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12/15/2015

**CITY CLERK  
ORIGINAL**

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**STANDARD INSURANCE COMPANY**

**RETIREMENT PLANS DIVISION**

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**GROUP ANNUITY CONTRACT**

**No. 810122A**

**for**

**City of Glendale HRA**



GAC (01/99)

## TABLE OF CONTENTS

<b>ARTICLE I</b>	<b>INTENT AND PURPOSE</b> .....	1
<b>ARTICLE II</b>	<b>DEFINITIONS</b>	
	A. Annual Date .....	1
	B. Business Day .....	1
	C. Contract .....	1
	D. Contract Date .....	1
	E. Contract Year .....	1
	F. Contractowner .....	1
	G. Home Office .....	1
	H. Investment Fund.....	2
	I. Market Value Adjustment .....	2
	J. Participant .....	2
	K. Plan .....	2
	L. Plan Administrator .....	2
	M. Standard.....	2
	N. Written Notice.....	2
<b>ARTICLE III</b>	<b>DEPOSITS</b>	
	A. Description Of Deposits .....	2
	B. Application Of Deposits .....	2
<b>ARTICLE IV</b>	<b>BENEFITS OR WITHDRAWALS</b>	
	A. Benefit Withdrawals.....	3
	B. Contractowner Withdrawals.....	4
	C. Right To Defer A Payment, Transfer, Or Withdrawal.....	4
	D. Limitation Of Liability .....	5
<b>ARTICLE V</b>	<b>RIGHT TO PURCHASE ANNUITIES</b>	
	A. Definition .....	5
	B. Purchase Of Annuities.....	5
	C. Premium Rates .....	6
	D. Annuity Payments .....	6
	E. Supplementary Contracts .....	7
<b>ARTICLE VI</b>	<b>FEES</b>	
	A. Asset Management and Financial Service Fees .....	7
	B. Other Fees .....	7
<b>ARTICLE VII</b>	<b>TERMINATION OF THIS CONTRACT</b>	
	A. Initiation Of Termination .....	8
	B. Effect Of Termination .....	9

## TABLE OF CONTENTS

### ARTICLE VIII GENERAL CONDITIONS

A. Your Responsibilities .....	10
B. General Corporate Assets .....	11
C. Assignment .....	11
D. Non-Waiver .....	11
E. Data Supplied By You .....	11
F. Entire Contract .....	11
G. Amendment .....	12
H. Modification .....	12

## ARTICLE I

### INTENT AND PURPOSE

This Group Annuity Contract is intended to provide you with financial services designed to receive and accumulate your funds for the prospective purchase of annuities and payment of benefits according to the terms of your **Plan**.

## ARTICLE II

### DEFINITIONS

- A. **Annual Date** means the **Contract Date** and the same date of the same month each year thereafter.
- B. **Business Day** means any day that we are open for business and the financial markets are open for trading. Transactions are processed on **Business Days** only.
- C. **Contract** means this Standard Insurance Company Group Annuity Contract between you, the **Contractowner**, and us, Standard Insurance Company.
- D. **Contract Date** means the effective date of the **Contract** indicated on the signature page of this **Contract**.
- E. **Contract Year** means each twelve-consecutive-month period beginning on an **Annual Date**.
- F. **Contractowner** means the party or parties named on the signature page of this **Contract** or, upon delivery of **Written Notice** to us at our **Home Office** in Portland, Oregon, and subject to Article VIII, Section C., such party's or parties' successor in interest by reason of change of name, merger, consolidation, purchase of stock, or acquisition of substantially all of the assets of the **Contractowner's** business.

**Contractowner** will be referred to as you and your.

- G. **Home Office** means our address at: Standard Insurance Company, Retirement Plans Division, 1100 S.W. 6th Avenue (97204), P.O. Box 711 (97207), Portland, Oregon. However, the **Home Office** address for "Deposits" in Article III differs slightly from this one. See Article III, page 2 for the address to be used when sending us a Deposit.
- H. **Investment Fund** means an option you have chosen to invest your **Plan** assets. An **Investment Fund** is operative when you instruct us to deposit or transfer your assets to it. The **Investment Funds** available to you are described in the Rider(s) attached to this **Contract**.

- I. **Market Value Adjustment** is a charge deducted from the amounts you withdraw or transfer from an **Investment Fund**. The **Market Value Adjustment** is more fully described in the **Investment Funds** where it specifically applies.
- J. **Participant** means any person who is participating in the **Plan**.
- K. **Plan** means the retirement plan maintained by you which gives rise to this **Contract**.
- L. **Plan Administrator** means the **Plan** sponsor, **Plan** trustee(s), **Plan** fiduciary, or a person or persons specifically designated by you to have the authority to control and manage the operation and administration of your **Plan**. **Standard** is not the **Plan Administrator**.
- M. **Standard** means Standard Insurance Company and will also be referred to as we, us, our, and our Company.
- N. **Written Notice** means any notice required by this Contract. **Written Notice** required of you shall be delivered to us at our **Home Office**, unless we notify you otherwise.

Alternatively, any **Written Notice** required of us by this **Contract** shall be sent to you at your last business address on our records. It is your responsibility to notify us in writing of any changes in your business address.

### ARTICLE III

#### DEPOSITS

##### A. Description Of Deposits

Deposits shall be accepted periodically under the terms of this **Contract**. Deposits must be in the form of a check or cash in United States funds, unless we consent otherwise.

##### B. Application Of Deposits

1. Home Office Address For Deposits Only. All Deposits must be sent to us at: Standard Insurance Company, Retirement Plans Division, Unit 92, P.O. Box 4500, Portland, Oregon 97208-4500.

2. Processing Deposits. Once we have received your Deposit at the address just described and have validated your crediting instructions, we will apply your Deposits pursuant to those instructions no later than the next **Business Day**. Deposits are processed on **Business Days** only.
3. Non-Interest Bearing Account. Deposits received will be held in a Non-Interest Bearing Account until applied. We will notify you if we are unable to validate your crediting instructions by the fifth (5th) **Business Day** after receipt of your Deposit. If we are unable to apply the Deposit, we may return all or a portion of the Deposit to you at our discretion or at your request.
4. Refund Of Deposit. We shall refund a Deposit if the terms of your **Plan** or applicable state or federal law so require.
5. Limitation On Deposits. In order to preserve the financial integrity of this **Contract**, we reserve the right to return amounts exceeding five-million dollars received in any one calendar month.

## ARTICLE IV

### BENEFITS OR WITHDRAWALS

#### A. Benefit Withdrawals

1. Description. These are withdrawals other than Contractowner Withdrawals which are made according to the terms of your **Plan** and this **Contract** for:
  - a. **Participant**-initiated withdrawals for purposes of financial hardship, termination of employment, retirement, disability, or death. **Participant**-initiated withdrawals also include the cash-out of the present value of a **Participant's** benefits or account balance as allowed by the terms of the **Plan** for small benefits, for example \$5,000 or less.
  - b. **Participant**-directed transfers of his assets among **Investment Funds**, if applicable;
  - c. Loans to Participants, if applicable; or
  - d. Annuity purchases.
2. Limitation On Benefit Withdrawals. Any limitations on Benefit Withdrawals will be subject to the terms described in each **Investment Fund** in which you have assets.

3. Reasonable Proof Required. We may require reasonable proof that Benefit Withdrawals are being made consistent with the terms of the **Plan** and this **Contract**.
4. Valid Instructions Required. We shall require valid instructions regarding the **Investment Funds** from which the Benefit Withdrawals are to be deducted.
5. Deduction Of Benefit Withdrawals. Benefit Withdrawals will be deducted from the balance of the **Investment Funds** where you have assets.
6. Benefit Withdrawals Upon Contract Termination. We reserve the right to discontinue Benefit Withdrawals from the date of the termination notice.

## **B. Contractowner Withdrawals**

1. Description. Contractowner Withdrawals include any withdrawals you make that are not defined as Benefit Withdrawals.
2. Participant-Initiated Withdrawals And Transfers. **Participant**-initiated withdrawals or transfer requests directly or indirectly arising out of corporate acts such as spin-offs, divestitures, corporate relocations, layoffs, retirement incentive programs, partial or total **Plan** terminations, or the liberalization of **Plan** withdrawal or transfer rules, are all Contractowner Withdrawals. Such payments are not treated as Benefit Withdrawals.
3. Valid Instructions Required. Before any Contractowner Withdrawal is made, we will need valid instructions from you regarding the **Investment Funds** from which the Contractowner Withdrawals are to be deducted.
4. Market Value Adjustment. You may withdraw all or a part of your assets from the **Investment Funds**. A **Market Value Adjustment** may apply depending on the terms of the **Investment Fund** from which you are withdrawing assets.
5. Delay Of Contractowner Withdrawals. We reserve the right on Contractowner Withdrawals to delay the effective date of the transaction for not more than thirty (30) days after we receive **Written Notice**, except for special circumstances described in Section C., below.

## **C. Right To Defer A Payment, Transfer, Or Withdrawal**

We may defer honoring any withdrawal request or other payment obligations for any reasonable period of time if, due to the closing or other disruption of financial markets or exchanges, we are unable to prudently liquidate the necessary assets to satisfy the request. Such a deferral generally will be limited to a period commensurate with the market disruption.

## D. Limitation Of Liability

### 1. General Liability.

a. Limited To Assets In Investment Fund(s). Our general liability to you at any time shall be limited to the sum of the balances then credited to your applicable **Investment Fund(s)** at that time,

(1) plus any earnings accrued, but not yet credited;

(2) less any fees which have accrued, but have not yet been paid directly to us; and

(3) less any **Market Value Adjustment**, if applicable, under the terms of the **Investment Fund** in which you have assets.

b. Limit On Payment. At no time shall we make payments to you under this **Contract** in excess of this limit.

2. Sufficiency Of Funds. We will not be responsible for the lack of sufficient funds under this **Contract** to provide benefits or otherwise meet any funding requirements for your **Plan** under applicable law.

## ARTICLE V

### RIGHT TO PURCHASE ANNUITIES

#### A. Definition

Beginning with the **Contract Date** and until the date this **Contract** is subsequently terminated (pursuant to Article VII), you shall have the right to purchase annuities as provided below. "Premium" means the purchase amount.

To purchase annuities, you may do so by sending us a request for an annuity form which is (1) acceptable to us; (2) provided for under the terms of your **Plan**; and (3) authorized by the **Plan Administrator**. A description of those annuities that we typically provide is set forth on Schedule A.

#### B. Purchase Of Annuities

1. Necessary Information. In advance of the purchase of an annuity, you must provide us with the following information:

a. The purchase date;

- b. The form of annuity desired;
- c. The starting date for annuity payments;
- d. The amount of payment or Premium;
- e. The full name of the annuitant, address, gender, social security number, and proof of birth date in a form satisfactory to us (e.g. birth certificate or baptismal record);
- f. If applicable, the full name of the beneficiary, relationship to the annuitant, address, gender, and social security number;
- g. If applicable, the full name of the contingent annuitant, relationship to the annuitant, address, gender, social security number, and proof of birth date in a form satisfactory to us (e.g. birth certificate or baptismal record).
- h. The mode of payment (e.g. monthly, quarterly, or annually) which produces a payment of at least \$100.
- i. Your valid instructions regarding the **Investment Fund** from which the Premium is to be deducted.

2. Sufficiency Of Payment.

- a. Insufficient Funds. No annuity will be purchased if your funds under this **Contract** are insufficient.
- b. No Responsibility. We shall not be responsible for the lack of sufficient funds held under this **Contract** to purchase the annuity.

**C. Premium Rates**

1. Guaranteed Maximum Rates. Subject to subsection C.3. below, the rate for a Premium shall not exceed the amounts shown in the Table of Guaranteed Maximum Rates attached to this **Contract** as Schedule A.
2. Current Rates. If, at the time of selection, we offer a benefit on a more favorable basis than that guaranteed in the **Contract**, the lower Premium shall apply.
3. Modification Of Schedule A. We reserve the right to modify Schedule A for benefits of **Participants** who enter the **Plan** after sixty (60) days **Written Notice** of modification of the premium rates.

**D. Annuity Payments**

1. Cash-out. At our option, we may choose to pay in cash the amount for which we could purchase the benefit if the annuity benefit is less than \$100 annually.

2. Modification Of Payments. Once annuity payments have begun and we later discover that the age or gender of an annuitant or contingent annuitant has been misstated, the payment shall be adjusted based on the correct age and gender from the date payments began. If we underpaid, we will pay the underpaid amount in full with the next annuity payment. If we overpaid, we shall deduct the overpayments from future annuity payments until we are repaid in full.

#### **E. Supplementary Contracts**

In any case where we provide an annuity under this **Contract**, we will issue a Supplementary Contract to the named annuitant describing the terms and conditions of the relationship created between the annuitant and our Company, including any guarantees we undertake.

### **ARTICLE VI**

#### **FEEES**

#### **A. Asset Management and Financial Service Fees**

1. Description. Asset Management, Financial Service, and Other Fees, described below, ("Fees") must be paid to us directly at our **Home Office**. We will periodically send you a statement of these charges as described on Schedules B and C.
2. Deduction Of Fees. Fees shall be deducted according to the terms of your **Plan** or as you direct. Absent instruction, Fees shall be deducted pro-rata from the **Investment Fund(s)** in which they apply.
3. Payment Of Fees Independent Of Plan Assets. Alternatively, you may elect to pay the Fees independent of the **Plan's** assets. To do so, you must send us **Written Notice** of your election. You must pay the charges within thirty-one (31) days after the date on the statement, or we will deduct them pro-rata from the **Investment Fund(s)** in which they apply. However, if this automatic deduction of Fees occurs twice within any twenty-four (24) month period, we may begin deducting Fees from the assets in your **Investment Funds**.

#### **B. Other Fees**

1. Withdrawal Charge. Fees also include Withdrawal Charges. If Withdrawal Charges apply to you under this **Contract**, you will find them described in Schedule C.
2. Special Services. In addition, Fees include charges for Special Services referred to in Schedule C. You may ask in advance what fees for Special Services will be charged. And, we may ask for your **Written Notice** of authorization before proceeding with any such Service.

3. Miscellaneous Fees. To the extent allowed by applicable law, you may direct us to deduct fees for:
  - a. Administrative Services that we provide, if applicable;
  - b. Services related to the purchase of an annuity or benefit other than those services described in this **Contract**; or
  - c. Services performed by any other party or parties and to remit such fees to them.
4. Modification Of Schedules B and C. Subject to the exception regarding Withdrawal Charges described below, we reserve the right to change the Fees shown on Schedules B and C. However, we must send you **Written Notice** at least sixty (60) days before the new Fee Schedule(s) goes into effect.

We will not change the Withdrawal Charges described in Schedule C.

## ARTICLE VII

### TERMINATION OF THIS CONTRACT

#### A. Initiation Of Termination

1. Initiated By You.
  - a. Terminate At Any Time. You may terminate this **Contract** at any time when **Written Notice** is delivered to us.
  - b. Specify Effective Date. The **Written Notice** shall specify a date on which termination shall be effective. However, the date chosen for termination shall not be earlier than thirty (30) days after we receive your **Written Notice** at our **Home Office**, unless we agree otherwise.
2. Initiated By Us.
  - a. Reasons For Termination. We may terminate this **Contract** at any time after we send you **Written Notice**. The **Contract** may be terminated for reasonable cause, which may include any one of the following circumstances:
    - (1) if we believe you are not abiding by state and federal law;
    - (2) if you have not rendered the performance necessary to comply with the terms of this **Contract**;

- (3) if the balance in all of your **Investment Funds** has fallen below \$25,000;
  - (4) if the Internal Revenue Service disqualifies your **Plan**; or
  - (5) if your **Plan** has not been adopted within a reasonable period of time.
- b. Effective Date Of Termination. Our **Written Notice** of termination to you shall specify an effective date. The date chosen shall be no sooner than thirty (30) days after the date you receive **Written Notice**.

## B. Effect Of Termination

1. Deposits. On the effective date this **Contract** is to terminate, we will no longer accept Deposits as described in Article III.
2. Earnings. We shall adjust your **Investment Funds** for earnings, gains, and losses according to the terms of the appropriate **Investment Fund(s)** and continue to make such adjustments for as long as those assets remain in our **Investment Fund(s)**.
3. Fees.
  - a. Continuation Of Fees. We shall continue to charge Fees periodically according to the terms of Article VI until the balance in your **Investment Fund(s)** is reduced to zero. We will bill you for any remaining Fees.
  - b. Pro-rating Fees. If the final disposition of funds occurs on a date other than at the end of a calendar quarter, periodic Fees shall be prorated for the portion of the calendar quarter that has expired.
  - c. Deduction Of Fees. If all accrued Fees are not paid on or before the date of the final disposition of funds, we shall deduct any outstanding balance from your assets.
4. Disposition Of Funds. You shall direct us pursuant to a **Written Notice** how to dispose of your funds in either (a) a single payment, (b) installment payments, or (c) a distribution of the benefits as provided below. Absent your direction, the funds may be paid in a single payment.
  - a. Single Payments. Assets may be paid in a single payment subject to the terms set forth in each of your **Investment Funds**;
  - b. Installment Payments. Funds may be distributed in installments as described in the **Investment Funds** in which you have assets under this **Contract**;

- c. Distribution Of Benefits. The disposition of funds by distribution of annuities or benefits shall be as agreed between you and our Company. However, it may be subject to a **Market Value Adjustment** and a **Withdrawal Charge**.
5. Certification. Prior to distribution, we may require a **Written Notice** from you or the **Plan Administrator** certifying that the withdrawals you make will continue to be applied for the exclusive benefit of **Participants** and their beneficiaries under the terms of your **Plan**.
6. Documentation. If you withdraw funds for payment to another party or institution (other than yourself), we may require reasonably necessary documentation prior to such withdrawals.
7. Refusal To Transfer. Notwithstanding Article IV, Section C., we may refuse to transfer funds if, in our opinion, based on all the facts and circumstances known to us at the time, the transfer may subject us to liability under applicable state or federal law.

## ARTICLE VIII

### GENERAL CONDITIONS

#### A. Your Responsibilities

1. Authority To Control And Manage. You (or person(s) you nominate) are the **Plan Administrator** who has the authority to control and manage the operation and administration of the **Plan** and **Plan** assets. We do not assume this responsibility.
2. Retain Legal And Accounting Advice. You must obtain your own legal and accounting advice concerning your **Plan**.
3. Meeting Legal Deadlines. You are ultimately responsible for meeting all filing deadlines with the IRS and the Department of Labor. This also includes securing and maintaining the qualified status of your **Plan**, if applicable. We are not responsible for payment of any damages, fines, or penalties for the acts or omissions of the **Plan Administrator**.

#### B. General Corporate Assets

Unless an **Investment Fund** specifically provides to the contrary, Deposits made under this **Contract** shall become part of our general corporate assets to be used and invested as such. This relationship between you and our Company shall not give you, your creditors, or any party acting on your behalf any claim against **Standard's** specific or identifiable assets.

### C. Assignment

1. Assignment, Pledge, Or Transfer. You can assign, pledge, or transfer ownership of this **Contract**, but only if we have given you prior consent pursuant to a **Written Notice** and only if the assignment, pledge, or transfer complies with applicable state and federal law.
2. Commutation, Anticipation, Or Encumbrance. Any payments or benefits provided for by this **Contract** shall not be subject to commutation, anticipation, encumbrance, or alienation by any person, individual, or institution entitled to such payments or benefits unless it complies with applicable state or federal law and we have given you consent pursuant to a **Written Notice** prior to that transaction.
3. Seizure By Operation Of Law. Furthermore, no payment or benefit provided for by this **Contract** shall be seized, taken, appropriated, or applied by any legal or equitable process or operation of law to pay any debt or liability of any person entitled to such payments or benefits, except to the extent provided by applicable law and only if we have consented in a prior **Written Notice**.

### D. Non-Waiver

Our failure to enforce any provision of this **Contract** at any time shall not affect our right, by doctrine of waiver, estoppel, or otherwise, to enforce any provision at any other time.

### E. Data Supplied By You

You shall furnish any information that we may reasonably require in order to administer this **Contract**. We will be permitted to rely conclusively upon any statement by you of the amount of benefits due. All statements that you make will, in the absence of fraud, be deemed representations and not warranties.

### F. Entire Contract

This Group Annuity Contract, the attached Schedules and Riders, and the **Contract** Application, constitute the entire **Contract** between you, the **Contractowner**, and our Company. We are responsible for performing only those duties, obligations, and responsibilities specifically described in this **Contract**.

### G. Amendment

1. Description. You and our Company may amend this **Contract** by mutual agreement. Such an Amendment must be signed by your authorized representative and:
  - a. our President; or
  - b. one of our Vice Presidents and our Secretary.

This **Contract** may be amended without the consent of any employee, **Participant**, or beneficiary of the **Plan**.

2. Authority To Sign. No other person has the authority to sign a contract, amend this **Contract**, or waive any provision of this **Contract** on our behalf.

#### **H. Modification**

1. Modifications To Comply With Applicable Law. We may unilaterally modify any provision of this **Contract** without your consent in order to comply with applicable laws or regulations. However, we shall give you **Written Notice** of any such compliance changes.
2. Modifications We Propose. We may propose other modifications to the **Contract** which will be effective no sooner than sixty (60) days after we have given you **Written Notice**. You may reject our proposed modification by giving us **Written Notice** before it becomes effective.

STANDARD INSURANCE COMPANY  
RETIREMENT PLANS DIVISION  
GROUP ANNUITY CONTRACT

CONTRACTOWNER: City of Glendale  
CONTRACT NO.: 810122                      The Investment Funds included are:  
CONTRACT DATE: November 1, 2015        SSAF Standard Stable Asset Fund  
RECEIPT DATE: November 23, 2015  
JURISDICTION: Arizona

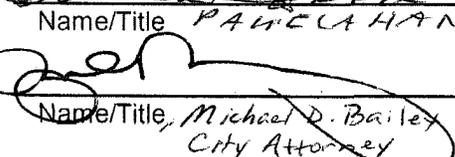
This Contract between Standard Insurance Company and the Contractowner shall be effective on the Contract Date if it is received at Standard's Home Office no later than the Receipt Date.

If, however, this Contract is received after the Receipt Date, Standard may either: (1) accept the Contract anyway, if received within a reasonable time after the Receipt Date, by so informing the Contractowner in writing; (2) withdraw our offer of this Contract and refund any Deposits or Fees already paid to us; or (3) withdraw our offer in the initial Contract and issue a new Contract.

This Contract shall be governed by the laws of the Jurisdiction identified above.

The Contractowner agrees, as indicated by the signature(s) below, to all of the terms set forth in this Contract, Contract Application, Schedule A, Schedule B, Schedule C, and accompanying Riders incorporated by reference herein.

CITY OF GLENDALE

By:   
Name/Title Richard A. Eowers, Acting City Manager                      Address: 5850 West Glendale  
By:   
Name/Title PAWELA HANNA, CITY CLERK                      Glendale, AZ 85301  
By:   
Name/Title Michael D. Bailey, City Attorney                      Dated: DEC 15 2015

Standard agrees, as indicated by the signatures below, to provide annuities and financial services pursuant to the terms set forth in this Contract, the Schedules, and accompanying Riders incorporated by reference herein.

STANDARD INSURANCE COMPANY

  
\_\_\_\_\_  
President

"Home Office" Address:  
Standard Insurance Company  
Retirement Plans Division  
1100 S.W. 6th Avenue (97204)  
P.O. Box 711 (97207)  
Portland, Oregon

  
\_\_\_\_\_  
Secretary

Dated: October 23, 2015

## SCHEDULE A

### TABLE OF GUARANTEED MAXIMUM RATE TO PURCHASE \$1.00 OF MONTHLY RETIREMENT BENEFIT

For each optional form of annuity payment a Guaranteed Maximum Rate to purchase \$1 of monthly retirement is defined based on the following assumptions:

1. 1994 Group Annuity Mortality Table with a projection factor to year of first payment
2. Interest rate of 3%
3. Single life rates use 100% female mortality
4. Joint life factors are blended 50% male and 50% female. Joint mortality improvement factors are an arithmetic average of 50% male and 50% female.

These rates are guaranteed for the duration of this Contract for the benefits of current Plan Participants. We reserve the right to change the Guaranteed Maximum Rates for the benefits of Participants who enter the Plan after we give sixty (60) days Written Notice of the change.

#### **Available Annuities are:**

- A. Life Annuity** – Monthly income payable for the life of the annuitant only, with no payments after the annuitant's death.
- B. Certain and Life Annuity** – Monthly income payable for the life of the annuitant with the provision that if the annuitant should die after commencement of payments, but before the end of a certain period of 60, 120, or 180 months, as elected, payments will be continued for the remainder of certain period to a designated beneficiary; PROVIDED, however, that the certain period election shall not extend beyond any applicable limit imposed by law.
- C. Joint and Survivor Annuity** – Monthly income payable for the life of the annuitant, and thereafter for the life of a designated contingent annuitant. Monthly payments to the contingent annuitant may be the same amount as, one-half of, or two-thirds of the monthly payments to the annuitant, as you specify.

At our option, we may choose to pay in cash the amount for which could purchase the benefit if the annuity benefit is less than \$100 annually.

**SCHEDULE B**

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**SCHEDULE C**

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## STANDARD INSURANCE COMPANY

### The Standard HRA Stable Asset Fund Rider

This Rider is made a part of the Group Annuity Contract between you and our Company. All the terms used in this Rider have the same meaning as those described in the Contract.

- A. Description.** The Standard HRA Stable Asset Fund (the "SAF") will be in the nature of an account showing a general liability against us on your behalf. As such, there will be no particular segregated or identifiable assets ascribed to it. Withdrawals from and transfers to and from the SAF are permitted as described in Item G, below.
- B. Definition of Plan.** For purposes of this Rider, **Plan** means the health and welfare plan or program maintained by you which gives rise to this Contract. This definition replaces the definition of Plan set forth in **Article II, Definitions**.
- C. Valuation.** The value of the SAF is an amount equal to (A) minus (B), where:

A is the sum of:

- (1) the deposits to the SAF;
- (2) transfers into the SAF from any other Investment Fund; and
- (3) interest credited to the SAF.

B is the sum of:

- (1) the expenses of the SAF;
- (2) transfers from the SAF to another Investment Fund; and
- (3) distributions from the SAF.

The SAF is valued daily. Interest is credited daily to deposits to the SAF at the daily equivalent of the SAF Interest Rate.

- D. Determination of the SAF Interest Rate.** Deposits to the SAF will earn interest at the "SAF Interest Rate." The SAF Interest Rate is expressed as an annual rate, which we will determine and declare quarterly and only in effect for that quarter. The SAF Interest Rate will not be less than the Minimum Guaranteed Interest Rate.
- E. Determination of the Minimum Guaranteed Interest Rate.** The "Minimum Guaranteed Interest Rate" is a rate equal to 1.00% per annum in all years.
- F. Limit on Competing Funds.** A "Competing Fund" is defined as a money market mutual fund, another stable value fund, or a cash equivalent fund that is offered by the Plan for transfers or new deposits. We have discretion in determining whether a particular investment option is a Competing Fund. The SAF may not

be offered as an Investment Fund if any other Competing Fund is offered by the Plan.

- G. Benefit Withdrawals.** The following replaces the provisions of Item A, Benefit Withdrawals of **Article IV – Benefits or Withdrawals** of the Group Annuity Contract.

#### Benefit Withdrawals

1. **Description.** These are withdrawals other than Contractowner Withdrawals which are made according to the terms of your Plan and this Contract for:
  - a. Participant-initiated withdrawals for purposes of paying or reimbursing eligible medical expenses or taking other distributions permitted by the **Plan**,
  - b. Participant-directed transfers of assets among investment options offered by the **Plan**, if applicable or
  - c. Annuity purchases.
2. **Reasonable Proof Required.** We may require reasonable proof that Benefit Withdrawals are being made consistent with the terms of the **Plan** and this **Contract**.
3. **Benefit Withdrawals Upon Contract Termination.** We reserve the right to discontinue Benefit Withdrawals from the date of the termination notice.

- H. Limitations on Contractowner Withdrawals.** The following replaces the provisions of Item B. Contractowner Withdrawals of **Article IV - Benefits or Withdrawals** of the Group Annuity Contract.

#### Contractowner Withdrawals

1. **Description.** Contractowner withdrawals include any withdrawals you make that are not defined as Benefit Withdrawals in Article IV, Item A. Benefit Withdrawals of the Group Annuity Contract.
2. **Participant-Initiated Withdrawals and Transfers.** Participant-initiated withdrawals or transfer requests directly or indirectly arising out of corporate acts such as spin-offs, divestitures, corporate relocations, layoffs, retirement incentive programs, partial or total Plan terminations, or the liberalization of Plan withdrawal or transfer rules, are all Contractowner Withdrawals. Such payments are not treated as Benefit Withdrawals.

3. Valid Instructions Required. Before any Contractowner Withdrawal is made, we will need valid instructions from you.
4. Delay Due to Certain SAF Conditions. We may delay Contractowner Withdrawals due to certain SAF conditions, as follows:
  - a. If the total amount of all transfers and withdrawals from the SAF in a calendar year exceeds twenty-five percent (25%) of the total SAF assets as of the January 1<sup>st</sup> of the year in which the Contractowner Withdrawal is requested, the Contractowner withdrawal will be subject to the provisions of Item H.5.
  - b. If the total amount of the requested Contractowner Withdrawal exceeds twenty-five percent (25%) of the total SAF assets as of the January 1<sup>st</sup> of the year in which the Contractowner Withdrawal is requested, the Contractowner withdrawal will be subject to the provisions of Item H.5.

This Item 4 will not apply if we terminate the Group Annuity Contract and/or this Rider under the provisions of Section A.2 of Article VII of the Group Annuity Contract, or Item K of this Rider.

5. Withdrawals. Withdrawals of all or a part of your assets from the SAF are subject to the following limitations. We offer the two payment options described below.
  - a. Option for Market Valued Lump Sum. We will disburse the assets of the SAF in a market valued lump sum on the termination effective date. The amount of the market valued lump sum will be the assets of the SAF times a market value factor. The market value factor is the lesser of 1.00 or the ratio of:

$$\frac{\text{Current Bond Price}}{\text{Par Value of Bond}}$$

We will calculate the Current Bond Price to equal the price of a bond:

- (i) issued with a maturity of five (5) years;
- (ii) bearing interest at the three (3) year monthly average of the Bloomberg Fair Value U.S. Dollar Denominated U.S. Industrial BBB 5 Year Index, as of the most recent month end prior to your Written Notice of termination; and

- (iii) calculated to yield the index value of the Bloomberg Fair Value U.S. Dollar Denominated U.S. Industrial BBB 5 Year Index, as of the most recent month end prior to receipt of your Written Notice of termination.

If the Bloomberg Fair Value U.S. Dollar Denominated U.S. Industrial BBB 5 Year Index ceases to be published, we will select a comparable index. We will provide you Written Notice of this change.

The Par Value of Bond is deemed to be one.

If the amount of the market valued lump sum, as determined above, is less than the value of the net deposits to the SAF plus interest accumulated at the Minimum Guaranteed Interest Rate, then the market valued lump sum will be changed to the value of the net deposits to the SAF plus interest accumulated at the Minimum Guaranteed Interest Rate.

- b. Option for Installment Payments. In lieu of a lump sum payment, you may give us Written Notice requesting installment payments. We will disburse the assets of the SAF in six (6) annual payments over five (5) years. For that period, interest will accumulate on the SAF's unpaid balance at the Minimum Guaranteed Interest Rate. Notwithstanding the above, at any time during an installment period, we may at our option elect to disburse the remaining balance of the SAF in a single lump sum.
- c. We may in our discretion delay such a lump sum payment for up to six (6) months from the date we receive your Written Notice of termination. During such a period we will continue to credit interest to the SAF at the SAF Interest Rate, and we will continue to disburse Benefit Withdrawals as described in Section A of Article IV of the Group Annuity Contract.
- d. Notwithstanding the above, we will disburse SAF assets occurring as a result of the Plan's termination or disqualification in a single lump sum payment, or as you and we mutually agree.

- I. **Meeting Legal Deadlines.** You are ultimately responsible for meeting all filing deadlines with the Department of Labor. We are not responsible for payment of any damages, fines, or penalties for the acts or omissions of the Plan Administrator. This section replaces Item A.3, Your Responsibilities of **Article VIII – General Conditions.**

- J. Modification.** We reserve the right to change the mode of operation of the SAF, but only as to contributions or transfers directed to this Account on or after the effective date of the modification. The effective date of any modification shall be the first day of the next calendar quarter. We shall deliver a Written Notice to you at your last known business address at least sixty (60) days before the modification becomes effective.
- K. Contract Termination.** Upon termination of the Group Annuity Contract or this SAF Rider, assets will be paid out in accordance with the provisions of Item H of this Rider. We may require such indemnities as we deem appropriate as a condition for paying out the funds as requested, or we may refuse to pay out any funds if, in our opinion under all the facts and circumstances known to us at the time, the payout might subject us to liability for a breach of duty pursuant to applicable law.

**STANDARD INSURANCE COMPANY**



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President



The Standard®

**Application for Group Annuity  
Investment Option**

Full legal name and address of Applicant:

City of Glendale

Name of corporation, organization or trust

5850 West Glendale

Address

Glendale, AZ 85301

City/State/Zip

City of Glendale HRA

Plan Name

As an authorized representative of the retirement plan named above, I request that Standard Insurance Company provide a funding option to the plan pursuant to a group annuity contract.

In signing below, I acknowledge that I have reviewed this application. If I am signing on behalf of a corporation, organization or trust, I certify that I have been expressly authorized to do so.

Signature of Authorized Representative

Acting City Manager

Title

Richard A. Bowers  
Print or Type Name of Authorized Representative

DEC 15 2015

Date

ATTEST:

City Clerk

Approved as to form

City Attorney