



SUPPLEMENTAL RETIREMENT PLANS

879
Prudential Retirement
30 Scranton Office Park
Scranton, PA 18507-1789

June 24, 2010

Town of Nags Head
Attn: Kim Thompson
PO Box 99
Nags Head, NC 27959

Dear Kim:

For your files, enclosed please find a signed copy of your Third Party Administrator Agreement for the NC Deferred Compensation Plan. This document may be requested for audit purposes and should be retained accordingly.

Thank you for your assistance in returning the document to Prudential. If you need anything, please feel free to call me at (570) 340-4315.

Sincerely,

A handwritten signature in cursive script that reads "Gary Gayewski".

Gary Gayewski
Account Executive

Enclosures

Registered Representative
Prudential Investment Management Services LLC
A Prudential Financial company
Three Gateway Center, 14th Floor
Newark, NJ 07102-4077
(973) 802-8624

**NC Public Employee Deferred Compensation Plan
EMPLOYER - THIRD-PARTY ADMINISTRATOR AGREEMENT**

THIS AGREEMENT, made on this 16 day of April, 2010, between the Town of Nags Head (hereinafter called the "Employer") and The Prudential Insurance Company of America (hereinafter called Third-Party Administrator or Prudential) (the "Agreement"). This Agreement replaces and supersedes any prior agreement between the parties, effective upon final execution by all parties.

WITNESSETH:

WHEREAS, the State of North Carolina (the "State") has adopted the NC Public Employee Deferred Compensation Plan (hereinafter called the "Plan"), pursuant to which the State of North Carolina and its departments, agencies, and political subdivisions are authorized to provide a governmental 457(b) deferred compensation plan established in conformance with section 457(b) of the Internal Revenue Code, as amended (the "Code"); and

WHEREAS, the State's Supplemental Retirement Board and the State's Retirement Systems Division of the Department of State Treasurer have selected Prudential to be the Third-Party Administrator of the Plan.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein below, the receipt and sufficiency of which are hereby acknowledged, the Employer and the Third-Party Administrator hereby agree as follows:

ARTICLE I
DUTIES AND RESPONSIBILITIES OF THE EMPLOYER

A. Implementation of Plan

1. The Employer confirms that it made the decision to implement the NC Public Employee Deferred Compensation Plan via resolution. The employer agrees to provide a copy of such resolution, if available, to Prudential.

2. The Employer shall designate a coordinator for each unit to work with Prudential to select enrollment dates, determine the number of meetings needed and what employee notification of meetings will be required, and to make other decisions necessary to hold successful enrollment meetings.

3. The Employer shall provide time for its employees to attend an enrollment meeting. The Employer agrees that employees representing all employee pay grades will be given the opportunity to attend the meetings. The Employer understands that the meetings are an important resource in making employees aware of their opportunity to participate in the Plan.

4. The Employer shall provide a facility to conduct enrollment meetings for its employees.

5. The Employer shall publicize the meetings to all its employees by internal publication, meeting notices provided by the Third-Party Administrator and through other media agreed to by its coordinator and the Third-Party Administrator.

B. Operation of Plan

1. The Employer shall have sole responsibility for determining which of its employees are eligible to participate in the Plan in accordance with eligibility requirements established by the Plan or North Carolina General Statutes, with respect to elective deferral contributions. The Employer will advise the Third-Party Administrator each month of any "new enrolled" employee who is eligible to participate in the Plan. The Employer also will advise the Third-Party Administrator each month of any participant in the Plan who has terminated their employment, the date of termination, and the reason for the separation from service.

2. The Employer shall provide payroll deductions for all contributions to the Plan and all loan repayments to the Plan. The Employer shall modify its payroll application to comply with specifications required by the Third-Party Administrator of the Plan. This includes the format of the deduction report for the delivery of contributions and loan repayments to the Third-Party Administrator. The Employer shall notify the Third-Party Administrator of any changes in payroll frequency, the frequency of payroll deductions, or change in status.

3. The Employer shall deliver the remittance files, loan payment files, and the funds for these reports to the location provided by the Third-Party Administrator.

4. The Employer agrees that employee voluntary contributions to the Plan and loan repayments will not be suspended, modified or terminated for a participant unless so instructed by the Third-Party Administrator based on the participant's actions with the Third-Party Administrator.

5. The Employer agrees to comply with all operating procedures established by the Third-Party Administrator of the Plan. It understands that the procedures may be modified or revised from time to time, and the Employer agrees to comply with revisions and modifications without delay upon receipt of adequate notice of such modifications.

6. The Employer shall inform the Third-Party Administrator in advance of any changes in the Employer's benefit or compensation programs that affect the operation or administration of the Plan.

7. The Employer may request that the Third-Party Administrator refund a contribution made within the preceding 12 months on account of a mistake of fact as defined by the Internal Revenue Service, and the Third-Party Administrator shall grant such request.

8. The Employer shall furnish the Third-Party Administrator all documents, data and other information necessary for the Third-Party Administrator to perform its duties under this Agreement. The Employer shall be solely responsible for the accuracy of any documents, data, or other information provided to the Third-Party Administrator by the Employer or by any other person or entity having responsibilities with respect to the Plan. If the Employer fails to provide any such requested information, the Third-Party Administrator shall be obligated to perform its duties under this Agreement only insofar as it is able to do so with the information available. All information required to be furnished by the Employer shall be transmitted in the medium and form acceptable to the Third-Party Administrator. The Third-Party Administrator will be entitled to rely fully on the accuracy and completeness of information submitted by the Employer and will have no duty or responsibility to verify such information.

9. The Employer shall comply with the Uniformed Service Employment and Re-employment Rights Act of 1994 regarding participation in the Plan by participants with military service. The Plan allows an Employer to permit an employee who meets the criteria of the Uniformed Service Employment and Re-employment Rights Act of 1994 the opportunity to "catch-up" salary deferrals to the Plan that were not made during the time they were on active duty. Loan repayments are suspended during the period the Plan participant is on active duty.

ARTICLE II
RESPONSIBILITIES OF THE THIRD-PARTY ADMINISTRATOR

A. Implementation of Plan

1. The Third-Party Administrator shall assist the Employer's coordinator in scheduling enrollment meetings, provide the employer with meeting notification materials, including but not limited to posters, handbills, press release-type articles and payroll stuffers that are mutually acceptable to the Employer coordinator and the Third-Party Administrator.

2. The Third-Party Administrator shall present the Plan and its benefits to the employees and enroll them in the Plan.

3. The Third-Party Administrator shall provide brochures, enrollment forms, payroll deduction authorization forms, withdrawal forms, loan applications and other forms relating to loans, as well as other forms needed to fulfill the duties as Third-Party Administrator. For purposes of this paragraph, "form" shall also mean a facility for electronic processing of participant requests.

B. Operation of Plan

1. The Third-Party Administrator shall maintain a record of each participant's contributions and shall invest his/her contribution in the fund(s) selected by the participant. Third-Party Administrator's services will be provided in a professional and competent manner.

2. The Third-Party Administrator shall provide the participant with a quarterly statement of his/her account, which shows the value of the participant's account.

3. The Third-Party Administrator shall allow the participant to borrow from his/her account when he/she has complied with the eligibility requirements established by the Third-

Party Administrator and the Plan as permitted by federal regulations, the Plan and the Third-Party Administrator.

4. The Third-Party Administrator shall provide the participants withdrawal options including lump sum distribution and periodic payments in accordance with the Plan and the Code.

5. The Third-Party Administrator shall provide participants in the Plan who become entitled to receive a distribution from the Plan with all appropriate notices and election forms concerning such distribution. The Third-Party Administrator is responsible for proper reporting of all distributions from the Plan and the withholding of income taxes as required by the Plan and the Code.

6. The Third-Party Administrator shall provide administrative and operating procedures for the Employer.

7. It is agreed and understood that the Third-Party Administrator assumes no fiduciary responsibilities with respect to its administration of the Plan. The Third-Party Administrator is the agent of the Plan, the State Treasurer and the Plan's Board of Trustees. The Third-Party Administrator is not the "plan administrator" as defined by the Employee Retirement Income Security Act of 1974. It is understood and agreed that the Third-Party Administrator does not provide legal or tax counsel to the Employer or to any participant or beneficiary and that the Third-Party Administrator recommends that all such parties obtain legal and tax advice from competent, independent sources. Nothing in this Agreement shall be deemed to confer on the Third-Party Administrator any federal or state tax liability, which may be imposed upon the Employer or any participant or beneficiary.

ARTICLE III
PLAN PARTICIPATION

The Employer and the Third-Party Administrator jointly agree to promote the Plan and encourage participation in the Plan by all pay grades of the Employer. This will require that initial enrollment meetings be held with all eligible employees to ensure that they are aware of the benefit and value of participating in the Plan. The Employer agrees to promote the Plan on an on-going basis by conducting periodic meetings with eligible employees, utilization of posters, newsletter articles, payroll stuffers, and other agreed upon communications.

ARTICLE IV
CONFIDENTIAL NATURE OF INFORMATION

The parties hereto mutually agree to the extent permitted by law to safeguard and keep confidential any and all information obtained from the other party with respect to the personnel of the State and each participant or, any other data identified in writing by either party to the other party as being confidential.

ARTICLE V
DURATION OF THE AGREEMENT

This Agreement shall become effective when signed by all parties and shall continue in effect indefinitely, but in no event for less than five years, except as provided below in Article VI.

ARTICLE VI
TERMINATION OF AGREEMENT

1. Either party may terminate this Agreement upon giving six months advanced written notice to the other party, provided that the non-terminating party may waive such notice

requirement. The termination of this Agreement *does not* terminate the Plan in which the Employers' employees are participating or require a distribution of accounts of the participating employees from the Plan. The termination of this Agreement relieves the Employer from taking deductions and loan repayments from the participating employee's pay and remitting them to the Third-Party Administrator.

2. The State may terminate the Plan at any time through the enactment of laws.

3. This Agreement shall terminate if the State terminates its Agreement with Prudential by which Prudential is obligated to serve as Third-Party Administrator.

4. This Agreement shall terminate if the Trustees discontinue the Plan.

ARTICLE VII MISCELLANEOUS

1. The NC Public Employee Deferred Compensation Plan will conform to section [457(b)] in the Internal Revenue Code, as amended.

2. The Agreement shall be interpreted under the laws of the State of North Carolina.

3. All items specified in the Agreement, exhibits, or attachments shall be the current Eastern Time.

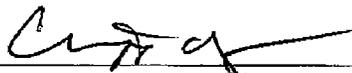
4. The Employer will make available to the Third-Party Administrator, the Department of the State Treasurer, and an auditor appointed by the Third-Party Administrator or the Board of Trustees its records of contributions and loan payments submitted to the Plan for the purposes of an audit. The Employer will also make available its documents pertaining

to its employees' deferral elections and other documents deemed necessary by the Third-Party Administrator to audit the Plan.

5. This Agreement is intended by the parties as a final expression of their agreement and is a complete and exclusive statement of its terms. No other representation, understanding, or agreements have been made or relied upon in the making of the Agreement other than those specifically set forth herein. No modification or waiver of any provision of this Agreement and no consent to any departure therefrom shall be effective unless such modification or waiver shall be in writing and signed by all parties to the original agreement.

IN WITNESS THEREOF, the parties hereto do hereby sign and execute this Agreement as of the date first above written.

Town of Wags Head
Name of Employee (Please Type or Print)

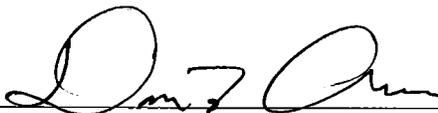
By: 
(Signature)

Cliff Ogburn
(Please Type or Print Name Signed Above)

Its: Town Manager
(Please Type or Print Official Title)

Date: 4/16/10

PRUDENTIAL

By: 

Date: 5/21/10

(Revised 10/29/08)