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MG TRUST COMPANY, LLC
CUSTODIAL ACCOUNT AGREEMENT
(Without Investment Advice)

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MG TRUST COMPANY, LLC

CUSTODIAL ACCOUNT AGREEMENT
(Without Investment Advice)

PARTIES

Customer (Plan Sponsor): City of Glendale
Address: 5850 West Glendale
City: Glendale State: Arizona Zip: 85301
Phone Number: (623) 930-2277 Tax ID #: [REDACTED]
Type of Entity: Governmental

Name of Plan: City of Glendale Retiree Health Savings Account (RHSA)
Type of Plan: Health Reimbursement Arrangement (post-employment)
Original Effective Date of Plan: For city-wide RHS 3/9/09; For FOP 7/1/08, for Fire Dept. 7/1/06

Separate Trust: Yes No Trust Tax ID #: N/A
Type of Trust: 501(a) exempt 501(c)(9) VEBA Section 115 Governmental Other: _____
Trustee(s) (list all): City of Glendale

Designated Representative: Educators Benefit Consultants, LLC
Address: 3125 Airport Parkway NE
City: Cambridge State: Minnesota Zip: 55008
Phone Number: (888) 507-6053

AGREEMENT

This Custodial Account Agreement ("*Agreement*") is entered into by and among the Customer, the Trustee(s), the Designated Representative(s), and MG Trust Company, LLC, ("*Custodian*") effective as of _____, 2013____.

ARTICLE 1

DEFINITIONS

- 1.1 **Account or Custodial Account.** "Account" or "Custodial Account" means the account established pursuant to Article 2.
- 1.2 **Agreement.** "Agreement" means this MG Trust Company, LLC Custodial Account Agreement by and among the Customer, the Trustee(s), the Designated Representative(s), and the Custodian.
- 1.3 **Code.** "Code" means the Internal Revenue Code of 1986, as amended from time to time.
- 1.4 **Custodian.** "Custodian" means MG Trust Company, LLC.
- 1.5 **Customer.** "Customer" means the sponsor of the Plan and Trust designated above.

1.6 **Designated Representative.** "Designated Representative" means any Person named above and authorized by the terms of this Agreement to give directions to the Custodian, or to vote or otherwise manage any asset of the Custodial Account.

1.7 **ERISA.** "ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

1.8 **Force Majeure.** "Force Majeure" means a cause or event outside the reasonable control of the parties or that could not be avoided by the exercise of due care, such as an act of God or any mechanical, electronic or communications failure.

1.9 **Fund.** "Fund" means all of the money, securities, debt instruments and other property which may be transferred, assigned and delivered to the Custodian from time to time to be held in custody hereunder in the Custodial Account, together with the investments made with them, the proceeds received from them, and the gains and accumulations on them, and the portion thereof from time to time remaining, to be held and disposed of by the Custodian (without distinction between principal and interest) in accordance with the terms and provisions of this Agreement and proper directions received by the Custodian.

1.10 **Instruction.** An "Instruction" to the Custodian is any oral, written or electronic direction given in a form and manner required or accepted by the Custodian. The Custodian may require that any Instruction be in writing or in an electronic format, and may recognize standing requests, directions, or requisitions as Instructions.

1.11 **Investment Manager.** "Investment Manager" means any Person defined as such under ERISA Section 3(38), if applicable, who has been appointed in accordance with Section 5.1.1 to manage the investment of all or any specified portion of the Custodial Account.

1.12 **Person.** "Person" means an individual, committee of individuals, partnership, limited liability partnership, joint venture, corporation, limited liability corporation, mutual company, joint-stock company, non-profit or not-for-profit organization, trust, estate, unincorporated organization, association or employee organization.

1.13 **Plan.** "Plan" means the plan maintained by the Customer and designated above, some or all of the assets of which are held by the Custodian pursuant to the terms of this Agreement. The Plan may be a tax qualified retirement plan under Code Section 401(a), an eligible deferred compensation plan under 457(b), or a health and welfare plan, including but not limited to a health reimbursement account or health savings account plan, with a tax exempt trust under Code Section 115 (governmental trusts) or 501(c)(9) (a "VEBA").

1.14 **Trustee.** "Trustee" means the trustee(s) of the Plan, as designated above, or a Person that is treated as a trustee of the Plan pursuant to Code Section 401(f) and the regulations thereunder.

ARTICLE 2

ESTABLISHMENT OF CUSTODIAL ACCOUNT

The Customer hereby requests that the Custodian establish a Custodial Account for and in the name of the Plan for the Customer, and represents that all necessary action has been taken for such appointment and that this Agreement constitutes a legal, valid, and binding obligation of the Customer. The Custodian shall not be obligated to provide detailed accounting for the Account or for any individual investment option, such as with respect to contributions, distributions, loan activity, and rollovers, and Customer agrees to look solely to the Designated Representative or other recordkeeper that Customer has retained for all such detailed information.

ARTICLE 3

APPOINTMENT, ACCEPTANCE AND ROLE OF CUSTODIAN

3.1 **Appointment; Acceptance.** The Custodian, in consideration of the deposit by the Customer of funds into the Account, and other valuable consideration, hereby agrees to act as custodian of the Account on the terms and conditions of this Agreement. The Customer, in consideration of the agreement by the Custodian to perform the duties of a custodian under this Agreement, hereby designates and appoints the Custodian as the custodian of the Account.

3.2 Role. The Custodian, as agent of the Customer, but not as fiduciary, shall take, hold, invest, and distribute all of the assets of the Fund in accordance with the terms of this Agreement. The Custodian will serve as a non-discretionary, directed custodian of the Custodial Account. The Custodian is responsible for maintaining custody of the assets held in the Custodial Account, and for investing those assets as directed by the Designated Representative on behalf of the Customer.

The Custodian (in its capacity as such) will not be an administrative or investment fiduciary of the Plan, and nothing in this Agreement is to be interpreted as causing the Custodian to be responsible for the administration or investment of the Fund other than as directed by the Customer or Designated Representative hereunder. The Custodian may refuse to exercise any power that it believes, in its sole judgment, could cause it to become a "fiduciary" or "plan administrator" as defined under ERISA, or cause it to be exercising trust powers in contravention of any state or federal law to which it may be subject.

3.3 Customer Direction to the Custodian. Except as provided herein, the Designated Representative shall provide direction to the Custodian on behalf of the Customer. The Custodian shall have no duty to take any action other than as specified in this Agreement unless the Designated Representative provides the Custodian with Instructions. However, each direction is contingent upon the determination by the Custodian that the Instruction can be administered by the Custodian. The Custodian may conclusively rely upon and be protected in acting in good faith upon any Instruction from the Designated Representative or the Customer, or any other notice, request, consent, certificate, or other instrument or paper believed by the Custodian to be genuine and properly executed, or any instrument or paper if the Custodian believes the signature thereon to be genuine.

3.4 Designation of Representative. Customer hereby designates and authorizes its Designated Representative to provide Instructions to the Custodian on behalf of the Customer, including to place orders for the purchase and sale of securities, and authorizes the Custodian to disburse funds on behalf of the Customer upon Instruction from such Designated Representative. Customer hereby also authorizes and directs the Custodian to pay for securities and receive payment from the sale of securities or other investment transactions arising out of Instructions of the Designated Representative. Designation of a Designated Representative is subject to the following provisions:

3.4.1 Customer agrees that the Custodian may rely on Instructions from the Designated Representative, and Customer agrees that the Custodian shall be under no duty to make an investigation with respect to any Instructions received from the Designated Representative;

3.4.2 Customer is solely responsible for managing the investment of the Account and for the direction and supervision of the Designated Representative. All Instructions, directions, and/or confirmations received by the Custodian from a Designated Representative shall be deemed to have been authorized by the Customer;

3.4.3 Customer agrees that a Designated Representative is not an agent of the Custodian; and

3.4.4 Customer may remove a Designated Representative and designate a new representative at any time by written notice to the Custodian in a form satisfactory to the Custodian. The Customer will give the Custodian prompt written notice of any change in the identity or authority of any Designated Representative. Removal of a Designated Representative will not have the effect of canceling any Instruction that has been received by the Custodian from the Designated Representative prior to the date that notice of removal is received by the Custodian. Until written notice of such change is received, the Custodian may conclusively rely upon and be protected in acting on the latest identification provided to it without further inquiry or verification.

3.5 Participant Direction. If the Custodian is advised by the Customer that the provisions of the Plan and related trust documents so permit, and the Customer so requests, the Custodian shall establish separate participant-directed sub-accounts and all references to the Customer under this Agreement shall be deemed to be references to the participant who is directing investment of such sub-account, except that the address of such participant shall be deemed to be the address of the Customer. The right to amend the Agreement shall remain that of the Customer.

ARTICLE 4

CONTRIBUTIONS AND TRANSFERS

4.1 Receipt of Assets. Subject to restrictions mutually acceptable to the Customer and the Custodian on the categories of assets, the Custodian will receive and accept for the Custodial Account all money, securities and other property transferred, assigned and delivered to it from any source by or at the direction of the Customer or a Designated Representative. The Custodian has no duty to inquire into the source of any assets transferred to it or the right of the transferor of such assets to transfer them to the Custodian.

4.2 Role of Custodian with Respect to Assets. The Custodian will maintain safe custody of such money, securities and other property as it actually receives for the Custodial Account. The Custodian has no duty or authority to require any contributions or transfers to be made under the Plan to the Custodian, compute any amount to be contributed or transferred under the Plan to the Custodian, determine whether amounts received by the Custodian comply with the Plan, the Code, ERISA, if applicable, or any other applicable law, or enforce contribution amounts for sufficiency under the Code or ERISA, if applicable. The Custodian will not be responsible for any transferred asset until it receives such asset.

4.3 Location of Evidence of Ownership. Except as permitted by ERISA, if applicable, the Custodian will not maintain the indicia of ownership of any assets of the Custodial Account outside the jurisdiction of the district courts of the United States.

4.4 Unidentified Assets. If the Custodian receives any money, securities or other property from a source other than the Customer and has not received appropriate notification that such assets are to be accepted for the Custodial Account, the Custodian is authorized to return such assets to the Person from whom they were received. The Custodian will not be liable for any assets returned in such circumstances.

4.5 Return of Amounts to the Customer. The Custodian will return contributions to the Customer if the Customer or a Designated Representative provides an Instruction to the Custodian to do so. The Customer is solely responsible for ensuring that any Instruction to return any amount to the Customer meets all applicable legal requirements, including those of ERISA, if applicable. The Custodian has no duty or responsibility to question, and may conclusively rely upon, any such Instruction.

ARTICLE 5

INVESTMENTS

5.1 Investment Control.

5.1.1 Customer's Duties. The Customer will control and manage the investment of the Custodial Account except insofar as the Customer permits participants and beneficiaries to control the investment of Custodial Account assets attributable to their own accounts, delegates investment authority over part or all of the Custodial Account assets to one or more Investment Managers, or delegates investment authority over part or all of the Custodial Account assets to one or more other Designated Representatives. Customer grants to the Custodian all powers reasonably necessary to carry out its investment and other duties under this Agreement, and Customer agrees to furnish the Custodian with such information and Instructions as may be necessary to carry out the provisions of this Agreement and to enable the Custodian to fulfill all legal and regulatory reporting requirements.

5.1.2 Investment Directions. All investment directions and other Instructions must be delivered to the Custodian in such manner as the Custodian may reasonably require.

5.2 Role of Custodian.

5.2.1 Processing Transactions. No investment transaction for the Custodial Account that is to be processed by the Custodian at the direction of the Customer or a Designated Representative will be processed until the Custodian receives the Instruction in proper form. Investment transactions will be processed either as soon as administratively practicable thereafter or, if later, on the scheduled date for processing. The Custodian may rely conclusively on all Instructions given by the Designated Representative which the Custodian believes to be genuine. The Custodian's records of a transaction will be conclusive as the content of any Instructions. Unless otherwise agreed, Instructions shall generally be taken from the Designated Representative. Upon application by the Customer, on a form acceptable to the Custodian and upon approval by the Custodian, the Custodian will accept non-written Instructions from the Customer or Designated Representative subject to immediate confirmation of such Instructions by email or in writing by the Designated Representative

The Custodian will have no responsibility to see that any investment directions comply with the terms of the Plan. However, if the Custodian receives any direction from the Customer or a Designated Representative that appears to the Custodian in its sole judgment to be incomplete or unclear, the Custodian will not be required to act on such directions and may hold uninvested any asset without liability until proper directions are received from the Customer or the Designated Representative. If investment directions are incomplete or unclear, the Custodian must notify the Customer or a Designated Representative within a reasonable period of time. In the absence of proper investment directions, the Custodian will not be liable for interest, market gains or losses on any cash balances maintained in the Custodial Account.

5.2.2 Legitimate Delay. The Custodian may delay the processing of any investment transaction due to a Force Majeure, government or NSCC restrictions or changes, exchange, market or NSCC rulings, strikes, interruptions of communications or data processing services, or disruptions in orderly trading on any exchange or market.

5.2.3 Other Limitations. Except as may otherwise be required by ERISA, if applicable, the Custodian will invest the Custodial Account as directed by the Designated Representative, and the Custodian will have no discretionary control over, nor any other discretion regarding, the investment or reinvestment of any asset of the Custodial Account. The Custodian has no duty or authority to provide investment advice with respect to the assets of the Custodial Account, monitor investment performance or the diversification of assets, question any investment direction the Custodian receives in proper form, or inquire into the authority or right of the Designated Representative to make any investment direction which the Custodian receives in proper form. The Custodian will not be liable for any loss of any kind which may result from any action taken by it in accordance with an Instruction it receives in proper form or from any action omitted because no Instruction is received.

5.3 Nondiscretionary Investment Authority. Subject to ERISA, if applicable:

5.3.1 Customer hereby authorizes and directs the Custodian, in accordance with the provisions of this Agreement, to pay for securities and receive payment from securities or other investment transactions arising out of the Instruction of the Designated Representative. Customer understands that it is solely the Customer's responsibility to direct the Designated Representative to execute trades or other investments for the Account, and all Instructions, directions, and/or confirmations received from the Designated Representative shall be deemed to have been authorized by Customer. Customer agrees that the Custodian shall not supervise the investment of, or advise or make recommendations to the Customer with respect to the purchase, sale or other disposition of any assets of the Fund.

5.3.2 The Custodian is authorized to collect all investment earnings of any nature of the Fund, including interest, dividends, proceeds of the sale and other monies due and collectable that arise from the investment of the assets of the Fund (collectively, "Fund Income") and to credit such Fund Income to the Account.

5.3.3 The Custodian will act solely as agent for the Customer, subject to the Instructions of the Designated Representative. The Custodian shall have no obligation to place orders for the purchase of securities if there are insufficient funds in the Account. Customer authorizes the Custodian to charge the Account for the cost of all securities purchased or received against a payment and to credit the Account with the proceeds received from the securities sold or delivered against payment. In the event of any trades not settled immediately upon placement, the Custodian will have the right, without notice, to sell securities in a reasonably prudent fashion from the Fund sufficient to recover any funds advanced.

5.3.4 Customer authorizes and instructs the Custodian to register all assets of the Fund in the name of the Custodian or of a nominee. Unless otherwise agreed in writing by the parties, registered securities shall be held in the name of:

**MG Trust Company, LLC, Custodian
FBO: [Name of Plan]**

5.3.5 All proxies received by the Custodian with respect to securities owned by the Fund and other reports to stockholders issued by any issuer will be forwarded to the Customer.

5.4 Investment Restrictions. The Customer or Designated Representative shall direct the Custodian to purchase or sell only securities that comply with the Custodian's and/or its affiliate's policies and procedures relating to acceptable securities, and that comply with all applicable rules, regulations, customs and uses of any exchange, market, clearinghouse or self-regulatory organization and applicable state and federal laws and regulations. The Custodian will

hold only those categories of assets mutually agreed to between the Customer and the Custodian. The Customer may add or remove types, categories, or classes of assets or investments only with the consent of the Custodian. Further, the Customer may limit the available investment options under the Plan, and may impose separate limitations for different Accounts or for terminated participants. Nothing in this Article shall be construed to impose investment discretion on the Custodian or its affiliates.

ARTICLE 6

ADMINISTRATIVE MATTERS

6.1 Records; Inspection and Audit. The Custodian will keep accurate and detailed records and accounts of all receipts, investments, disbursements and other transactions as required by law with respect to the Custodial Account. All records, books and accounts relating to the Custodial Account will be open to inspection by the Customer, provided the Custodian is given reasonable advance written notice of such inspection by the Customer.

6.2 Accounting. On direction of the Customer or Designated Representative, and if agreed to in writing by the Custodian, the Custodian may provide annual or interim accountings, valuations, or other reports concerning the assets of the Custodial Account subject to payment of all required additional fees for such reports. The Custodian's accounting will be at the Custodial Account level rather than the participant level, and the Custodian will not be responsible for participant-level reporting unless it agrees to do so in a separate written agreement with the Customer or a Designated Representative. The Custodian will also furnish the Customer with such other information as the Custodian possesses and which is necessary for the Customer to comply with the reporting requirements of ERISA, if applicable. An accounting will be deemed to have been approved by the Customer unless the Customer or Designated Representative objects to the contents of an accounting within sixty (60) days of its mailing or electronic transmission by the Custodian. Any objections must set forth the specific grounds on which they are based. Upon approval, the Custodian shall be forever released from any and all liability with respect to the Account.

6.3 Valuation of Assets. The assets of the Custodial Account will be valued at the most recent fair market value.

6.3.1 Assets Managed by Investment Manager or Named Fiduciary. With respect to the portion of the Custodial Account that is invested by an Investment Manager or other named fiduciary, the Custodian may conclusively rely upon the value of any securities or other property in that portion of the Custodial Account as reported to the Custodian by the Investment Manager or other named fiduciary, for all purposes under this Agreement.

6.3.2 Other Assets. With respect to the assets in any portion of the Custodial Account that are not managed by an Investment Manager or named fiduciary, or any assets for which an Investment Manager or named fiduciary refuses or fails to provide valuation information, if the fair market value can be determined by reference to readily available sources, then the Custodian will be responsible for determining the fair market value of those assets. For those assets whose value cannot be determined by reference to a readily available source, the Custodian will identify those assets for the Customer and the Customer will direct the Custodian as to the fair market value of those assets. Should the Customer in its sole discretion determine that an independent appraisal of some or all of such assets is necessary, the Customer will be responsible for hiring a qualified independent appraiser, providing all necessary information to the appraiser, reviewing the report of the appraiser, and reporting the appraised value to the Custodian.

6.4 Record Retention. The Custodian will retain its records relating to the Custodial Account as long as necessary for the proper administration of the Custodial Account and at least for any period required by applicable law. Writing, photostating, photographing, micro-filming, magnetic media, mechanical or electrical recording, or other forms of data retention will be acceptable means of record retention.

6.5 No Responsibility for Participant-Level Record-keeping or Communications to Participants. Unless otherwise agreed in a separate written agreement between the Customer and the Custodian, the Custodian will not be responsible for participant-level recordkeeping or reporting, including, but not limited to, allocating contributions or gains or losses to recordkeeping accounts of participants, processing participant investment change requests, processing loan or distribution requests, or preparing or providing benefit statements to participants. Similarly, unless otherwise agreed in a separate written agreement between the Customer and the Custodian, the Custodian will not be responsible for any communications to participants and beneficiaries regarding the Plan or the Custodial Account.

6.6 Action by the Custodian. The Custodian may delegate ministerial acts, specifically including, but not limited to, the signing and mailing of checks, the printing and mailing of statements, endorsement of stock certificates, execution of transfer instruments and any other document, and the signing of tax returns and governmental reports to be done by any agent of the Custodian.

ARTICLE 7

DISTRIBUTIONS; TAXES

7.1 Distributions. The Custodian is authorized to release securities and cash investments in the Account to the Customer, but not to a participant directing the investment of a sub-account as described in Section 3.5, on the written order of the Customer and upon such further written confirmation as the Custodian shall reasonably request. The Custodian may retain such securities as shall be reasonably necessary or appropriate in its opinion to insure that such assets are available to discharge any liabilities of the Customer or the Account to the Custodian, including, but not limited to, unpaid fees, claims, or other expenses or obligations arising under this Agreement.

7.2 Authorization with Respect to Taxes. The Custodian may execute, as custodian, any declarations or certificates pertaining to the Account that may be required under any tax law(s) or governmental regulation(s) now or hereafter without prior approval of the Customer. The Custodian may withhold from any distribution to a participant or beneficiary, made at the direction of the Customer or a Designated Representative, all income taxes required by law to be withheld, if any, and pay such withheld amounts to the appropriate taxing authorities. The Customer or its Designated Representative shall calculate all taxes and withholding and shall provide the Custodian all information necessary for the Custodian to carry out such withholding in a timely fashion, and to file all required returns, reports, or other documents with the applicable taxing authorities with respect to distributions by the Custodian to participants and beneficiaries and amounts withheld thereon. If such information is not so provided to the Custodian, the Designated Representative and the Customer shall hold the Custodian harmless from and indemnify it for any liability and related expenses that arise in connection with improper withholding or reporting.

The Custodian shall notify the Designated Representative of any tax levied upon or assessed against the Account of which the Custodian has knowledge. If the Custodian receives no Instructions from the Designated Representative, the Custodian may pay the tax from the Account. If the Designated Representative wishes to contest the tax assessment, it shall give appropriate and timely instructions to the Custodian. The Custodian shall not be required to bring any legal actions or proceedings to contest the validity of any tax assessments unless the Custodian has been indemnified to its satisfaction against loss or expense related to such actions or proceedings, including reasonable attorney's fees.

The Custodian shall have no liability for making any distribution or transfer pursuant to the Instruction of the Designated Representative (including amounts withheld pursuant to this section) and shall be under no duty to make inquiry as to whether any distribution or transfer directed by the Designated Representative is made pursuant to the provisions of the Plan or any applicable law, or as to such Instruction's effect for tax purposes or otherwise.

ARTICLE 8

COMPENSATION AND EXPENSES

8.1 Generally. The Custodian will be entitled to receive compensation for its services provided hereunder as may be agreed upon in writing with the Customer. The Custodian or its affiliate will retain any earnings credited on any funds in the Account pending investment direction and pending distribution as part of its compensation for services provided. The Custodian will also be entitled to reimbursement for all reasonable and necessary costs, expenses, and disbursements incurred by it in the performance of such services, including, without limitation, attorneys' fees. Such compensation and reimbursements shall be a charge against and may be withdrawn by the Custodian from the Custodial Account within a reasonable time, as specified by the Custodian; provided, however, that such amounts may be paid by the Designated Representative on behalf of the Customer, as outlined in a separate written agreement between said parties. In addition, the Trustee shall also be bound by and authorizes the Custodian to pay fees and expenses pursuant to written schedules of fees entered into from time to time by the Customer and/or the Designated Representative and the Custodian. The Customer or Designated Representative has informed the Trustee of such fee schedule and the Trustee and the Trust agree to be bound thereby. The Trustee also authorizes the Custodian to debit such fees and expenses from the Account from time to time without further authorization from the Trustee. The schedule of fees may be changed from time to time upon agreement between the Customer and the Custodian. The Custodian may invest any cash balances of the Fund in a

demand account at Matrix Capital Bank or other like institution. The Custodian shall not be obligated to invest such funds in any interest-bearing account.

8.2 Disclosure. The Designated Representative shall disclose any compensation, reimbursements, fees and/or expenses payable from the Account pursuant to Section 8.1, and any changes to such amounts, to the Customer and to the participants, if appropriate or required by law.

ARTICLE 9

AMENDMENT, ASSIGNMENT AND TERMINATION

9.1 Amendment. This Agreement may be amended by the Custodian, provided notice of such amendment is sent to Customer at least thirty (30) days prior to the effective date of any such amendment.

9.2 Assignment. This Agreement may be assigned by the Custodian without the consent of the Customer, provided notice of such assignment is sent to Customer at least thirty (30) days prior to the effective date of any such assignment.

9.3 Termination. This Agreement shall remain in force until terminated, and either the Customer or the Custodian may terminate this Agreement upon thirty (30) days written notice to the other. Upon termination of this Agreement, Customer agrees to name a successor custodian and notify the Custodian in writing of the name of said successor custodian. In the event that Customer does not name a successor Custodian, the Custodian shall distribute cash directly to the Plan or the Trustee and shall reregister in the name of the Plan any securities in the Account that are registered in the Custodian's name.

9.4 Termination of Plan. If the Plan is terminated, this Custodial Agreement will nevertheless continue in effect until the earlier of the date as of which all assets of the Custodial Account have been distributed or the Agreement is terminated pursuant to Section 9.3.

9.5 Customer Bankruptcy.

9.5.1 If the Customer becomes insolvent, files for or becomes subject to bankruptcy or a similar proceeding in state or federal court, the Customer will notify the Custodian in writing as soon as possible. The notification will include confirmation of the individual(s) who will direct the Custodian. If, within sixty (60) days of such filing the Customer does not notify the Custodian, the Custodian may invoke the provisions of Section 9.5.3.

9.5.2 In the case of bankruptcy, insolvency, or dissolution of the Customer, the Custodian will have the right to petition a court of competent jurisdiction to appoint a new Custodian, the costs of such action being payable from the Custodial Account.

9.5.3 In the case of dissolution of the Customer, or at any other time that the Customer does not respond to requests from the Custodian for confirmation of the individuals who will provide direction to the Custodian, the Custodian may, in its sole discretion, assume the Plan has been terminated and distribute assets according to applicable law. Before the Custodian may make such assumption, however, the Custodian will send to the last known address of the Customer, and the individuals who last had authority for providing direction to the Custodian, via certified mail, a written notice of the Custodian's intent to begin such action. The Custodian will then wait at least thirty (30) days before beginning such action.

9.5.4 If the Custodian receives notice of the Customer's bankruptcy, insolvency or dissolution (either by the Customer or a court of competent jurisdiction), or if the Plan has been deemed abandoned as described in Section 9.5.3, above, any fees and other expenses relating to the provision of services under this Custodial Agreement (whether current or overdue) may be immediately deducted from the Custodial Account.

ARTICLE 10

INDEMNIFICATION

Customer hereby agrees to indemnify, defend and hold the Custodian and any parent, subsidiary, related corporation, or affiliates of the Custodian, including their respective directors, managers, officers, employees and agents, harmless from and against any and all loss, costs, damages, liability, expenses or claims of any nature whatsoever, including but not limited to legal expenses, court costs, legal fees, and costs of investigation, including appeals thereof, arising, directly or indirectly thereof resulting from their reliance upon and any action that it takes in good faith in accordance with any certificate, notice, confirmation, or Instruction, purporting to have been delivered by the Designated Representative. Customer waives any and all claims of any nature it now has or may have against the Custodian and its affiliates, parent company and their respective directors, managers, officers, employees, agents and other representatives, which arise, directly or indirectly, from any action that it takes in good faith in accordance with any certificate, notice, confirmation, or Instruction from the Designated Representative. Customer and the Trustee also hereby agree to indemnify, defend and hold the Custodian and any parent, subsidiary, related corporation, or affiliates of the Custodian, including their respective directors, managers, officers, employees and agents, harmless from and against any and all loss, costs, damages, liability, expenses or claims of any nature whatsoever, including but not limited to legal expenses, court costs, legal fees, and costs of investigation, including appeals thereof, arising, directly or indirectly, out of any loss or diminution of the Fund resulting from changes in the market value of the Fund assets; reliance, or action taken in reliance, on Instructions from Customer or a Designated Representative; any exercise or failure to exercise investment direction authority by Customer or by a Designated Representative; the Custodian's refusal on advice of counsel to act in accordance with any investment direction by Customer or a Designated Representative; any other act or failure to act by Customer or a Designated Representative; any prohibited transaction or disqualification of a Plan due to any actions taken or not taken by the Custodian in reliance on Instructions from the Customer or the Designated Representative; or any other act the Custodian takes in good faith hereunder that arises under this Agreement or the administration of the Fund.

The Custodian shall not be liable to Customer for any act, omission, or determination made in connection with this Agreement except for its gross negligence or willful misconduct. Without limiting the generality of the foregoing, the Custodian shall not be liable for any losses arising from its compliance with Instructions from the Customer or a Designated Representative; or executing, failing to execute, failing to timely execute or for any mistake in the execution of any Instructions, unless such action or inaction is by reason of the gross negligence or willful misconduct of the Custodian.

The provisions of this Article shall survive the termination, amendment or expiration of this Agreement.

ARTICLE 11

PROVISIONS RELATED TO THE TRUSTEE

A trust agreement (the "Trust Agreement" or the "Trust") has been entered into between the Trustee and the Customer with respect to the Plan, which agreement sets forth the duties and obligations of the Trustee. By signing this Agreement, the Trustee certifies that the Trustee has full authority to execute any documents, agreements, and instruments on behalf of the Trust that are binding obligations of the Trust; any Trustee may act individually on behalf of and bind the Trust; there are no other Trustees of the Trust other than those first listed above; the Trustee has the power under the Trust Agreement and applicable law to hold in trust any and all types of securities specified by the Customer or a Designated Representative; and the Trustee has the power to delegate trading authorization to the Designated Representative and has done so by executing this Agreement. The Trustee agrees to inform the Custodian in writing of any amendment to the Trust Agreement, any removal, substitution or other change in the identity of one or more Trustees, or any other event that could alter this certification. The Custodian may rely on instructions from a Designated Representative until such designation is revoked or changed in writing signed by the Trustee and delivered to the Custodian. The Trustee hereby adopts the terms and conditions of this Agreement and agrees that it shall control over any conflicting provisions in the Trust.

The Trustee hereby also certifies that the Trust at all times meets the requirements of the Code Sections applicable thereto, including Sections 401(a) and 501(a), 457(b), 501(c)(9) or 115, as applicable. The Trustee agrees to indemnify, defend and hold the Custodian and any parent, subsidiary, related corporation, or affiliates of the Custodian, including their respective directors, managers, officers, employees and agents ("Indemnified Parties"), harmless from and against any and all loss, costs, damages, liability, expenses or claims of any nature whatsoever, including but not limited to legal expenses, court costs, legal fees, and costs of investigation, including appeals thereof, arising, directly or indirectly, out of the failure of the Fund to meet the requirements of Code Sections 401(a) and 501(a), 457(b), 501(c)(9) or 115, as applicable; any loss or diminution of the Fund resulting from changes in the market value of the Fund assets; reliance or action taken in reliance on Instructions from Customer or a Designated Representative; any exercise or failure to exercise investment direction authority by Customer or by a Designated Representative; the Custodian's refusal on advice of counsel to act in accordance

with any investment direction by Customer or a Designated Representative; any other act or failure to act by Customer or a Designated Representative; any prohibited transaction or disqualification of the Plan due to any actions taken or not taken by the Custodian in reliance on Instructions from the Customer or a Designated Representative; or any other act the Custodian takes in good faith hereunder that arises under this Agreement or the administration of the Fund as directed by the Customer or a Designated Representative. The Trustee acknowledges that the Custodian's duties under the Agreement are ministerial and do not relieve the Trustee of any of the duties set forth in the documents comprising the Plan and any related Trust.

ARTICLE 12

MISCELLANEOUS

12.1 Duty to Defend. The Custodian shall not be under any obligation to defend any legal action or engage in any legal proceedings with respect to the Account or with respect to any property held in the Fund. Whenever the Custodian deems it reasonably necessary, the Custodian is authorized to consult with its counsel in reference to the Account and to retain counsel and appear in any action, suit, or proceedings affecting the Account or any of the assets of the Fund. All legal fees, costs, and expenses so incurred shall be paid for by the Customer or in the absence of payment charged against the Account. Without limiting the generality of the foregoing, the Custodian will not settle any action taken as set forth herein, without the prior written consent of the Customer.

12.2 Applicable Law.

12.2.1 Choice of Law. This Agreement shall be construed and interpreted according to the laws of the State of Colorado to the extent that such laws are not preempted by the laws of the United States of America. All contributions to, and payments from, the Account shall be deemed to take place in the State of Colorado.

12.2.2 Choice of Venue. All controversies, disputes, and claims arising under this Agreement and not otherwise resolved will be submitted to the United States District Court for the district where the Custodian has its principal place of business, and by executing this Agreement, each party hereto consents to that court's exercise of personal jurisdiction over them.

12.3 Counterparts. This Agreement shall be executed in any number of counterparts, each one of which shall be deemed to be the original although the others shall not be produced.

12.4 Notices. The address of the Customer shall be as set forth in this Agreement, but may be changed by providing written notice to the Custodian sent by certified mail, return receipt requested.

12.5 Limitation on Claims. No claim may be made by the Customer against the Custodian for any lost profits or any special, indirect or consequential damages in respect of any breach or wrongful conduct in any way related to this Agreement.

12.6 Arbitration. The parties acknowledge that this Agreement evidences a transaction involving interstate commerce. The parties agree that any misunderstandings, controversies or disputes arising from this Agreement shall be decided by binding arbitration which shall be conducted, upon request by either party, in Denver, Colorado, before three (3) arbitrators designated by the American Arbitration Association (the "AAA"), in accordance with the terms of the Commercial Arbitration Rules of the AAA, and, to the maximum extent applicable, the United States Arbitration Act (Title 9 of the United States Code). The decision of the majority of the arbitrators shall be binding and conclusive upon the parties. Notwithstanding anything herein to the contrary, either party may proceed to a court of competent jurisdiction to obtain equitable relief at any time, other than to stay arbitration. Further, any such court proceeding shall only be brought in the federal district court in Denver, Colorado. The arbitration panel shall have no authority to award special, indirect, consequential, punitive or other damages not measured by the prevailing party's actual damages. To the maximum extent practicable, an arbitration proceeding under this Agreement shall be concluded within one hundred eighty (180) days of the filing of the dispute with the AAA. The provisions of this arbitration clause shall survive any termination, amendment or expiration of the Agreement and if any term, covenant, condition or provision of this arbitration clause is found to be unlawful or invalid or unenforceable, the remaining parts of the arbitration clause shall not be affected thereby and shall remain fully enforceable. Judgment on any award rendered by the arbitration panel may be entered in any court having competent jurisdiction. The parties shall each pay one-half of the forum and arbitrators' fees. The prevailing party in the

arbitration, or any court proceeding, shall be entitled to its reasonable attorney's fees and expenses from the non-prevailing party.

12.7 Exclusive Benefit. Except as permitted by law or by the terms of the Plan or related Trust, at no time prior to the satisfaction of all liabilities with respect to participants and their beneficiaries under the Plan shall any part of the Account be used for or diverted to any purpose other than for the exclusive benefit of the participants and their beneficiaries. The assets of the Account shall be held for the exclusive purpose of providing benefits to participants in the Plan and their beneficiaries and defraying the reasonable expenses of administering the Plan and the Trust. The foregoing limitations shall not apply if the Plan and Trust are not subject to ERISA, unless otherwise required by applicable state or federal law.

12.8 Prohibited Transactions. Customer understands that certain transactions are prohibited for plans subject to ERISA and Code Section 4975. If applicable, the Customer will not direct the purchase or sale of any Fund asset to or from a "disqualified person" as defined in Code Section 4975(e), or "party-in-interest" as defined in ERISA Section 3(14), or in any other way direct an investment transaction which would be deemed to be a "prohibited transaction" under applicable law. The Custodian shall have no duty to determine whether any transaction is, or has the potential to be, a "prohibited transaction."

12.9 Evidence. Evidence required of anyone under the Custodial Agreement may be by certificate, affidavit, document, facsimile, E-mail or other form which the Person acting in reliance thereon considers to be pertinent and reliable, and to be signed, made, or presented by the proper party.

12.10 Waiver of Notice. Any notice required under this Custodial Agreement may be waived in writing by the Person entitled to the notice.

12.11 Complete Agreement. This Agreement and any schedule of fees provided by the Custodian or the Designated Representative embodies the entire agreement and understanding of the parties relating to the subject matter hereof.

12.12 USA Patriot Act Notification. The following notification is provided to Customer pursuant to Section 326 of the USA Patriot Act of 2001, 31 U.S.C. Section 5318:

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT. To help the government fight the funding of terrorism and money-laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person or entity that opens an account, including any deposit account, treasury management account, loan, other extension of credit, or other financial services product. What this means for Customer: When Customer opens an account, if Customer is an individual, the Custodian or the Designated Representative will ask for Customer's name, taxpayer identification number, residential address, date of birth, and other information that will allow the Custodian or the Designated Representative to identify Customer, and, if Customer is not an individual, the Custodian or the Designated Representative will ask for Customer's name, taxpayer identification number, business address, and other information that will allow the Custodian or the Designated Representative to identify Customer. The Custodian or the Designated Representative may also ask, if Customer is an individual, to see Customer's driver's license or other identifying documents, and, if Customer is not an individual, to see Customer's legal organizational documents or other identifying documents.

ARTICLE 13

SPECIAL INSTRUCTIONS (OPTIONAL):

1. The attached Addendum relating to immigration compliance, prohibitions on business in Iran/Sudan, and termination for conflicts of interest is hereby incorporated as part of this Agreement.
2. The Customer will establish the Trust via the Glendale City Council's adoption and approval of the "City of Glendale Retiree Health Savings Plan Basic Plan and Trust Document"

(Signatures appear on the following page)

The parties enter this Agreement as of the date set forth above.

City of Glendale,
an Arizona municipal corporation

By: [Signature]

Its: Acting City Manager

ATTEST:

[Signature]
City Clerk (Seal)

Approved as to form:

[Signature]
City Attorney

MG Trust, LLC,
a State of Colorado limited liability company

By: [Signature]

Its: SVP

Educators Benefit Consultants, LLC
a Third Party Administration company registered with the
Arizona Department of Insurance

By: [Signature]

Its: VP

ADDENDUM TO MG TRUST COMPANY, LLC
CUSTODIAL ACCOUNT AGREEMENT

MG Trust Company, LLC (“Contractor”) further agrees as follows:

I. Immigration Law Compliance.

- A. Contractor warrants compliance with all immigration laws and regulations that relate to their employees and are applicable to Contractor.
- B. Any breach of warranty under subsection (A) above is considered a material breach of this Agreement and is subject to penalties up to and including termination of this Agreement.
- C. City of Glendale (“City”) retains the legal right to inspect the papers of Contractor who performs work under this Agreement to ensure that Contractor is compliant with the warranty under subsection (A) above.

II. Prohibitions. Contractor certifies under A.R.S. §§ 35-391 *et seq.*, and 35-393 *et seq.*, that it does not have, and during the term of this Agreement will not have, “scrutinized” business operations, as defined in the preceding statutory sections, in the countries of Sudan or Iran.

III. Conflicts. This Agreement is subject to cancellation for conflicts of interest under the provisions of A.R.S. § 38-511.

(Signatures appear on the following page)