

ADMINISTRATIVE SERVICES AGREEMENT

Between

ICMA Retirement Corporation

and

City of Delray Beach

Type: 401/DROP

Account Number: 107471

ADMINISTRATIVE SERVICES AGREEMENT

This Agreement, made as of the _____ day of _____, 20__ (herein referred to as the "Inception Date"), between The International City Management Association Retirement Corporation ("ICMA-RC"), a nonprofit corporation organized and existing under the laws of the State of Delaware; and City of Delray Beach ("Employer") a City organized and existing under the laws of the State of Florida with an office at 100 NW 1st Avenue, Delray Beach City Hall, Delray Beach, Florida 33444.

RECITALS

Employer acts as a public plan sponsor for a defined benefit retirement plan which contains a distribution option called a deferred retirement option plan ("DROP") with responsibility to obtain investment alternatives and services for employees participating in the DROP;

VantageTrust is a group trust established and maintained in accordance with New Hampshire Revised Statutes Annotated section 391:1 and Internal Revenue Service Revenue Ruling 81-100, 1981-1 C.B. 326, which provides for the commingled investment of retirement funds held by various state and local governmental units for their employees;

ICMA-RC acts as investment adviser to VantageTrust Company, LLC, the Trustee of VantageTrust;

ICMA-RC has designed, and VantageTrust offers, a series of separate funds (the "Funds") for the investment of plan assets as referenced in VantageTrust's principal disclosure documents, the VantageTrust Disclosure Memorandum and the Funds' Fact Sheets (together, "VT Disclosures"); and

In addition to serving as investment adviser to VantageTrust, ICMA-RC provides a range of services to public employers for the operation of employee retirement plans including, but not limited to, communications concerning investment alternatives, account maintenance, account recordkeeping, investment and tax reporting, transaction processing, and benefit disbursement .

AGREEMENTS

1. Appointment of ICMA-RC

Employer hereby appoints ICMA-RC as Administrator of the DROP to perform all nondiscretionary functions necessary for the administration of the DROP. The functions to be performed by ICMA-RC include:

- (a) allocation in accordance with participant direction of individual accounts to investment funds offered under the DROP;
- (b) maintenance of individual accounts for participants reflecting amounts deferred, income,

gain, or loss credited, and amounts disbursed as benefits;

- (c) provision of periodic reports to the Employer and participants of the status of DROP investments and individual accounts;
- (d) communication to participants of information regarding their rights and elections under the DROP; and
- (e) distribution of benefits as agent for the Employer in accordance with terms of the DROP.

2. Adoption of Trust

Employer has adopted the Declaration of Trust of VantageTrust Company and agrees to the commingled investment of assets of the DROP within VantageTrust. Employer agrees that operation of the DROP and investment, management, and distribution of amounts deposited in VantageTrust shall be subject to the Declaration of Trust, as it may be amended from time to time and shall also be subject to terms and conditions set forth in disclosure documents (such as the VT Disclosures or Employer Bulletins) as those terms and conditions may be adjusted from time to time.

3. Exclusivity Agreement

Employer agrees that for the initial or succeeding term of this Agreement specified in Section 10, so long as ICMA-RC continues to perform in all material respects the services to be performed by it under this Agreement, Employer shall not obtain plan administration from anyone other than ICMA-RC. Employer acknowledges that ICMA-RC has agreed to the compensation to be paid to ICMA-RC under this Agreement in the expectation that ICMA-RC will be able to offset costs allocable to performing this Agreement with revenues arising from Employer's exclusive use of ICMA-RC at the rates provided herein throughout the initial or succeeding term.

4. Employer Duty to Furnish Information

Employer agrees to furnish to ICMA-RC on a timely basis such information as is necessary for ICMA-RC to carry out its responsibilities as Administrator of the DROP, including information needed to allocate individual participant accounts to Funds in VantageTrust, and information as to the employment status of participants, and participant ages, addresses, and other identifying information (including tax identification numbers). Employer also agrees that it will notify ICMA-RC in a timely manner regarding changes in staff as it relates to various roles. This is to be completed through the online EZLink employer contact options. ICMA-RC shall be entitled to rely upon the accuracy of any information that is furnished to it by a responsible official of the Employer or any information relating to an individual participant or beneficiary that is furnished by such participant or beneficiary, and ICMA-RC shall not be responsible for any error arising from its reliance on such information. ICMA-RC will provide reports, statements and account information to the Employer through EZLink, the online plan administrative tool.

Employer is required to send in contributions through EZLink, the online plan administration tool provided by ICMA-RC. Alternative electronic methods may be allowed, but must be approved by ICMA-RC for use. Contributions may not be sent through paper submittal documents.

To the extent Employer selects third-party funds that do not have fund profile information provided to ICMA-RC through our electronic data feeds from external sources (such as Morningstar) or third party fund providers, the Employer is responsible for providing to ICMA-RC timely fund investment updates for disclosure to DROP participants. Such updates may be provided to ICMA-RC through the Employer's investment consultant or other designated representative.

Failure to provide timely fund profile update information, including the source of the information, may result in a lack of fund information for participants, as ICMA-RC will remove outdated fund profile information from the systems that provide fund information to DROP participants.

5. Certain Representations and Warranties

ICMA-RC represents and warrants to Employer that:

- (a) ICMA-RC is a non-profit corporation with full power and authority to enter into this Agreement and to perform its obligations under this Agreement. The ability of ICMA-RC to serve as investment adviser to VantageTrust is dependent upon the continued willingness of VantageTrust for ICMA-RC to serve in that capacity.
- (b) ICMA-RC is an investment adviser registered as such with the U.S. Securities and Exchange Commission under the Investment Advisers Act of 1940, as amended.

ICMA-RC covenants with employer that:

- (c) ICMA-RC shall maintain and administer the DROP in accordance with the requirements for plans which satisfy the qualification requirements of Section 401 of the Internal Revenue Code and other applicable federal law; provided, however, ICMA-RC shall not be responsible for the qualified status of the DROP in the event that the Employer directs ICMA-RC to administer the DROP or disburse assets in a manner inconsistent with the requirements of Section 401 or otherwise causes the DROP not to be carried out in accordance with its terms; provided, further, that if the DROP document used by the Employer contains terms that differ from the terms of ICMA-RC's standardized plan document, ICMA-RC shall not be responsible for the qualified status of the DROP to the extent affected by the differing terms in the Employer's plan document. ICMA-RC shall not be responsible for monitoring state or local law or for administering the DROP in compliance with local or state requirements unless Employer notifies ICMA-RC of any such local or state requirements.

Employer represents and warrants to ICMA-RC that:

- (d) Employer is organized in the form and manner recited in the opening paragraph of this Agreement with full power and authority to enter into and perform its obligations under this Agreement and to act for the DROP and participants in the manner contemplated in this Agreement. Execution, delivery, and performance of this Agreement will not conflict with any law, rule, regulation or contract by which the Employer is bound or to which it is a party.
- (e) Employer understands and agrees that ICMA-RC's sole function under this Agreement is to act as recordkeeper and to provide administrative, investment or other services at the direction of DROP participants, the Employer, its agents or designees in accordance with the terms of this Agreement. Under the terms of this Agreement, ICMA-RC does not render investment advice, is not the "Plan Administrator" or "Plan Sponsor" as those terms are defined under applicable federal, state, or local law, and does not provide legal, tax or accounting advice with respect to the creation, adoption or operation of the DROP and its related trust. ICMA-RC does not perform any service under this Agreement that might cause ICMA-RC to be treated as a "fiduciary" of the DROP under applicable law.
- (f) Employer acknowledges and agrees that ICMA-RC does not assume any responsibility with respect to the selection or retention of the DROP's investment options. Employer shall have exclusive responsibility for the DROP's investment options, including the selection of the applicable mutual fund share class. Where applicable, Employer understands that the VT Retirement Income Advantage Fund is an investment option for the DROP and that the fund invests in a separate account available through a group variable annuity contract. By entering into this Agreement, Employer acknowledges that it has received the Important Considerations document and the VT Disclosures and that it has read the information therein concerning the VT Retirement Income Advantage Fund.
- (g) Employer acknowledges that certain such services to be performed by ICMA-RC under this Agreement may be performed by an affiliate or agent of ICMA-RC pursuant to one or more other contractual arrangements or relationships, and that ICMA-RC reserves the right to change vendors with which it has contracted to provide services in connection with this Agreement without prior notice to Employer.
- (h) Employer acknowledges that it has received ICMA-RC's Fee Disclosure Statement, prepared in substantial conformance with ERISA regulations regarding the disclosure of fees to plan sponsors.
- (i) Employer approves the use of its DROP in ICMA-RC external media, publications and materials. Examples include press releases announcements and inclusion of the general plan information in request for proposal responses.

6. Participation in Certain Proceedings

The Employer hereby authorizes ICMA-RC to act as agent, to appear on its behalf, and to join the Employer as a necessary party in all legal proceedings involving the garnishment of benefits or the transfer of benefits pursuant to the divorce or separation of participants in the Employer plan. Unless Employer notifies ICMA-RC otherwise, Employer consents to the disbursement by ICMA-RC of benefits that have been garnished or transferred to a former spouse, current spouse, or child pursuant to a domestic relations order or child support order.

7. Compensation and Payment

- (a) DROP Administration Fee. ICMA-RC's compensation under this Agreement shall be as set forth in subsection (c) below.
- (b) **Revenue Requirement.** ICMA-RC shall receive total annual aggregate recordkeeping revenue of 0.089% from investment options offered by the Plan. ICMA-RC shall provide an administrative allowance quarterly to the Employer or to the Plan in an amount equal to any revenue in excess of the revenue requirement. In the event that recordkeeping revenue received by ICMA-RC from investment options offered by the Plan falls below the revenue requirement, ICMA-RC and the Employer shall mutually agree upon a method to make up the shortfall necessary to meet the revenue requirement. Employer understands that the Plan administrative allowance is to be used only to pay for reasonable plan administrative expenses of the Plan or allocated to Plan participants at the instruction of the Employer.
- (c) **Compensation for Management Services to VantageTrust, Compensation for Advisory and other Services to the VT III Vantagepoint Funds and Payments from Third-Party Mutual Funds. Compensation for Management Services to VantageTrust, Compensation for Advisory and Other Services to The Vantagepoint Funds and Payments from Third-Party Mutual Funds.** Employer acknowledges that, in addition to amounts payable under this Agreement, ICMA-RC receives fees from VantageTrust for investment advisory services and plan and participant services furnished to VantageTrust. Employer further acknowledges that ICMA-RC, including certain of its wholly owned subsidiaries, receives compensation for advisory and other services furnished to the VT III Vantagepoint Funds, which serve as the underlying portfolios of a number of Funds offered through VantageTrust. For a VantageTrust Fund that invests substantially all of its assets in a third-party mutual fund not affiliated with ICMA-RC, ICMA-RC or its wholly owned subsidiary receives payments from the third-party mutual fund families or their service providers in the form of 12b-1 fees, service fees, compensation for sub-accounting and other services provided based on assets in the underlying third-party mutual fund. These fees are described in the VT Disclosures and ICMA-RC's fee disclosure statement. In addition, to the extent that third party mutual funds are included in the investment line-up for the Plan, ICMA-RC receives administrative fees from its third party mutual fund settlement and clearing agent for providing administrative and other services based on assets invested in third party mutual

funds; such administrative fees come from payments made by third party mutual funds to the settlement and clearing agent.

- (d) **Redemption Fees.** Redemption fees imposed by outside mutual funds in which DROP assets are invested are collected and paid to the mutual fund by ICMA-RC. ICMA-RC remits 100% of redemption fees back to the specific mutual fund to which redemption fees apply. These redemption fees and the individual mutual fund's policy with respect to redemption fees are specified in the prospectus for the individual mutual fund and referenced in the VT Disclosures.
- (e) **Payment Procedures.** All payments to ICMA-RC pursuant to this Section 7 shall be made from DROP assets held by VantageTrust or received from third-party mutual funds or their service providers in connection with DROP assets invested in such third-party mutual funds, to the extent not paid by the Employer. The amount of DROP administered by ICMA-RC shall be adjusted as required to reflect any such payments as are made from DROP assets. In the event that the Employer agrees to pay amounts owed pursuant to this Section 7 directly, any amounts unpaid and outstanding after 30 days of invoice to the Employer shall be withdrawn from DROP assets.

The compensation and payment set forth in this section 7 is contingent upon the Employer's use of ICMA-RC's EZLink system for contribution processing and submitting contribution funds by ACH or wire transfer on a consistent basis over the term of this Agreement. The compensation and payment set forth in section 7 is further contingent upon the VT PLUS fund being offered as the only stable value fund option for the Plan.

Employer further acknowledges and agrees that compensation and payment under this Agreement may be subject to re-negotiation in the event that the Employer chooses to implement additional mutual funds outside of the VantageTrust funds.

8. Contribution Remittance

Employer understands that amounts invested through VantageTrust are to be remitted directly to VantageTrust in accordance with instructions provided to Employer by ICMA-RC and are not to be remitted to ICMA-RC. In the event that any check or wire transfer is incorrectly labeled or transferred to ICMA-RC, ICMA-RC may return it to Employer with proper instructions.

9. Responsibility

ICMA-RC shall not be responsible for any acts or omissions of any person with respect to the DROP or its related trust, other than ICMA-RC in connection with the administration or operation of the DROP. To the extent permitted by applicable law, Employer shall indemnify ICMA-RC against, and hold ICMA-RC harmless from, any and all loss, damage, penalty, liability, cost, and expense, including without limitation, reasonable attorney's fees, that may be incurred by, imposed upon, or asserted against ICMA-RC by reason of any claim, regulatory proceeding, or litigation arising from any act done or omitted to be done by any individual or person with respect to the DROP or its related trust, excepting only any and all loss, damage,

penalty, liability, cost or expense resulting from ICMA-RC's negligence, bad faith, or willful misconduct.

10. Term

This Agreement shall be in effect and commence on the date all parties have signed and executed this Agreement ("Inception Date"). The term of this Agreement will commence on the Inception Date and extend five (5) years from that date, provided that the Agreement may be terminated (a) for cause during this initial Agreement period or (b) without cause upon at least 60 days' notice prior to the end of each Agreement year. Following the initial five-year period, this Agreement will be renewed automatically for each year succeeding the initial five-year period unless written notice of termination is provided by either party to the other no less than 60 days before such termination unless termination is for cause, which shall not require 60-days' notice.

The Employer understands and acknowledges that, in the event the Employer terminates this Agreement (or replaces the VT PLUS Fund as an investment option in its investment line-up), ICMA-RC retains full discretion to release Plan assets invested in the VT PLUS Fund in an orderly manner over a period of up to 12 months from the date ICMA-RC receives written notification from the Employer that it has made a final and binding selection of a replacement for ICMA-RC as administrator of the Plan (or a replacement investment option for the VT PLUS Fund).

11. Amendments and Adjustments

- (a) This Agreement may be amended by written instrument signed by the parties.
- (b) ICMA-RC may modify this agreement by providing 60 days' advance written notice to the Employer prior to the effective date of such proposed modification. Such modification shall become effective unless, within the 60-day notice period, the Employer notifies ICMA-RC in writing that it objects to such modification. No failure to exercise and no delay in exercising any right, remedy, power or privilege hereunder shall operate as a waiver of such right, remedy, power or privilege.
- (c) The parties agree that enhancements may be made to administrative and operations services under this Agreement. The Employer will be notified of enhancements through the Employer Bulletin, quarterly statements, electronic messages or special mailings. Likewise, if there are any reductions in fees, these will be announced through the Employer Bulletin, quarterly statement, electronic or special mailing.

12. Notices

All notices required to be delivered under this Agreement shall be in writing and shall be delivered, mailed, e-mailed or faxed to the location of the relevant party set forth below or to such other address or to the attention of such other persons as such party may hereafter specify by notice to the other party.

ICMA-RC: Legal Department, ICMA Retirement Corporation, 777 North Capitol Street, N.E., Suite 600, Washington, D.C., 20002-4240. Facsimile; (202) 962-4601

Employer: at the office set forth in the first paragraph hereof, or to any other address, facsimile number or e-mail address designated by the Employer to receive the same by written notice similarly given.

Each such notice, request or other communication shall be effective: (i) if given by facsimile, when transmitted to the applicable facsimile number and there is appropriate confirmation of receipt; (ii) if given by mail or e-mail, upon transmission to the designated address with no indication that such address is invalid or incorrect; or (iii) if given by any other means, when actually delivered at the aforesaid address.

13. Complete Agreement

This Agreement shall constitute the complete and full understanding and sole agreement between ICMA-RC and Employer relating to the object of this Agreement and correctly sets forth the complete rights, duties and obligations of each party to the other as of its date. This Agreement supersedes all written and oral agreements, communications or negotiations among the parties. Any prior agreements, promises, negotiations or representations, verbal or otherwise, not expressly set forth in this Agreement are of no force and effect.

14. Titles

The headings of Sections of this Agreement and the headings for each of the attached schedules are for convenience only and do not define or limit the contents thereof.

15. Public Records

IF ICMA-RC HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO ICMA-RC'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT CITY OF DELRAY BEACH, CITY CLERK, 100 N.W. 1ST AVENUE, DELRAY BEACH, FLORIDA. THE CITY CLERK'S OFFICE MAY BE CONTACT BY PHONE AT 561-243-7050 OR VIA EMAIL AT CITYCLERK@MYDELRAYBEACH.COM.

ICMA-RC shall comply with public records laws, specifically to:

- a. Keep and maintain public records required by the Employer to perform the service.
- b. Upon request from the Employer's custodian of public records, provide the Employer with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Florida Statute or as otherwise provided by law.

- c. Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as may be required to fulfill ICMA-RC's obligations under this Agreement or as authorized by law, regulatory requirement, or judicial order for the duration of the Agreement term and following completion of the Agreement if the ICMA-RC does not transfer the records to the Employer.
- d. Upon completion of the Agreement, transfer, at no cost, to the Employer all public records in possession of ICMA-RC or keep and maintain public records required by the Employer to perform the service. If ICMA-RC transfers all public records to the Employer upon completion of the Agreement, ICMA-RC shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If ICMA-RC keeps and maintains public records upon completion of the Agreement, ICMA-RC shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the Employer, upon request from the Employer's custodian of public records, in a format that is compatible with the information technology systems of the Employer.
- e. If ICMA-RC does not comply with this section, the Employer shall enforce the contract provisions in accordance with the contract and may unilaterally cancel this contract in accordance with state law.

16. Inspector General

ICMA-RC is aware that the Inspector General of Palm Beach County has the authority to investigate and audit matters relating to the negotiation and performance of this contract, and may demand and obtain records and testimony from ICMA-RC and its sub licensees and lower tier sub licensees. ICMA-RC understands and agrees that in addition to all other remedies and consequences provided by law, the failure of ICMA-RC or its sub licensee or lower tier sub licensees to fully cooperate with the Inspector General when requested may be deemed by the Employer to be a material breach of this Agreement justifying its termination.

17. Governing Law

This agreement shall be governed by and construed in accordance with the laws of the State of Florida, applicable to contracts made in that jurisdiction without reference to its conflicts of laws provisions.

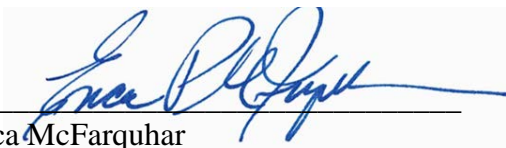
In Witness Whereof, the parties hereto have executed this Agreement as of the Inception Date first above written.

CITY OF DELRAY BEACH

By _____
Signature/Date

By _____
Name and Title (Please Print)

INTERNATIONAL CITY
MANAGEMENT ASSOCIATION
RETIREMENT CORPORATION

By  _____
Erica McFarquhar
Assistant Secretary

Please return an executed copy of the Agreement to a Delivery Address, either:

- (a) Electronically to PlanAdoptionServices@icmarc.org, or
- (b) In paper form to ICMA-RC
ATTN: PLAN ADOPTION SERVICES
777 North Capitol Street NE
Suite 600
Washington DC 20002-4240