

CITY CLERK
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C-8359
02/12/2013

LETTER OF INSTRUCTION REGARDING
SELF-DIRECTED BROKERAGE ACCOUNT

The Plan Sponsor offers the City of Glendale Section 457 Deferred Compensation Plan ("the Plan") and has signed a Schwab Personal Choice Retirement Account Plan Application to offer the Schwab PCRA self-directed brokerage account (SDB) to participants in the Plan;

Partial Liquidation Authorization

If the participant has not complied with a request to transfer money from their SDB account to their core account in the Plan, the Plan Sponsor hereby instructs the Recordkeeper to transfer available funds from the money market portion of the participant's SDB account for one of the following reasons:

- 1) to fund a required minimum distribution under Section 401(a)(9) of the Internal Revenue Code of 1986, as amended and Treasury regulations promulgated thereunder (the "Code");
- 2) to comply with requirements of a Domestic Relations Order (DRO) within the meaning of the Code;
- 3) to fund a processing error,
- 4) to make a corrective distribution, or
- 5) for the collection of Plan or core account-related fees.

If there are insufficient funds in the money market portion of the participant's SDB account to fulfill the request and it is necessary to liquidate securities in the participant's SDB account and the participant fails to provide liquidation instructions, the Plan Sponsor may provide written instructions to the Recordkeeper identifying the specific securities and the number of shares or units to be liquidated. Alternatively, the Plan Sponsor may provide instructions to fully liquidate a participant's SDB account, terminate the SDB account agreement, and restrict SDB accounts from further use by the participant. If partial liquidation instructions are not provided by the Plan Sponsor and funding is required for one of the above-stated reasons, Plan Sponsor hereby authorizes the Recordkeeper to instruct Schwab to fully liquidate the participant's SDB account, move the proceeds to the core account and process the appropriate payment.

Additional fees and charges may be assessed for any liquidation of funds from the SDB account in accordance with the terms of the SDB account agreement. Brokerage transaction fees will be charged on each position sold. Therefore, selling multiple stocks or mutual funds will result in higher fees.

Full Liquidation Authorization

The Plan Sponsor hereby instructs the Recordkeeper to instruct Schwab to fully liquidate a participant's SDB account, terminate the SDB account agreement, and restrict it from further use by the participant for one of the following reasons:

- A) Upon notification of the death of a participant, unless the Plan allows in-kind transfers of SDB account assets and the beneficiary has selected this option; or
- B) When the participant's account is to be 100% liquidated due to the Plan's deminimus payout requirements.

Additional fees and charges may be assessed for any liquidation of funds from the SDB account in accordance with the terms of the SDB account agreement. Therefore, selling multiple stocks or mutual funds will result in higher fees.

The Plan Sponsor represents that it is authorized to give the Recordkeeper this Letter of Instruction and any instructions provided pursuant to it.

Horatio Skuto
Plan Sponsor's Signature

February 13, 2013
Date

ATTEST:
Darce McCarter
City Clerk

Approved as to form:
Craig Tindall
Craig Tindall
City Attorney

Rev 12/11