

**ROSS VALLEY FIRE DEPARTMENT
STAFF REPORT**

For the meeting of: September 11, 2013

To: Board of Directors

From:  Roger Meagor, Fire Chief

Subject: Resolution 13-09, Establishing a Health Reimbursement Arrangement for Retired Employees

RECOMMENDATION:

Adopt Resolution 13-09, a resolution establishing a Health Reimbursement Arrangement for Retired Employees

BACKGROUND:

In April, the Department and its employee units agreed to a second tier retiree medical benefit for new employees. The previous agenda item included the adoption of a resolution setting the employer contribution paid to CalPERS for retiree medical at the minimum fixed contribution prescribed by Government Code Section 22892(b), currently \$115 per month. The April agreement establishes that all employees hired before April 1, 2013, upon retirement, who meet the requirements for retiree healthcare insurance, will be reimbursed for healthcare premiums based on the current Department share as determined by CalPERS as of January 1, 2013.

DISCUSSION:

In order to provide the agreed reimbursements to retirees, staff is recommending entering into a Health Services Arrangement with Keenan and Associates and MidAmerica, as a third party administrator. The Health Reimbursement Arrangement is an IRS sanctioned vehicle under IRC Sections 105 & 106, which is designed for retirees to be reimbursed healthcare premium costs. The required retiree medical reimbursements will be placed in an IRS approved trust and distributed to the retiree by MidAmerica. There is a one-time consulting fee of \$3,000, which would be paid to Keenan and Associates. Additionally MidAmerica charges six dollars per month, per retiree. The Department currently has 31 retirees receiving healthcare benefits. The Term of the contract is three years with automatic one year renewal thereafter.

Resolution 13-9 approves the following actions:

1. Establishes an HRA benefit for retired employees, effective November 1, 2013.
2. Establishes the eligibility requirements for employees to participate in the HRA

AGENDA ITEM # 7
Date 9/11/13

3. Adopts that certain plan known as the Ross Valley Fire Department Health Reimbursement Arrangement, effective November 1, 2013
4. Designates the Employer as the sponsor and administrator of the HRA
5. Establishes that the Employer shall make all contributions to the HRA to fund said benefits
6. That, for purposes of the limitations on contributions and benefits under the HRA, as prescribed by section 415 of the Internal Revenue Code of 1986, as amended, the "limitation year" shall be as defined under the terms and provisions of the HRA.
7. Appoints the Fire Chief and the Executive Officer as the HRA Committee and authorizes any member of the HRA Committee to execute such documents and to take such action as may be necessary for the proper implementation and operation of the HRA.
8. Appoints Keenan Financial Services as the contract administrator to assist the Employer in the implementation and administration of the HRA, and as Broker of record to secure the annuity needed to fund the plan
9. Establishes that MidAmerica Administrative and Retirement Solutions shall act as third party claims administrator for the HRA.

FISCAL IMPACT:

There is a one-time charge of \$3,000 to implement the Health Reimbursement Arrangement. Additionally there are monthly fees, \$6 per month, per retiree, which translates to \$186 per month for the 31 retirees. The total cost for FY13/14 is estimated at \$4,488. These expenses will be funded through line item 5070 – Retiree' Health Insurance.

Attachments:

1. Resolution 13-09 Establishing a Health Reimbursement Arrangement for Retired Employees
2. Services Agreement – Keenan and Associates
3. Services Agreement – MidAmerica Administrative & Retirement Solutions
4. HRA Plan document
5. HRA Trust

ROSS VALLEY FIRE DEPARTMENT

RESOLUTION 13-09

**RESOLUTION OF THE ROSS VALLEY FIRE DEPARTMENT ESTABLISHING A
HEALTH REIMBURSEMENT AGREEMENT FOR RETIRED EMPLOYEES**

WHEREAS, California Government Code Section 53216 authorizes a governmental or public agency or employer to establish and make contributions to retirement plans; and

WHEREAS, the Ross Valley Fire Department (Employer) desires provide certain retirement benefits to its retirees under a health reimbursement arrangement ("HRA") which will reimburse retirees for the difference between the PERS required minimum of \$115 month and the amount which the Department has agreed to pay toward the retirees' medical premiums; and

WHEREAS, the Employer desires to fund the HRA through the purchase of an annuity.

THEREFORE, IT IS RESOLVED that the Board of the Ross Valley Fire Department hereby establishes an HRA benefit for its retired employees, effective November 1, 2013.

RESOLVED FURTHER that the eligibility requirements for employees to participate in the HRA shall be as follows: retiree, vested and receiving health benefit from CalPERS.

RESOLVED FURTHER, that the Board hereby adopts that certain plan known as the Ross Valley Fire Department Health Reimbursement Arrangement, effective November 1, 2013.

RESOLVED FURTHER, that for purposes of clarification of administration of the HRA but not for purposes of making said HRA subject to title I of ERISA, the Board hereby designates the Employer as the sponsor and administrator of the HRA.

RESOLVED FURTHER, that the Employer shall make all contributions to the HRA to fund said benefits.

RESOLVED FURTHER, that, for purposes of the limitations on contributions and benefits under the HRA, as prescribed by section 415 of the Internal Revenue Code of 1986, as amended, the "limitation year" shall be as defined under the terms and provisions of the HRA.

RESOLVED FURTHER, that the Board hereby appoints the following individuals to comprise the HRA Committee: Executive Officer and Fire Chief.

RESOLVED FURTHER that the Board hereby appoints Keenan Financial Services as the contract administrator to assist the Employer in the implementation and

administration of the HRA, and as Broker of record to secure the annuity needed to fund the plan.

RESOLVED FURTHER that MidAmerica Administrative and Retirement Solutions shall act as third party claims administrator for the HRA.

RESOLVED FURTHER, that the Board hereby authorizes any member of the HRA Committee to execute such documents and to take such action as may be necessary for the proper implementation and operation of the HRA.

I do hereby certify that the foregoing resolution was duly passed and adopted at a meeting of the Ross Valley Fire Department Board of Directors held on the 11th day of September, 2013 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINING:

Jeff Kroot, Board President

ATTEST:

JoAnne Lewis, Administrative Assistant

**SERVICE AGREEMENT
HEALTH REIMBURSEMENT ARRANGEMENT**

This Service Agreement (“Agreement”) is made and entered into by and between Ross Valley Fire Department (“Employer”) and Keenan & Associates (“Keenan”), as of November 1, 2013 (“Effective Date”).

RECITALS

WHEREAS. Employer seeks to establish a Health Reimbursement Arrangement (“HRA”);

WHEREAS, Keenan provides certain services to employers seeking to establish HRA’s and acts as broker of record for annuities purchased for HRA’s; and

WHEREAS, MidAmerica Administrative Solutions, Inc. (“MidAmerica”), is a provider of administrative services and technical support for HRA’s and

WHEREAS, Employer desires to utilize the services of Keenan and MidAmerica for its HRA.

THEREFORE, IN CONSIDERATION OF the mutual covenants herein contained and for other good and valuable consideration the receipt and sufficiency is hereby acknowledged, it is mutually agreed as follows:

AGREEMENT

1. TERM

A. This Agreement shall be for an initial term of three years (the “Initial Term”), beginning with the Effective Date of this Agreement and expiring on October 31, 2016. Upon expiration of the Initial term, the Agreement shall automatically renew for successive one year terms (each renewal year a “Successive Term” and, collectively with the Initial Term, the “Term”), provided that either party may terminate the Agreement at any time without cause or penalty upon no less than ninety (90) days written notice to the other.

2. KEENAN SERVICES AND RELATIONSHIP OF THE PARTIES

A. Employer elects and Keenan shall provide the services indicated in Exhibit A attached hereto and incorporated herein (“Services”).

B. The relationship of Keenan and Employer shall be that of an independent contractor and Keenan shall at all times remain responsible for its own operational and personnel expenses. Under no circumstance shall any employee of one party look to the other party for any payment or the provision of any benefit, including without exception, workers’ compensation coverage. Except as may be expressly set forth in or contemplated by this Agreement, neither party shall have the right to act on behalf of the other, or to bind the other to any contract or other obligation.

C. In providing the Services, Keenan shall act exclusively in an advisory and consultative capacity. Employer shall at all times have the right to determine whether to act on or

implement the information, recommendations, and suggestions provided by Keenan, and the manner by which any such action or implementation shall be undertaken. Except for Keenan's responsibilities with respect to funds obtained from or on behalf of Employer, Keenan shall not be a fiduciary of Employer.

- D. Keenan shall not provide any legal, tax, or accounting service, advice, or opinion, and the Services shall not be interpreted as representing any such service, advice or opinion. Employer's shall consult its own attorney on all legal issues and its own tax and accounting experts on all tax, accounting, and financial matters relating to its operations, including without limitation, the establishment, implementation and operation of the HRA.
- E. In providing its Services, Keenan shall comply with all applicable state and federal laws and regulations, and obtain and maintain all necessary licenses, registrations, and/or permits necessary for the performance of its duties under this Agreement.
- F. The Services provided to Employer are non-exclusive and Keenan reserves the right to provide the same or similar services to other Employers who may be in the same industry, business, or service as Employer.

3. EMPLOYER'S DUTIES AND RESPONSIBILITIES

- A. Employer shall retain decision-making authority for its HRA, and shall manage the day-to-day activities of the HRA, except for those duties and/or functions expressly assigned to Keenan under this Agreement or to MidAmerica under the Administrative Services Agreement executed contemporaneously herewith.
- B. Employer shall provide Keenan with timely access to such information and individuals, including its outside advisors and consultants, as may be necessary for Keenan to perform the Services. Keenan shall not be responsible for any delay in its performance that results from the failure of Employer, or any person acting on behalf of Employer, to make available any information or individual in a timely manner.
- C. All information provided to Keenan, either in anticipation of or during the term of this Agreement, shall be complete and accurate, and that Keenan may rely upon such information.
- D. Employer shall execute the Broker of Record Designation attached hereto as Exhibit B.

4. COMPENSATION

- A. Keenan shall receive compensation for the Services as set forth on Exhibit C.
- B. Keenan shall comply with all applicable state and/or federal laws and regulations regarding disclosure of compensation. We embrace industry efforts for transparency and believes it is important that Employers have access to information that may be relevant to their choice of insurance products, including the cost of such insurance and services, and, the compensation that may be directly or indirectly paid to Keenan in connection

with the products or services that are selected. If you have questions regarding any of these items or desire additional information, you may contact your Keenan account representative to discuss this matter in more detail.

5. INSURANCE

Keenan shall procure and maintain during the term of this Agreement the following insurance coverage's, and shall provide certificates of insurance to Client upon Client's request.

- i. Workers' Compensation: Coverage in conformance with the laws of the State of California and applicable federal laws;
- ii. General Liability: Coverage (including motor vehicle operation) with a One Million Dollar (\$1,000,000) limit of liability for each occurrence and a Two Million Dollar (\$2,000,000) aggregate limit of liability; and
- iii. Errors and Omissions: Coverage with a One Million Dollar (\$1,000,000) limit of liability for each occurrence and a Two Million Dollar (\$2,000,000) aggregate limit of liability.

6. INDEMNIFICATION

If either party breaches this Agreement, then the breaching party shall defend, indemnify and hold harmless the non-breaching party, its officers, agents and employees against all claims, losses, demands, actions, liabilities, and costs (including, without limitation, reasonable attorneys' fees and expenses) arising from such breach. In addition, if Keenan (i) becomes the subject of a subpoena or is otherwise compelled to testify or (ii) becomes the subject of a claim, demand, action or liability brought or asserted by one of Client's employees, vendors or any third party ("Third-Party Demand") relating to the Services and such Third-Party Demand is not a direct result of Keenan's negligence or willful misconduct, then Client shall defend, indemnify and hold Keenan harmless from all losses, payments, and expenses incurred by Keenan in resolving such Third-Party Demand.

7. LIMITATION OF LIABILITY

Notwithstanding anything to the contrary in this Agreement, in no event shall either party be liable for any punitive damages, fines, penalties, taxes or any indirect, incidental damages incurred by the other party, its officers, employees, agents, contractors or consultants whether or not foreseeable and whether or not based in contract or tort claims or otherwise, arising out of or in connection with this Agreement even if advised of the possibility of such damage. Keenan's liability under this Agreement shall further be limited to, and shall not exceed, the amount of its available insurance coverage, but not exceeding the limits of coverage outlined in Section 5.

8. DISPUTE RESOLUTION

A. Disputes arising out of or relating to this Agreement, other agreements between the parties, or any other relationship involving Client and Keenan (whether occurring prior to, as part of, or after the signing of this Agreement) shall first be resolved by good faith

negotiations between representative of the parties with decision-making authority. If either party determines that the dispute cannot be resolved through informal negotiation then the dispute shall be submitted to non-binding mediation. The site of the mediation and the selection of a mediator shall be determined by mutual agreement of the parties. If the dispute is not resolved through mediation within sixty (60) days following the first notification of a request to mediate, then either party shall have the right to require the matter to be resolved by final and binding arbitration in accordance with JAMS dispute resolution service pursuant to its Streamlined Arbitration Rules and Procedures, or such other arbitration procedures as may be agreed to in writing by the parties. Negotiation, mediation, and arbitration shall be the exclusive means of dispute resolution between Client and Keenan and their respective members, agents, employees and officers.

- B. Arbitration shall be before a single arbitrator in the County of Marin, California. The Arbitrator shall apply the Federal Arbitration Act and California substantive law, and shall accompany the award with a reasoned opinion. The arbitrator shall have no authority to award punitive or other damages not measured by the prevailing party's actual damages. The prevailing party shall be entitled to an award of reasonable attorneys' fees. A judgment of any court having jurisdiction may be entered upon the award.
- C. Either party may apply to the arbitrator seeking injunctive relief until the arbitration award is rendered or the controversy is otherwise resolved. Either party also may, without waiving any remedy under this Agreement, seek from any court having jurisdiction any interim or provisional relief that is necessary to protect the rights or property of that party, pending the establishment of the arbitral tribunal (or pending the arbitral tribunal's determination of the merits of the controversy).

9. TERMINATION

- A. This Agreement may be terminated upon the occurrence of any of the following events:
 - i. By either party upon the dissolution or insolvency of a party to this Agreement;
 - ii. By either party following the filing of a bankruptcy petition by or against either party (if the petition is not dismissed within sixty (60) days in the case of an involuntary bankruptcy petition);
 - iii. If the application of any law, rule, regulation, or court or administrative decision prohibits the continuation of this Agreement or would cause a penalty to either party if the Agreement is continued, and if the Agreement cannot be amended to conform to such law, rule, regulation, or court or administrative decision in a manner that would preserve the original intent of the parties with respect to their rights and duties under this Agreement; or
 - iv. By the non-breaching party if a breach of this Agreement is not cured within thirty (30) days following receipt of written notice of the breach from the non-breaching party.

- B. Termination of this Agreement shall terminate the Administrative Services Agreement entered into between Employer and MidAmerica. Neither Keenan nor MidAmerica (except as specifically provided for under the Administrative Services Agreement) shall be obligated to provide any further service to the HRA as of the termination date of this Agreement. It shall be the sole responsibility of the Employer to provide, directly or through an alternate service provider. Additionally, the termination of this Agreement and the subsequent termination of MidAmerica Administrative Services Agreement may result in the termination of the group annuity contract purchased for the HRA. In such event, HRA assets may be subject to surrender charges if so stated in the carrier's group annuity contract..

10. GENERAL

- A. This Agreement, its recitals and all exhibits attached to the Agreement contain the entire understanding of the parties related to the subject matter covered by this Agreement and supersede all prior and collateral statements, presentations, communications, reports, agreements or understandings, if any, related to such matter(s).
- B. This Agreement is made for the benefit of the parties and is not intended to confer any third party benefit or right. The enforcement of any remedy for a breach of this Agreement or claim related to the Services may only be pursued by the parties to this Agreement.
- C. No modification or amendment to this Agreement shall be binding unless it is in writing and signed by authorized representatives from both parties. Any waiver or delay by a party in enforcing this Agreement shall not deprive that party of the right to take appropriate action at a later time or due to another breach. This Agreement shall be interpreted as if written jointly by the parties.
- D. Any provision determined by a court of competent jurisdiction to be partially or wholly invalid or unenforceable shall be severed from this Agreement and replaced by a valid and enforceable provision that most closely expresses the intention of the invalid or unenforceable provision. The severance of any such provision shall not affect the validity of the remaining provisions of this Agreement.
- F. Neither party shall be liable or deemed to be in default for any delay or failure in performance under this Agreement resulting, directly or indirectly, from acts of God, civil or military authority, acts of public enemy, war, accidents, fires, explosions, earthquakes, floods, power outages, failure of computer systems, machinery or supplies, vandalism, strikes, or other work interruptions, or any similar or other cause that is beyond the reasonable control of either party. Each party shall make a good faith effort to perform under this Agreement in the event of any such circumstances, and shall resume full performance once the cause of the delay has abated.
- G. All notices hereunder shall be in writing and sent to the parties at the addresses as set forth below, or to such other individual or address as a party may later designate. Notices

shall be sent via personal delivery, courier service, United States mail (postage pre-paid, return receipt requested), express mail service, electronic mail, or fax. Notice shall be effective when delivered, or if refused, when delivery is attempted. Notices delivered during non-working hours shall be deemed to be effective as of the next business day.

If the notice relates to a legal matter or dispute, a copy shall be sent to:

Keenan and Associates
 2355 Crenshaw Blvd., Ste. 200
 Torrance, CA 90501
 Attn: Legal Department

- H. Neither this Agreement nor Keenan’s duties hereunder may not be assigned without the prior written approval of Employer.
- I. This Agreement may be executed in counterparts and by fax signatures and each shall be deemed to be an original.
- J. Each person signing this Agreement on behalf of a party represents and warrants that he or she has the necessary authority to bind such party and that this Agreement is binding on and enforceable against such party.

<u>Ross Valley Fire Department</u>		<u>Keenan & Associates</u>	
<u>Signature:</u>		<u>Signature:</u>	
<u>By:</u>		<u>By:</u>	J. Daniel Keenan
<u>Title:</u>		<u>Title:</u>	Senior Vice President
<u>Address</u>	777 San Anselmo Ave. San Anselmo, CA 94960	<u>Address</u>	2355 Crenshaw Blvd., Ste. 200 Torrance, CA 90501
<u>Phone:</u>	415-258-4686	<u>Phone</u>	310-212-0363
<u>Fax</u>		<u>Fax</u>	310-533-1329
<u>Attention</u>		<u>Attention</u>	Dan Keenan

EXHIBIT A
Keenan's Services

Keenan shall:

1. With respect to Plan Design Consulting & Oversight:
 - a) Determine Plan Provisions
 - b) Plan Setup Assistance
2. Select vendors to provide products and services to the program ("Vendors").
3. Evaluate and review the performance of the Vendors.
4. In its discretion, remove, replace or change Vendors.
5. Act as liaison between Employer and the Vendors.
6. Act as Broker in securing one or more group annuity contracts for Employer's HRA.
7. Conduct periodic meetings with Employer to review the status of its HRA
8. Inform Employer of any changes affecting the program, including, without limitation, any change in Vendors.
9. Coordinate the services of the Vendors.
10. Assist Employer in the implementing of the HRA.
11. Provide ongoing consultation to Employer with respect to the HRA.
12. Work with the Vendors to resolve any customer service issues
13. Review communication, sales, marketing and customer service materials prepared by Vendors.
14. Assist Employer in informing its employees about the availability of the HRA.
15. Assist Employer in providing educational programs about the HRA to employees.

EXHIBIT B
Broker of Record Designation

This letter confirms that as of November 1, 2013, the organization listed below (“Employer”) has appointed Keenan & Associates (“Keenan”) as the Broker of Record for the group annuity contract(s) to be issued in conjunction with Employer’s HRA.

It is understood and agreed that American United Life Insurance Company (“AUL”) is currently Keenan’s exclusive provider of group annuity products for HRA’s.

Employer shall not seek to acquire annuity products directly from any insurance carrier or through any other broker for its HRA.

Keenan is authorized to provide a copy of this letter to AUL, and/or any subsequent HRA annuity provider, to demonstrate Keenan’s authority to obtain one or more annuities for Employer’s HRA. This appointment rescinds any and all previous appointments Employer may have made with respect to the HRA, and shall remain in full force and effect until Employer terminates its Service Agreement with Keenan.

Employer authorizes Keenan to provide representatives of prospective insurers and other coverage providers with all information regarding Employer, its operations, employees, and financial status as may be necessary for AUL, and/or any subsequent group annuity provider, to issue the group annuity contract to Employer.

Acknowledged and agreed to by:

<u>Ross Valley Fire Department</u>		<u>Keenan & Associates</u>	
<u>Signature:</u>		<u>Signature:</u>	
<u>By:</u>		<u>By:</u>	J. Daniel Keenan
<u>Title:</u>		<u>Title:</u>	Executive Vice President
<u>Date:</u>		<u>Date:</u>	

Exhibit C

Client shall pay Keenan a one time consulting fee of Three Thousand dollars (\$3,000). This fee is due during the first year of the contract. Payment will be due in full thirty (30) days following receipt of Keenan's invoice. Keenan shall have the right to suspend performance of its Services if any payment remains unpaid for more than thirty (30) days from the due date.

In exchange for the administrative and other services provided by Keenan to MidAmerica and the carrier(s) providing annuities for the HRA program, Keenan shall receive certain fees and/or commissions from MidAmerica and such carrier(s). Keenan shall receive \$2.00 per active employee of the Administrative Fee collected by Mid America as specified in the agreement executed between the Client and MidAmerica. If Keenan receives any commissions from the sale of annuities, such commissions will be as provided for under a separate agreement between Keenan and the applicable carrier(s).

Client shall have no responsibility to pay Keenan directly for any fees, except for the one-time consulting fee described above.

Health Reimbursement Arrangement

Service Agreement

for

Ross Valley Fire Department

The undersigned Employer, Ross Valley Fire Department, hereby appoints MidAmerica Administrative & Retirement Solutions, Inc. to provide all administrative services on behalf of the Plan, including processing Participant claims for eligible health care expense reimbursements.

MidAmerica shall at all times adhere to the terms and conditions of the Employer's Health Reimbursement Arrangement.

This Service Agreement may be cancelled by the Employer at any time upon written notice to MidAmerica. In the event of such termination, MidAmerica shall complete claims that are in process, but shall otherwise follow the instructions of the Employer with respect to the transition of claims processing.

Hold Harmless Agreement and Indemnity. MidAmerica and the Employer agree that they will each be responsible for the prompt and complete performance of the services each has agreed to provide under this Agreement, as set forth above. In addition to these undertakings, the parties assume the following responsibilities:

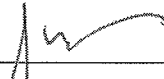
(a) **Hold Harmless Agreement of MidAmerica:** MidAmerica shall indemnify and hold harmless the Employer, any member of the governing board, and Employees from every claim, demand or suit which may arise out of, be connected with, or be made due to the negligence of MidAmerica or failure of MidAmerica to meet the requirements of this Agreement. However, this indemnification shall not cover any claim, demand, or suit based on erroneous information provided by the Employer or Employees or their willful misconduct or negligence. MidAmerica's liability hereunder shall be limited to actual damages and out-of-pocket legal fees and expenses only.

(b) **Other Providers:** If the services provided by MidAmerica under this Agreement were previously provided by the Employer or a third party, the Employer agrees that MidAmerica shall not be responsible for any failure of the prior plan document or administrative services to comply with the requirements for employer-provided medical reimbursement plan under Code Sections 105 and 106 and regulations issued thereunder, and as a health reimbursement arrangement as described in IRS Notice 2002-45 and Revenue Ruling 2002-41, other applicable law, or the prior Plan. This does not exempt or diminish MidAmerica's responsibility as the active administrator and other responsibilities as described herein and required under IRS regulations. MidAmerica is also not responsible for the accuracy and completeness of participant and payroll data provided by the Employer or any third party provider. Employer agrees that MidAmerica and its affiliates and employees will be indemnified by any responsible third parties from any claim asserted against any of them for any of these reasons, and will further be indemnified from any cost and expense they incur, including reasonable attorney's fees, due to the assertion of such a claim, or by the Employer if not adequately indemnified by third parties. Nothing herein will prevent the assertion of any claim directly against any third party by MidAmerica or the Employer.

By the signature of its authorized agent below, MidAmerica Administrative & Retirement Solutions, Inc. hereby agrees to provide all administrative services called for under the herein referenced Plan for the Employer and charge only those fees permitted under the Plan.

Name of Employer: Ross Valley Fire Department
Signature: _____
Print Name: _____
Title: _____
Date: _____

MidAmerica Administrative & Retirement Solutions, Inc.

Signature: 
Print Name: J. Wesley Compton, CPA, CEBS
Title: President
Date: August 12, 2013

Health Reimbursement Arrangement for Retirees

PLAN DOCUMENT



MidAmerica

Administrative & Retirement Solutions, Inc.

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Introduction

The Employer has established and adopted the MidAmerica Administrative & Retirement Solutions, Inc. Health Reimbursement Arrangement for Retirees to enable eligible former employees and their dependents to be reimbursed tax-free for eligible medical and dental expenses. Contributions to the Plan shall be made by the Employer and credited to Participants' accounts. Claims for reimbursement shall be processed and reimbursements paid out on a tax-free basis for medical expenses in accordance with Internal Revenue Service Guidelines for Health Reimbursement Agreements, IRS Publication 502, Internal Revenue Code (the "Code") Sections 213(d), 105 and 106 as described in Revenue Ruling 2002-41 and IRS Notice 2002-45.

Legal Status

This Plan is intended to qualify as an employer-provided medical reimbursement plan under Code Sections 105 and 106 and regulations issued thereunder, and as a health reimbursement arrangement as described in IRS Notice 2002-45 and Revenue Ruling 2002-41, and shall be interpreted to accomplish those objectives. The expenses reimbursed under the Plan are intended to be eligible for exclusion from Participants' gross income under Code Section 105(b).

Notwithstanding anything to the contrary, the portion of the Plan that reimburses Highly Compensated Individuals, as defined in Code Section 105(h), for premiums paid under an insured plan shall be treated as a separate plan that is not subject to the requirements of Code Section 105(h), pursuant to Treasury Regulation Section 1.105-11(b)(2).

Participation

Eligible former employees of the class or classes set forth by the Employer in the Plan Adoption Agreement will be Participants in the Plan. Notwithstanding any election in the Plan Adoption Agreement to the contrary, eligible former employees of the class or classes set forth by the Employer in the Plan Adoption Agreement who are Highly Compensated Individuals, as defined in Code Section 105(h), and whose benefits exceed those of other plan participants, will be Participants only in that portion of the Plan that reimburses Participants for "premium only medical expenses," as described below. Under no circumstances are such individuals eligible for reimbursements of any medical and dental expenses other than premium expenses. For purpose of this section, a retiree who was a Highly Compensated Individual prior to his or her retirement from the Employer shall be treated as a Highly Compensated Individual thereafter and during retirement.

Benefits and Eligibility for Benefits

A Participant shall be entitled to reimbursements of eligible medical and dental expenses upon the occurrence of the event selected in the Plan Adoption Agreement, but in no event until after expenses exceeding the dollar amount of any flexible spending arrangement ("FSA") in which the Participant shall also participate have been paid, or, if the medical or dental expense is reimbursable from a health savings account ("HSA"), amounts shall only be available from this Plan in accordance with paragraph 9 of the Administration section herein.

If the Employer indicates in the Adoption Agreement that Reimbursements shall be for "all eligible section 213(d) medical expenses," eligible medical and dental expenses for purposes of this Plan are those expenses that are:

- (a) incurred by the Participant, Spouse or Dependent;
- (b) incurred for Medical Care - "Medical Care" shall have the same meaning as in section 213(d) of the Code, and shall include: (i) amounts paid for the diagnosis, cure, mitigation, treatment, or prevention of disease, or for the purpose of affecting any structure or function of the body, except that eligible medical and dental expenses shall specifically exclude expenses for a medicine or drug incurred on or after January 1, 2011, unless such medicine or drug is a prescribed drug (determined without regard to whether such drug is available without a

prescription) or is insulin, and (ii) premiums for medical and dental coverage, including premiums under part B and part D of title XVIII of the Social Security Act (relating to supplementary medical insurance for the aged and prescription drug coverage, respectively); and

- (c) not compensated through insurance and not paid for with a tax-free distribution from a Medical Savings Account (MSA), Health Savings Account (HSA), or Health Flexible Spending Arrangement and not attributable to a deduction allowed under Code section 213(d) for any prior taxable year.

If the Employer indicates in the Adoption Agreement that Reimbursements shall be for "premium only medical expenses," eligible medical and dental expenses for purposes of this Plan are those expenses that are:

- (a) incurred by the Participant, Spouse or Dependent;
- (b) premiums for medical and dental coverage, including premiums under part B and part D of title XVIII of the Social Security Act (relating to supplementary medical insurance for the aged and prescription drug coverage, respectively); and
- (c) not paid for with a tax-free distribution from a Medical Savings Account (MSA) or Health Savings Account (HSA) and not attributable to a deduction allowed under Code section 213(d) for any prior taxable year.

Funding

All funds for the Plan shall come exclusively from the Employer and shall constitute either a specified dollar amount and/or a specific percentage of the former employees' compensation or retirement pay as the Employer shall from time to time determine. The amount or percentage to be determined by the Employer shall be subject to, and not in contravention of, the Employer's obligations to its former employees. Subject to any vesting schedule which may be elected in the Plan Adoption Agreement, all funds in the Plan belong to the individual Participants as allocated to their accounts. Also subject to any vesting schedule which may be elected in the Plan Adoption Agreement, once funds are allocated to the Plan, the Employer relinquishes all right, title, control, and interest to such funds.

Interest Credit

Interest shall be credited on a daily basis to Participant accounts based on the rate credited by the underlying AUL fixed annuity investment option. If variable annuity investments are allowed pursuant to the Adoption Agreement, earnings and losses shall be credited on a daily basis based on the investment funds selected.

Vesting

Funds in a Participant's account shall vest and be available to pay eligible medical expenses in accordance with the vesting schedule elected by the Employer in the Plan Adoption Agreement. If a Participant is not fully vested in his account balance when participation hereunder of the Participant and his surviving spouse and/or dependents ends as described in the section hereof entitled "Death Benefits," any forfeited amount shall be applied as elected by the Employer in the Plan Adoption Agreement.

Continuation Coverage

COBRA continuation coverage ("COBRA coverage"). COBRA coverage shall be available on the same terms and conditions as described herein with respect to Participants upon payment of the applicable COBRA premium. Each qualified beneficiary (i.e., the Participant and the Participant's spouse and eligible dependents) shall be entitled to COBRA coverage for a period of 18 months. The level of coverage will be the Participant's account balance at the time of the qualifying event (adjusted for investment earnings and losses), plus

Employer contributions, and minus reimbursements for claims paid from the account. Contributions shall be made at the same times as they are made for similarly situated Participants who have not experienced a qualifying event. The balance of the Participant's account shall be available to all qualified beneficiaries electing continuation coverage on an aggregate basis.

The COBRA premium shall be a single premium regardless of the number of qualified beneficiaries electing COBRA coverage. That premium shall be as determined annually by the Employer. The Employer shall have no obligation to pay any portion of the COBRA premium.

Coverage in lieu of COBRA. As an alternative to COBRA continuation coverage, qualified beneficiaries may choose to continue to access the Participant's account via coverage in lieu of COBRA. No additional contributions will be made to the Participant's account during the coverage in lieu of COBRA period and no premium will be charged for the coverage. Administrative fees as indicated herein will be applied. The balance of the Participant's account shall be available to all qualified beneficiaries electing coverage in lieu of COBRA on an aggregate basis. Furthermore, if some qualified beneficiaries elect COBRA and others select coverage in lieu of COBRA, all qualified beneficiaries will have access to the Participant's account on an aggregate basis.

For the Participant, coverage in lieu of COBRA shall be provided until the earlier of: (1) the date the vested account balance reaches zero or (2) the date of the participant's death. For a spouse of the Participant, such coverage shall be provided until the earlier of: (1) the date the vested account balance reaches zero, (2) the date of the Participant's death, or (3) the date of the entry of a valid divorce decree. For a dependent of the participant, such coverage shall be provided until the earlier of: (1) the date the vested account balance reaches zero, (2) the date of the Participant's death, or (3) the date the dependent ceases to be a dependent under the terms of the Plan.

Plan Investments

Plan investments will be made in accordance with the Employer's elections in the Plan Adoption Agreement, and will consist of investments in either fixed or variable annuities.

Plan Administrator

The Employer designates as the initial Plan Administrator the entity named in the Plan Adoption Agreement. The initial Plan Administrator shall serve as Plan Administrator until such time as a new Plan Administrator is appointed.

Administrative Fees

An Administration Fee shall be payable by the Employer.

Participants may be charged a Distribution Fee by the Plan's administrative services provider in such amount as shall be agreed to by the Employer.

Administration

1. Health reimbursement requests may be made monthly with no minimum reimbursement dollar amount for recurring claims. There is a \$100 minimum claim amount for all other claims unless the participant account balance is less than \$100. Additionally, a reimbursement request can only be made for expenses incurred subsequent to the date the Participant first becomes enrolled in the Plan.
2. Participants are entitled to request reimbursements from their accounts as soon as the accounts are funded by the Employer, but only for medical expenses incurred subsequent to the date the Participant first becomes enrolled in the Plan. Hardship withdrawals or loans are not permitted under this Plan and Plan funds may only be used to reimburse Participants and their dependents for qualified medical expenses.

3. In order to receive reimbursement for eligible medical expenses, Participants shall provide the Plan Administrator with whatever information is reasonably required. This Plan shall not and cannot reimburse for any claims other than those allowed under Code Section 213(d) and the regulations thereunder, as generally described in IRS Publication 502.
4. When a request is approved it shall be scheduled for disbursement. Disbursements shall be made not later than the fifteenth (15th) day of each month for all reimbursement requests received by the Plan Administrator prior to the end of the preceding month.
5. Decisions of the Plan Administrator shall be final on the issue of eligible expenditures and such decisions shall be based on Code Section 213(d) and the regulations thereunder, as interpreted by the IRS or court rulings or directives concerning the deductibility of medical expenses for Federal Income Tax purposes, which interpretations shall be controlling for purposes of determining reimbursement eligibility under this Plan.
6. Other than establishing this Plan and providing funding for the Plan, the Employer does not assume any responsibility for any aspect of any Participant's health care. Participant questions shall be directed to the Plan Administrator.
7. Each Participant shall be notified by the Plan Administrator of his or her account balance at the time a deposit is made to his or her account. The Plan Administrator shall provide each Participant with a quarterly statement setting forth the Participant's account balance and earnings and disbursements for the quarter. Additionally, the Plan Administrator shall provide a Participant with a statement of account balance in conjunction with each reimbursement distribution.
8. Funds in a Participant's account at the end of each year shall be rolled into the following year.
9. Reimbursement is available for the Participant, the Participant's spouse, the Participant's tax dependents as defined in Internal Revenue Code Section 152, determined without regard to subsections (b)(1), (b)(2), and (d)(1)(B) thereof, and any child (as defined in Code Section 152(f)(1)) of the Participant who as of the end of the taxable year has not attained age twenty-seven (27). For purposes of this Plan, such qualified tax dependents and children shall collectively be referred to as "dependents." Submission of a request for reimbursement on behalf of someone other than the Participant shall be deemed a representation by the Participant that the request for reimbursement is made on behalf of a spouse or dependent.

Death Benefit

If a Participant dies prior to exhausting his vested account balance, the Participant's surviving spouse and/or dependents are eligible to be reimbursed under this Plan for their eligible medical expenses until the vested account balance is exhausted. In the event of the death of the Participant, the Participant's spouse, and all of the Participant's qualifying dependents, any funds remaining in the account shall be forfeited. Forfeitures shall be applied as elected by the Employer in the Plan Adoption Agreement.

Plan Amendments

The Employer has the authority to amend this Plan at any time, in whole or in part. Participants will be notified of any Plan changes. Any amendment to the Plan shall not adversely affect the rights of existing Participants. Changes imposed by the Internal Revenue Service, either by law change, regulations, or rulings, will be effective immediately and without notice.

Involuntary Access to Funds

Funds in a Participant's Plan account are not assignable by a Participant, either in law or in equity, or subject to estate tax, or to execution, levy, attachment, garnishment, or any other legal processes.

Plan Termination

In the event the Employer elects to terminate this Plan, which it may do, in its sole discretion, at any time and for any reason, amounts credited to Participants' accounts will remain in the Participants' accounts and Participants will continue to utilize their accounts as set forth in this Plan Document until their accounts are exhausted.

HIPAA Compliance

1. Disclosure of Summary Health Information to the Employer

In accordance with the Standards for Privacy of Individually Identifiable Health Information (the "Privacy Standards") issued and pursuant to the Health Insurance Portability and Accountability Act of 1996, as amended ("HIPAA"), the Plan may disclose Summary Health Information to the Employer, if the Employer requests the Summary Health Information for the purpose of (a) obtaining premium bids from health plans for providing health insurance coverage under this Plan or (b) modifying, amending or terminating the Plan.

"Summary Health Information" may be individually identifiable health information and it summarizes the claims history, claims expenses or the type of claims experienced by individuals in the Plan, but it excludes all identifiers that must be removed for the information to be de-identified, except that it may contain geographic information to the extent that it is aggregated by five-digit zip code.

2. Disclosure of Protected Health Information ("PHI") to the Employer for Plan Administration Purposes

In order that the Employer may receive and use a Participant's individually identifiable health information or PHI (including electronic PHI) for "Plan Administration" purposes, the Employer agrees to:

- a. Not use or further disclose PHI other than as permitted or required by the Plan Documents or as Required by Law (as defined in the Privacy Standards);
- b. Ensure that any agents, including a subcontractor, to whom the Employer provides PHI received from the Plan agree to the same restrictions and conditions that apply to the Employer with respect to such PHI;
- c. Not use or disclose PHI for employment-related actions and decisions or in connection with any other benefit or employee benefit plan of the Employer, except pursuant to an authorization which meets the requirements of the Privacy Standards;
- d. Report to the Plan any PHI use or disclosure that is inconsistent with the uses or disclosures provided for of which the Employer becomes aware;
- e. Make available PHI in accordance with Section 164.524 of the Privacy Standards (45 CFR 164.524);
- f. Make available PHI for amendment and incorporate any amendments to PHI in accordance with Section 164.526 of the Privacy Standards (45 CFR 164.526);

- g. Make available the information required to provide an accounting of disclosures in accordance with Section 164.528 of the Privacy Standards (45 CFR 164.528);
- h. Make its internal practices, books and records relating to the use and disclosure of PHI received from the Plan available to the Secretary of the U.S. Department of Health and Human Services ("HHS"), or any other officer or employee of HHS to whom the authority involved has been delegated, for purposes of determining compliance by the Plan with Part 164, Subpart E, of the Privacy Standards (45 CFR 164.500 et seq);
- i. Implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of PHI;
- j. If feasible, return or destroy all PHI received from the Plan that the Employer still maintains in any form and retain no copies of such PHI when no longer needed for the purpose for which disclosure was made, except that, if such return or destruction is not feasible, limit further uses and disclosures to those purposes that make the return or destruction of the PHI infeasible; and
- k. Ensure that adequate separation between the Plan and the Employer, as required in Section 164.504(i)(2)(iii) of the Privacy Standards (45 CFR 164.504(f)(2)(iii)), is established as follows:
 - i. The employees, or classes of employees, or other persons under control of the Employer who are identified in the Plan Adoption Agreement, shall be given access to the PHI to be disclosed.
 - ii. The access to and use of PHI by the individuals described in subsection (i) above shall be restricted to the Plan Administration functions that the Employer performs for the Plan.
 - iii. In the event any of the individuals described in subsection (i) above do not comply with the provisions of the Plan Documents relating to use and disclosure of PHI, the Plan Administrator shall impose reasonable sanctions as necessary, in its discretion, to ensure that no further non-compliance occurs. Such sanctions shall be imposed progressively (for example, an oral warning, a written warning, time off without pay and termination), if appropriate, and shall be imposed so that they are commensurate with the severity of the violation.

"Plan Administration" activities are limited to activities that would meet the definition of payment or health care operations, but do not include functions to modify, amend or terminate the Plan or solicit bids from prospective issuers. "Plan Administration" functions include quality assurance, claims processing, auditing, monitoring and management of carve-out plans, such as vision and dental. It does not include any employment-related functions or functions in connection with any other benefit or benefit plans.

The Plan shall disclose PHI to the Employer only upon receipt of a certification by the Employer that (a) the Plan Documents have been amended to incorporate the above provisions and (b) the Employer agrees to comply with such provisions.

3. Disclosure of Certain Enrollment Information to the Employer

Pursuant to Section 164.504(f)(1)(iii) of the Privacy Standards (45 CFR 164.504(f)(1)(iii)), the Plan may disclose to the Employer information on whether an individual is participating in the Plan or is

enrolled in or has disenrolled from a health insurance issuer or health maintenance organization offered by the Plan to the Employer.

4. Disclosure of PHI to Obtain Stop-loss or Excess Loss Coverage

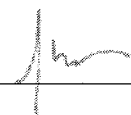
The Employer hereby authorizes and directs the Plan, through the Plan Administrator or its third party administrator, to disclose PHI to stop-loss carriers, excess loss carriers or managing general underwriters (MGUs) for underwriting and other purposes in order to obtain and maintain stop-loss or excess loss coverage related to benefit claims under the Plan. Such disclosures shall be made in accordance with the Privacy Standards.

5. Other Disclosures and Uses of PHI

With respect to all other uses and disclosures of PHI, the Plan shall comply with the Privacy Standards.

IN WITNESS WHEREOF, this Plan has been executed this ____ day of _____, 20 13, by **MidAmerica Administrative & Retirement Solutions, Inc.**

**MIDAMERICA ADMINISTRATIVE &
RETIREMENT SOLUTIONS, INC.**

By:  _____

Its: President _____

IRS Circular 230 Notice: We are required to advise you no person or entity may use any tax advice in this communication or any attachment to (i) avoid any penalty under federal tax law or (ii) promote, market or recommend any purchase, investment or other action.

Health Reimbursement Arrangement Trust
for
Ross Valley Fire Department



MidAmerica
Administrative & Retirement Solutions, Inc.

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EMPLOYEE BENEFIT TRUST

THIS TRUST AGREEMENT is made this ____ day of _____, 20 13 by and between
Ross Valley Fire Department _____ (the "Employer") and Ross Valley Fire Department _____,
as Trustee ("Trustee").

WITNESSETH:

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 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 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 Ross Valley Fire Department _____ 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 to 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. **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. No portion of the principal or income of this Trust shall revert to the Employer.

6. 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.
7. 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.
8. 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.
9. 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.
10. 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.
11. 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.
12. 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.
13. DISTRIBUTION OF CASH OR PROPERTY. The Trustee may make distributions from the Trust 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.
14. 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.

15. 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 two persons act as Trustee and reach a deadlock, the Grantor shall appoint a third person as temporary Trustee to cast a vote in order to break the deadlock. A decision of the majority of the Trustees shall control 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.
16. 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.
17. 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 sole Trustee, the Employer must appoint a successor Trustee if it intends to continue the Trust. If multiple persons hold the position of Trustee and one or more, but less than all, are removed as Trustee, in the event of the removal of one such person, the remaining person or persons shall act as Trustee.
18. 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, 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.
19. 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.
20. RECORDS AND REPORTS. The Trustee and the Trust Administrator shall create and maintain records that are appropriate to the administration of the Trust.
21. 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.
22. IRREVOCABLE. This Trust is irrevocable by the Employer.

23. 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.
24. 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.
25. 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.
26. 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.
27. 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 or contributions of employees of the Employer;
 - (D) the Trust is exempt from taxes under Code Section 115; 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.

IN WITNESS WHEREOF, the parties hereto have caused this Trust Agreement to be SIGNED, SEALED, and DELIVERED on _____ day of _____, 20 13 .

By:

Employer Name: Ross Valley Fire Department
Signature: _____
Print Name: _____
Title: _____
Date: _____

and

Trustee: Ross Valley Fire Department
Signature: _____
Print Name: _____
Title: _____
Date: _____

IRS Circular 230 Notice: We are required to advise you no person or entity may use any tax advice in this communication or any attachment to (i) avoid any penalty under federal tax law or (ii) promote, market or recommend any purchase, investment or other action.