

TOM GREEN COUNTY EMPLOYEE BENEFIT TRUST

THIS TRUST AGREEMENT (the "Agreement") is made and entered into as of January 1, 2014 by and between Tom Green County, Texas, a political subdivision of the State of Texas (the "County") and the Tom Green County Commissioners Court (the "Trustees").

PREMISES

WHEREAS, the County has heretofore adopted one or more insured employee welfare benefit plans which are set forth in Exhibit A attached hereto (the "Plan"), the sole purpose of which is to provide group health, medical, dental and life insurance (the "Welfare Benefits") for the employees or retirees of the County and their eligible dependents covered by the Plan, including any subsequent amendments, cancellations or revisions and including any policy or policies subsequently entered into by the County and on file in the office of the Human Resources Director;

WHEREAS, the County wishes to establish a single nonprofit trust pursuant to TEX. LOC. GOV'T CODE ANN. § 157.102, to be known as the Tom Green County Employee Benefit Trust (the "Trust"), for the sole purpose of funding the County's obligation to provide Welfare Benefits to the County's employees or retirees and their eligible dependents as held under the Plan;

WHEREAS, the County will appoint a Plan Administrator or Administrators (the "Administrator") to administer the Plan and the claims thereunder;

WHEREAS, the County has appointed the Trustees to hold and administer the Trust under this Agreement, and the Trustees are willing to hold and administer such Trust, pursuant to the terms of this Agreement; and

NOW THEREFORE, in consideration of the premises and of the mutual covenants contained herein, the County and the Trustees agree as follows:

ARTICLE I -- PURPOSE OF TRUST

1.1 Purpose of Trust. The sole purpose of this Trust is to hold assets from which to satisfy the County's commitment under the Plan for the provision of Welfare Benefits as offered to employees or retirees and their eligible dependents.

ARTICLE II -- CONTRIBUTIONS

2.1 Receipt of Contributions. The Trust shall receive any contributions paid to it in cash or in the form of such other property as it may from time to time deem acceptable and which shall have been delivered to it. All contributions so received, together with the income therefrom and any other increment thereon shall be held, invested, reinvested and administered by the Trust pursuant to the terms of this Agreement without distinction between principal and income. The Trust shall not be responsible for the calculation or collection of any contribution under the Plan, but shall be responsible only for property received by it pursuant to this Agreement.

2.2 Premiums. Premiums to keep the Plan in force shall be paid by the Administrator as directed by Trustees from the Trust.

ARTICLE III -- PAYMENTS FROM TRUST

3.1 Payments Directed by Administrator. The Trustees shall, from time to time, direct and authorize the Administrator to make payments out of the Trust to the persons or entities to whom such monies are to be paid in such amounts and for such purposes of paying insurance premiums and obligations as may be specified in the Plan. To the extent permitted by law, the Trustees shall be under no liability for any payment made pursuant to the direction of the Administrator. Any direction to the Administrator shall be limited to, and therefore constitute a certification that the distribution or payment so directed is one which the Administrator is authorized to direct.

3.2 Impossibility of Diversion. It shall be impossible at any time for any part of the Trust to be used for, or diverted to, purposes other than to provide the Welfare Benefits contemplated under the Plan for the exclusive benefit of employees or retirees of the County and their eligible dependents.

ARTICLE IV -- TRUSTEES POWERS

4.1 Powers. The Trustees do not have discretion or authority with respect to the investment or administration of the Trust. The Trustees will act solely as directed Trustees of the Plan and any other funds contributed to the Trust: provided, however, that the contribution of any other such funds shall be consistent with the purpose of the Trust as described above in the PREMISES section and 1.1 of this Agreement. However, notwithstanding any of the foregoing, the Trustees shall have no duty, power or authority to purchase, or subscribe for, any securities or any other type of investment other than those authorized in subsection (d) below. Subject to the foregoing provisions of this section, the Trustees shall have powers and authorities under common law, statutory authority, and other provisions of this Agreement, as well as the following powers and authorities:

- (a) To direct the Administrator to keep such portion of the Trust in cash or cash balances as may be in the best interests of the Trust created hereby, without liability for interest thereon;
- (b) To settle, compromise, or submit to arbitration any claims, debts, or damages to or owing to or from the Trust, to commence or defend suits or legal or administrative proceedings, and to represent the Trust in all suits and legal and administrative proceedings;
- (c) To employ suitable agents and counsel reasonably necessary in administration of the Trust. Such agents or counsel may or may not be agents or counsel for the County;
- (d) To authorize the deposit of monies in federally insured checking accounts, savings accounts or certificates of deposit in banks or savings and loan associations.

ARTICLE V –TRUSTEES DUTIES AND COMPENSATION

5.1 General. The Trustees shall discharge their duties under this Agreement solely in the interest of the employees or retirees covered under the Plan and their eligible dependents and for the exclusive purpose of providing Welfare Benefits to such persons and defraying reasonable expenses of administering the Trust, with the care, skill, prudence and diligence under the prevailing circumstances that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, and by diversifying the investments of the Trust so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so, all in accordance with the provisions of this Agreement insofar as they are consistent with the provisions of applicable law, as this Agreement and such law may be from time to time amended; but the duties and obligations of the Trustees as such shall be limited to those expressly imposed upon it by this Agreement notwithstanding any reference herein to the Plan, or the provisions thereof, it being hereby expressly agreed that the Trustees are not a party to the Plan, however, may be members under the Plan's coverage.

5.2 Indemnification. The County agrees, to the extent allowed by law, to indemnify and hold the Trustees harmless from and against any liability that the Trustees may incur in the administration of the Trust, unless arising from the Trustees' own willful breach of the provisions of this Agreement. The Trustees shall not be required to give any bond or any other security for the faithful performance of the duties under this Agreement, except such as may be required by a law which prohibits the waiver thereof.

5.3 Accounts and Records. The Trustees shall have kept accurate and detailed accounts of all receipts, disbursements, and other transactions hereunder, and all such accounts and other records relating thereto shall be open to inspection and audit at all reasonable times by any person designated by the Administrator or the County.

5.4 Limitation on Trustees' Liability. The Administrator shall administer the Plan as provided therein, and the Trustees shall not be responsible in any respect for administering the plan nor shall the Trustees be responsible for the adequacy of contributions to the Trust to meet or discharge any payments or liabilities under the Plan. The Trustees shall be entitled conclusively to rely upon any notice, instruction, direction or other communication of the Administrator.

5.5 More Than one Trustee. The Trustees shall act by a majority of their number, but may authorize any one or more of them to sign papers and instruments on their behalf.

5.6 Fees and Expenses. The Trustees may be paid such reasonable compensation as shall from time to time be agreed upon in writing by the County and the Trustees. An individual serving as Trustee who already receives compensation, as an employee or Elected Official, from the County shall not receive compensation for serving as Trustee except for reimbursement of expenses properly and actually incurred. In addition, the Trustees shall be reimbursed for any reasonable expenses, including reasonable counsel and accounting fees, incurred by the Trustees in the administration of the Trust. Such compensation and expenses shall not be paid from the Trust, but shall be paid directly by the County.

ARTICLE VI -- RESIGNATION, REMOVAL AND SUCCESSION OF TRUSTEE

6.1 Resignation. Any Trustee may resign at any time by giving 30 days notice in writing to the County. If any Trustee who is also a County employee or Elected Official shall resign their position with the County, that resignation shall also constitute resignation as a Trustee under this Trust. In any event, said resigning Trustee must provide 30 days notice in writing to the County.

6.2 Removal. The County may remove any Trustee at any time upon 30 days notice in writing to the Trustee.

6.3 Successor Trustees. Upon the resignation or removal of a Trustee, the County shall appoint a successor trustee who shall have the same powers and duties as those conferred upon the Trustees hereunder. Upon acceptance of such appointment by the successor trustees, the Trustees shall assign, transfer, and pay over to such successor trustees the funds and properties then constituting the Trust. The Trustees are authorized, however, to reserve such reasonable sum of money, as it may deem advisable, for payment of its fees and expenses in connection with the settlement of its account or otherwise, and any balance of such reserve remaining after the payment of such fees and expenses shall be paid over to the successor trustees.

6.4 Waiver of Notice. In the event of any resignation or removal of the Trustees, the Trustees and the County may in writing waive any notice of resignation or removal as may otherwise be provided hereunder.

ARTICLE VII -- AMENDMENT AND TERMINATION OF AGREEMENT

7.1 Amendment. Any or all of the provisions of this Agreement may be amended at any time and from time to time, in whole or in part, by an instrument in writing. No such amendment shall authorize or permit any part of the Trust (other than such part as is required to pay taxes and administration expenses) to be used for or diverted to purposes other than for the exclusive benefit of the employees or retirees and their eligible dependents; no such amendment shall cause or permit any portion of the Trust to revert to or become the property of the County; and no such amendment which affects the rights or duties of the Trustees may be made without the Trustees' written consent.

7.2 Termination. This Agreement may be terminated at any time by the County, and upon such termination, the Trust shall be paid out and/or transferred by the Trustees as and when directed by the Plan Administrator or the County, in accordance with the provisions of ARTICLE III hereof and the terms of the Plan.

ARTICLE VIII -- GENERAL

8.1 Limited Effect of Plan and Trust. Neither the establishment of the Plan nor the Trust nor any modification thereof, nor the creation of any fund or account, nor the payment of any Welfare Benefits, shall be construed as giving to any person covered under the Plan or other person any legal or equitable right against the Trustees, the County, or any Elected Official, officer or employee thereof, except as may otherwise be provided in the Plan or in the Trust. Under no circumstances shall the term of employment of any employee be modified or in any way affected by the Plan or this Trust.

8.2 Protective Clause. Neither the County nor the Trustees shall be responsible for the validity of any contract of insurance issued in connection with the Plan or Trust or for the failure on the part of the insurer to make payments provided by such contract, or for the action of any person which may delay payment or render a contract null and void or unenforceable in whole or in part.

8.3 Construction of Trust. This Trust shall be construed and enforced according to the laws of the State of Texas. Venue of any lawsuit arising out of the Trust and the interpretation of same shall be in Tom Green County, Texas. If any provision of this Trust shall be held illegal or invalid for any reason, such determination shall not affect the remaining provisions of the Trust.

8.4 Gender and Number. Wherever any words are used herein in the masculine, feminine or neuter, they shall be construed as though they were also used in another gender in all cases where they would so apply, and whenever any words are used herein in the singular or plural form, they shall be construed as though they were also used in the other form in all cases where they would so apply.

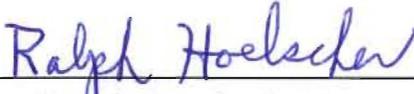
8.5 Headings. The headings and sub-headings of this Trust have been inserted for convenience of reference and are to be ignored in any construction of the provisions hereof.

IN WITNESS WHEREOF, this Agreement has been executed to be effective the day and year first above written.

TOM GREEN COUNTY

A Political Subdivision of the State of Texas

By: 
County Judge

By: 
Commissioner Precinct 1

By: 
Commissioner Precinct 2

By: 
Commissioner Precinct 3

By: 
Commissioner Precinct 4



STATE OF TEXAS §
 §
COUNTY OF TOM GREEN §

This instrument was subscribed and acknowledged before me on November 19th, 2013, by the Commissioners Court of Tom Green County, a political subdivision of the State of Texas, on behalf of Tom Green County.



Attest: 
Elizabeth McGill, County Clerk
Tom Green County, Texas

