

Ord.

2013-0020

INTRODUCED BY: V.J. ST. PIERRE, JR., PARISH PRESIDENT
(DEPARTMENT OF FINANCE)

ORDINANCE NO. 13-3-12

An ordinance to approve and authorize the creation of the St. Charles Parish Retiree Benefits Funding Trust, including the establishment of the Board of Trustees, in accordance with the United States Internal Revenue Code, Section 115 Retiree Benefits Trust for GASB 45 Compliance, the Louisiana Trust Code and Louisiana Law, pursuant to the St. Charles Parish Retiree Health Insurance Plan.

WHEREAS, as a result of the issuance of GASB 45 government organizations must disclose in their financial statements the unfunded portion of "other post-employment benefits"; and,

WHEREAS, in order to provide funding for post-employment benefits, the Internal Revenue Service provides for the creation of a Section 115 Trust; and,

WHEREAS, said Trust shall be governed by a Board of Trustees, as outlined in said trust, who shall receive and accept all contributions to this trust and shall hold, invest, reinvest, manage, administer, conserve and distribute trust property and the increments, proceeds, earnings and income solely to provide health benefits to retirees and their eligible spouses and dependents pursuant to the express provisions of the St. Charles Parish Retiree Health Insurance Plan.

THE ST. CHARLES PARISH COUNCIL HEREBY ORDAINS:

SECTION I. That in accordance with the provisions of the United States Internal Revenue Code, Section 115, the Louisiana Trust Code and Louisiana Law there is hereby established the St. Charles Parish Retiree Benefits Funding Trust. Said Trust shall be irrevocable, and except as otherwise provided within the Trust document, St. Charles Parish shall not have the right to alter, amend, modify or terminate said trust created by this ordinance.

SECTION II. That in accordance with the provisions of said Trust document, this Trust shall not terminate until such time as the St. Charles Parish Retiree Health Insurance Plan has been discontinued or terminated and all of the funds and assets have been distributed.

SECTION III. That the Parish President is hereby authorized to establish and execute said Trust on behalf of St. Charles Parish in the capacity as Settlor of the Trust.

The foregoing ordinance having been submitted to a vote, the vote thereon was as follows:

YEAS: SCHEXNAYDRE, FAUCHEUX, WILSON, TASTET, BENEDETTO, HOGAN, COCHRAN, FLETCHER, FISHER-PERRIER

NAYS: NONE

ABSENT: NONE

And the ordinance was declared adopted this 25th day of March, 2013, to become effective five (5) days after publication in the Official Journal.

CHAIRMAN: Wendy Benedetto

SECRETARY: [Signature]

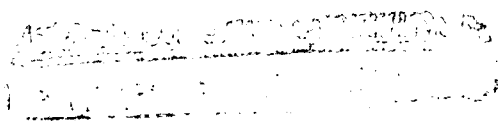
DLVD/PARISH PRESIDENT: 3-26-13

APPROVED: _____ DISAPPROVED: _____

PARISH PRESIDENT: [Signature]

RETD/SECRETARY: 3-26-13

AT: 1:30pm RECD BY: [Signature]



ST. CHARLES PARISH
RETIREE BENEFITS FUNDING TRUST

STATE OF LOUISIANA :

PARISH OF ST. CHARLES :

BEFORE ME, the undersigned Notary Public, duly commissioned and qualified, and in the presence of the undersigned competent witnesses, personally came and appeared:

St. Charles Parish (“SCP”), a political subdivision of the State of Louisiana, by and through its duly authorized Parish President, V. J. St. Pierre, Jr., pursuant to an ordinance duly adopted, whose business mailing address is 15045 River Road, P.O. Box 302, Hahnville, Louisiana 70057, in the capacity of Settlor, and V. J. St. Pierre, Jr., St. Charles Parish President, two (2) current members, to be designated, of the St. Charles Parish Council, Grant M. Dussom, Finance Director for St. Charles Parish, and Sandra Zimmer, Personnel Director for St. Charles Parish, each of whose business mailing address is 15045 River Road, P.O. Box 302, Hahnville, Louisiana 70057, in their capacity as the members of the Board of Trustees, whose primary responsibility is the management of the trust fund and holding title to property of this trust, in the performance of its essential government function of providing health insurance benefits, to retirees and their spouses and eligible dependents, including particularly those retiree benefits provided pursuant to the St. Charles Parish Retiree Health Insurance Plan (the “Plan”).

St. Charles Parish herewith declares that it wishes to avail itself of the provisions of the laws of the State of Louisiana, particularly the provisions of the Louisiana Trust Code, Louisiana Revised Statutes 9:1721, et seq., and Louisiana Revised Statutes 33:5161-5162, as well as the tax-exempt trust provisions of Section 115, and all related sections, of the Internal Revenue Code of 1986, and

all related Treasury Regulations, as the same may be amended or hereafter are amended, for the sole and exclusive purposes of: 1) providing funding of employee benefits for retirees and their spouses and eligible dependents, as such rights are described in the Plan, which has been adopted and is being managed by SCP and/or its duly authorized designees, and 2) managing and conserving, or arranging the management and conservation of, funds contributed to this trust and invested for such purposes in the exercise of an essential governmental function, and, to that end, SCP hereby donates, transfers, gives, conveys and delivers in trust unto the Board of Trustees, upon the terms and conditions more fully set forth in this Act, cash in the original amount of One Million and No/100 (\$1,000,000.00) Dollars. This cash contribution, and any other property or contributions that subsequently are received by the Board of Trustees, shall be held, invested, distributed and disposed of upon the terms and conditions provided herein. It is anticipated that SCP shall make periodic contributions to this trust for long-term funding purposes for retiree benefits, and all income, profits, recoveries, contributions, forfeitures and any and all monies, securities and properties of any kind at any time received or held by this trust shall become property of this trust when received and shall be held solely for the uses and purposes thereof.

I. NAME AND BENEFICIARIES; CONTRIBUTIONS; DISTRIBUTIONS

1.1 Name. The trust created by this Act shall be known as “ST. CHARLES PARISH RETIREE BENEFITS FUNDING TRUST.”

1.2 Beneficiaries of the Trust. The exclusive beneficiaries of this trust shall be: a) retirees of SCP and their eligible spouses and dependents, solely by virtue of their qualification to participate in, and pursuant to the terms of, the Plan, all in accordance with the entitlement and vested rights of such retirees and their eligible spouses and dependents to receive post-employment retiree benefits

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pursuant to the terms and provisions of the Plan, for which SCP shall take reasonable efforts to identify individuals who do not qualify as eligible spouses and dependents of retirees, in accordance with the requirements of Section 152 of the Internal Revenue Code of 1986, as amended or as hereafter amended, and b) SCP, upon termination of this trust or upon termination of the Plan, as provided in Article III, below, and only if trust funds remain upon termination. This trust shall serve solely as a funding mechanism for the Plan to defray the cost of SCP retiree benefits provided under the terms and provisions of the Plan which provide coverage for retiree health and medical benefits, though the existence of this trust shall not create any independent legal obligation of SCP to provide any benefit listed in the Plan for retirees and their eligible spouses and dependents. The trust fund may become, but is not required to be, the sole source of funding for the Plan to provide benefits to retirees and their eligible spouses and dependents.

1.3 Contributions to the Trust. SCP shall contribute to this trust amounts which are appropriated for such purpose by the SCP members, in the sole discretion of the members of SCP, or any dedicated or earmarked funds for the purposes provided herein by the voters of St. Charles Parish, and SCP is not required to make contributions to this trust absent the existence of a contractual obligation mandating contributions. The Board of Trustees shall receive and accept all contributions to this trust and shall hold, invest, reinvest, manage, administer, and distribute trust property and the proceeds, earnings and income therefrom solely to provide health benefits to retirees and their eligible spouses and dependents, pursuant to the express provisions of the Plan. No contributions from employees or former or retired employees shall be made to or received by this trust, nor shall contributions from any employers other than SCP be made to this trust.

1.4 Distributions of Trust Funds by the Board of Trustees. The Board of Trustees may distribute trust funds to and for the benefit of the Plan, at such time or times and in such amounts and manner as the Board of Trustees, in its sole discretion, shall determine to be necessary, solely for the funding of the Plan, for the benefit of premium payments of the Plan and payments for retirees and their eligible spouses and dependents, pursuant to and in accordance with the terms, provisions and requirements of the Plan. Any amounts of income that the Board of Trustees shall decide not to distribute for the benefit of retirees and their eligible spouses and dependents shall be accumulated and added to principal of this trust.

II. IRREVOCABILITY

2.1 This trust shall be irrevocable, and SCP and, except as otherwise provided herein, SPC, shall not have the right to alter, amend, modify or terminate this trust created by this Act, except as provided herein and pursuant to ordinance duly passed. SCP herewith is authorized, or may seek through the proper court, to terminate or to modify or amend this trust or its administrative provisions, as the case may be, in the events of a substantial change in circumstances or the purposes of this trust becoming impossible of accomplishment, in accordance with the laws of the State of Louisiana, Articles 2021-2031 of the Louisiana Trust Code. Similarly, SCP may amend this trust at any time if necessary to conform to any requirement of the laws of the State of Louisiana or of the United States, particularly those laws of the United States contained in the Internal Revenue Code of 1986, as amended or as hereafter amended, particularly Section 115 thereof.

III. TERM OF THE TRUST

3.1 This trust shall terminate after the Plan has been discontinued and may terminate of all of the funds and assets hereof have been distributed. Within sixty (60) days after the termination of the

Plan, or its discontinuance in operation, the Board of Trustees shall distribute to SCP all remaining trust property equal in value to the whole of the trust property as reflected by the Board of Trustees' books of account as of that time. The trust partially may terminate, and trust funds thereby revert to SCP, if at least one (1) retiree benefit plan is terminated or its operations discontinued, such that continued funding of retiree benefits applicable to such terminated or discontinued benefit plan no longer is needed or appropriate. In no event, upon termination, shall any of the assets or property of this trust be distributed to any entity or person other than SCP or its designee, which designee shall be the State of Louisiana, a political subdivision of the State of Louisiana or an entity whose gross income entirely is excluded from income taxation pursuant to Section 115 of the Internal Revenue Code of 1986, as amended or as hereafter amended.

IV. RESTRICTIONS ON DISPOSITION; ANTI-ALIENATION

4.1 To the maximum extent permitted by Louisiana law, and particularly by the spendthrift provisions of Louisiana Revised Statutes 9:2007, as amended, and any and all future amendments thereto, which expressly are made applicable to this trust, the beneficiaries of this trust are prohibited from alienating or encumbering any interest in this trust, voluntarily or involuntarily, and any interest of any beneficiary shall not be subject to execution or seizure, attachment or any other legal process, bankruptcy proceeding, interference or control by any creditors or other third persons, or otherwise.

V. POWERS OF THE BOARD OF TRUSTEES

5.1 **General Powers.** The Board of Trustees exclusively shall have and exercise all of the power and authority necessary and appropriate to invest, manage, protect and conserve the assets and the property of this trust, as well as all powers that may be conferred upon trustees under applicable federal and state laws, except as otherwise provided herein.

5.2 Registration of Trust Assets. The Board of Trustees may register any trust asset in its own name or in the name of a nominee, custodian or investment manager as an agent for the Board of Trustees, such as a partnership, another business entity, or another trust, and it shall keep and maintain at all times adequate records regarding the property, assets and investments which comprise the income and the principal of the trust.

5.3 Retention of Trust Property. The Board of Trustees may hold and retain trust property in the form received, so long as the Board of Trustees deems retention to be advisable and in the best interests of this trust and of its beneficiaries.

5.4 Commingling. The Board of Trustees may commingle the property and assets of this trust with the property and assets of any other SCP trust fund created for the benefit of a beneficiary of this trust, whether for investment, administrative or other beneficial, appropriate and necessary purposes, but the Board of Trustees at all times shall maintain separate and independent records of account for the assets and property of this trust.

5.5 Custody and Location of Trust Property. The Board of Trustees may keep all or any part of the trust property at any location in Louisiana, or elsewhere, with such depositories or custodians at such places as the Board of Trustees shall deem necessary or advisable and may hold securities in the names of nominees. The Board of Trustees may enter into custodial arrangements with qualified third parties pursuant to written agreements for such purpose.

5.6 Cash in Trust. The Board of Trustees may keep cash available, invested or uninvested, in an amount it determines to be prudent for the payment of retiree benefits and ordinary and necessary trust expenses, and otherwise in anticipation of the need to make distributions to the Plan for the benefit of retirees and their eligible spouses and dependents.

5.7 Investment of Trust Funds. The Board of Trustees may invest, or may designate and permit an investment manager to invest on its behalf, the assets of the trust in any investment it considers prudent within the policies of the Board of Trustees and pursuant to Paragraphs 5.9-5.11 and Paragraph 6.1, below, and as permitted by law, particularly Louisiana Revised Statutes 33:5162 and Section 115 of the Internal Revenue Code of 1986, as such statutes are amended or hereafter are amended, all as further provided herein.

5.8 Investment Manager; Designated Custodian of Assets. The Board of Trustees may engage or retain one or more investment managers for advisory purposes in the determination of investment strategies and objectives to be adopted by the Board of Trustees and to manage a portfolio or portfolios of trust property and assets in a discretionary manner, but entirely within the limitations of Paragraphs 5.9-5.11, below. If the Board of Trustees elects to appoint or to engage an investment manager, the investment manager shall be a Registered Investment Advisor under the Investment Advisers Act of 1940, or a bank trust department under the supervision of the Office of the Comptroller of Currency or the Louisiana Office of Financial Institutions, and the Board of Trustees shall not be liable for any act or omission of the investment manager and otherwise shall not be responsible for the investment of funds by the investment manager for and on behalf of this trust. Any written contract with an investment manager shall require the investment manager to make individual investment selections consistent with the policies of the Board of Trustees, Louisiana law and this trust, and such written contract may contain a delegation of powers or discretion of the Board of Trustees and may, but need not, assign to the investment manager custody and control of identified trust fund assets. The Board of Trustees shall review and monitor the investment activities of the investment manager or advisor, including any tests or analyses the Board of Trustees considers

prudent under the circumstances, reasonably to assure the stability, growth and the appropriate, prudent investment of trust fund property and assets. The investment manager shall be a fiduciary with respect to the trust and its beneficiaries and shall acknowledge such in writing to the Board of Trustees. Investment performance reports submitted by any investment manager to the Board of Trustees shall be in compliance with the current Global Investment Performance Standards as amended and published by the CFA Institute or any successor entity.

5.9 Permissible Investments. The Board of Trustees may invest trust funds in the following described investments, in accordance with the provisions of Louisiana Revised Statutes 33:5162A, as amended or hereafter amended:

- (a) Direct United States Treasury obligations, the principal and interest of which fully are guaranteed by the government of the United States.
- (b) Bonds, debentures, notes, or other evidence of indebtedness, any of which is issued or guaranteed by federal agencies and backed by the full faith and credit of the United States of America.
- (c) Bonds, debentures, notes, or other evidence of indebtedness, any of which is issued or guaranteed by a United States government-sponsored entity.
- (d) Direct security repurchase agreements of any federal book-entry only securities enumerated in Paragraphs (a), (b), and (c), above. Direct security repurchase agreement means an agreement under which the trust buys, holds for a specified time, and then sells back those securities and obligations enumerated in Paragraphs (a), (b), and (c), above.
- (e) Bonds, debentures, notes, or other evidence of indebtedness, any of which is issued by corporations of the United States which are rated investment grade as reflected by a rating by Moody's, Inc., of Baa or its equivalent or better or a rating by Fitch or Standard & Poor's Corporation of BBB, or its equivalent or better.
- (f) Bonds, debentures, notes, or other evidence of indebtedness, any of which is issued by and backed by the full faith and credit of sovereign nations, is denominated in United States dollars, and is rated investment grade as reflected by a rating by Moody's, Inc., of A or better or a rating by Fitch or Standard & Poor's Corporation of A or better.

(g) Money market mutual funds as authorized by subparagraph (k), below, direct issue commercial paper except asset-backed commercial paper as prohibited by Paragraph 5.10 hereof, and other short-term money market securities as authorized by this Paragraph.

(h) The Louisiana Asset Management Pool and any other intergovernmental pool formed by, or of, Louisiana governmental entities.

(i) (1) Time certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana, savings accounts or shares, as defined by La. R.S. 6:703, of savings and loan associations and savings banks, or share accounts and share certificate accounts of federally or state-chartered credit unions issuing time certificates of deposit. For those funds made available for investment in time certificates of deposit, the rate of interest paid by the bank shall be established by contract between the bank and the trust; however, the interest rate at the time of investment shall be a rate not less than fifty basis points below the prevailing market interest rate on direct obligations of the United States Treasury with a similar length of maturity.

(2) Funds invested in accordance with the provisions of this Paragraph shall not exceed at any time the amount insured by the Federal Deposit Insurance Corporation in any one banking institution or in any one savings and loan association or National Credit Union Administration, unless the uninsured portion is collateralized by the pledge of securities in the manner provided in La. R.S. 39:1221.

(j) Stocks of any corporation listed on the New York Stock Exchange, the American Stock Exchange, or authorized for quotations display on the National Association of Securities Dealers Automated Quotations System, or any successor national exchanges.

(k) Mutual funds which are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the Investment Company Act of 1940 and that are listed on the New York Stock Exchange, the American Stock Exchange, or authorized for quotations display on the National Association of Securities Dealers Automated Quotations System, or any successor national exchanges, and that have underlying investments consisting predominantly of securities permitted by this Paragraph. As used in this Paragraph, predominantly means ninety (90%) percent or greater.

(l) Exchange traded funds which are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the Investment Company Act of 1940 and that are listed on the New York Stock Exchange, the American Stock Exchange, or authorized for quotations display on the National Association of Securities Dealers Automated Quotations System, or any successor national exchanges, and which have underlying investments consisting predominantly of securities permitted by this Paragraph.

5.10 Prohibited Investments. The Board of Trustees shall not use funds, assets or property of the trust to invest in the following described investments, or to engage in the following activities, in accordance with the provisions of Louisiana Revised Statutes 33:5162B, as amended or hereafter amended:

- (a) The use of any leverage, either directly or through mutual funds or exchange traded funds that use leverage.
- (b) Selling short any securities, either directly or through mutual funds or exchange traded funds that sell securities short.
- (c) Investing in, or by, any of the following: asset-backed securities other than those issued directly by the entities described in subparagraphs (a), (b), and (c) of Paragraph 5.9, above; the purchase of stock warrants; any direct interest in oil, gas, or other mineral exploration program; private or direct placements of any kind; direct ownership of real estate or real estate investment trusts; collectibles such as coins, stamps, or art; direct loans or extensions of credit; the direct purchase of securities denominated in foreign currencies, purchased on foreign exchanges, or cleared through foreign clearing entities; the direct purchase of single family or commercial mortgages; collateralized mortgage obligations that have been stripped into interest only or principal only obligations; inverse floaters; or structured notes. For the purposes of this Paragraph, “structured notes” means securities which have been restructured, modified, or reissued by private entities.

5.11 Investment Limitations. In accordance with the provisions of Louisiana Revised Statutes 33:5162, as amended or hereafter amended, all investments of trust funds, assets and properties shall be subject to the following limitations and requirements:

- (a)
 - (1) Though the investment policy adopted by the Board of Trustees for this trust may provide for specific asset allocations for asset classes, in no circumstance, except as provided in this Paragraph, shall this trust have more than fifty-five (55%) percent, in value, of the total portfolio in equities.
 - (2) If the equity portion of the portfolio exceeds fifty-five (55%) percent of the total portfolio as measured at the end of a calendar quarter, the Board of Trustees shall take such actions as are prudent to reduce the equity portion of the portfolio to no more than fifty-five (55%) percent during the following calendar quarter.
 - (3) The underlying assets of mutual funds and exchange traded funds shall be used when making calculations as required by this subparagraph.

- (b) (1) This trust shall not own more than five (5%) percent of the outstanding stock of any company or other business entity.
- (2) If this trust shall come to own greater than five (5%) percent of the outstanding stock of a company or other business entity as measured at the end of a calendar quarter, the Board of Trustees shall take such actions as are prudent to reduce its ownership to below five (5%) percent during the following calendar quarter.
- (c) (1) No more than ten (10%) percent of the funds designated for equity allocation shall be invested in the stock of any single company or other business entity.
- (2) In the event that more than ten (10%) percent of the funds designated for equity allocation become invested in the stock of any single company or other business entity as measured at the end of a calendar quarter, the Board of Trustees shall take such actions as are prudent to reduce its ownership to below ten (10%) percent during the following calendar quarter.
- (d) (1) This trust shall not allow more than fifteen (15%) percent of the trust funds designated for equity allocation to be concentrated in any single industry. "Industry" shall be defined by the Global Industry Classification System as promulgated by Standard & Poor's or its successors from time to time.
- (2) In the event this trust shall come to own greater than fifteen (15%) percent of the funds designated for equity allocation in a single industry as measured at the end of a calendar quarter, the Board of Trustees shall take such actions as are prudent to reduce its ownership to below fifteen (15%) percent during the following calendar quarter.
- (e) Fixed income securities shall be selected with consideration for the total anticipated return, taking into consideration both interest income and capital appreciation or loss.
- (f) All fixed income investments appropriately shall be diversified by maturity, security, sector, and credit quality.
- (g) If any fixed income investment security in the portfolio is downgraded below the applicable requirements in subparagraphs (e) or (f) of Paragraph 5.9, above, the Board of Trustees shall take such actions as are prudent to eliminate the exposure of this trust to that security by the end of the next full calendar quarter.

5.12 Tax-exempt Securities. Subject to the provisions of Paragraphs 5.9-5.11, above, the Board of Trustees, directly or through its investment manager, may invest trust property in securities whose

interest, dividends or other proceeds are exempt wholly or partly from federal or state income taxation.

5.13 Ownership of Corporate Stock. Subject to the provisions of Paragraphs 5.9-5.11, above, this trust may own and retain all of the corporate stock of regular corporations received by the Board of Trustees for this trust so long as the Board of Trustees may deem such ownership prudent and advisable.

5.14 Allocations of Trust Receipts and Disbursements. The Board of Trustees may determine which receipts shall be charged or credited to income and which to principal in any manner that fairly and equitably reflects a proper allocation between principal and income and may treat as income the whole of the interest, dividends, rents, royalties or similar receipts from trust property, whether wasting assets or not and even if bought or taken at a value above par; may treat as income or principal or apportion between them stock dividends, extraordinary dividends, rights to take stocks or securities and the proceeds from the sale of immovable property, although such immovable property may have been partly or wholly unproductive; may charge to income or principal or apportion between them any expense of making or changing investments, brokers' commissions, agents' compensation, attorney and accountant fees, repairs or improvements, taxes, depreciation charges, and trustee compensation; and, generally, may determine all questions as between principal and income and to credit or charge to either, or to apportion between them, any receipt or gain and any charge, disbursement, or loss as is deemed advisable in the circumstances of each case as it arises, notwithstanding any statute, rule of law or any determination of the courts for distinguishing income from principal.

5.15 Agents and Employees. The Board of Trustees may employ or retain such employees, agents and advisors as the Board of Trustees deems necessary and appropriate to assist in performing any duties of the Board of Trustees including, but by way of illustration only, investment advice, management advice, legal advice, accounting advice, actuarial advice, appraisal advice and for any other purposes the Board of Trustees considers advisable and necessary, and may determine reasonable charges for such services and make payment therefor out of trust property. Incident to the provision of such services, the Board of Trustees may engage such advisors upon any matter of doubt as to the meaning or interpretation to be placed upon this trust or the Plan or any provisions thereof with reference to any question arising in the administration of this trust or the Plan or pertaining to the rights and liabilities of the Board of Trustees hereunder. The Board of Trustees, in any such event, may act in reliance upon the advice, opinions, records, statements and computations of any attorneys, accountants and agents and on the records, statements and computations of any servants so selected by the Board of Trustees in good faith and shall be released and exonerated of and from any and all liability in so doing.

5.16 Powers of Attorney. The Board of Trustees may give to others such powers of attorney, with or without power of substitution, in connection with the exercise of other powers as the Board of Trustees may deem advisable, appropriate and solely in the best interests of this trust, but in the grant of such powers of attorney the Board of Trustees shall not relinquish its fiduciary duties to this trust, nor shall any such agent or representative be relieved of fiduciary duties to this trust.

5.17 Litigation Matters. The Board of Trustees may institute, maintain, sue, defend, compromise, arbitrate, mediate, compound, and settle any debt, obligation, claim, suit, or legal proceeding involving the trust fund and its property and assets, or defend same, as well as reduce the

rate of interest on, extend or otherwise modify, foreclose upon, default, or otherwise enforce any debt, obligation, or claim or cause of action, at the sole cost and expense of this trust, as in the opinion and discretion of the Board of Trustees shall be necessary, fair and equitable in each case. However, the Board of Trustees shall have no duty or obligation to institute, prosecute, maintain or defend any suit, action or other legal proceeding unless the Board of Trustees considers such action to be reasonable, prudent and appropriate under the circumstances.

5.18 Court Supervision Unnecessary. The Board of Trustees shall not be required to obtain the order of any court to exercise any power or discretion under this trust.

5.19 Miscellaneous Agreements. The Board of Trustees may enter into any and all kinds of contracts and agreements, whether or not specifically described in this Article V, except as otherwise provided in this Article V.

VI. DUTIES OF THE BOARD OF TRUSTEES

6.1 General Duties. The Board of Trustees shall establish an investment policy and related guidelines which are appropriate and prudent for the investment and management of trust funds and property and may review and change the policies and guidelines as necessary and appropriate, all consistent with applicable federal and state laws. Additionally, the Board of Trustees may establish other written policies necessary to manage, conserve and administer trust funds and to transact the business of this trust.

6.2 Accounting. The Board of Trustees shall render an account of the administration of the trust in full satisfaction and accordance with the provisions of Section 2088 of the Louisiana Trust Code. In this regard, the Board of Trustees shall maintain accurate and detailed accounts of each investment, receipt, disbursement, and other transaction, including any specific record required by

law. All such accounts, books and records shall be subject to the applicable laws of the State of Louisiana which govern the maintenance and disclosure of public records.

6.3 Security. No member of the Board of Trustees shall be required to post bond or security of any kind; however, the Board of Trustees may acquire, with trust funds and at its sole discretion, an insurance policy providing coverage for errors and omissions involving actions of the Board of Trustees taken during the ordinary course of administration and management of this trust.

6.4 Compensation. The Board of Trustees shall not be entitled to receive compensation for rendering services pursuant to this Agreement.

6.5 Liability. The Board of Trustees, and the individual members thereof, shall be responsible for reasonable care, diligence and business prudence in the administration of this trust and otherwise shall be relieved from all liability in connection with the administration of this trust, except liability for gross negligence or gross or willful misconduct.

6.6 Prohibited Acts. The Board of Trustees shall not engage in any transaction between this trust and SCP, or St. Charles Parish, or any political subdivision thereof, which lends any part of its income or principal without receiving adequate security and a reasonable rate of interest, which pays any compensation more than a reasonable allowance for salaries or other compensation for services actually rendered, which makes any service available on a preferential basis, which makes any substantial purchase of securities or other property for more than adequate consideration, which sells any substantial part of its securities or other property for less than adequate consideration or which engages in any transaction, other than termination or a distribution to or for the benefit of the Plan, which results in a substantial diversion of its income or principal. Further, members of the Board of Trustees expressly **shall not:** a) be a party in his or her individual capacity to any transaction

engaged in by the Board of Trustees or an investment manager which involves the property or assets of the trust, b) use the income, gains, profits or principal of the trust for any purpose except to make investments or payments authorized by the Board of Trustees for the benefit of trust beneficiaries, c) deal with or manage the assets of the trust for his or her own individual account, d) participate in any transaction involving this trust on behalf of a party whose interests are adverse to the best interests of this trust or the beneficiaries of this trust, or e) become an endorser or guarantor, or an obligor, for funds loaned to or borrowed from this trust.

6.7 Fiduciary Duties and Status. The Board of Trustees shall discharge its fiduciary duties with respect to this trust only in the ultimate best interests of the SCP participants in retiree benefit plans and their eligible spouses and dependents, shall only provide benefits to and for the benefit of such retiree participants and their eligible spouses and dependents and defray reasonable expenses of administering and operating the trust, shall exercise the care, skill, prudence and diligence under the circumstances then prevailing that a reasonable and prudent person acting in a like capacity and familiar with such matters and practices would exercise, all in accordance with the laws, regulations, policies and guidelines governing this trust.

VII. MEMBERS OF THE BOARD OF TRUSTEES; INDEMNIFICATION

7.1 Membership; Vacancy. The five (5) initial members of the Board of Trustees shall be comprised of the President of St. Charles Parish (or his or her designee), two (2) members of the St. Charles Parish Council to be designated by the St. Charles Parish Council, the Finance Director for St. Charles Parish, and the Personnel Director for St. Charles Parish, who may vary from time to time. In the event of a vacancy in the membership of the Board of Trustees, SCP shall appoint a

temporary replacement member, until such time as the regular member is identified and assumes the position which previously had been vacant.

7.2 Indemnification of Members of the Board of Trustees. SCP shall indemnify each member of the Board of Trustees who is or becomes a party to any legal action, including any administrative or investigative proceeding, as a result of service on the Board of Trustees, which indemnification shall apply to civil matters, claims and causes of action if the member of the Board of Trustees acts in good faith and in a manner reasonably believed to be in the best interests of this trust and its beneficiaries, and to criminal matters if the member of the Board of Trustees had no reasonable cause to believe that his or her conduct could be considered unlawful. When the indemnification obligation by SCP arises, SCP shall indemnify the member from and against any and all claims, expenses and costs associated with and arising out of the matter indemnified including particularly, but not limited to, reasonable attorney's fees, judgments, damages, costs, fines and compromises. The termination of a legal action against a member of the Board of Trustees shall not create a presumption that he or she did not act in good faith and in a manner reasonably believed to be in the best interests of this trust and its beneficiaries. Similarly, the termination of a criminal proceeding shall not create a presumption that the member had reasonable cause to believe that such conduct was unlawful. However, SCP shall not indemnify a member if such member is found by a court of competent jurisdiction to have been grossly negligent or to have engaged in willful and wanton misconduct in the performance of his or her duties as a member of the Board of Trustees.

VIII. OTHER MISCELLANEOUS PROVISIONS

8.1 Acceptances. The Board of Trustees herewith accepts the contribution of property made herein on behalf of the beneficiaries and the trust created by this Act and acknowledges receipt of

the property delivered to it, and the members of the Board of Trustees accept the trust conferred upon them herein and pledge that they faithfully shall discharge the office of members of the Board of Trustees as fiduciaries, in accordance with law and with the terms, provisions and conditions herein set forth.

8.2 Reliance on Counterparts. Anyone may rely upon a copy of this Act certified by a Notary Public to be a counterpart of it, or upon a duplicate original of it kept by the Board of Trustees, to the same effect as if it were the original.

8.3 Reliance on Certification. Anyone dealing with the Board of Trustees, or any member thereof, in good faith may rely upon any statement of fact certified by the Board of Trustees, or the duly authorized representative thereof.

8.4 Application of Louisiana Law; Venue. Unless otherwise provided herein, all substantive and procedural questions pertaining to the administration of the trust shall be resolved in accordance with the laws of the State of Louisiana and, in particular, the Louisiana Trust Code and the Louisiana Revised Statutes, as amended or as hereinafter amended. If it is necessary to have a judicial interpretation of the provisions of this trust, such determination, upon petition by the Board of Trustees, shall be made by the Twenty-ninth Judicial District Court in and for the Parish of St. Charles, State of Louisiana, and the judgment of said court shall be final.

8.5 Interpretation. Each object, term and provision of this trust shall be treated as separate and distinct from each and every other object, term and provision hereof, such that no term or provision of this trust shall be deemed or declared illegal, invalid or unenforceable by reason of the illegality, invalidity or unenforceability of any other term or provision of this trust, and, in the event one or more of the terms or provisions of this trust shall be declared or adjudged illegal, invalid or

unenforceable, each and every other term or provision of this trust shall continue and remain in full force and effect for all purposes, to all intents, as if the term or provision so declared or adjudged to be illegal, invalid or unenforceable had never been contained in this trust. Should any term or provision of this trust be declared or adjudged illegal, invalid or unenforceable for any reason, the Board of Trustees may seek and obtain from any court of competent jurisdiction instruments, necessary orders or decrees for the purpose of carrying out as nearly as may be possible the purposes of this trust, as indicated by the terms and provisions hereof, including the terms, words or provisions declared or adjudged to be illegal, invalid or unenforceable.

8.6 Tax-exempt Status of the Trust. No action, or omission, of the Board of Trustees, any member thereof, or of any designee thereof to perform services pursuant to this Act, shall occur which causes, or jeopardizes, the loss of income tax-exempt status of this trust. Further, no part of the net earnings of this trust may inure to the benefit of any member of the Board of Trustees, any Plan participant, retiree or other beneficiary other than by benefit payments which are made by the Plan to retirees and their eligible spouses and dependents pursuant to the terms and provisions of the Plan, nor shall trust assets be used for or diverted to purposes other than in furtherance of the fulfillment of the requirements of the Plan. No private interests materially may participate in the operations of the trust, nor may private interests benefit more than incidentally from the trust. However, a portion of the net earnings of the trust may be used to defray the costs of reasonable and demonstrable expenses, professional costs and expenses arising solely out of the operation of the trust and the Plan for goods and services reasonably rendered. Under no circumstances shall property or assets of the trust be made available to, or used by, any person or entity that is not an organization whose income is excluded from gross income under Section 115 of the Internal

Revenue Code of 1986, as amended or as hereafter amended. If required by the Internal Revenue Service, the following language shall be added in bold type to the first page of the Plan:

“No guaranty that payments or reimbursements to employees, former employees or retirees or their dependents 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 plans (including post-retirement health plans). In particular, that ruling has no effect on whether contributions to the employer’s health plans or payments from the employer’s health plans (including reimbursements of medical expenses) are excludable from the gross income of employees, former employees or retirees and their dependents, under the Internal Revenue Code. The federal income tax consequences to employees, former employees and retirees depend on the terms and operations of the employer’s health plans.”


8.7 Officers; Voting. The Board of Trustees shall designate at its annual meeting a chairperson, vice-chairperson and secretary, all to serve for one-year terms or until a successor is designated. Whenever the signature of the Board of Trustees is required on any document, the signature of all such officers shall be required for such purpose. Decisions of the Board of Trustees shall be made by majority vote of all of the members of the Board of Trustees.

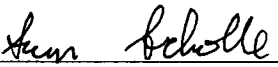
8.8 Meetings. The Board of Trustees shall meet not less often than annually during each calendar year at the St. Charles Parish Courthouse, Council Chambers, and or such other location as shall be determined. The secretary of the Board of Trustees, or his or her designee, shall give notice of the time and place of each such meeting to the other members of the Board of Trustees. Notice and conduct of all meetings shall be given in accordance with applicable law, including any provisions of the Louisiana Open Meetings Law, Louisiana Revised Statutes 42:4.1-13, if ever applicable to the activities of the Board of Trustees. The Board of Trustees shall adopt its own rules of procedure and shall keep a record of its proceedings.

8.9 **Fiscal Year of Trust.** This trust shall have a calendar year of January 1 through December 31, and its fiscal year shall be the same as that of SCP.

IN WITNESS WHEREOF, Settlor and the Board of Trustees have executed this Act in multiple original counterparts, each of which shall constitute an original copy of this Act, in the presence of the undersigned competent witnesses, on this ___ day of March, 2013.

WITNESSES:


Printed Name: Kimberly Marousek

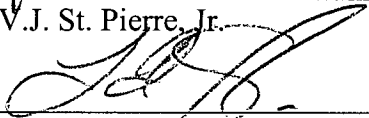

Printed Name: SAM SCHOLLE

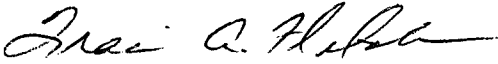
SETTLOR:


St. Charles Parish, by and through its Parish President, V. J. St. Pierre, Jr.

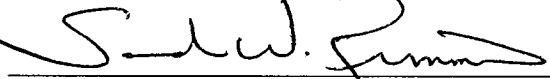
MEMBERS, BOARD OF TRUSTEES:



V.J. St. Pierre, Jr.


Member, St. Charles Parish Council


Member, St. Charles Parish Council


Grant M. Dussom, Finance Director



Sandra Zimmer, Personnel Director

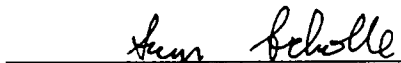

Notary Public in and for St. Charles Parish, Louisiana
Louisiana Notary Number 55281

8.9 **Fiscal Year of Trust.** This trust shall have a calendar year of January 1 through December 31, and its fiscal year shall be the same as that of SCP.

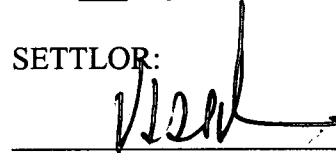
IN WITNESS WHEREOF, Settlor and the Board of Trustees have executed this Act in multiple original counterparts, each of which shall constitute an original copy of this Act, in the presence of the undersigned competent witnesses, on this ___ day of March, 2013.

WITNESSES:

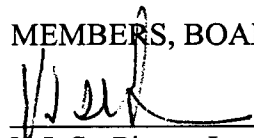

Printed Name: Kimberly Maroušek


Printed Name: SAM SCHOLLE


SETTLOR:


St. Charles Parish, by and through its Parish President, V. J. St. Pierre, Jr.

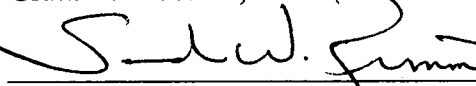
MEMBERS, BOARD OF TRUSTEES:



V.J. St. Pierre, Jr.


Member, St. Charles Parish Council


Member, St. Charles Parish Council


Grant M. Dussom, Finance Director


Sandra Zimmer, Personnel Director


Notary Public, Louisiana Notary Number 55281
Notary Public in and for St. Charles Parish, Louisiana

McMICHAEL, MEDLIN, D'ANNA, WEDGEWORTH & LAFARGUE, L.L.C.

Attorneys and Counselors at Law

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400 Texas Street, Suite 1150

Post Office Box 72

Shreveport, LA 71161-0072

Telephone: 318-221-1004

Facsimile: 318-221-0008

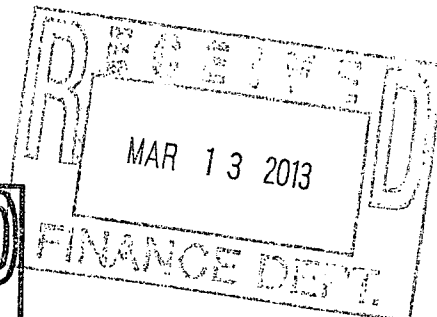
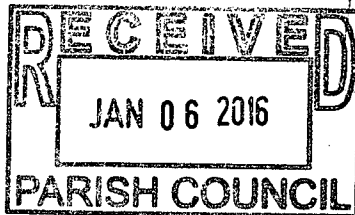
John R. D'Anna
Of Counsel

James C. McMichael, Jr.
W. Deryl Medlin*
A. L. Wedgeworth, III
Norman I. Lafargue

*Certified in Taxation and in
Estate Planning and Administration,
Louisiana Board of Legal Specialization

March 7, 2013

St. Charles Parish Council
Att'n: Mr. Grant M. Dussom
Finance Director
P.O. Box 320
Hahnville, Louisiana 70057



Dear Grant,

Attached is the revised copy of the OPEB Trust, suitable for execution. I recommend that an original and three copies be signed, the original to be retained by the Board of Trustees, a copy to be retained by the St. Charles Parish Council, a copy sent to me and a copy to be sent to the Internal Revenue Service if a private letter ruling is sought. As always, I sincerely appreciate the opportunity to work with you and the members of the St. Charles Parish Council.

Very truly yours,


W. Deryl Medlin

Enclosure

cc: Mr. John R. Huffman (via e-mail only, with attachment)