ADOPTION AGREEMENT

TO THE

PEB TRUST

No guaranty that payments or reimbursements to employees, former employees or retirees will be tax-free. The Trust has obtained a ruling from the Internal Revenue Service concerning only the federal tax treatment of the Trust's income. That ruling may not be cited or relied upon by the Employer whatsoever as precedent concerning any matter relating to the Employer's health plan(s) (including post-retirement health plans). In particular, that ruling has no effect on whether contributions to the Employer's health plan(s) or payments from the Employer's health plan(s) (including reimbursements of medical expenses) are excludable from gross income of employees, former employees or retirees, under the Internal Revenue Code. The federal income tax consequences to employees, former employees and retirees depend on the terms and operation of the Employer's health plan(s).

Introduction

By executing this Adoption Agreement, the Employer specified in Section II of this Adoption Agreement adopts the PEB Trust Agreement ("PEB Trust"), a multiple employer pooled account arrangement which is designed to fund post-retirement benefits other than pension benefits for the Employer's eligible retired employees and their eligible dependents, and which PEB Trust is hereby incorporated by reference into this Adoption Agreement.

Defined terms shall have the meaning attributed to such terms in the PEB Trust Agreement.

The Employer hereby selects the following Plan specifications:

Section I
Plan and Trust Information

A.1.1 FULL NAME OF TRUST: PEB Trust Agreement ("PEB Trust")

A.1.2 FULL NAME AND EFFECTIVE DATE(S) OF POST-EMPLOYMENT HEALTH CARE PLAN OR PLANS TO BE FUNDED BY THE PEB TRUST ON BEHALF OF THE EMPLOYER:

_____

_____

Section II
Employer Information

A.2.1 EMPLOYER INFORMATION: (See Section 2.4 of Master Plan Document):

NAME OF EMPLOYER: City of Euless, Texas

ADDRESS: (Street): 201 North Ector Drive

(City, State, Zip code: Euless, Texas 76039

(Phone Number): 817-685-1400

A.2.2 EMPLOYER'S PLAN ADMINISTRATOR: Alerus Financial, N.A.

A.2.3 EMPLOYER'S TAX IDENTIFICATION NUMBER: 75-6004644

A.2.4 EMPLOYER'S FISCAL YEAR (means the 12 consecutive month period used by the Employer in preparing its financial statements).

Commencing on (month, day) Oct. 1 and

Ending on (month, day) Sept. 30

Section III
Eligible Employees and Eligible Dependents

A.3.1 ELIGIBLE EMPLOYEE: The determination of Eligible Employees and Eligible Dependents is finally and conclusively determined by the Employer according to its applicable statutes, ordinances, Plans, policies and collective bargaining agreements.

******** Signature Page Follows ********

Execution and Adoption of PEB Trust Agreement

By executing this Adoption Agreement, the Employer hereby adopts and agrees to be bound by the PEB Trust Agreement along with any related documents and appoints Alerus Financial, N.A. as the initial Trustee of the Trust.

The Employer understands and agrees that the documents referred to above may be amended from time-to-time in accordance with the terms of such documents.

This Adoption Agreement is hereby executed this _____ day of _____, 200____.

EMPLOYER (specify):

SIGN HERE

_____

By: Gary L. McKamie

Title: City Manager

Approved As To Form:

_____

By: _____

Title: _____

ALERUS FINANCIAL, N.A.
ADMINISTRATIVE SERVICES AGREEMENT

Alerus FINANCIAL

Employer: City of Euless, Texas	("Employer")
Plan Name: _____	("Plan")
Account Number: _____	Effective Date: _____

Alerus Financial, National Association ("Alerus" or "Trustee"), will perform services for the Employer as provided in this Administrative Services Agreement ("Agreement"), subject to and strictly governed by all provisions contained herein.

Recitals

The Employer intends to engage Alerus as a directed non-discretionary trustee of the Plan and custodian of Plan assets. The Employer and Alerus want to clarify their respective duties regarding the plan assets and administration.

NOW, THEREFORE, the Employer and Alerus agree as follows:

Article 1. Responsibilities of the Employer

Section 1.1 Information. The Employer will provide Alerus with all requested information, at the time and in the manner prescribed by Alerus, to enable Alerus to perform its services. The Employer is responsible for the accuracy and completeness of the information, and Alerus will rely on such information. The Employer understands and agrees that Alerus will not be responsible for any errors, delays, or additional costs resulting from the receipt of inaccurate, incomplete, or untimely information from the Employer.

Section 1.2 Reports. The Employer will review all data and reports provided to it by Alerus and will provide prompt written notice to Alerus of any claimed error or inaccuracy in any such data or report. If Alerus does not receive written notice of a claimed error or inaccuracy within thirty (30) days after the data or report is provided to the Employer, the data or report will be conclusively presumed accurate and complete.

Section 1.3 Compliance. The Employer is responsible for establishing and maintaining the tax exempt status of the Plan in compliance with the Internal Revenue Service. The Employer's obligations may be met by the hiring of third parties not signatory to this agreement. Those responsibilities, whether or not delegated to a third party, include but are not limited to those items described on attached Schedule A.

Section 1.4 Authority. The Employer represents and warrants that it is authorized to enter into this Agreement on behalf of itself and the Plan.

Section 1.5 Maintenance of Plan Documents. The Employer will maintain the documents of the Plan. As part of this responsibility:

(a) The Employer will provide Alerus with accurate and complete copies of the current and any future Plan documents (including any amendments), and other documents Alerus may request in order to provide its services.

Article 2. Responsibilities of Alerus

Section 2.1 Covered Services. Alerus will provide the Employer with trust services in accordance with attached Schedule B.

The Employer's execution of the Agreement constitutes the appointment of Alerus for such purposes. Appointment under this paragraph does not include the delegation to Alerus of any discretionary authority or control over Plan administration. Alerus is not the Plan Administrator, as defined in the PebTrust Agreement.

Article 3. Proprietary Data

Section 3.1 Confidentiality. No party shall use or disclose to any person, except its respective employees, independent contractors and other representatives having a specific need to know in performance of their work or as required by law, the terms of this agreement or any proprietary or confidential information of one party disclosed to the other under this agreement. For purposes of this agreement, proprietary or confidential information shall not include information, which is:

a) or becomes part of the public domain without violation of this Agreement; or
b) known by the receiving party prior to disclosure by the disclosing party; or
c) rightfully received by the receiving party from a third party having the right to disclose such information.

Alerus agrees to maintain electronic safeguards over proprietary or confidential information that comply with federal standards.

Section 3.2 Records. All records developed and maintained by Alerus in the performance of its services under this Agreement are exclusively the property of the Employer. Notwithstanding the foregoing, Employer hereby authorizes Alerus to dispose of records pursuant to Alerus' standard record retention policy within the constraints of normal fiduciary practices.

Section 3.3 Modifications. Any requests for modifications in the format or content of the records maintained by Alerus; or other requests for special data, services, or reports with respect to such records that are not part of this Agreement, whether such requests are made during the term of this Agreement or on termination of this Agreement, will be separately charged to the Employer.

Article 4. Indemnification

Section 4.1 By Employer. The Employer will indemnify Alerus against, and hold Alerus harmless from, any and all loss, damage, penalty, liability, cost, and expense (including, without limitation, reasonable attorney's fees and disbursements) that may be incurred by, imposed upon, or asserted against Alerus by reason of any claim for benefits under the Plan, or any claim, regulatory proceeding, or litigation arising from any act done or omitted to be done by the Employer or any other person with respect to the Plan or the trust for the Plan, excepting only any loss, damage, penalty, liability, cost, or expenses resulting from the gross negligence or willful misconduct of Alerus in connection with the services provided under this Agreement.

Section 4.2 By Alerus. Alerus will indemnify the Employer against and hold the Employer harmless from, any and all loss, damage, penalty, liability, cost, and expense (including, without limitation, reasonable attorney's fees and disbursements) that may be incurred by, imposed upon, or asserted against the Employer by reason of any claim, regulatory proceeding or litigation arising from any act done or omitted to be done by Alerus in connection with the services provided under this Agreement, excepting any loss, damage, penalty, liability, cost, or expense resulting from the gross negligence or willful misconduct of the Employer or the failure of the Employer to perform its duties under this Agreement, and subject to the limits of Section 4.3.

Section 4.3 Disclaimer. IN NO EVENT WILL ALERUS BE LIABLE FOR ANY INCIDENTAL, INDIRECT, SPECIAL, PUNITIVE, CONSEQUENTIAL, OR SIMILAR DAMAGES OF ANY KIND, INCLUDING WITHOUT LIMITATION, LOSS OF INVESTMENT RETURN, LOSS OF PROFITS, LOSS OF BUSINESS, OR INTERRUPTIONS OF BUSINESS, WHETHER SUCH LIABILITIES ARE PREDICATED ON CONTRACT, STRICT LIABILITY, OR OTHER THEORY.

Section 4.4 Compliance. Except for performing services in accordance with the terms and conditions of this Agreement or of any other written agreement between the parties, Alerus has no other responsibility or liability for the compliance of the Plan in form or in operation with any of the requirements of the Internal Revenue Code.

Section 4.5 Limitations. The Employer understands and agrees that:

a) Nothing in this Agreement or the services provided under this Agreement is intended to cause Alerus to have the status of Plan Administrator as that term is defined in the PebTrust Agreement.
b) Alerus will not be responsible for payment of any federal, state or other taxes or penalties, which may be charged against the Employer, the Plan or other persons.
c) Alerus is not in the business of providing legal or tax advice. The Employer agrees to seek appropriate independent review of the governing Plan document(s), the Plan's administrative procedures and forms, and other Plan-related materials by qualified professionals. Although Alerus may provide assistance from time to time with respect to notices, disclosures, consents, etc. the Employer is responsible for the appropriateness and the legal adequacy of such forms and procedures.
d) Alerus has no duty to require any Plan contributions or transfers to be made, to determine that the contributions it receives comply with the provisions of the Plan or with any action of the Employer providing therefore, to collect any contributions payable under the terms of the Plan.
e) The Employer has control over the selection of the investments in the Plan, or the delegation of its investment authority, powers, and duties to an investment advisor or investment manager. Alerus has no responsibility for the selection or ongoing monitoring of the investments in the Plan. In addition, Alerus is not responsible for any investment advice or other acts or omissions of a Registered Investment Advisor, Broker, Brokerage Firm and/or any other third party with regard to the Plan, the Employer or any Participant, Beneficiary or Alternate Payee, now or at any time in the future.
f) Alerus shall not be required to inquire into the acts, omissions, or accounts of any predecessor agent, trustee or other fiduciary (hereafter "predecessor agent"); or to bring any action against a predecessor agent for any reason whatsoever, and shall in no event be liable for any acts or omissions of any predecessor agent.
g) Alerus shall be responsible only for assets actually delivered to it by the predecessor agent.
h) Alerus shall have no duty to verify the authenticity of tangible assets received from a predecessor agent or as a result of a direct purchase, except to the extent of securing appropriate invoices sent with the original purchase when available.

Section 4.6 Survival. The provisions of this Section 4 will survive the termination of this Agreement.

Article 5. Termination of This Agreement

Section 5.1 Notification. This Agreement may be terminated by either party at any time, with or without cause, upon giving the other party not less than ninety (90) days prior written notice.

Article 6. Fees

Section 6.1 Fee Schedule/Method of Payment. Alerus agrees to perform the services outlined in this agreement for the following fees:

Directed Trustee Fees:

Asset Fees:[1]	First $1 million in assets	.0010
	Next $4 million in assets	.0008
	Next $10 million in assets	.0005
	Over $15 million in assets	.0003

[1] *$3,500 minimum annual asset fee charged. Fees assume investment is exclusively in registered mutual funds. Fees for non-mutual fund investments require pre-approval and may include additional fees.*

Transaction Fees:

Disbursements[2]	$10 per disbursement

[2] *The first 12 disbursements per year are included in the asset fees above. Disbursements in excess of 12 will be charged at the rate of $10 per payment.*

The Employer may choose the method of payment. Fees billed to the Employer are due within 30 days of the billing date. If timely payment is not received by Alerus, Directed Trustee Fees will be deducted from the trust assets of the Plan.

Article 7. Applicable Law

This Agreement will be governed by and construed under the laws of the State of Texas, except to the extent such laws are superseded by federal law.

Article 8. Miscellaneous Provisions

Section 8.1 Waiver. No waiver of any breach of this Agreement will constitute a waiver of any other breach, whether or not the same. No waiver of any breach of any other terms and conditions of this Agreement will constitute a waiver of any preceding breach. No delay or omission of either party's exercise of any right arising out of any default will affect or impair such party's rights as to the same or future default.

Section 8.2 Severability. If any provision of this Agreement is held to be or becomes invalid or unenforceable, the validity and enforceability of the remaining provisions, or of such provision in any other circumstances, will not in any way be affected or impaired.

Section 8.3 Successors and Assigns. This Agreement will inure to the benefit of and be binding upon the parties hereto, their successors and assigns. However, this Agreement will not be assigned to any other person without the non-assigning party's written consent.

Section 8.4 Amendment. This agreement may be amended from time to time in writing by Alerus upon thirty (30) days prior written notice to the Employer, with the Employer's consent.

Section 8.5 Inability to Perform. Should the performance of this Agreement by any party be prevented by fire, flood, storm, strike, acts of God, unavoidable casualty, governmental order or state of war, or by any similar cause beyond the control of such party, such party's performance to the extent it is so prevented or delayed shall be excused, provided notice of its inability to perform is given to the other party within a reasonable period of time.

Section 8.6 Authorized Plan Representative Signatures. Alerus may rely on copies (whether paper or facsimile) or electronic (including e-mail) directions issued by an employer or its authorized representative(s). So long as Alerus makes a good faith assumption, it shall not have to determine the authenticity or authority of the representative providing direction.

Section 8.7 Coordination with Trust Agreement. In the event of conflict between this Agreement and the provisions of the PebTrust Agreement, this Agreement shall control.

EMPLOYER		ALERUS FINANCIAL, N.A.	
Signature:		Signature:	
Print Name:	Gary L. McKamie	Print Name:	
Title:	City Manager	Title:	
Date:		Date:	

SCHEDULE A
EMPLOYER'S RESPONSIBILITIES

The Employer is responsible for establishing and maintaining the Plan in compliance with the applicable provisions of Section 115 of the Code. The Employer's obligations include but are not limited to the following:

On-Going Administration Activities. The Employer shall be responsible for the following activities:

1. Plan Documentation. The Employer shall maintain an approved Plan document amending it as required by applicable law. The Employer shall provide Alerus will copies of the Plan, any Plan Amendment, or other relevant Plan documentation. In the event that any Plan documentation is amended or otherwise changed, the Employer shall provide Alerus with updated copies within 30 days. Alerus is not responsible for the drafting, maintenance or upkeep of any Plan documentation.
2. Contributions. Monitor and make timely contributions in accordance with Plan provisions.
3. Disbursements. Have any payees seeking disbursements from the Plan or Trust complete all forms required to affect a disbursement. The Employer shall send copies of all required forms to Alerus and insure that all such forms are properly completed by providing signature authorization prior to submitting copies to Alerus.

SCHEDULE B
ALERUS RESPONSIBILITIES

1. Fiduciary and Custodial Services. Alerus will act as a directed Trustee and Custodian of Plan assets in accordance with this Agreement.

2. Alerus will perform the following on-going trust services.

    a. Receive and post employer contributions.

    b. Vote proxies of any securities including, but not limited to, stocks, bonds, and shares of registered investment companies as directed by the Employer.

    c. Process disbursements as directed by the Employer or Plan Administrator

    d. Invest Plan contributions or transfers in accordance with the direction of the Employer or its duly appointed registered investment advisor or investment manager.

    e. Handle routine inquiries from the Employer or its delegated registered investment advisor or investment manager.

    f. Prepare quarterly trust statements for the Employer.

    g. Prepare monthly, quarterly, and annual performance reports for the Employer, registered investment advisor, and/or investment manager.

Form **SS-4**
(Rev. July 2007)
Department of the Treasury
Internal Revenue Service

Application for Employer Identification Number

(For use by employers, corporations, partnerships, trusts, estates, churches, government agencies, Indian tribal entities, certain individuals, and others.)

▶ **See separate instructions for each line.** ▶ **Keep a copy for your records.**

OMB No. 1545-0003

EIN

Type or print clearly.

1 Legal name of entity (or individual) for whom the EIN is being requested

2 Trade name of business (if different from name on line 1)

3 Executor, administrator, trustee, "care of" name

4a Mailing address (room, apt., suite no. and street, or P.O. box)

5a Street address (if different) (Do not enter a P.O. box.)

4b City, state, and ZIP code (if foreign, see instructions)

5b City, state, and ZIP code (if foreign, see instructions)

6 County and state where principal business is located

7a Name of principal officer, general partner, grantor, owner, or trustor

7b SSN, ITIN, or EIN

8a Is this application for a limited liability company (LLC) (or a foreign equivalent)? ☐ Yes ☑ No

8b If 8a is "Yes," enter the number of LLC members ▶

8c If 8a is "Yes," was the LLC organized in the United States? ☐ Yes ☐ No

9a **Type of entity** (check only one box). **Caution.** If 8a is "Yes," see the instructions for the correct box to check.

- ☐ Sole proprietor (SSN)
- ☐ Partnership
- ☐ Corporation (enter form number to be filed) ▶
- ☐ Personal service corporation
- ☐ Church or church-controlled organization
- ☐ Other nonprofit organization (specify) ▶
- ☐ Other (specify) ▶
- ☐ Estate (SSN of decedent)
- ☐ Plan administrator (TIN)
- ☐ Trust (TIN of grantor)
- ☐ National Guard
- ☑ State/local government
- ☐ Farmers' cooperative
- ☐ Federal government/military
- ☐ REMIC
- ☐ Indian tribal governments/enterprises

Group Exemption Number (GEN) if any ▶

9b If a corporation, name the state or foreign country (if applicable) where incorporated — State — Foreign country

10 **Reason for applying** (check only one box)

- ☐ Started new business (specify type) ▶
- ☐ Hired employees (Check the box and see line 13.)
- ☐ Compliance with IRS withholding regulations
- ☐ Other (specify) ▶
- ☐ Banking purpose (specify purpose) ▶
- ☐ Changed type of organization (specify new type) ▶
- ☐ Purchased going business
- ☑ Created a trust (specify type) ▶ **Sec. 115 Governmental Trust**
- ☐ Created a pension plan (specify type) ▶

11 Date business started or acquired (month, day, year). See instructions.

12 Closing month of accounting year

13 Highest number of employees expected in the next 12 months (enter -0- if none).

Agricultural	Household	Other
0	0	0

14 Do you expect your employment tax liability to be $1,000 or less in a full calendar year? ☐ Yes ☑ No (If you expect to pay $4,000 or less in total wages in a full calendar year, you can mark "Yes.")

15 First date wages or annuities were paid (month, day, year). **Note.** If applicant is a withholding agent, enter date income will first be paid to nonresident alien (month, day, year) ▶

16 Check **one** box that best describes the principal activity of your business.

- ☐ Construction
- ☐ Rental & leasing
- ☐ Transportation & warehousing
- ☐ Health care & social assistance
- ☐ Accommodation & food service
- ☐ Wholesale-agent/broker
- ☐ Wholesale-other
- ☐ Retail
- ☐ Real estate
- ☐ Manufacturing
- ☐ Finance & insurance
- ☐ Other (specify)

17 Indicate principal line of merchandise sold, specific construction work done, products produced, or services provided.

18 Has the applicant entity shown on line 1 ever applied for and received an EIN? ☐ Yes ☐ No

If "Yes," write previous EIN here ▶

Third Party Designee

Complete this section **only** if you want to authorize the named individual to receive the entity's EIN and answer questions about the completion of this form.

Designee's name: **Richard Joseph c/o Alerus Financial, N.A.**

Designee's telephone number (include area code): **(651) 746-6008**

Address and ZIP code: **10900 Wayzata Blvd., Suite 130 Minnetonka, MN 55305**

Designee's fax number (include area code): **(651) 746-6001**

Under penalties of perjury, I declare that I have examined this application, and to the best of my knowledge and belief, it is true, correct, and complete.

Name and title (type or print clearly) ▶ Gary L. McKamie, City Manager

Applicant's telephone number (include area code): (817) 685-1400

Signature ▶ Date ▶

Applicant's fax number (include area code): (817) 685-1416

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 16055N Form **SS-4** (Rev. 7-2007)

Do I Need an EIN?

File Form SS-4 if the applicant entity does not already have an EIN but is required to show an EIN on any return, statement, or other document.[1] See also the separate instructions for each line on Form SS-4.

IF the applicant...	AND...	THEN...
Started a new business	Does not currently have (nor expect to have) employees	Complete lines 1, 2, 4a–8a, 8b–c (if applicable), 9a, 9b (if applicable), and 10–14 and 16–18.
Hired (or will hire) employees, including household employees	Does not already have an EIN	Complete lines 1, 2, 4a–6, 7a–b (if applicable), 8a, 8b–c (if applicable), 9a, 9b (if applicable), 10–18.
Opened a bank account	Needs an EIN for banking purposes only	Complete lines 1–5b, 7a–b (if applicable), 8a, 8b–c (if applicable), 9a, 9b (if applicable), 10, and 18.
Changed type of organization	Either the legal character of the organization or its ownership changed (for example, you incorporate a sole proprietorship or form a partnership)[2]	Complete lines 1–18 (as applicable).
Purchased a going business[3]	Does not already have an EIN	Complete lines 1–18 (as applicable).
Created a trust	The trust is other than a grantor trust or an IRA trust[4]	Complete lines 1–18 (as applicable).
Created a pension plan as a plan administrator[5]	Needs an EIN for reporting purposes	Complete lines 1, 3, 4a–5b, 9a, 10, and 18.
Is a foreign person needing an EIN to comply with IRS withholding regulations	Needs an EIN to complete a Form W-8 (other than Form W-8ECI), avoid withholding on portfolio assets, or claim tax treaty benefits[6]	Complete lines 1–5b, 7a–b (SSN or ITIN optional), 8a, 8b–c (if applicable), 9a, 9b (if applicable), 10, and 18.
Is administering an estate	Needs an EIN to report estate income on Form 1041	Complete lines 1–6, 9a, 10–12, 13–17 (if applicable), and 18.
Is a withholding agent for taxes on non-wage income paid to an alien (i.e., individual, corporation, or partnership, etc.)	Is an agent, broker, fiduciary, manager, tenant, or spouse who is required to file Form 1042, Annual Withholding Tax Return for U.S. Source Income of Foreign Persons	Complete lines 1, 2, 3 (if applicable), 4a–5b, 7a–b (if applicable), 8a, 8b–c (if applicable), 9a, 9b (if applicable), 10 and 18.
Is a state or local agency	Serves as a tax reporting agent for public assistance recipients under Rev. Proc. 80-4, 1980-1 C.B. 581[7]	Complete lines 1, 2, 4a–5b, 9a, 10 and 18.
Is a single-member LLC	Needs an EIN to file Form 8832, Classification Election, for filing employment tax returns, **or** for state reporting purposes[8]	Complete lines 1–18 (as applicable).
Is an S corporation	Needs an EIN to file Form 2553, Election by a Small Business Corporation[9]	Complete lines 1–18 (as applicable).

[1] For example, a sole proprietorship or self-employed farmer who establishes a qualified retirement plan, or is required to file excise, employment, alcohol, tobacco, or firearms returns, must have an EIN. A partnership, corporation, REMIC (real estate mortgage investment conduit), nonprofit organization (church, club, etc.), or farmers' cooperative must use an EIN for any tax-related purpose even if the entity does not have employees.

[2] However, do not apply for a new EIN if the existing entity only (a) changed its business name, (b) elected on Form 8832 to change the way it is taxed (or is covered by the default rules), or (c) terminated its partnership status because at least 50% of the total interests in partnership capital and profits were sold or exchanged within a 12-month period. The EIN of the terminated partnership should continue to be used. See Regulations section 301.6109-1(d)(2)(iii).

[3] Do not use the EIN of the prior business unless you became the "owner" of a corporation by acquiring its stock.

[4] However, grantor trusts that do not file using Optional Method 1 and IRA trusts that are required to file Form 990-T, Exempt Organization Business Income Tax Return, must have an EIN. For more information on grantor trusts, see the Instructions for Form 1041.

[5] A plan administrator is the person or group of persons specified as the administrator by the instrument under which the plan is operated.

[6] Entities applying to be a Qualified Intermediary (QI) need a QI-EIN even if they already have an EIN. See Rev. Proc. 2000-12.

[7] See also *Household employer* on page 4 of the instructions. **Note.** State or local agencies may need an EIN for other reasons, for example, hired employees.

[8] Most LLCs do not need to file Form 8832. See *Limited liability company (LLC)* on page 4 of the instructions for details on completing Form SS-4 for an LLC.

[9] An existing corporation that is electing or revoking S corporation status should use its previously-assigned EIN.

PEB Trust Agreement

ARTICLE I

DEFINITIONS

"Adoption Agreement" shall have the meaning given to such term in Section 2.4.

"Advisory Committee" means the Committee appointed by the Employers to coordinate administrative and investment advisory services to the Employers and the Trustee.

"Agreement for Administrative Services" shall mean the agreement executed between the Employer and the Trustee which authorizes the Trustee to perform the specific duties of administering the Government Account of the Employer.

"Assets" shall mean all contributions and transfers of assets received by a Government Account on behalf of an Employer, together with the income and earnings from such contributions and transfers and any increments accruing to them.

"Code" shall mean the Internal Revenue Code of 1986 or its successor as amended from time to time.

"Effective Date" shall mean, with respect to each Employer, the date on which the Trustee received Plan Assets to be held in trust hereunder.

"Eligible Dependent" shall mean the spouse or dependent of an Eligible Employee who is entitled to post-employment health care benefits pursuant to any statute or ordinance or the Employer's plan, policies and/or applicable collective bargaining agreements.

"Eligible Employee" shall mean an active employee or retired employee of an Employer who is entitled to post-employment health care benefits pursuant to any statute or ordinance or the Employer's plan, policies and/or applicable collective bargaining agreements.

"Employer" shall mean a state or political subdivision thereof or an agency or instrumentality of a state or political subdivision that adopts the provisions of this Agreement, provided that such Employer's income is excludable from gross income under Section 115(1) of the Code. In no case may an organization become a participating employer in the PEB Trust unless it is a state, a political sub-division of a state, or an entity the income of which is excluded from gross income under Section 115 of the Code.

"GASB" shall mean the Governmental Accounting Standards Board or any successor thereof.

"Governmental Employees' Post-Retirement Health Plan Account" or **"Government Account"** shall mean the legally separate account that is established for each Employer when it adopts the PEB Trust by executing an Adoption Agreement.

"OPEB" or **"Other Post-Employment Benefits"** shall mean benefits other than pension benefits, such as medical, dental, vision, life insurance, long-term care and other similar

health benefits provided to retirees and excludable from the retirees' gross incomes under Section 79,105 or similar provisions of the Code.

"OPEB Obligation" shall mean an Employer's obligation to provide post- employment health care and welfare benefits to its eligible employees as specified in such Employer's plan, policies and/or applicable collective bargaining agreements.

"PEB Trust Agreement" or **"Agreement"** shall mean this Trust Agreement which creates a trust for the purpose of commingling the assets of the Government Accounts established for each Adopting Employer.

"PEB Trust Effective Date" shall mean January 1, 2008.

"Plan" shall mean any post-retirement health care plan, adopted by an Employer as a separate plan for that Employer.

"Plan Administrator" shall mean the person or persons, including any individual designated by position of employment at the Employer, to act on its behalf in all matters relating to the Employer's participation in the PEB Trust and Government Account.

"Pooled Account" shall mean an account, established for record keeping purposes only, to commingle the Assets of the Government Account.

"Trustee" shall mean the entity appointed as trustee of the PEB Trust and the Government Accounts established pursuant to the provisions of this Agreement.

ARTICLE II

THE TRUST

2.1 Pooled Trust

The post-employee benefits trust, or PEB Trust, is a multiple employer pooled account trust arrangement established to provide economies of scale and efficiency of administration to governments that adopt it to hold and invest the assets used to fund their respective OPEB Obligations.

2.2 Purpose of PEB Trust

The PEB Trust is established with the intention that it qualify as a tax-exempt trust performing an essential governmental function within the meaning of Section 115 of the Code and the Regulations issued thereunder (if any) and as a tax-exempt trust under the provisions of the state's statutory provisions applicable to each Employer. This Agreement shall be construed and the PEB Trust shall be administered in a manner consistent with such intention. The fundamental purpose of the PEB Trust is to fund post-employment benefits (other than pension benefits), such as medical, dental, vision, life insurance, long-term care and similar health benefits, offered by the Employer to its employees as specified in each Employer's applicable statute, ordinance, policies and/or

collective bargaining agreements. It is intended that the Assets accumulated under the PEB Trust will reduce the Employer's OPEB obligations as determined by GASB.

2.3 Date of Adoption

The date as of which each Employer adopts the PEB Trust shall be the "Effective Date" of the PEB Trust Agreement as to that Employer.

2.4 Employers

An Employer may adopt the PEB Trust Agreement only if such Employer's income is excluded from Federal Income tax under Section 115 of the Code. Adoption must be accomplished by action of its governing body in writing accepted by the Trustee, executing the attached adoption agreement for the PEB Trust (**"Adoption Agreement"**) and an Agreement for Administrative Services. Such adopting Employer shall then become an Employer under the PEB Trust. Each Employer shall furnish the Trustee with the following documents to support its adoption of the PEB Trust:

(a) a certified copy of the resolution of the governing body of the Employer authorizing the adoption of the PEB Trust Agreement and the appointment of an individual or individuals designated by position of employment at the Employer to act on its behalf in all matters relating to the Employer's participation in this PEB Trust (**"Plan Administrator"**), including any selection or ratification of the Advisory Committee, as may be required from time to time;

(b) an original of the Adoption Agreement executed by the Plan Administrator or other duly authorized employee of the Employer;

(c) an original of the Agreement for Administrative Services with the Trustee executed by the Plan Administrator or other duly authorized representative of the Employer;

(d) a copy of any plan document of each Plan that is to be funded pursuant to this Agreement;

(e) a copy of any document in which the Employer or Plan Administrator has appointed an investment advisor and described the authority of the investment advisor;

(f) an address notice; and

(g) such other documents as the Trustee may reasonably request, including evidence that the Employer's income is excludable from Federal Income taxes under Section 115 of the Code.

2.5 Government Account

An Employer that adopts the PEB Trust Agreement, as provided in Section 2.4, shall be deemed to have adopted a legally separate and individual Government Account whose

provisions are identical to those of this Agreement. The Assets of a Government Account shall only be available to pay post-employment health care and welfare benefits of Eligible Employees of the Employer that created such Account. The Account is created for the purpose of receiving contributions made to fund the adopting Employer's OPEB Obligation; accumulating, managing and investing those contributions; and providing payments to health care providers (or reimbursing an Employer that has made payments to health care providers) on account of each Employer's OPEB Obligation. No separate accounts shall be established for individual Eligible Employees or Eligible Dependents.

2.6 Assets of Government Account

The Assets of each Government Account shall consist of all contributions and transfers received by the Account on behalf of the Employer, together with the income and earnings from such contributions and transfers, and any other increments accruing to them, net of any investment losses, benefits, expenses or other costs. All contributions or transfers shall be received by the Trustee in cash or in other property acceptable to the Trustee. The Trustee shall manage and administer the Assets of the Government Account without distinction between principal and income. The Trustee shall have no duty to compute any amount to be transferred or paid to the Trust by the Employer and the Trustee shall not be responsible for the collection of any contributions or transfers to any Government Account.

2.7 Commingling for Investment and Administration

The Assets of each Government Account may be commingled by the Trustee for investment and administrative purposes, to provide economies of scale and efficiency of administration to the Government Accounts. The responsibility for Plan level accounting within these Pooled Account(s) shall be that of the Trustee.

2.8 Trustee Accounting

The Trustee shall be responsible only for maintaining records and maintaining accounts for the aggregate assets of the PEB Trust and for each Government Account, based upon the accounts). Each Employer shall have a right to cause an audit of the records of the PEB Trust and each Government Account at any reasonable time.

2.9 No Diversion of Assets

The Assets in each Government Account shall be held in trust and prudently invested for the exclusive purpose of providing post-employment health care and welfare benefits to the Eligible Employees of the Employer that created the Government Account and defraying the reasonable administrative and actuarial expenses of such Government Account. Under no circumstances may the Assets in one Account be used for or diverted to, any other purpose, including, but not limited to, the satisfaction of any other Employer's OPEB Obligation.

2.10 Nature of Trust

Neither the full faith and credit nor the taxing power of any Employer is pledged to the distribution of benefits hereunder. Except for contributions and other amounts hereunder, no other amounts are pledged to the distribution of benefits hereunder. Distributions of benefits are neither general nor special obligations of any Employer, but are payable solely from the Assets of each Government Account, as more fully described herein. No employee of any Employer or dependent of any employee may compel the exercise of the taxing power by any Employer.

Distributions of Assets under a Government Account are not debts of any Employer within the meaning of any constitutional or statutory limitation or restriction. Such distributions are not legal or equitable pledges, charges, liens or encumbrances, upon any Employer's property, or upon any Employer's income, receipts, or revenues, except amounts in the Accounts which are, under the terms of each Plan and this Trust set aside for distributions. Neither the members of the legislative body of any Employer nor its officers, employees, agents or volunteers are liable hereunder.

ARTICLE III

ADMINISTRATIVE MATTERS

3.1 Appointment of Trustee

The Advisory Committee by vote of a majority of its members may appoint a bank, trust company, retirement board, insurer, committee or other entity as permitted by law, to serve as the successor Trustee of this PEB Trust. Such action must be in writing. Upon the written acceptance of such entity it shall become the Trustee of the PEB Trust and each Government Account. By executing an Adoption Agreement, the adopting Employer hereby appoints Alerus Financial, N.A. as the initial Trustee as of the Effective Date.

3.2 Removal of Trustee

The Advisory Committee by a majority vote may remove the Trustee and choose another Trustee of the PEB Trust. Such action must be in writing and delivered to the Trustee and each Plan Administrator. The Employer, or the Plan Administrator, if authorized by the Employer, also may withdraw its Government Account from the PEB Trust by giving at least ninety (90) days prior written notice to the Trustee. If the Employer or the Plan Administrator acts to remove the Account, the Employer or the Plan Administrator shall appoint a successor trustee for its Government Account, and such appointment shall vest the successor trustee with title to the Assets of the Government Account. Upon the successor trustee's acceptance of such appointment, Assets having a value equal to the funds held in the Government Account shall be segregated and placed in a separate trust by the Trustee. As soon as practicable thereafter, such Assets shall be transferred to a trust established by the Employer, provided that (i) such trust shall satisfy the requirements of Section 115 of the Code, and (ii) all assets held by such trust shall

qualify as "plan assets" within the meaning of GASB Statement No. 45, in each case as reasonably determined by the Employer and certified in writing by the Employer to the Trustee.

3.3 Resignation of Trustee

The Trustee may resign as trustee of this PEB Trust at any time by giving at least ninety (90) days prior written notice to the Advisory Committee and the Plan Administrator of each Employer that has adopted the PEB Trust Agreement and not terminated its participation in the PEB Trust. Such resignation shall also be deemed a resignation as trustee of each of the Government Accounts. The Employer's appointment of a successor trustee to the Government Account will vest the successor trustee with title to the Assets of its Government Account upon the successor trustee's acceptance of such appointment.

If the Trustee resigns or is removed by the Advisory Committee pursuant to Section 3.2, the Advisory Committee shall appoint a successor trustee. The Trustee shall, upon the appointment and acceptance of a successor trustee, transfer and deliver the Assets and all records relating to the PEB Trust to the successor, after reserving such reasonable amount as it shall deem necessary to provide for its fees and expenses and any sums chargeable against the PEB Trust for which it may be liable. The Trustee shall do all acts necessary to vest title of record in the successor trustee.

3.4 The Plan Administrator

The governing body of each Employer shall have absolute authority for the administration and investment of the Government Account it has adopted, subject to any applicable state and federal laws and regulations. Each Employer shall by resolution designate a Plan Administrator. Unless otherwise specified in the Adoption Agreement, the Plan Administrator shall be deemed to have authority to act on behalf of the Employer in all matters pertaining to the Employer's participation in this PEB Trust and in regard to the Government Account of the Employer. Such appointment of a Plan Administrator shall be effective upon receipt and acknowledgment by the Trustee and shall be effective until the Trustee is furnished with a resolution of the Employer that the appointment has been modified or terminated.

3.5 Failure to Appoint Plan Administrator

If a Plan Administrator is not appointed, or such appointment lapses, the Employer shall be deemed to be the Plan Administrator. As used in this document Plan Administrator shall be deemed to mean Employer when a Plan Administrator has not been appointed.

3.6 Advisory Committee

An Advisory Committee comprised of five (5) members shall be responsible for the oversight of the Trustee and administrative and investment advice to the Employers that have adopted the PEB Trust. Except for the power to remove the Trustee, described in Section 3.2, and the limited authority to amend the PEB Trust Agreement, described in

Section 7.2, the activities of the Advisory Committee are purely advisory and in no way conflict with the Employer's right to control its Government Account through the Plan Administrator.

The Plan Administrators of the adopting Employers by a majority vote shall select the initial members of the Advisory Committee. A majority of the members of the Advisory Committee shall always be employees of the Employers that have adopted the PEB Trust. At least one of the members shall have significant experience in providing investment advice and may be an investment advisor or investment manager for one or more of the adopting Employers. Members of the Advisory Committee may resign by providing thirty (30) days advance notice, and may be dismissed by a vote of two-thirds of the other members of the Advisory Committee. A member of the Advisory Committee shall also vacate his position on the Advisory Committee upon termination of employment with the entity that employed him at the time he first became a member of the Advisory Committee. The Advisory Committee shall nominate replacements for any position that is vacated by a member who was an employee of an adopting Employer; which nominee shall also be an employee of an adopting Employer and shall not become a member of the Advisory Committee unless and until confirmed by a vote of a majority of all the Plan Administrators. If a vacancy occurs by reason of the resignation or ineligibility of a member of the Advisory Committee who is an employee of the investment advisor the investment advisor shall appoint a successor.

3.7 Investment Advisors and Managers

The Plan Administrator, acting on behalf of the Employer, may delegate investment authority, powers and duties to an investment advisor or investment manager to act in those matters specified in the delegation. Any investment advisor or investment manager shall be a Securities and Exchange Commission Registered Investment Advisor with its principal place of business located within the State of Texas and must have significant experience in investing public funds or employee benefit plan funds. The delegation of duties to an investment advisor or investment manager must be in writing and must name and identify the investment advisor or manager, state the effective date of the delegation, specify the authority and duties delegated, be executed by the Plan Administrator and be acknowledged in writing by the Plan Administrator and the Trustee (which shall make such acknowledgement in a timely manner and which shall not withhold such acknowledgement). Such delegation shall be effective until the Trustee is directed in writing by the Plan Administrator that the delegation has been rescinded or modified.

3.8 Certification to Trustee

The governing body of each Employer, or other duly authorized official, shall certify in writing to the Trustee the names and specimen signatures of the Plan Administrator and all others authorized to act on behalf of the Employer whose names and specimen signatures shall be kept accurate by the Employer acting through a duly authorized officer or governing body of the Employer. The Trustee shall have no liability if it acts upon the direction of a Plan Administrator that has been duly authorized, as provided in

Section 3.4, if that Plan Administrator is no longer authorized to act, unless the Employer has informed the Trustee of such change.

3.9 Directions to Trustee

All directions to the Trustee from the Plan Administrator must be in writing, which includes email, and must be signed by the Plan Administrator. For all purposes of this PEB Trust Agreement, direction shall include any certification, notice, authorization, application or instruction of the Plan Administrator or Trustee appropriately communicated. The above notwithstanding, direction may be implied if the Plan Administrator has knowledge of the Trustee's intentions and fails to file written objection.

The Trustee shall have the power and duty to comply promptly with all proper directions of the Plan Administrator, appointed in accordance with the provisions of this PEB Trust Agreement. In the case of any direction deemed by the Trustee to be unclear or ambiguous the Trustee may seek written instructions from the Plan Administrator on such matter and await written instructions without incurring any liability. If at any time the Plan Administrator should fail to give directions to the Trustee, the Trustee may act in the manner that in its discretion seems advisable under the circumstances for carrying out the purposes of the Government Account which may include not taking any action. The Trustee may request directions or clarification of directions received and may delay acting until clarification is received, in the absence of timely direction or clarification, or if the Trustee considers any direction to be a violation of the PEB Trust Agreement or any applicable law, the Trustee shall in its sole discretion take appropriate action, or refuse to act upon a direction.

3.10 Trustee's Compensation

The Trustee shall be paid compensation and reimbursed for expenses properly and actually incurred in the performance of duties with respect to each Government Account and the PEB Trust in accordance with Appendix A, attached hereto.

ARTICLE IV

THE TRUSTEE

4.1 Responsibilities and Duties of the Trustee

Subject to the provisions of Article V and Article VI, the Trustee shall serve as the custodian of the assets of each Government Account and the PEB Trust and shall have full power and authority to do all acts, take all proceedings, and exercise all rights and privileges, whether specifically referred to or not in this document, to carry out the investment directions of each Employer as issued by the Plan Administrator. Pursuant to the direction of the responsible Plan Administrator, the Trustee shall have the authority:

(a) To invest and reinvest the Assets or any part hereof in any investments authorized by the Texas Trust Code; and

(b) To make, execute, acknowledge and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted.

4.2 Additional Trustee Powers

In addition to the authority with respect to investments described above, and subject to proper direction, the Trustee is authorized and empowered to do all things necessary and desirable for the proper administration of the PEB Trust and each Government Account when consistent with this Agreement including, but not limited to, the following:

(a) To invest funds pending required directions in any type of interest-bearing account including without limitation, time certificates of deposit or interest- bearing accounts issued by any bank or any mutual fund or short term investment fund, whether sponsored or advised by the Trustee or any affiliate thereof; the Trustee or its affiliates may be compensated for providing such investment advice and providing other service to such Fund, in addition to any Trustee's fees received pursuant to this PEB Trust Agreement;

(b) To cause all or any part of any Government Account to be held in the name of the Trustee (which in such instance need not disclose its fiduciary capacity) or, as permitted by law, in the name of any nominee, and to acquire for the Government Account any investment in bearer form, but the books and records of the Government Account shall at all times show that all such investments are a part of the Government Account and the Trustee shall hold evidences of title to all such investments;

(c) To employ such custodians, actuaries, agents and counsel as may be reasonably necessary in managing and protecting the Assets and to pay them reasonable compensation from the Government Account; to employ any broker-dealer or other agent, including any broker-dealer or other agent affiliated with the Trustee, and pay to such broker-dealer or other agent, at the expense of the Government Account, its standard commissions or compensation; and to settle, compromise or abandon all claims and demands in favor of or against a Government Account;

(d) To prosecute, compromise and defend lawsuits, but without obligation to do so, all at the risk and expense of each Government Account; and to tender its defense to the Employer in any legal proceeding where the interests of the Trustee and the Employer are not adverse;

(e) To exercise and perform any and all of the other powers and duties specified in this PEB Trust Agreement or any separate Agreement for Administrative Services;

(f) To permit such inspections of documents at the principal office of the Trustee as are required by law, subpoena or demand by a United States agency;

(g) To comply with all requirements imposed by applicable provisions of law;

(h) To seek written instructions from the Plan Administrator or other fiduciary on any matter and await their written instructions without incurring any liability. If at any time the Plan Administrator or any other fiduciary should fail to give directions to the Trustee, the Trustee may act in the manner that in its discretion seems advisable under the circumstances for carrying out the purposes of each Government Account;

(i) To compensate such executive, consultant, actuarial, accounting, investment, appraisal, administrative, clerical, secretarial, medical, custodial, depository and legal firms, personnel and other employees or assistants as are engaged by the Plan Administrator in connection with the administration of the Plan and to pay from the Government Account the necessary expenses of such firms, personnel and assistants, to the extent not paid by the Plan Administrator;

(j) To act upon proper written directions of the Plan Administrator, including directions given by photostatic transmissions using facsimile signature, and such other forms of directions as the parties shall agree;

(k) To pay from the Government Account the expenses reasonably incurred in the administration of the Government Account and a pro rata share, as a percentage of the Government Account's assets any separate expenses of the PEB Trust;

(l) To maintain insurance for such purposes, in such amounts and with such companies as the Plan Administrator shall elect, including insurance to cover liability or losses occurring by reason of the acts or omissions of fiduciaries but only if such insurance permits recourse by the insurer against the fiduciary in the case of a breach of a fiduciary obligation by such fiduciary;

(m) To separate the assets of any Government Account maintained on behalf of a governmental entity that loses its tax exempt status under Section 115 of the Code; if the Assets of such Government Account have been commingled with assets of other accounts in the PEB Trust's collective investment funds, the Trustee shall within 30 days of notice of such loss of tax exempt status, liquidate the Government Account's units of the collective investment fund(s) and invest the proceeds in a money market fund pending investment or other instructions from the Plan Administrator; the Trustee shall not be liable for any loss or gain or taxes, if any, resulting from said liquidation;

(n) To borrow money on behalf of any Government Account from any source with or without giving security; issue promissory notes and secure the repayment thereof by pledging all or any part of the Assets to the extent authorized by the Plan Administrator of the Government Account;

(o) To pay interest on borrowed money; to pay interest or principal on any bonds that have been issued to reduce the OPEB liability of the Employer but only if the proceeds of the bond issue have been transferred to the Employer's Government Account and the Plan Administrator has directed the payment of interest or principal on such bonds;

(p) To pay or cause to be paid from any Government Account any and all real or personal property taxes, income taxes or other taxes or assessments of any or all kinds levied or assessed upon or with respect to the Government Account;

(q) To exercise all the further rights, powers, options and privileges granted, provided for, or vested in trustees generally under applicable federal or Texas laws, as amended from time to time.

ARTICLE V

TRUST OPERATION

5.1 Directed Investment

The Plan Administrator shall have the right to elect between the various investment strategies and options offered. The Trustee shall invest the Assets of each Government Account in accordance with the direction provided by such Employer.

5.2 Contributions

Employees are not permitted to make contributions to the PEB Trust. The Plan Administrator shall, on behalf of the Employer, make all contributions to the Trustee. Such contributions shall be in cash unless the Trustee agrees to accept a contribution that is not in cash. All contributions shall be paid to the Trustee for investment and reinvestment pursuant to the terms of this PEB Trust Agreement. The Trustee shall not have any duty to determine or inquire whether any contribution to any Government Account by any Plan Administrator is in compliance with the Employer's policies and/or collective bargaining agreements; nor shall the Trustee have any duty or authority to compute any amount to be paid to the Trustee by any Plan Administrator; nor shall the Trustee be responsible for the collection or adequacy of the contributions to meet an Employer's OPEB Obligation, as may be determined under GASB Statement No. 45. The contributions received by the Trustee from each Employer shall be held and administered pursuant to the terms hereof without distinction between income and principal.

5.3 Records

(a) The Trustee shall maintain accurate records and detailed accounts of all investments, receipts, disbursements and other transactions hereunder at the Trust and Account level. Such records shall be available at all reasonable times for inspection by the Plan Administrator. The Trustee shall, at the direction of the Plan Administrator, submit such valuations, reports or other information as the Plan Administrator may reasonably require.

(b) The Assets of each Government Account shall be valued at fair market value on the date of valuation, as determined by the Trustee based upon such sources of information as it may deem reliable; provided, however, that the Plan Administrator shall instruct the Trustee as to valuation of assets which are not readily determinable on an

established market. The Trustee may rely conclusively on such valuations provided by the Plan Administrator and shall be indemnified and held harmless by the Employer with respect to such reliance. If the Plan Administrator fails to provide such values, the Trustee may take whatever action it deems reasonable, including employment of attorneys, appraisers or other professionals, the expense of which will be an expense of administration of the Government Account. Transactions in the account involving such hard to value assets may be postponed until appropriate valuations have been received and the Trustee shall have no liability therefor.

5.4 Statements

(a) On a quarterly basis and within sixty (60) days after each December 31, the Trustee shall render to the Plan Administrator and the Plan's investment manager, a written account showing in reasonable summary the investments, receipts, disbursements and other transactions engaged in by the Trustee during the preceding year or quarter with respect to the Trust. Such account shall set forth the assets and liabilities of the Trust valued as of the end of the quarter or year.

(b) The Plan Administrator may approve such statements either by written notice or by failure to express objections to such statements by written notice delivered to the Trustee within ninety (90) days after the date the statement is delivered to the Plan Administrator. Upon approval, the Trustee shall be released and discharged as to all matters and items set forth in such statement as if such account had been settled and allowed by a decree from a court of competent jurisdiction.

5.5 Wire Transfers

The Trustee shall follow the Plan Administrator's wire transfer instructions in compliance with the written security procedures required by the party receiving the wire transfers. The Trustee shall perform a telephonic verification to the Plan Administrator, or such other security procedure as selected by the party providing wire transfer directions, prior to wiring funds or following facsimile directions as Trustee may require. The Plan Administrator assumes the risk of delay of transfer if Trustee is unable to reach the Plan Administrator, or in the event of delay as a result of attempts to comply with any other security procedure selected by the directing party.

5.6 Exclusive Benefit

The Assets of the Government Account shall be held in trust for the exclusive purpose of providing post-employment health care and welfare benefits to the Eligible Employees of the Employer and their Eligible Dependants pursuant to the Employer's policies and/or applicable collective bargaining agreements, and defraying the reasonable expenses associated with providing such benefits, and shall not be used for or diverted to any other purpose. No party shall have authority to use or divert the Assets of any Government Account of an Employer to the payment of post-employment health care and welfare benefits or expenses of any other Employer, or to any other person or purpose.

5.7 Delegation of Duties

The Plan Administrator may at any time retain the Trustee as its agent to perform any act, keep any records or accounts and make any computations that are required of the Plan Administrator by this PEB Trust Agreement or by the Plan. The Trustee may be compensated for such retention and such retention shall not be deemed to be contrary to this PEB Trust Agreement

5.8 Distributions

The Trustee shall, from time to time, upon the written direction of the Plan Administrator, make distributions from the Assets of a Government Account to the insurers, third party administrators, health care and welfare providers or other entities providing Plan benefits or services, or to the Plan Administrator for reimbursement of Plan benefits and expenses paid by the Employer in such manner in such form(s), in such amounts and for such purposes as may be specified in such directions.

In no event shall the Trustee have any responsibility respecting the application of such distributions, or for determining or inquiring into whether such distributions are in accordance with the Employer's policies and/or applicable collective bargaining agreements.

ARTICLE VI

FIDUCIARY RESPONSIBILITIES

6.1 More Than One Fiduciary Capacity

Any one or more of the fiduciaries with respect to the PEB Trust Agreement or any Government Account may, to the extent required thereby or as directed by the Plan Administrator pursuant to this PEB Trust Agreement, serve in more than one fiduciary capacity with respect to the PEB Trust Agreement and the Government Accounts.

6.2 Fiduciary Discharge of Duties

Except as otherwise provided by applicable law, each fiduciary shall discharge such fiduciary's duties with respect to the PEB Trust Agreement and the applicable Government Account:

(a) solely in the interest of the Eligible Employees and for the exclusive purpose of providing post-employment health care and welfare benefits to Eligible Employees and their Eligible Dependents in accordance with the applicable Plan, and defraying reasonable administrative and actuarial expenses associated with providing such benefits; and

(b) with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims.

6.3 Limitations on Fiduciary Responsibility

To the extent allowed by the laws of the state of the Employer:

(a) No fiduciary shall be liable with respect to a breach of fiduciary duty by any other fiduciary if such breach was committed before such party became a fiduciary or after such party ceased to be a fiduciary.

(b) No fiduciary shall be liable for a breach by another fiduciary except as provided by law.

(c) No fiduciary shall be liable for carrying out a proper direction from another fiduciary, including refraining from taking an action in the absence of a proper direction from the other fiduciary possessing the authority and responsibility to make such a direction, which direction the fiduciary in good faith believes to be authorized and appropriate.

6.4 Indemnification of Trustee by Employer

The Trustee shall not be liable for, and the Employer shall (to the extent allowed by applicable Federal and state law) indemnify, defend (as set out in Section 6.6 of this PEB Trust Agreement), and hold the Trustee, its officers, agents, employees and attorneys, members of the Advisory Committee and other Employers harmless from and against any claim, demand, loss, cost, expense or liability imposed on the indemnified party, including reasonable attorneys' fees and costs incurred by the indemnified party, arising as a result of Employer's active or passive negligent act or omission or willful misconduct in the execution or performance of its duties under this PEB Trust Agreement.

6.5 Indemnification of Employer by Trustee

The Employer shall not be liable for, and the Trustee shall (to the extent allowed by applicable Federal and state law) indemnify, defend (as set out in Section 6.6 of this PEB Trust Agreement), and hold the Employer, its officers, agents, employees and attorneys, the members of the Advisory Committee and other Employers harmless from and against any claim, demand, loss, cost, expense or liability imposed on the indemnified party, including reasonable attorneys' fees and costs incurred by the indemnified party, arising as a result of Trustee's active or passive negligent act or omission or willful misconduct in the execution or performance of its duties under this PEB Trust Agreement.

6.6 Indemnification Procedures

Promptly after receipt by an indemnified party of notice or receipt of a claim or the commencement of any action for which indemnification may be sought, the indemnified party will notify the indemnifying party in writing of the receipt or commencement thereof. When the indemnifying party has agreed to provide a defense as set out above that party shall assume the defense of such action (including the employment of counsel, who shall be counsel reasonably satisfactory to such indemnitee) and the payment of

expenses, insofar as such action shall relate to any alleged liability in respect of which indemnity may be sought against the indemnifying party. Any indemnified party shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall not be at the expense of the indemnifying party unless (i) the employment of such counsel has been specifically authorized by the indemnifying party or (ii) the named parties to any such action (including any impleaded parties) include both the indemnifying party and the indemnified party and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. The indemnifying party shall not be liable to indemnify any person for any settlement of any such action effected without the indemnifying party's consent.

6.7 No Joint and Several Liability

This document is not intended to and does not create any joint powers agreement or any joint and several liability. No Employer shall be responsible for any contributions, costs or distributions of any other Employer.

ARTICLE VII

AMENDMENT, TERMINATION AND MERGER

7.1 No Obligation to Continue Trust

Participation in the PEB Trust and continuation of the Employer's policies and/or applicable collective bargaining agreements that provide post-employment health care and welfare benefits are not assumed as a contractual obligation of the Employer and nothing in this document shall be construed to create any obligation upon any Employer to continue to provide any OPEB or to restrict in any way any Employer's rights to amend, alter or terminate any OPEB.

7.2 Amendments

(a) This PEB Trust Agreement may only be amended as provided herein. A two-thirds majority or greater of the Employers shall have the right to amend this PEB Trust Agreement from time to time, and to similarly amend or cancel any amendments. A copy of all amendments shall be delivered to the Trustee and the Plan Administrators promptly as each is made. The Advisory Committee (without the requirement of a vote of Employers) shall have the right to amend this PEB Trust Agreement from time to time but only to the extent necessary to keep the PEB Trust Agreement in compliance with applicable Federal and state law. The Trustee must consent to any amendment that would impose new duties on the Trustee but such consent shall not be unreasonably withheld.

(b) Amendments authorized by this Section shall be set forth in an instrument in writing executed by the amending party and the Trustee. Any amendment may be current, retroactive or prospective, provided, however, that no amendment shall:

(1) Cause the Assets of any Government Account to be used for or diverted to purposes other than for the exclusive benefit of Eligible Employees of the Employer or for the purpose of defraying the reasonable expenses of administering the PEB Trust.

(2) Have any retroactive effect so as to reduce the benefits of any Eligible Employee as of the date the amendment is adopted, except that such changes may be made as may be required to permit this PEB Trust Agreement to meet the requirements of applicable law.

(3) Change or modify the duties, powers or liabilities of the Trustee hereunder without its consent.

(4) Permit the Assets of any Government Account to be used for the benefit of any other person, including any other Employer.

7.3 Termination of Plan

A termination of the Employer's OPEB plan, plans or other obligation to provide OPEB pursuant to its policies and/or applicable collective bargaining agreements for which the PEB Trust was adopted shall not, in itself, effect a termination of the Government Account. Upon any complete liquidation of the Employer's obligation to provide further OPEB pursuant to applicable law, or the assumption of all OPEB Obligations by the Social Security Administration or other government agency, the Assets of the Government Account shall be distributed by the Trustee when directed by the Plan Administrator. From and after the date of such termination and until final distribution of the Assets the Trustee shall continue to have all the powers provided herein as are necessary or expedient for the orderly liquidation and distribution of such assets, and the Government Account shall continue until the Assets have been completely distributed in accordance with the Employer's policies and/or applicable collective bargaining agreements to the extent that such distribution constitutes the exercise of an "essential governmental function" within the meaning of Section 115 of the Code. Any Assets remaining in the Government Account after satisfying all OPEB Obligations shall be paid to the Employer to the extent permitted by law and consistent with the requirements of Section 115 of the Code.

7.4 Fund Recovery Based on Mistake of Fact

Except as hereinafter provided, the Assets of the PEB Trust shall never inure to the benefit of any Employer. The Assets shall be held for the exclusive purposes of providing post-employment health care and welfare benefits to Eligible Employees and defraying reasonable expenses of administering the Government Account. However, in the case of a contribution which is made by an Employer because of a mistake of fact, that portion of the contribution relating to the mistake of fact (exclusive of any earnings or losses attributable thereto) may be returned to the Employer, provided such return occurs within two (2) years after discovery by the Employer of the mistake. If any

repayment is due to the Employer, then, as a condition to such repayment, and only if requested by the Trustee, the Employer shall execute, acknowledge and deliver to the Trustee its written undertaking, in a form satisfactory to the Trustee, to indemnify, defend and hold the Trustee harmless from all claims, actions, demands or liabilities arising in connection with such repayment.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

8.1 Nonalienation

Neither the PEB Trust nor any Government Account thereunder shall be liable in any way to attachment, garnishment, assignment or other process, or be seized, taken, appropriated or applied by any legal or equitable process, to pay any debt or liability of an Eligible Employee or any other party.

Eligible Employees shall have no interest in the PEB Trust. PEB Trust Assets shall not be subject to the claims of any Employer or the claims of any Employer's creditors.

8.2 Saving Clause

If any provision of this PEB Trust Agreement is held illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts of the PEB Trust Agreement and/or any Government Account, but this instrument shall be construed and enforced as if said provision had never been included.

8.3 Applicable Law

This PEB Trust Agreement and each Government Account shall be construed, administered and governed under the Code and the law of the State of Texas. To the extent any of the provisions of this PEB Trust Agreement are inconsistent with applicable state and Federal law, the provisions of such law shall control. In the event, however, that any provision is susceptible to more than one interpretation, such interpretation shall be given thereto as is consistent with the PEB Trust Agreement being a tax-exempt trust within the meaning of Section 115 of the Code.

8.4 Joinder of Parties

In any action or other judicial proceeding affecting this PEB Trust Agreement, it shall be necessary to join as parties only the Trustee and the Plan Administrator. No other person shall be entitled to any notice or service of process unless otherwise required by law. Any judgment entered in such a proceeding or action shall be binding on all persons claiming under this PEB Trust Agreement; provided, however, that nothing-in this PEB Trust Agreement shall be construed to deprive any Eligible Employee or Eligible Dependent of any right to benefits that such Eligible Employee or Eligible Dependent may have under any Employer's Plan.

8.5 Employment of Counsel

The Trustee may consult with legal counsel (who may be counsel for the Trustee or any Employer) with respect to the interpretation of this PEB Trust Agreement or the Trustee's duties hereunder or with respect to any legal proceedings or any questions of law and shall be entitled to take action or not to take action in good faith reliance on the advice of such counsel and bind any applicable Government Account.

8.6 Trust a Government Entity

The PEB Trust and each Government Account is intended to be a governmental entity, or part of a governmental entity. Nothing in this Agreement shall deprive the PEB Trust or any Government Account of any defense it may otherwise be entitled to raise in any legal action including that of governmental or sovereign immunity.

8.7 Gender and Number

Words used in the masculine, feminine or neuter gender shall each be deemed to refer to the other whenever the context so requires; and words used in the singular or plural number shall each be deemed to refer to the other whenever the context so requires.

8.8 Headings

Headings used in this PEB Trust Agreement are inserted for convenience of reference only and any conflict between such headings and the text shall be resolved in favor of the text.

8.9 Counterparts

The Adoption Agreement of this PEB Trust Agreement may be executed in an original and any number of counterparts by the Plan Administrator (executing an Adoption Agreement) and the Trustee, each of which shall be deemed to be an original of the one and the same instrument.

The Trustee has executed this PEB Trust Agreement by its duly authorized agent on the dates set forth below their name, to be effective on the later of January 1, 2008, or the date of execution.

The Employer has adopted this PEB Trust Agreement by causing the Plan Administrator or other duly authorized agent of the Employer to execute the Adoption Agreement to be effective on the date the Trustee receives Plan Assets to be held in trust hereunder.

ALERUS FINANCIAL, N.A., TRUSTEE

By: _____
Name: _____
Its: _____