

**CITY CLERK
ORIGINAL**

**C-8353-1
02/12/2013**

AMENDMENT No. 1
TO
SECTION 457(b) ELIGIBLE DEFERRED COMPENSATION PLAN

RECITALS

- A. The City of Glendale sponsors a deferred compensation plan ("Plan") for its employees; and
- B. Effective the same date as this Amendment, the Council of the City of Glendale adopted and approved the City of Glendale's Section 457(b) Eligible Deferred Compensation Plan for Government Employers 03-2012 Basic Plan Document ("Plan Document"); and
- C. Section 11.02 of the Plan Document allows the City of Glendale to amend the Plan; and
- D. The City of Glendale wishes to alter the Plan's conditions for participant loan repayments.

NOW, THEREFORE, the City of Glendale hereby amends the Plan Document as follows:

AMENDMENT

- 1. Section 4.04 of the Plan Document is deleted and replaced in its entirety with the following text:

4.04 Repayment. The Participant shall be required, as a condition to receiving a loan, to enter into an agreement authorizing ACH deductions for loan repayment, and authorizing transfer of such deduction amounts to the Trustee in payment of such loan plus interest. Repayments of a loan shall be made by deduction of equal amounts (comprised of both principal and interest), with the first such deduction to be made as soon as practicable after the loan funds are disbursed; provided, however, a Participant may prepay the entire outstanding balance of his loan at any time without penalty. Loan repayments are, at the Employer's election, suspended for Qualified Military Service as permitted by Code § 414(u)(4).

- 2. The final paragraph of Section 2.02 of the Plan Document is deleted and replaced in its entirety with the following text:

The Participant may also designate a Beneficiary(ies) to receive any amounts that may be distributed in the event of death of the Participant prior to the complete distribution of benefits. A Participant may change the designated Beneficiary(ies) at any time by filing

such change with the Administrator in a manner approved by the Administrator. However, in the event that a married Participant wishes to designate as a Beneficiary a person or entity other than their spouse, the Participant will obtain consent for such designation from the spouse in a format acceptable to the Administrator. A change in the Beneficiary designation shall take effect when the election is accepted by the Administrator. If no such designation is in effect on the Participant's death, the Beneficiary shall be the Participant's surviving spouse, if any, or if none, the Participant's estate.

3. Section 4.04 of the Plan Document is deleted and replaced in its entirety with the following text:

7.01 Trust Fund. All amounts of Annual Deferrals, all property and rights purchased with such amounts and all income attributable to such amounts, property or rights shall be held and invested in the Trust Fund in accordance with this Plan and the Trust or Custodial Agreement. The Trust Fund, and any sub trust established under the Plan, shall be established pursuant to a written agreement that constitutes a valid trust under applicable state law. The Trustee or Custodian shall ensure that all investments, amounts, property and rights held under the Trust Fund are held for the exclusive benefit of Participants and their Beneficiaries. The Trust Fund shall be held in trust pursuant to the Trust or Custodial Agreement for the exclusive benefit of Participants and their Beneficiaries and defraying reasonable expenses of the Plan and of the Trust Fund. It shall be impossible, prior to the satisfaction of all liabilities with respect to Participants and their Beneficiaries, for any part of the assets and income of the Trust Fund to be used for, or diverted to, purposes other than for the exclusive benefit of Participants and their Beneficiaries.

The trust requirement of Code § 457(g) may be satisfied by a trust agreement, a custodial agreement or the annuity contract, if any. The trust requirement shall be satisfied in the manner specified in the Adoption Agreement. If so elected in the Adoption Agreement, the Employer or certain Employees of (or holders of certain positions with) the Employer shall be named as Trustee in the Adoption Agreement and Plan assets shall be set aside in trust pursuant to this Article VII.

If the Employer does not elect to self-trustee the Plan, the Employer must elect one of the following options in the Adoption Agreement:

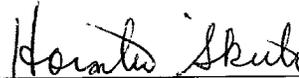
- (a) Plan assets will be set aside in trust pursuant to a separate written trust agreement entered into between the Employer and the bank or trust company named as Trustee named in the Adoption Agreement. The Employer shall enter into a separate written trust agreement with the Trustee.
- (b) Plan assets shall be set aside in one or more annuity contracts issued by an insurance company qualified to do business in the state where the contract is issued. The owner of the annuity contract is the "deemed trustee" of the assets invested under the contract for purposes of Code § 457(g).

- (c) Plan assets shall be set aside in one or more custodial accounts described in Code § 401(f) with the bank or trust company named in the Adoption Agreement as Custodian and "deemed trustee" for purposes of Code § 457(g). The Employer shall enter into a separate written custodial agreement with the Custodian.

This Amendment shall not be construed in any way as modifying, waiving or affecting any of the terms, covenants, conditions or agreements contained in the Plan Document except as expressly provided herein.

Adopted and effective this 12th day of February, 2013

City of Glendale,
an Arizona municipal corporation



By: Horatio Skeete
Its: Acting City Manager

APPROVED AS TO FORM:



Craig Tindall, City Attorney

ATTEST:



City Clerk

(SEAL)