

# Schwab Personal Choice Retirement Account® (PCRA) Plan Application

**Please be sure to:**

- Read sections 5-9
- Complete sections 1-4 and Exhibit A
- Sign this application on page 5, section 10.

## 1. INTRODUCTION

This Schwab Personal Choice Retirement Account® (PCRA) Application ("Account Application") is entered into by and among Wells Fargo Bank, N A as the trustee or custodian ("Trustee/Custodian") of the City of Glendale Section 457 Deferred Compensation Plan ("Plan"), City of Glendale ("Plan Sponsor") as the Plan Sponsor of the plan and Charles Schwab & Co., Inc. ("Schwab").

The Trustee/Custodian has been directed by the Plan Sponsor to enroll the Plan in the Schwab Personal Choice Retirement Account ("PCRA") Program with Schwab.

The Plan (or Trust, if any) permits Plan Sponsor to direct the Trustee/Custodian to establish a plan-level brokerage account ("Plan-level Account") at Schwab and to allow the Participants of the Plan who execute an electronic PCRA Account Application (or a Schwab Personal Choice Retirement Account® Participant Limited Power of Attorney (LPOA) Agreement ("LPOA Agreement") with Schwab ("Participants") to conduct business at Schwab

The following together with the Schwab One® Account Agreement and any administrative services agreement between the Plan's recordkeeper and Schwab ("Services Agreement"), constitute the terms and conditions governing the account(s) established by the Trustee or Custodian at the direction of the Plan Sponsor.

## 2. PLAN SPONSOR INFORMATION

Plan Sponsor Name	Plan Number	Plan Sponsor Tax ID Number	
City of Glendale	98742-01	[REDACTED]	
Type of Business	State of Incorporation		
Municipality	Arizona		
Contact Name / Email Address	Title	Phone	
Jim Brown / jwbrown@glendaleaz.com	Acting HR Director	623-930-2277	
Street Address	City	State	Zip Code
5850 West Glendale Ave	Glendale	AZ	85301

## 3. PLAN INFORMATION

Plan Name	Plan Tax ID Number	
City of Glendale Section 457 Deferred Compensation Plan	[REDACTED]	
Date Plan Established	Type of Plan	
	457(b)	
Total Plan Assets	Number of Participants	Plan Year End
\$70M	1001	12/31

## 4. TRUSTEE / CUSTODIAN INFORMATION

Name	Tax ID Number	State of Incorporation	
Wells Fargo Bank, N.A	[REDACTED]	Colorado	
Contact	Title	Phone	
Andrea L. Stellish	Vice President Government Relations	303-863-4624	
Street Address	City	State	Zip Code
1740 Broadway MAC#C7300-015	Denver	CO	89274

## 5. ACCOUNT ESTABLISHMENT

The Plan-level Account shall be established in the name of the Trustee/Custodian for the interest of the Plan. In addition, separate self-directed brokerage accounts ("PCRA accounts") shall be established in the name of the Trustee/Custodian for the interest of the

Plan related to each Participant who executes an electronic PCRA Account Application. Participant accounts shall be subject to the PCRA Account Application executed by the Participant

The Plan Sponsor, pursuant to the Plan, has directed the Trustee to execute the Account Application under which Schwab is authorized to act upon the instructions of each Participant pursuant to the terms and conditions of this Account Application, the Schwab One Account Agreement, the Services Agreement and the PCRA Account Application. A PCRA Account Application will be executed by each Participant, setting forth the terms and conditions under which Schwab will act on the instructions of the Participant. The Trustee/Custodian, acting pursuant to the direction of the Plan Sponsor, authorizes Schwab to act on instructions received from a Participant pursuant to each such PCRA Account Application, the terms and conditions of which are set forth thereon.

6 **MONEY FUND.** All uninvested cash held in the Plan-level Account will be automatically invested in the Schwab Money Market Fund.

7. **PCRA TRADING.** Investment options available through PCRA Accounts may be limited by the PCRA Trading Menu attached as Exhibit A.

## 8. DELEGATION OF AUTHORITY TO THE PLAN'S RECORDKEEPER

**By signing this application, the Trustee/Custodian acknowledges that the Plan's recordkeeper will have the ability to instruct Schwab with respect to the establishment of the Plan-level Account and multiple PCRA accounts. . The Trustee/Custodian, as directed by the Plan Sponsor, has the authority to delegate additional powers to the Plan's recordkeeper. The following additional powers are hereby delegated to the Plan's recordkeeper by the Trustee/Custodian**

A. **Relay Trading Authorization.** Instruct Schwab to execute trades in the Plan-level Account under limited circumstances and to liquidate PCRA account assets upon instruction from the Plan Sponsor

B. **Disbursement Authorization to Account Registration.** Instruct Schwab to disburse Plan funds to accounts that are registered to the Trustee/Custodian(s) at Schwab or another financial institution

**Relay Trading Authorization.** The Plan's recordkeeper may direct Schwab as to the investment of the Plan-level Account under limited circumstances, as to the liquidation of PCRA accounts as needed, and to take other actions necessary or incidental to the execution of such instructions. Schwab, and other persons to whom Schwab has given instructions in order to implement the Plan's recordkeeper's instructions, may rely on Plan's recordkeeper's instructions without obtaining any approval, counter-signature, or co-signature. In the limited situations described above, the Plan's recordkeeper's authority will include, without limitation

- the authority to give instructions for transactions in securities and financial instruments, including the buying and selling of stocks, bonds, debentures, notes, subscription warrants, stock purchase warrants, options, mutual fund shares, evidences of indebtedness, and any other securities, instruments or contracts relating to securities, and
- where necessary to complete any transaction, the authority to transfer, convert, endorse, sell, assign, set over, and deliver any assets held in the Plan-level Account or the PCRA Accounts and to make, execute, and deliver any and all written instruments of assignment and transfer.

**Authority to Disburse to Account Registration.** The Plan's recordkeeper may direct Schwab to remit checks, wire funds and otherwise make disbursement of funds held in the Plan-level Account to banks and other financial institutions for the Plan's benefit. Accordingly, Schwab is authorized to take such actions, upon Plan's recordkeeper's written instructions.

Whenever this delegation of authority is attached to any instrument of assignment and transfer, all persons shall be entitled, without further inquiry or investigation and regardless of the date of the delegation of authority, to act in reliance upon the assumption that the assets named in such instrument were duly and properly transferred, endorsed, sold, assigned, set over and delivered, and that, with respect to such assets, the authority conferred here in is still in full force and effect

The Trustee/Custodian may revoke the delegation of authority at any time by giving written notice to Schwab.

9. **AGREEMENT BETWEEN TRUSTEE/CUSTODIAN, PLAN SPONSOR AND SCHWAB.** The Trustee/Custodian, by signing this Application at the direction of the Plan Sponsor, hereby requests that Schwab open the Plan-level Account and also a PCRA Account for the benefit of each Participant who executes a PCRA Account Application/LPOA Agreement. All parties hereto shall be bound by the terms of the Account Agreement (which includes this Application, the Schwab One Account Agreement, the PCRA Account Application/LPOA Agreement executed by the Participant and other written

agreements, if any, between the Plan Sponsor, the Trustee/Custodian or the Plan's recordkeeper and Schwab). If any party hereto does not receive or understand the Account Agreement, such party will notify Schwab

The Plan Sponsor certifies that the Trust underlying the Plan (if any) is not subject to backup withholding because the Plan is an organization exempt from federal income tax under Internal Revenue Code

Each party represents, warrants and certifies that the representations made by it in this Agreement are true, complete and accurate. The Plan Sponsor and the Trustee/Custodian each represent, warrant and certify that the Trust (if any) is in full force and effect and has not been revoked, modified or amended in any manner which would cause the representations made by each as contained in this Agreement to be inaccurate or incorrect. Schwab will rely on this Agreement and upon the representations made herein unless and until it receives a written Notice of Amendment, written notice of changed Trustee/Custodian or written notice of any events affecting the Plan Sponsor's powers described above. The Plan Sponsor agrees to send written notice promptly to Schwab of any change in Trustee/Custodian, or any amendment or modification to the Trust which would cause the representations contained in this Agreement to be or become inaccurate or of the occurrence of any event which would affect the Trust's revocability, the Trustee/Custodian's or the Plan Sponsor's powers or any representations made in this Agreement.

The Plan Sponsor, (or the Plan as applicable) and the Trustee/Custodian hereby indemnify and hold harmless Schwab and each of its officers, directors, employees and agents from, and holds such persons harmless against, any claims, judgment, surcharges, settlement amounts or other liabilities or costs of defense or settlement (including attorneys' fees) arising out of or related to any actual or alleged improper or unsuitable actions taken at the Plan Sponsor's, the Trustee/Custodian's or the Plan's recordkeeper's direction in connection with the PCRA established at Schwab pursuant to this Agreement. Provided, however, that Schwab must first notify the Plan Sponsor, the Trustee/Custodian and the Plan's recordkeeper of any claim and tender defense of the same to the Plan Sponsor, Trustee/Custodian and Plan's recordkeeper as a condition precedent to indemnity hereunder.

Schwab hereby indemnifies and holds harmless the Plan Sponsor and the Trustee/Custodian and their affiliates and subsidiaries, and each of their respective officers, directors, employees, and agents from, and holds such person harmless against, any claims judgment, surcharges, settlement amounts or other liabilities or costs of defense or settlement (including reasonable attorneys' fees) arising out of or related to any actual or alleged improper or unsuitable actions taken by Schwab in connection with the PCRA established at Schwab pursuant to this Agreement.

The representations and obligations stated herein shall survive termination of the Trust (if any) and the Account Agreement relating to the PCRA. This cross-indemnification is made by the Plan Sponsor, the Trustee/Custodian and Schwab and shall not be limited by the Plan Sponsor's or the Trustee/Custodian's documentation concerning the representations made herein.

**Required Arbitration Disclosures.** Regulatory authorities require that any brokerage agreement containing a predispute arbitration agreement must disclose that this agreement contains a predispute arbitration clause. This Agreement contains a predispute arbitration clause. By signing an arbitration agreement, the parties agree as follows:

- All parties to this agreement are giving up the right to sue each other in court, including the right to a trial by jury, except as provided by the rules of the arbitration forum in which a claim is filed.
- Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited.
- The ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings.
- The arbitrators do not have to explain the reason(s) for their award unless, in an eligible case, a joint request for an explained decision has been submitted by all parties to the panel at least 20 days prior to the first scheduled hearing date.
- The panel of arbitrators will typically include a minority of arbitrators who were or are affiliated with the securities industry.
- The rules of some arbitration forums may impose time limits for bringing a claim in arbitration. In some cases, a claim that is ineligible for arbitration may be brought in court.
- The rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into this agreement.

No person shall bring a putative or certified class action to arbitration, nor seek to enforce any predispute arbitration agreement against any person who has initiated in court a putative class action; or who is a member of a putative class who has not opted out of the class with respect to any claims encompassed by the putative class action until:

1. the class certification is denied;
2. the class is decertified; or
3. the customer is excluded from the class by the court.

Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this Agreement except to the extent stated herein.

**Arbitration Agreement.** Any controversy or claim arising out of or relating to (i) this Agreement, any other agreement with Schwab, an instruction or authorization provided to Schwab or the breach of any such agreements, instructions, or authorizations; (ii) the Account, any other Schwab account or Services; (iii) transactions in the Account or any other Schwab account; (iv) or in any way arising from the relationship with Schwab, its parent, subsidiaries, affiliates, officers, directors,

employees, agents or service providers, including any controversy over the arbitrability of a dispute, will be settled by arbitration.

This arbitration agreement will be binding upon and inure to the benefit of the parties hereto and their respective representatives, attorneys-in-fact, heirs, successors, assigns and any other persons having or claiming to have a legal or beneficial interest in the Account, including court-appointed trustees and receivers. This arbitration agreement will also inure to the benefit of third party service providers that assist Schwab in providing Services ("Third Party Service Providers") and such Third Party Service Providers are deemed to be third party beneficiaries of this arbitration agreement.

The parties agree that this arbitration agreement will apply even if the application to open the Account is denied and will survive the closure of your Account and/or the termination of services rendered under this Agreement.

Such arbitration will be conducted by, and according to the securities arbitration rules and regulations then in effect of, the Financial Industry Regulatory Authority (FINRA) or any national securities exchange that provides a forum for the arbitration of disputes, provided that Schwab is a member of such national securities exchange at the time the arbitration is initiated. Any party may initiate arbitration by filing a written claim with FINRA or such eligible national securities exchange. If arbitration before FINRA or an eligible national securities exchange is unavailable or impossible for any reason, then such arbitration will be conducted by, and according to the rules and regulations then in effect of, the American Arbitration Association (AAA). If arbitration before the AAA is unavailable or impossible for any reason, the parties agree to have a court of competent jurisdiction appoint three (3) arbitrators to resolve any and all disputes or controversies between or among the parties. Each party shall bear its own initial arbitration costs, which are determined by the rules and regulations of the arbitration forum. In the event of financial hardship, the arbitration forum may waive certain costs in accordance with such rules. At the conclusion of the hearing, the arbitrators will decide how to assess the costs of the arbitration among the parties.

Any award the arbitrator makes shall be final and binding, and judgment on it may be entered in any court having jurisdiction. This arbitration agreement shall be enforced and interpreted exclusively in accordance with applicable federal laws of the United States, including the Federal Arbitration Act. Any costs, fees or taxes involved in enforcing the award shall be fully assessed against and paid by the party resisting enforcement of said award.

For FINRA arbitrations, FINRA will appoint a single public arbitrator in customer cases decided by one arbitrator. In customer cases decided by three arbitrators, investors have the option of choosing an arbitration panel with two public arbitrators and one non-public arbitrator (Majority-Public Panel Rule) or a panel of all public arbitrators (Optional All-Public Panel Rule). If the customer declines to elect a panel selection method in writing by the applicable deadline, the Majority-Public Panel Rule for selecting arbitrators will apply.

All notices from one party to the other involving arbitration shall be considered to have been fully given when so served, mailed by first-class, certified or registered mail, or otherwise given by other commercially accepted medium of written notification.

In addition to the above provisions, if a party to this Agreement is or becomes a non-U.S. resident at the time of any controversy subject to this arbitration agreement, such party acknowledges and agrees to the following additional provisions:

- (1) The rules of the organization administering the arbitration specifically provide for the formal designation of the place at which the arbitration is to be held.
- (2) Entering into this Agreement constitutes consent to submit to the personal jurisdiction of the courts of the state of California, U.S.A., to interpret or enforce any or all of these arbitration provisions. Judgment on any arbitration award may be entered in any court having jurisdiction, or application may be made to such court for judicial acceptance of the award and an order of enforcement, as the case may be.
- (3) The exclusive language to be used by the parties and the arbitrators in the arbitration proceedings shall be English. Any party wishing an interpreter shall make all arrangements directly with the interpreter and shall assume all costs of the service.

If a party is a foreign government or state, state-owned or state-operated enterprise or other instrumentality of a foreign government or state, such party waives all rights of sovereign immunity and neither the Federal Act of State doctrine nor the doctrine of sovereign immunity shall apply insofar as any enforcement in courts located in the U.S.A. is concerned.

**Waiver of Class Action or Representative Action.** Neither you nor Schwab shall be entitled to arbitrate any claims as a class action or representative action, and the arbitrator(s) shall have no authority to consolidate more than one parties' claims or to proceed on a representative or class action basis. You and Schwab agree that any actions between us and/or Related Third Parties shall be brought solely in our individual capacities. You and Schwab hereby waive any right to bring a class action, or any type of representative action against each other or any Related Third Parties in court. You and Schwab waive any right to participate as a class member, or in any other capacity, in any class action or representative action brought by any other person, entity or agency against Schwab or you.

**Responsibility for Investment Decisions.** The Plan Sponsor and the Trustee/Custodian each acknowledge and agree that

- Schwab will merely execute trades as directed by Participant or the Plan's recordkeeper acting on behalf of the Plan Sponsor or Trustee/Custodian in accordance with a delegation of authority acceptable to Schwab,
- Schwab does not give legal or tax advice, and will not advise the Plan Sponsor, the Trustee/Custodian, or the Plan's recordkeeper concerning the nature, potential value, or suitability of any particular security, transaction or investment strategy;
- Schwab is not acting as a fiduciary,
- The Plan Sponsor (and not Schwab) is responsible for investigating and selecting the Plan's recordkeeper,

- The Plan's recordkeeper is not affiliated with or controlled or employed by Schwab, and Schwab has not approved, recommended or endorsed the Plan's recordkeeper;
- Schwab has no duty to supervise or monitor trading by the Plan's recordkeeper or Participant in the Brokerage Account;
- Schwab has no duty to review the documents under which the Plan is maintained, to update these documents, or to request a determination letter from the Internal Revenue Service concerning the Plan documents;
- Schwab has no duty to determine or review allocations of contributions among Participants, or to perform any recordkeeping functions for the Plan, provided that the forgoing shall not affect Schwab's obligations to furnish accurate account statements to Participants and the Plan's recordkeeper and to provide certain information to the Trustee/Custodian;
- Schwab has no duty to review Plan investments for compliance with ERISA (including determining whether any investments constitute prohibited transactions under ERISA) or to determine whether Plan investments will result in exposure to the tax on unrelated business taxable income, or to review the Plan documents to determine whether any investment instructions are in accordance with the terms of the Plan other than to review the transaction for compliance with the previously agreed limitations,
- Schwab has no duty to assist in complying with any obligations that may be imposed under ERISA, including, without limitation, the reporting, Participant disclosure or bonding requirements of ERISA (except with respect to the furnishing of account statements to Participants and the Plan's recordkeeper and such reporting obligations to the Trustee/Custodian);
- Schwab has no duty to determine the valuation of any assets in the Account that are not traded on a recognized exchange; and
- Other than complying with its obligations to act as instructed, Schwab has no duty to assist in complying with any legal obligations that may apply to distributions from the Plan, to determine whether any distributions are required under the "required minimum distribution" rules of the Internal Revenue Code, to determine whether any distributions that Schwab may be instructed to make are properly authorized under the terms of the Plan, or to review any beneficiary designations that may be made by Plan Participants.

**10. SIGNATURES**

Please note that the Schwab Personal Choice Retirement Account® (PCRA) Plan Application contains a pre-dispute arbitration agreement.

Trustee/Custodian's Signature Charles R. Sewey  
 Date 3/4/2013  
 Name (please print) Charles R. Sewey

As an authorized signer for the Plan Sponsor, I acknowledge, with my signature below, that the responsible plan fiduciary (Plan Sponsor) has received a Fee Disclosure Report (explanation of fees and services) from Charles Schwab & Co., Inc., which contains information required by C.F.R. Section 2250.408b-2(c)(1) (the ERISA Section 408 (b)(2) regulation).

Plan Sponsor's Signature Horatio Skeete  
 Date February 13, 2013  
 Name (please print) Horatio Skeete

ATTEST:  
[Signature]  
 City Clerk

Approved as to form:

[Signature]  
 Craig Tindall  
 City Attorney

Exhibit A: \*\*\*TO BE COMPLETED AND SUBMITTED WITH APPLICATION\*\*\*  
**Schwab Personal Choice  
 Retirement Account®  
 (PCRA) Delegation of Trading Authority and Trading Menu**

All PCRAs associated with the Plan have the ability to trade. A Participant will never be restricted from selling a position unless Schwab is instructed by the Trustee(s)/Custodian(s) and/or Plan Sponsor. Trustee(s)/Custodian(s) and/or Plan Sponsor acknowledge that they are responsible for determining whether any of the investments elected below are permissible under the terms of the Plan, the Internal Revenue Code (the "Code"), or the Employee Retirement Income Security Act of 1974 ("ERISA"), and that Schwab shall have no responsibility or liability with respect to such determination. Generally, 403(b) contributions can only be invested in SEC-registered fund shares. **Trading restrictions.** PCRAs may not include trading on collectibles, currencies, precious metals, real estate, futures, commodities, private placements, margin account or short sales. If specifically allowed by Participant's retirement plan, Participant may be able to write covered calls and buy protective puts. Participant should complete a Schwab Personal Choice Retirement Account (PCRA) Options Application—Participant form to be approved to trade options. Completing each section below indicates the securities PCRA participants have the ability to trade and creates the Plan trading menu and delegation of trading authority:

**1. Delegation of Trading Authority to a Schwab Investment Advisor (check the appropriate box below)**

- By execution of a Schwab Personal Choice Retirement Account® (PCRA) Limited Power of Attorney (LPOA) for a Schwab Investment Advisor, participant may grant authority to an Investment Advisor who has a relationship with Schwab, to trade in participant's PCRA. A participant may also authorize Schwab to pay investment advisory and related fees to the Investment Advisor from their PCRA.
- Delegation of trading authority to a Schwab Investment Advisor is not permitted under this plan.

**2. Taxable Mutual Funds:**

- All except those written below
- Schwab Mutual Fund OneSource® service mutual funds/SchwabFunds® only<sup>1</sup>
- None except those listed in Section 10

**3. Tax-Exempt Mutual Funds:**

- All except those written below
- Schwab Mutual Fund OneSource service mutual funds/SchwabFunds only<sup>1</sup>
- None except those listed in Section 10

**4. Equities:**

- All except those written below
- Listed only<sup>2</sup>
- Listed and NASDAQ market securities only<sup>3</sup>
- Exchange-traded funds (ETFs)<sup>4</sup>
- Closed-end mutual funds (CEMs)
- ETFs and CEMs
- None except those listed in Section 10

**5. Publicly Traded Limited Partnerships<sup>5</sup>:**

- All except those written below
- None except those listed in Section 10

**6. Taxable Fixed Income<sup>6</sup>:**

- All except those written below
- None except those listed in Section 10
- Certificates of deposit (CDs) only

**7. Tax-Exempt Fixed Income:**

- All except those written below
- None except those listed in Section 10
- Treasuries only

1740 Broadway MAC#C7300-015

Denver

CO

89274

FOR CHARLES SCHWAB USE ONLY:

Account Number

**8. Foreign Securities<sup>7</sup>:**

- All except those written below
- None except those listed in Section 10

**9. Options:** (Options trading is limited to writing covered calls and buying protective puts.)

- Yes. Options trading is permitted on the Plan-level account by the Plan document and on all associated PCRA's. Note: All parties with trading authority must complete a separate option application.
- No. Option trading is not permitted.

**10. Please list all exceptions below ( NOTE - employer securities are ineligible and must be included below):**

Fund/Security Description	CUSIP Symbol
No restrictions on core funds	

<sup>1</sup>Mutual Fund OneSource<sup>®</sup> funds and SchwabFunds<sup>®</sup> have no loads and no transaction fees. Schwab can effect purchases and redemptions of shares of these funds without charging a transaction fee because we receive remuneration from the registered investment company and/or its affiliates for services rendered in connection with the Mutual Fund OneSource service. The remuneration is based on the net asset value of certain shares held in Schwab customers' brokerage accounts. Short-term redemption fees may apply. Further information is available on request.

<sup>2</sup>Equity trading is limited to securities listed on the New York Stock Exchange (NYSE), American Stock Exchange (AMEX) and other exchanges (excludes The Nasdaq Stock Market, Inc. [NASDAQ] and over-the-counter [OTC] securities).

<sup>3</sup>Equity trading is limited to those securities referenced in footnote 2 above and any NASDAQ national market or small-cap market securities. Securities that are not available to trade include pink sheets and bulletin board stocks.

<sup>4</sup> Exchange-traded funds (ETFs) are subject to risks similar to those of stocks

<sup>5</sup>Restricting publicly traded limited partnerships will exclude the purchase of any publicly traded security that reports income via a K-1 Form and as a result could generate Unrelated Business Taxable Income (UBTI). These securities primarily consist of Limited Partnerships and Royalty Trusts.

<sup>6</sup>Excludes debt securities issued by Charles Schwab & Co., Inc. and its affiliates. These securities are not allowed to be purchased in a PCRA.

<sup>7</sup>Restricting foreign securities does not include ADR securities traded on a domestic equity exchange or NASDAQ.

**FOR CHARLES SCHWAB USE ONLY**

Account Number