

CITY OF ANAHEIM
SECTION 457 DEFERRED COMPENSATION PLAN TRUST

ARTICLE I - CREATION OF TRUST

1.1 Effective Date. The City of Anaheim Section 457 Deferred Compensation Plan Trust shall be effective on January 1, 1999.

1.2 Name of Trust. The name of the trust created by this instrument shall be the City of Anaheim Section 457 Deferred Compensation Plan Trust.

1.3 Purpose of Trust. This Trust has been established to fulfill the obligations of the City of Anaheim to comply with the requirements of Section 457 (g) of the United States Internal Revenue Code of 1986, as amended. Specifically, assets of the Trust are to be held for the exclusive benefit of Participants and Beneficiaries under the Plans (as defined below), and shall not be available for use by the City of Anaheim or creditors of the City of Anaheim.

1.4 Selection of Trustees. The members of the Deferred Compensation Committee of the City of Anaheim shall serve in the capacity of Trustees. The Deferred Compensation Committee members shall serve as the Trustees of the Trust.

ARTICLE II - TRUST ASSETS

2.1 Trust Assets. The Trust assets shall consist of all contributions and earnings thereon made under the Deferred Compensation Plan and the Deferred Compensation Plan for Employees Not Covered By CALPERS collectively (hereinafter referred to as "the Plan,") less payments made under the terms of the Plan including fees and expenses. If the assets of this Trust are invested in an annuity contract or custodial account, the Trustees shall own the contract or account.

2.2 No part of the Trust Fund shall be used for, or diverted to, purposes other than for the exclusive benefit of the participants, former participants with an interest in the Plan, or beneficiaries of a deceased participant having an interest in the Fund at the death of the participant.

ARTICLE III - TRUST DUTIES AND RESPONSIBILITIES

3.1 Administration of Deferred Compensation Program. The City Council shall approve a written document which sets forth the requirements of the Plan. The Plan may be amended from time to time to reflect changes in the law affecting the management of the Plan, to modify administrative provisions to facilitate the operations of the Plan, and to make such other changes which are in the best interest of the participants and beneficiaries.

3.2 Fiduciary Standard of Conduct. The Trustees, and all other fiduciaries, shall discharge their duties with respect to this Plan solely in the interest of the participants and beneficiaries of the Plan. Such duties shall be discharged for the exclusive purpose of providing benefits to the participants and beneficiaries and defraying expenses of the Plan. The Trustees shall discharge their duties in accordance with applicable law.

3.3 Selection of Investment Options. The Trustees shall be responsible for the selection of investment options, and shall monitor and evaluate the investment options. The Trustees may make one or more investment options available to the participants. The Trustees may at any time revise or remove all or any number of the options that are available to the Participants. The specific details of the administrative requirements shall be enumerated in the Deferred Compensation Plan.

3.4 No Guarantee Against Investment Loss or Depreciation. Neither the City of Anaheim, the Trustees, nor designees of the Trustees, shall be liable for any losses incurred by virtue of following a Plan Participant's or Beneficiary's directions regarding an investment option or with any reasonable administrative delay in implementing such directions. If a participant transfers funds from a former investment option, the Trustees shall not be responsible for the propriety of any investment under the former investment plan.

3.5 Duty to Account. The Trustees, or designees, shall be responsible for preparing a statement of all individual accounts on an annual basis, at minimum. Such accounts shall reflect the contributions made into a participant's account, the earnings, gains and losses that are credited thereto.

3.6 Trustee Actions. Every action taken by the Trustees shall be presumed to be a fair and reasonable exercise of the authority vested in or the duties imposed. The Trustees shall be deemed to have exercised reasonable care, diligence and prudence and to have acted impartially as to all persons interested, unless the contrary is proven by affirmative evidence.

3.7 Indemnification. The Trustees shall be indemnified and held harmless by the City from and against any and all liability to which the Trustees may be subjected, including all expenses reasonably incurred in its defense, for any action or failure to act resulting from compliance with the instructions of the City, the employees or agents of the City, the Plan Administrator, Plan Participants and Beneficiaries, or any other fiduciary to the Plan validly given pursuant to the terms of the Plan, and for any liability arising from the actions or non-actions of any predecessor Trustee, custodian, or their fiduciaries of the Plan.

ARTICLE IV - CONCLUDING PROVISIONS

4.1 Amendment or Termination. The provisions of this trust may be amended or terminated by the City Council of the City of Anaheim by adoption of a Resolution specifying the desired changes to be made or the terms under which the termination will be accomplished.

4.2 Captions. The captions appearing in this instrument are for convenience of reference only, and shall be disregarded in determining the meaning and effect of the provisions of this instrument.

4.3 Severability Clause. If any provision of this instrument is invalid, that provision shall be disregarded, and the remainder of this instrument shall be construed as if the invalid provision had not been included.

4.4 California Law to Apply. All questions concerning the validity, interpretation, and administration of this instrument, including any trusts created under this instrument, shall be governed by the laws of the State of California.

Dec 20, 2001
DATE

T. Daly
CITY OF ANAHEIM MAYOR

Charlene Jung
CITY TREASURER

ATTEST:

Sheryll Schroeder
CITY CLERK

APPROVED AS TO FORM:

By: Mrs. N. Jensen
DEPUTY CITY ATTORNEY

THE FOREGOING INSTRUMENT IS A FULL, TRUE AND CORRECT COPY OF THE ORIGINAL ON FILE IN THIS OFFICE, ATTEST: 1-2-02
SHERYLL SCHROEDER, CITY CLERK OF THE CITY OF ANAHEIM

By: Terri East
DEPUTY CITY CLERK