Health Reimbursement Arrangement VEBA Trust

for

SAMPLE

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Trust Table of Contents

Paragraph		Page
1.	NAME AND PURPOSE	3
2.	COMPLIANCE WITH LAWS	3
3.	ACCEPTANCE	3
4.	RECEIPT OF CONTRIBUTIONS	3
5.	TRANSFER OF FUNDS	3
6.	BENEFICIARIES	4
7.	INVESTMENT POWERS	4
8.	ADMINISTRATION	4
9.	CUSTODIAN	4
10.	RECORDS AND STATEMENTS	4
11.	FEES AND EXPENSES FROM FUND	4
12.	PARTIES TO LITIGATION	4
13.	PROFESSIONAL AGENTS	4
14.	DISTRIBUTION OF CASH OR PROPERTY	4
15.	DISTRIBUTION DIRECTION	5
16.	THIRD PARTY / MULTIPLE TRUSTEES	5
17.	RESIGNATION	5
18.	REMOVAL	5
19.	INTERIM DUTIES AND SUCCESSOR TRUSTEE	5
20.	VALUATION OF TRUST	5
21.	RECORDS AND REPORTS	5
22.	TERMINATION OF TRUST	6
23.	IRREVOCABLE	6
24.	SUCCESSORS AND ASSIGNS	6
25.	AMENDMENTS	6
26.	NO THIRD PARTY BENEFIT	6
27.	INCORPORATION OF ADOPTION AGREEMENT	6
28.	EMPLOYER REPRESENTATION	6
	SIGNATURES	7

SAMPLE

EMPLOYEE BENEFIT TRUST

THIS TRUST AGREEMENT is made this _____ day of _____, 20_____ by and between _____ (the "Employer") and _____, as Trustee ("Trustee").

W I T N E S S E T H:

WHEREAS, the Employer has adopted Benefit Plans and Programs for Employees and Former Employees of the Employer, and

WHEREAS, the Employer desires to establish a Trust to secure and hold funds that will be contributed by the Employer and transferred from other voluntary employees' beneficiary associations of the Employer within the meaning of Section 501(c)(9) of the Internal Revenue Code of 1986, as amended (the "Code"), and held for the benefit of the employees and their eligible dependents under and in accordance with the Employer's Employee Benefit Plans and Programs, and

WHEREAS, the Employer intends that the Trust established by this Agreement (the "Trust"), when taken together with the Plans, shall constitute a "Voluntary Employees' Beneficiary Association" under Section 501(c)(9) of the Code, and

WHEREAS, the Employer desires the Trustee to hold and administer the Trust, and the Trustee is willing to hold and administer such Trust, pursuant to the terms of this Agreement, and

WHEREAS, the Employer, by action of its duly authorized officer or governing body, has designated the Trustees to serve as the trustees for the Trust,

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties agree as follows:

1. NAME AND PURPOSE. The name of this Trust, and the Trust Account established pursuant to this Trust, shall be the _____ Employee Benefit Trust Account. The exclusive purpose of this Trust is to provide a source of funds for the Employer's employee welfare benefit obligations.

2. COMPLIANCE WITH LAWS. This Trust is intended to meet all the requirements of Section 501 of the Internal Revenue Code and shall be interpreted in accordance with the laws of the State in which the Employer is located.

3. ACCEPTANCE. The Trustee accepts the Trust and agrees to perform the obligations imposed on it by the terms and conditions set forth in this Trust document.

4. RECEIPT OF CONTRIBUTIONS. The Trustee is accountable to the Employer for the funds contributed to it by the Employer. The Trustee is not obliged to collect any contributions from the Employer.

5. TRANSFER OF FUNDS. The Trustee is accountable to the Employer for the funds transferred to it by the Employer from a Voluntary Employees' Beneficiary Association established by the Employer. The Trustee is not obligated to collect any transferred funds from the Employer.

SAMPLE

6. BENEFICIARIES. The Trust assets, including any earnings accruing on them, shall be held solely for the purpose of providing funding for payment of the Employer's employee welfare benefit obligations and for payment of Trust expenses as provided for herein. 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 benefits identified and contemplated under the Plans referenced herein for the exclusive benefit of covered employees and their dependents as provided in Internal Revenue Code Section 501(c)(9). No portion of the principal or income of this Trust shall revert to the Employer.

7. INVESTMENT POWERS. Subject to applicable State law and its fiduciary responsibility, the Trustee has full discretion and authority with regard to the investment of the Trust assets, except with respect to an asset under the control or direction of a properly appointed investment manager, or with respect to an asset subject to Employer direction of investment.

8. ADMINISTRATION. The administration of the Trust shall be provided by the Trust Administrator designated by the Employer in the Adoption Agreement for this Trust. By its agreement to serve as Trustee, the Trustee accepts the Employer's designation of the Trust Administrator. The Employer may designate another Trust Administrator at any time, with proper notice to the Trustee and subject to the Trustee's approval. The Trust Administrator shall be responsible for all administrative aspects of the Trust, including the filing of all reports and tax returns, if any, required of the Trust.

9. CUSTODIAN. The Employer shall appoint a Custodian of the Trust Assets. The Custodian shall be designated and appointed in the Adoption Agreement. The Custodian shall invest the Trust assets as directed by the Trustee. The Custodian shall not have any discretion as to the investment of the Trust assets and shall at all times follow the direction and instruction of the Trustee. So long as the Custodian invests the Trust assets pursuant to the instructions of the Trustee, the Custodian shall not have any liability for following the Trustee's instructions.

10. RECORDS AND STATEMENTS. The records of the Trustee, Custodian, and Trust Administrator, pertaining to the Trust, must be open to the inspection of the Employer at all reasonable times and may be audited from time to time by any person or persons as the Employer may specify in writing.

11. FEES AND EXPENSES FROM FUND. The Trustee and Trust Administrator may receive reasonable annual compensation as may be agreed upon from time to time between the Employer and the Trustee and the Trust Administrator. The Trustee will pay, from the Trust Fund, all fees and expenses reasonably incurred by the Trust to the extent such fees and expenses are for the ordinary and necessary administration and operation of the Trust unless the Employer pays such fees and expenses directly. The above notwithstanding, the Trustee shall not be entitled to compensation if the Trustee is also the Employer.

12. PARTIES TO LITIGATION. Any final judgment entered in any court proceeding involving the Trust will be binding on the Employer, Trustee, Trust Administrator, and the Custodian.

13. PROFESSIONAL AGENTS. The Trustee may employ and pay from the Trust Fund reasonable compensation to, agents, attorneys, accountants and other persons, to advise the Trustee as in its opinion may be necessary. The Trustee may delegate to any agent, attorney, accountant, or other person selected by it, any non-Trustee power or duty vested in it by the Trust, and the Trustee may act or refrain from acting on the advice or opinion of any agent, attorney, accountant or other person so selected.

14. DISTRIBUTION OF CASH OR PROPERTY. The Trustee may make distributions from the Trust

SAMPLE

in cash or property, or partly in each, at its fair market value as determined by the Trustee. No distributions shall be made from this Trust other than for the payment of benefits identified under the Plans, except that payments of reasonable expenses for the administration of the Trust shall be permitted in accordance with paragraph 10 above.

15. DISTRIBUTION DIRECTIONS. If no one claims a payment or distribution made from the Trust, the Trustee shall return the payment to the corpus of the Trust.

16. THIRD PARTY / MULTIPLE TRUSTEES. No person dealing with the Trustee is obligated to see to the proper application of any money paid or property delivered to the Trustee, or to inquire whether the Trustee has acted pursuant to the terms of this Trust. Each person dealing with the Trustee may act upon any notice, request, or representation in writing by the Trustee, or by the Trustee's duly authorized agent, and is not liable to any person in so acting. If more than two persons act as Trustee, a decision of the majority of such persons controls with respect to any decision regarding the administration or investment of the Trust Fund or of any portion of the Trust Fund with respect to which such persons act as Trustees. However, the signature of only one Trustee is necessary to effect any transaction on behalf of the Trust.

17. RESIGNATION. The Trustee may resign its position at any time by giving 30 days written notice in advance to the Employer. If the Employer fails to appoint a successor Trustee within 60 days of its receipt of the Trustee's written notice of resignation, the Trustee will treat the Employer as having appointed itself as Trustee and as having filed its acceptance of appointment with the former Trustee.

18. REMOVAL. The Employer, by giving 30 days written notice in advance to the Trustee, may remove any Trustee. In the event of the resignation or removal of a Trustee, the Employer must appoint a successor Trustee if it intends to continue the Trust. If two or more persons hold the position of Trustee, in the event of the removal of one such person, during any period the selection of a replacement is pending or during any period such person is unable to serve for any reason, the remaining person or persons shall act as Trustee.

19. INTERIM DUTIES AND SUCCESSOR TRUSTEE. Each successor Trustee succeeds to the title to the Trust vested in his predecessor by accepting in writing his appointment as successor Trustee and by filing the acceptance with the former Trustee and the Employer without the signing or filing of any further statement. The resigning or removed Trustee, upon receipt of acceptance in writing of the Trust by the successor Trustee, must execute all documents and do all acts necessary to vest the title of record in any successor Trustee. Each successor Trustee has and enjoys all of the powers, both discretionary and ministerial, conferred under this Agreement upon his predecessor. A successor Trustee is not personally liable for any act or failure to act of any predecessor Trustee, except as required under applicable law. With the approval of the Employer, a successor Trustee, with respect to the Plan, may accept the account rendered and the property delivered to it by a predecessor Trustee without incurring any liability or responsibility for so doing.

20. VALUATION OF TRUST. The Trustee must value the Trust Fund as of each Accounting Date to determine the fair market value of the Trust. The Trustee also must value the Trust Fund on such other valuation dates as directed in writing by the Employer. Accounting Date shall mean the last day of the Employer's fiscal year.

21. RECORDS AND REPORTS. The Trustee and the Trust Administrator shall create and maintain records as may be required by Treasury Regulation Section 1.501(c)(9)-5.

SAMPLE

22. TERMINATION OF TRUST. This Trust shall terminate when all Trust funds have been expended for the fulfillment of the Employer's welfare benefit obligations to its employees, and the Employer notifies the Trustee and all other interested parties that the Employer will not be providing any additional funds to the Trust.

23. IRREVOCABLE. This Trust is irrevocable by the Employer.

24. SUCCESSORS and ASSIGNS. This Trust Agreement and the rights and duties hereunder shall not be assignable by either of the parties hereto. The assets held under this Trust shall not be subject to the rights of the creditors of the Employer, the Trustees, or the Custodian, and shall be exempt from execution, attachment, prior assignment, or any other judicial relief or order for the benefit of creditors or other third persons.

25. AMENDMENTS. This Trust Agreement may be amended from time to time by an instrument in writing executed by duly authorized officers of the Employer and Trustee.

26. NO THIRD PARTY BENEFIT. This Agreement is intended for the exclusive benefit of the parties to this Agreement and nothing contained in this Agreement shall be construed as creating any rights or benefits in or to any other party.

27. INCORPORATION OF ADOPTION AGREEMENT. The Trust Adoption Agreement, any Appendix thereto, and any future modifications are incorporated in this Trust Document and made a part thereof as though specifically set forth herein.

28. EMPLOYER REPRESENTATION. The Employer represents and warrants that:

    (A) it is a State or political subdivision of a State or agency or instrumentality of the foregoing within the meaning of Code Section 414(d);

    (B) it has authority under State law to enter into, maintain, and establish this Trust and the Plan(s).

    (C) the funding of the Trust is from employer contributions, contributions of employees of the Employer, or funds transferred from another voluntary employees' beneficiary association of the Employer within the meaning of Code Section 501(c)(9);

    (D) the Trust is exempt from taxes under Code Section 501(c)(9); and

    (E) the Trust and Plan is a governmental plan as defined in Code Section 414(d), established for the exclusive benefit of the employees of the Employer.

SAMPLE

IN WITNESS WHEREOF, the parties hereto have caused this Trust Agreement to be SIGNED, SEALED, and DELIVERED on the date set forth above.

By:

Grantor: _____

Signature: _____

Print Name: _____

Title: _____

Date: _____

Trustee: _____

Signature: _____

Print Name: _____

Title: _____

Date: _____

Trustee: _____

Signature: _____

Print Name: _____

Title: _____

Date: _____

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