider agrees to accept transactions at that Business Day's price that are initiated prior to 2:00 p.m. Mountain Time but are received by the investment option provider after 2:00 p.m. Mountain Time. If received on a Business Day after 2:00 p.m. Mountain Time, transfers and contributions will be processed and sent to SDB Provider the third Business Day.

B. Transfers from SDB Provider:

Participant initiated transfer requests from the Money Fund at SDB Provider to the Core Investments that are received by SDB Provider on a Business Day before 2:00 p.m. Mountain Time will be received two (2) Business Days after requested from SDB accounts. If a Participant requests the full amount of the SDB balance, investments that are processed by SDB Provider on a Business Day before 2:00 p.m. Mountain Time will be received four (4) Business Days after requested from SDB accounts. Once received, the amount transferred will be deposited to the applicable investment options according to the transfer timing schedule described in this Agreement.

C. Loans, Lump-Sum Withdrawals, Non-Required Periodic Payments, and Required Payments under the Plan, the Code or the Payment Option Selected:

The Participant must sell sufficient securities to raise the required amount of cash in the SDB Money Market Fund and then transfer the cash from the SDB Money Market Fund to the Core Investments. Once the transfer is received in the Core Investments, the loan or first payment will be available the later of five (5) Business Days after the Business Day the SDB monies (and complete and accurate information necessary to process the request) or the date of the scheduled payment.

D. Death Benefit Payments:

1. SDB Investment in Mutual Funds and Bonds:

Once complete and accurate information necessary to process the death benefit request is received, SDB Provider will be notified to liquidate all securities in the SDB and transfer them to the Core Investments on the recordkeeping system. The death benefit request will be processed no later than the eleventh Business Day and the check will be processed and mailed no later than the twelfth Business Day.

2. SDB Investment in Stock With or Without Mutual Funds and/or Bonds:

Death benefit requests that include stock investments in the SDB will be completed no later than two (2) Business Days after the schedule described above in subparagraph 1 given that stock investments require two (2) additional Business Days to settle.

E. Closing the SDB:

In event the SDB account is closed and if a dividend is paid into the SDB account after all of the SDB money has been transferred, the Participant (or beneficiary) must follow the procedures described in Section A. 9. Once the dividend has been paid into the Core Investments on the recordkeeping system at the home office, the check will be available according to the schedule described in paragraph C. above.

457(b) – Plan Sponsor’s approved model form of Qualified Domestic Relations Order (“QDRO”)

This is a Model Qualified Domestic Relations Order (“Model QDRO”) that has been preapproved by Great-West for use by the Plan for outsourced Qualified Domestic Relations Order (“QDRO”) services. Although this Model QDRO conforms with Federal QDRO requirements, it may need to be revised for state and/or local law and/or the specific requirements of the Plan itself. Further, the format of the Qualified Domestic Relations Order may vary depending upon the rules of the court in which the Participant obtains the Domestic Relations Order. For these reasons, this Model QDRO should be used only by the Plan after consultation with the Plan’s counsel.

Any revisions to the Model QDRO must be submitted to Great-West for approval for use with our outsourced QDRO services. Nothing contained in this Model QDRO shall be construed as tax or legal advice.

It is recommended that a proposed version of this order be submitted to Great-West with the body of the order filled in prior to entry of this order for purposes of your obtaining Great-West’s preapproval of the proposed order.

Proposed and entered orders should be remitted to the Plan Recordkeeper as follows:

Great-West Retirement Services®
P.O. Box 173764
Denver, CO 80217-3764
Fax # (866) 745-5766

.....COURT, CITY OF, COUNTY OF

STATE OF

IN RE THE MARRIAGE OF:

.....

No.

Petitioner,)
and)
Respondent

QUALIFIED DOMESTIC RELATIONS ORDER

AND NOW, this _____ day of _____, 20___, based on the findings set forth below,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

1. **Parties:** The parties hereto were husband and wife, and a divorce action is in this Court at the above number. This Court has personal jurisdiction over the parties. The parties were married on _____ and divorced on _____.
2. **Participant Information:** The name, last known address, social security number and date of birth of the plan “Participant” are:
3. **Alternate Payee Information:** The name, last known address, and social security number of the “Alternate Payee” are:

The Alternate Payee is the Participant's former spouse. The Alternate Payee shall have the duty to notify the Plan Administrator and/or Recordkeeper of any changes in mailing address subsequent to the entry of this Order.

4. **Plan Name.** The name of the Plan to which this Order applies is the _____ Plan, (hereafter referred to as "Plan").

Any changes in the Plan Administrator, Plan Sponsor, or name of the Plan shall not affect Alternate Payee's rights as stipulated under this Order.

5. **Effect of this Order as a Qualified Domestic Relations Order:** This Order creates and recognizes the existence of an Alternate Payee's right to receive a portion of the Participant's benefits payable under an employer-sponsored defined contribution plan that is qualified under Section 457 of the Internal Revenue Code (the "Code"). It is intended to constitute a Qualified Domestic Relations Order ("QDRO") under Section 414(p) of the Code.
6. **Pursuant to State Domestic Relations Law:** This Order is entered pursuant to the authority granted in the applicable domestic relations laws of _____.
7. **Provisions of Marital Property Rights:** This Order relates to the provision of marital property rights as a result of the Order of Divorce between the Participant and the Alternate Payee.
8. **Amount of Alternate Payee's Benefit:** This Order assigns to the Alternate Payee an amount equal to [choose either option 8A1 or 8A2 below]:

8A1 \$_____ of the Participant's Total Account Balance under the Plan as of the date this Order is processed.

OR

8A2 \$_____(dollars and cents) or ____% (percent)] of the Participant's Total Account Balance accumulated under the Plan as of _____ (or the closest valuation date thereto). The Alternate Payee's benefit herein awarded shall be credited with any investment income (or losses) attributable thereon from the aforesaid valuation date (or the closest valuation date thereto), until the date of transfer of the Alternate Payee's share to the Alternate Payee.

(Note to drafting attorney: The Plan's current recordkeeper is not able to determine the value of the Participant's account balance and any investment earnings and/or losses prior to _____. The parties will need to arrive at a dollar figure or percentage of benefits payable to the Alternate Payee as of a date that is no earlier than _____. The Plan's current recordkeeper can determine the account value and calculate any earnings and/or losses from _____ through the date assets are transferred or distributed to the Alternate Payee. Keep in mind that if you must adjust the valuation date forward and a percentage is awarded to the Alternate Payee in this section, you should consider whether to adjust the Alternate Payee's awarded percentage to account for any additional contributions (and any gains/losses accruing thereon) made by or for the Participant to the account after the originally intended valuation date.)

Such Total Account Balance shall be determined after the account is reduced by the outstanding balance of the Participant's account reduction loan(s), if any, as of the valuation date specified above, such that the Account Balance shall not include the outstanding balance of any account reduction loan(s) as of the valuation date. The obligation to repay any Participant Plan loan(s) from and after the date of this Order remains solely with the Participant.

Such Total Account Balance shall include all amounts maintained under all of the various accounts and/or sub-accounts established on behalf of the Participant, including rollover and transfer contributions. The Alternate Payee's portion of the benefits described above shall be allocated on a prorata basis first from all of the core accounts and/or core investment options maintained under the

Plan on behalf of the Participant other than life insurance, if any, and next the Plan shall redeem amounts from a life insurance contract, if any, issued for the Participant under the Plan only to the extent necessary to obtain the amount that this order awards to the Alternate Payee.

Unless the Alternate Payee elects an immediate lump sum distribution by the Plan at the time this Order is submitted to, and approved by, the Plan, such benefits shall also be segregated and separately maintained in a nonforfeitable Account(s) established on behalf of the Alternate Payee. This Account(s) will initially be established proportionately in the same core investment options as the Participant account. Alternate Payee may make subsequent investment selections as and when permitted under the terms of the Plan. Alternate Payee's account shall experience gains and or losses according to the investment experience of the investment options in which Alternate Payee's share is invested.

9. **Commencement Date and Form of Payment to Alternate Payee:** If the Alternate Payee so elects on an appropriate form, the benefits shall be paid to the Alternate Payee as soon as administratively feasible following the date this Order is approved as a QDRO by the Plan. Benefits will be payable to the Alternate Payee in any form or permissible option otherwise available to participants under the terms of the Plan, except a joint and survivor annuity. The Alternate Payee will be responsible for paying any applicable withdrawal charges imposed under any investment account(s) with respect to his or her share under the plan.
10. **Alternate Payee's Rights and Privileges:** On and after the date that this Order is deemed to be a QDRO, but before the Alternate Payee receives a total distribution under the Plan, the Alternate Payee shall be entitled to all of the rights and election privileges that are afforded to Plan beneficiaries, including, but not limited to, the rules regarding the right to designate a beneficiary for death benefit purposes and the right to direct Plan investments, only to the extent permitted under the provisions of the Plan.
11. **Death of Alternate Payee:** In the event of the Alternate Payee's death prior to receiving the full amount of benefits assigned under this Order and under the benefit option chosen by the Alternate Payee, such Alternate Payee's beneficiary(ies), as designated on the appropriate form provided to the Plan or, in the absence of a beneficiary designation, the remainder of any unpaid benefits under the terms of this Order shall be paid in accordance with the terms of the Plan.
12. **Death of Participant:** Should the Participant predecease the Alternate Payee, such Participant's death shall in no way affect the Alternate Payee's right to the portion of the benefits as stipulated herein.
13. **Savings Clause:** This Order is not intended, and shall not be construed in such a manner as to require the Plan:
 - a. to provide any type or form of benefits or any option not otherwise provided under the Plan;
 - b. to provide increased benefits to the Alternate Payee;
 - c. to pay any benefits to the Alternate Payee which are required to be paid to another alternate payee under another order previously determined to be a QDRO; or
 - d. to make any payment or take any action which is inconsistent with any federal or state law, rule, regulation or applicable judicial decision.
14. **Certification of Necessary Information:** All payments made pursuant to this Order shall be conditioned on the certification by the Alternate Payee and the Participant to the Plan of such information as the Plan may reasonably require from such parties.

15. **Continued Qualified Status of Order:** It is the intention of the parties that this QDRO continue to qualify as a QDRO, as it may be amended from time to time, and that the Plan shall reserve the right to reconfirm the qualified status of the Order at the time benefits become payable hereunder.

16. **Tax Treatment of Distributions Made Under This Order:** For purposes Sections 402(a)(1) and 72 of the Code, or any successor Code section, any Alternate Payee who is the spouse or former spouse of the Participant shall be treated as the distributee of any distribution or payments made to the Alternate Payee under the terms of this Order, and as such, will be required to pay the appropriate federal income taxes on such distribution.

17. **Parties Responsibilities in Event of Error:** In the event that the Plan inadvertently pays the Participant any benefits that are assigned to the Alternate Payee pursuant to the terms of this Order, the Participant shall immediately reimburse the Alternate Payee to the extent that the Participant has received such benefit payments by paying such amounts directly to the Alternate Payee within ten (10) days of receipt.

In the event that the Plan inadvertently pays the Alternate Payee any benefits that are to remain the sole property of the Participant pursuant to the terms of this Order, if the Participant has experienced a distributable event under the terms of the Plan, the Alternate Payee shall immediately reimburse the Participant to the extent that the Alternate Payee has received such benefit payments by paying such amounts directly to the Participant within ten (10) days of receipt. If the Participant has not experienced a distributable event under the terms of the Plan, the Alternate Payee shall immediately return such overpayment to the Plan within ten (10) days of receipt.

18. **Effect of Plan Termination:** In the event of a Plan termination, the Alternate Payee shall be entitled to receive his or her portion of the Participant's benefits as stipulated herein in accordance with the Plan's termination provisions for participants and beneficiaries.

19. **Continued Jurisdiction:** The Court retains jurisdiction over this matter to amend this Order to establish or maintain its status as a qualified domestic relations order, as amended and the original intent of the parties as stipulated herein. The Court shall also retain jurisdiction to enter such further orders as are necessary to enforce the assignment of benefits to the Alternate Payee as set forth herein.

20. **Fee:** A processing fee of \$250.00 shall be charged one-half (\$125.00) against the Alternate Payee's share/account and one-half (\$125.00) against the Participant's remaining account. In the event that the Alternate Payee is awarded 100% of the Participant's account balance as of the date this Order is processed pursuant to this Order, the entire processing fee shall be charged to the Alternate Payee's account/share. If there are not sufficient funds in either party's account to pay that party's respective share of the fee, the difference shall be charged to the other party.

BY THE COURT:

.....
JUDGE

.....
Petitioner

.....
Respondent

401(a) – Plan Sponsor’s approved model form of Qualified Domestic Relations Order (“QDRO”)

This is a Model Qualified Domestic Relations Order (“Model QDRO”) that has been preapproved by Great-West for use by the Plan for outsourced Qualified Domestic Relations Order (“QDRO”) services. Although this Model QDRO conforms with Federal QDRO requirements, it may need to be revised for state and/or local law and/or the specific requirements of the Plan itself. Further, the format of the Qualified Domestic Relations Order may vary depending upon the rules of the court in which the Participant obtains the Domestic Relations Order. For these reasons, this Model QDRO should be used only by the Plan after consultation with the Plan’s counsel. Any revisions to the Model QDRO must be submitted to Great-West for approval for use with our outsourced QDRO services. Nothing contained in this Model QDRO shall be construed as tax or legal advice.

It is recommended that a proposed version of this order be submitted to Great-West with the body of the order filled in prior to entry of this order for purposes of your obtaining Great-West’s preapproval of the proposed order.

Proposed and entered orders should be remitted to the Plan Recordkeeper as follows:

Great-West Retirement Services®
P.O. Box 173764
Denver, CO 80217-3764
Fax # (866) 745-5766

.....COURT, CITY OF, COUNTY OF

STATE OF

IN RE THE MARRIAGE OF:

.....

No.

Petitioner,)
and)
Respondent)

QUALIFIED DOMESTIC RELATIONS ORDER

AND NOW, this _____ day of _____, 20___, based on the findings set forth below,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

5. **Parties:** The parties hereto were husband and wife, and a divorce action is in this Court at the above number. This Court has personal jurisdiction over the parties. The parties were married on _____ and divorced on _____.

6. **Participant Information:** The name, last known address, social security number and date of birth of the plan “Participant” are:

7. **Alternate Payee Information:** The name, last known address, and social security number of the “Alternate Payee” are:

The Alternate Payee is the Participant’s former spouse. The Alternate Payee shall have the duty to notify the Plan Administrator and/or Recordkeeper of any changes in mailing address subsequent to the entry of this Order.

8. **Plan Name.** The name of the Plan to which this Order applies is the _____ Plan, (hereafter referred to as “Plan”).

Any changes in the Plan Administrator, Plan Sponsor, or name of the Plan shall not affect Alternate Payee's rights as stipulated under this Order.

8. **Effect of this Order as a Qualified Domestic Relations Order:** This Order creates and recognizes the existence of an Alternate Payee's right to receive a portion of the Participant's benefits payable under an employer-sponsored defined contribution plan that is qualified under Section 401 of the Internal Revenue Code (the "Code"). It is intended to constitute a Qualified Domestic Relations Order ("QDRO") under Section 414(p) of the Code.
9. **Pursuant to State Domestic Relations Law:** This Order is entered pursuant to the authority granted in the applicable domestic relations laws of _____.
10. **Provisions of Marital Property Rights:** This Order relates to the provision of marital property rights as a result of the Order of Divorce between the Participant and the Alternate Payee.
8. **Amount of Alternate Payee's Benefit:** This Order assigns to the Alternate Payee an amount equal to [choose either option 8A1 or 8A2 below]:

8A1 \$ _____ of the Participant's Total Vested Account Balance under the Plan as of the date this Order is processed.

OR

8A2 \$ _____ (dollars and cents) or _____% (percent)] of the Participant's Total Vested Account Balance accumulated under the Plan as of _____ (or the closest valuation date thereto). The Alternate Payee's benefit herein awarded shall be credited with any investment income (or losses) attributable thereon from the aforesaid valuation date (or the closest valuation date thereto), until the date of transfer of the Alternate Payee's share to the Alternate Payee.

Such Total Vested Account Balance shall include all amounts maintained under all of the various accounts and/or sub-accounts established on behalf of the Participant, including rollover and transfer contributions. The Alternate Payee's portion of the benefits described above shall be allocated on a prorata basis first from all of the core accounts and/or core investment options maintained under the Plan on behalf of the Participant other than life insurance, if any, and next the Plan shall redeem amounts from a life insurance contract, if any, issued for the Participant under the Plan only to the extent necessary to obtain the amount that this order awards to the Alternate Payee.

Unless the Alternate Payee elects an immediate lump sum distribution at the time this Order is submitted to, and approved by, the Plan, such benefits shall also be segregated and separately maintained in a nonforfeitable Account(s) established on behalf of the Alternate Payee. This Account(s) will initially be established proportionately in the same core investment options as the Participant account. Alternate Payee may make subsequent investment selections as and when permitted under the terms of the Plan. Alternate Payee's account shall experience gains and or losses according to the investment experience of the investment options in which Alternate Payee's share is invested.

13. **Commencement Date and Form of Payment to Alternate Payee:** If the Alternate Payee so elects on an appropriate form, the benefits shall be paid to the Alternate Payee as soon as administratively feasible following the date this Order is approved as a QDRO by the Plan. Benefits will be payable to the Alternate Payee in any form or permissible option otherwise available to participants under the terms of the Plan, except a joint and survivor annuity. The Alternate Payee will be responsible for paying any applicable withdrawal charges imposed under any investment account(s) with respect to his or her share under the plan.
14. **Alternate Payee's Rights and Privileges:** On and after the date that this Order is deemed to be a QDRO, but before the Alternate Payee receives a total distribution under the Plan, the Alternate Payee shall be entitled to all of the rights and election privileges that are afforded to Plan beneficiaries, including, but not limited to, the rules regarding the right to designate a beneficiary for death benefit purposes and the right to direct Plan investments, only to the extent permitted under the provisions of the Plan.

15. **Death of Alternate Payee:** In the event of the Alternate Payee's death prior to receiving the full amount of benefits assigned under this Order and under the benefit option chosen by the Alternate Payee, such Alternate Payee's beneficiary(ies), as designated on the appropriate form provided to the Plan or, in the absence of a beneficiary designation, the remainder of any unpaid benefits under the terms of this Order shall be paid in accordance with the terms of the Plan.
16. **Death of Participant:** Should the Participant predecease the Alternate Payee, such Participant's death shall in no way affect the Alternate Payee's right to the portion of the benefits as stipulated herein.
13. **Savings Clause:** This Order is not intended, and shall not be construed in such a manner as to require the Plan:
- a. to provide any type or form of benefits or any option not otherwise provided under the Plan;
 - b. to provide increased benefits to the Alternate Payee;
 - c. to pay any benefits to the Alternate Payee which are required to be paid to another alternate payee under another order previously determined to be a QDRO; or
 - d. to make any payment or take any action which is inconsistent with any federal or state law, rule, regulation or applicable judicial decision.
14. **Certification of Necessary Information:** All payments made pursuant to this Order shall be conditioned on the certification by the Alternate Payee and the Participant to the Plan of such information as the Plan may reasonably require from such parties.
15. **Continued Qualified Status of Order:** It is the intention of the parties that this QDRO continue to qualify as a QDRO, as it may be amended from time to time.
16. **Tax Treatment of Distributions Made Under This Order:** For purposes Sections 402(a)(1) and 72 of the Code, or any successor Code section, any Alternate Payee who is the spouse or former spouse of the Participant shall be treated as the distributee of any distribution or payments made to the Alternate Payee under the terms of this Order, and as such, will be required to pay the appropriate federal income taxes on such distribution.
17. **Parties Responsibilities in Event of Error:** In the event that the Plan inadvertently pays the Participant any benefits that are assigned to the Alternate Payee pursuant to the terms of this Order, the Participant shall immediately reimburse the Alternate Payee to the extent that the Participant has received such benefit payments by paying such amounts directly to the Alternate Payee within ten (10) days of receipt.
- In the event that the Plan inadvertently pays the Alternate Payee any benefits that are to remain the sole property of the Participant pursuant to the terms of this Order, if the Participant has experienced a distributable event under the terms of the Plan, the Alternate Payee shall immediately reimburse the Participant to the extent that the Alternate Payee has received such benefit payments by paying such amounts directly to the Participant within ten (10) days of receipt. If the Participant has not experienced a distributable event under the terms of the Plan, the Alternate Payee shall immediately return such overpayment to the Plan within ten (10) days of receipt.
18. **Effect of Plan Termination:** In the event of a Plan termination, the Alternate Payee shall be entitled to receive his or her portion of the Participant's benefits as stipulated herein in accordance with the Plan's termination provisions for participants and beneficiaries.
19. **Continued Jurisdiction:** The Court retains jurisdiction over this matter to amend this Order to establish or maintain its status as a qualified domestic relations order, as amended and the original intent of the parties as stipulated herein. The Court shall also retain jurisdiction to enter such further orders as are necessary to enforce the assignment of benefits to the Alternate Payee as set forth herein.

- 20. **Fee:** A processing fee of \$250.00 shall be charged one-half (\$125.00) against the Alternate Payee's share/account and one-half (\$125.00) against the Participant's remaining account. In the event that the Alternate Payee is awarded 100% of the Participant's account balance as of the date this Order is processed pursuant to this Order, the entire processing fee shall be charged to the Alternate Payee's account/share. If there are not sufficient funds in either party's account to pay that party's respective share of the fee, the difference shall be charged to the other party.

BY THE COURT:

.....
JUDGE

.....
Petitioner

.....
Respondent

Procedures for Complying with Fund Company Market Timing and Excessive Trading Policies

The prospectuses, policies and/or procedures of certain fund companies require retirement plan providers offering their fund(s) to agree to restrict market timing and/or excessive trading ("prohibited trading") in their funds. The following procedures describe how we, as your recordkeeper, will comply with fund company instructions designed to prevent or minimize prohibited trading.

Various fund companies instruct intermediaries to perform standardized trade monitoring while others perform their own periodic monitoring and request trading reports when they suspect that an individual is engaging in prohibited trading. If an individual's trading activity is determined to constitute prohibited trading, as defined by the applicable fund company, the individual will be notified that a trading restriction will be implemented if prohibited trading does not cease. (Some funds may require that trading restrictions be implemented immediately without warning, in which case notice of the restriction will be provided to the individual and plan, if applicable). If the individual continues to engage in prohibited trading, the individual will be restricted from making transfers into the identified fund(s) for a specified time period, as determined by the applicable fund company. Individuals are always permitted to make transfers out of the identified fund(s) to other available investment options. When the fund company's restriction period has been met, the individual will automatically be allowed to resume transfers into the identified fund(s).

Additionally, if prohibited trading persists, the fund company may reject all trades initiated by the plan, including trades of individuals who have not engaged in prohibited trading.

Note: certain plan sponsors have or may elect to implement plan level restrictions to prevent or minimize individual prohibited trading. To the extent that such procedures are effective, we may not receive requests for information from the fund companies or requests to implement the restrictions described above.

Business Continuity Plans Notice

GWFS Equities, Inc., (GWFS) a wholly owned subsidiary of Great-West Life & Annuity Insurance Company and an affiliate of First Great-West Life & Annuity Insurance Company*, maintains a comprehensive business continuity plan designed to respond reasonably and effectively to events that lead to significant business disruption, such as natural disasters, power outages, or other events of varying scope. This plan defines critical functions and systems, alternate work locations, vital books and records, and staff resources, and provides for the continuation of business operations with minimal impact, depending on the severity and scope of the disruption. The plan is reviewed and tested no less than once annually to ensure that the information in the plan is kept current and that documented recovery and continuity strategies adequately support its business operations. Of utmost importance to the plan is the ability for customers to maintain access to securities accounts and assets in those accounts.

In the event that one of the Call Centers or back office operation facilities becomes unavailable for any reason, calls would be re-routed to one of the firm's alternative call center or operations facilities.

In the event of a significant business disruption to the primary office and/or data center, access to customer accounts will be provided via the Company's Web site and voice response system, operated from an alternative data center. Customer Service will continue to be provided by re-routing telephone calls to a Call Center located in one or more alternative sites located outside of the region.

While no contingency plan can eliminate the risk of business interruption, or prevent temporary delays with account access, the firm's continuity plan is intended to mitigate all reasonable risk and resume critical business operations within 24 hours or the next business day, whichever is later.

* Record keeping and administrative services are provided by Great-West Life & Annuity Insurance Company, or one of its affiliates. Securities offered in your account may be offered through another broker/dealer firm other than GWFS Equities, Inc. Please contact your investment provider for more information if needed.

This disclosure is subject to modification at any time. The most current version of this disclosure can be found on the Web site or can be obtained by requesting a written copy by mail.

Privacy Notice Exhibit

The Great-West Family of Companies

Great-West Life & Annuity Insurance Company
 The Great-West Life Assurance Company (US operations)
 First Great-West Life & Annuity Insurance Company
 Advised Assets Group, LLC
 GWFS Equities, Inc. ‡
 The Canada Life Assurance Company (US operations)
 Emjay Corporation
 Emjay Retirement Plan Services, Inc.
 FASCore, LLC
 Great-West Life & Annuity Insurance Company of South Carolina
 GW Capital Management, LLC
 Maxim Series Fund, Inc.
 National Plan Coordinators of Delaware, Inc. ‡
 Great-West Healthcare of Georgia, Inc. *
 Orchard Trust Company, LLC
 Westkin Properties Ltd.

‡ www.gwrs.com

* www.greatwesthealthcare.com

Revised 10/2009 (standard + CA)

The Great-West Family of Companies protects your privacy. We have strict policies to keep your nonpublic personal information private. We may share it with affiliates and third parties that we do business with, and in other ways permitted by law.

Information We Collect. We collect and store information. It comes from forms that you complete, from business you have conducted with us and other parties we do business with and from consumer and insurance reporting companies.

Security of Your Information. We have physical, administrative, and technical safeguards in place to protect your privacy.

Access to Information. The only employees who have access to your records are those who need it for business reasons.

Our Information Sharing Practices. We limit the information we share and the parties we share it with. We share your information to help you do business with us. What we share depends on the types of products or services you request. For example, we may share information:

- from business forms that you complete (such as your name, address, SSN, plan or ID number, assets and income from your application)
- about your business with us, or others (such as your policy or contract coverage and benefits and payment history)
- about your relationship with us (such as the products or services you purchased)
- from your employer, benefit plan sponsor, or group product (such as your name, address, SSN, plan or ID number and age)
- from consumer and insurance reporting organizations (such as your credit, financial or health history; please note, these organizations may retain information provided to us and disclose it to others)
- from other third parties (such as health and demographic information)
- from visitors to our Web sites (such as information you provide online by completing forms, site visit data and "cookies")

Sharing of Health Information. We won't share your health information, unless such sharing is permitted or required by law. For a description of how we share your health information, please contact our Privacy Officer at the address noted below.

Sharing Information with Other Parties. You may permit us to share your information with other parties. Your information may be shared without your consent with our affiliates and other third parties if permitted by law. We do not share your information for any purpose that requires an opt-in or opt-out.

Our affiliates are listed and include, but are not limited to, our broker-dealers and our trust company. Your information may be shared to serve you better or to make it easier for you to do business with us.

We may also share your information with vendors and financial institutions. Vendors perform services for us such as processing transactions. Financial institutions such as banks have marketing agreements with us. We have agreements with these parties requiring them to protect the privacy of your information. They are not allowed to use the information other than as specified or permitted by law.

Other disclosures that may be made without your consent, include:

- To detect or prevent fraud & other criminal activity;
- To a medical professional for eligibility or audit purposes;
- In response to a question from a government agency;
- For purposes otherwise permitted or required by law;
- In response to a subpoena or court order;
- To a group policy holder to report claims experience or for an audit;
- In connection with a sale or merger of all or part of our business;
- To a government agency to determine your eligibility for benefits they may have to pay for;
- To a peer review committee to evaluate a medical professional;
- To a certificate holder or policyholder to provide information about the status of a transaction.

Our Treatment of Information about Former Customers.

If our relationship ends, we will not share your information with third parties except as the law requires or permits.

Access to Information. You may access your information by submitting a written request that describes the information. We will respond within 30 business days or as required by state law. Our response will explain the nature and substance of the information on record. We will identify, if recorded, the parties we shared your information with over the last 2 years.

Right to Correct, Amend or Delete Information. You may submit a written request to us to correct, amend or delete any information in our records. We will respond to your request within 30 business days or as required by state law.

If we agree to your request, we will notify you in writing.

We will provide the corrected information to any person you identify that has received the information in the last 2 years and to any insurance reporting organization we may have provided the information to over the last 7 years. If we refuse your request, we will explain why and you will have the right to file a statement of disagreement.

We reserve the right to revise this policy as needed. If changes are made, we'll send you a revised notice and post the new policy on the www.greatwest.com web site.

Privacy Officer

Great-West Life & Annuity Insurance Company
8525 East Orchard Road
Greenwood Village, CO 80111

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TORRANCE
 APPROVING A SERVICE AGREEMENT, ANNUITY CONTRACTS AND LETTER
 AGREEMENT WITH GREAT WEST LIFE & ANNUITY INSURANCE COMPANY RELATED TO
 THE 457 DEFERRED COMPENSATION PLANS AND THE 401 (A) DEFINED CONTRIBUTION
 PLANS FOR THE CITY OF TORRANCE EMPLOYEES

WHEREAS, the City and Great West Life and Annuity have agreed upon a plan for investment of employees deferred income, and

WHEREAS, said plans included a service agreement, annuity contracts and Letter agreement to include 457 and 401(a) plans for administration of the various plan elements.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF TORRANCE DOES HEREBY RESOLVE AS FOLLOWS:

1. That the City of Torrance does hereby approve the service agreement entitled "Agreement for Recordkeeping and Communication Services", Annuity Contracts, Letter Agreement and its attached exhibits.
2. That upon the effective date of this resolution, all previously adopted Contracts and Agreements with Great-West Life and Assurance and its affiliates are terminated and replaced pursuant to this Resolution.
3. That the effective date of said contract shall be June 1, 2010.
4. That a copy of said contracts and agreements be marked true and correct, and shall be attested to by the City Clerk.

Introduced, approved and adopted this _____ day of _____, 2010.

 Mayor Frank Scotto

APPROVED AS TO FORM:
 JOHN L. FELLOWS III, City Attorney

ATTEST:

by _____
 Patrick Q. Sullivan, Assistant City Attorney

 Sue Herbers, City Clerk