

## **THE ARC OF INDIANA MASTER TRUST I**

THIS AGREEMENT made this 24th day of October, 1988 and amended and restated on the 6th day of December, 1993, the 22nd day of February, 1995, the 26<sup>th</sup> day of August, 2000, the 1<sup>st</sup> day of December, 2001, the 6<sup>th</sup> day of March, 2004, and the 12<sup>th</sup> day of June, 2004 by and between the Association for Retarded Citizens of Indiana, Inc. (now known as The Arc of Indiana, Inc., and hereinafter referred to as The Arc of Indiana, Inc.), as Settlor, and The National Bank of Indianapolis, as Trustee.

WHEREAS, the Settlor has deposited with the Trustee the property listed on Appendix 2 attached hereto and wishes to establish a trust solely to further the Settlor's program to provide benefits for handicapped and disabled persons as set forth hereinafter.

NOW, THEREFORE, IT IS AGREED that the Trustee shall administer and distribute the trust assets as more specifically set forth hereinafter.

### **THE ARC OF INDIANA MASTER TRUST I AGREEMENT**

The name of the trust shall be The Arc of Indiana Master Trust I. The Settlor hereby establishes a Master Trust Agreement for the convenience of individual Donors who qualify and wish to join it. If a Donor executes a Joinder Agreement incorporating this Master Trust Agreement by reference, and the Joinder Agreement has been approved by The Arc of Indiana, Inc., the Trustee agrees to hold, administer, and distribute the income and principal of the trust in accordance with the terms and provisions hereinafter set forth.

### **ARTICLE ONE**

**Definitions.** For all purposes under this instrument:

- (a) "Trustee" shall mean The National Bank of Indianapolis and its successor or successors in such capacity;
- (b) "The Arc" shall mean The Arc of Indiana, Inc. in its capacity as an Indiana not-for-profit corporation;
- (c) "The Arc of Indiana Master Trust I" or "Trust I" shall mean the trust hereby established;
- (d) "Disabled Beneficiary" or "Disabled Beneficiaries" shall mean those persons with mental retardation or other disability as determined by the Settlor in accordance with a Joinder Agreement;
- (e) "Donor" or "Donors" shall mean those persons or entities making contributions from time to time to Trust I;
- (f) "Joinder Agreement" shall mean the instrument referred to in Article Three;
- (g) "Distribute" shall mean to pay over, convey, deliver, transfer, and assign absolutely and in fee

simple forever, free of all trusts created hereunder.

## ARTICLE TWO

**Purpose and Objective of Trust I.** It is the purpose and objective of Trust I to promote the Disabled Beneficiaries' comfort and happiness, by using the trust property to provide and serve the interests of the Disabled Beneficiaries over and above their basic maintenance, support, medical, dental and therapeutic care, or any other appropriate care or service which may be paid for or provided by other sources. It is not the purpose of Trust I to provide any such basic services to any Disabled Beneficiary.

The Trustee shall use the trust property to promote the happiness, welfare, and development of the Disabled Beneficiaries by supplementing any actual or potential services or financial assistance in basic maintenance, support, medical, dental and therapeutic care, or any other appropriate care or service the Disabled Beneficiaries receive, or may receive, from any local, state, or federal government or agency or department thereof, and without using any portion of Trust I or its income or principal, to reimburse any local, state, or federal government or agency or department thereof for such maintenance ("Government Assistance"). The Trustee is prohibited from using or applying the trust property in any way that would reduce the Government Assistance otherwise available to the Disabled Beneficiaries, except that the Trustee may, in the Trustee's sole and unqualified discretion, make disbursements or distributions that result in a reduction of the Disabled Beneficiaries' Government Assistance if such reduction is less than the amount of disbursement or distribution.

Within the expressed purposes and objectives of this trust, the Trustee shall have sole and unqualified discretion in making disbursements for the benefit of the Disabled Beneficiaries or in declining to make such disbursements. Funds available for disbursement in any one year may be accumulated for disbursement in subsequent years.

## ARTICLE THREE

### **Effective Date and Contributions.**

(a) Trust I is established as of the day and year first above written. It shall be effective as to any Donor or Disabled Beneficiary upon execution of a Joinder Agreement, after proper certification by The Arc. A sample of the Joinder Agreement is attached hereto as Appendix 1. Upon delivery to and acceptance by the Trustee of cash, its equivalent, or then marketable securities, Trust I, as to such Donor and the designation of the respective Disabled Beneficiary, shall be irrevocable and said property shall be nonrefundable.

(b) Property, or interests in property (such as a policy of life insurance on the Donor's life in which Trust I is designated as beneficiary, or if Trust I is named as a beneficiary of any other future interest in property, such as under the Donor's last will and testament), can be designated for future transfer by the Donor as a contribution. Such designation is revocable and can be revoked by the Donor as to such property, himself or herself, at any time during that Donor's life and continued competence, upon prior written notice from the Donor to the Trustee.

(c) Contributions to be administered in accordance with the Joinder Agreement and Trust I may

be made by any person or entity, subject to proper certification by The Arc.

#### **ARTICLE FOUR**

**Expenditures.** Subject to Paragraph (e) of Article Six, the Trustee may, at its discretion, disburse Trust I income or principal to purchase property or services for the Disabled Beneficiary(ies), consistent with the purpose and objective of Trust I. Disbursements shall be made according to the interests and location of each Disabled Beneficiary, taking into account the services and financial resources available to him or her from any sources.

#### **ARTICLE FIVE**

**The Arc as Advisor.** The Arc, in addition to its role as Settlor, shall be Advisor to the Trustee. The Trustee may solicit The Arc's advice as it deems appropriate.

As Advisor, The Arc shall be entitled to an annual fee from each trust sub-account. If the status of the sub-account according to the Joinder Agreement is "Funded Enrollment, Distributions Authorized," then, for Donors enrolled in Trust I prior to November 1, 1994, this fee shall be three hundred dollars (\$300), as of January 1, 1988, and shall be adjusted each January 1 thereafter consistent with changes in the "Consumer Price Index For All Urban Consumers," released by the U.S. Department of Labor, Bureau of Labor Statistics. For Donors who enrolled in Trust I on or after November 1, 1994, this fee shall be three hundred and thirty dollars (\$330), as of January 1, 1988, and shall be adjusted each January 1 thereafter consistent with changes in the "Consumer Price Index For All Urban Consumers," released by the U.S. Department of Labor, Bureau of Labor Statistics. Such increases may be waived (in full or in part) or deferred (in full or in part) on an annual basis by The Arc. From its fee, and any other funds available to it, The Arc shall pay the Trustee's fee.

If the status of the sub-account according to the Joinder Agreement is "Funded Enrollment, Distributions Deferred," then the annual fee shall be based on a schedule prepared by The Arc. The fee for accounts whose status is "Funded Enrollment, Distributions Deferred" shall be less than the fee for sub-accounts whose status is "Funded Enrollment, Distributions Authorized."

#### **ARTICLE SIX**

##### **Administrative Provisions.**

(a) For accounting purposes, Trust I shall be operated on a calendar year basis. The Trustee, or its authorized agent, shall maintain records for each trust sub-account in the name of, and showing the property contributed for, each Disabled Beneficiary. Periodic accountings not less often than annually shall be sent to each Donor while living, and thereafter to the guardian or other appropriate representative of each Disabled Beneficiary, showing additions to and disbursements from the funds held on account in trust for that Disabled Beneficiary during the preceding calendar year.

(b) The Trustee shall have full power and authority in its absolute discretion, without recourse to any court or any notice whatsoever, to do all acts and things necessary to accomplish the

purposes of Trust I, and to perform the Trustee's duties as such and to receive, hold, manage, and control all the income arising from such trust and the corpus thereof and do such other acts or things concerning Trust I as may be advisable, including, but not limited to, all powers conferred upon fiduciaries by the Indiana Trust Code of 1971, as that code was amended on the date of this amendment to the Master Trust I, and the powers conferred upon the Trustee by said code are hereby incorporated into this Master Trust I by reference.

(c) The Trustee may borrow money, including from its own commercial banking department, for such period of time and upon such terms and conditions as it may think proper and to mortgage and pledge assets as security for any such loan.

(d) No money or property (either principal or income) of Trust I shall be pledged, assigned, transferred, sold in any manner anticipated, charged, or encumbered by any Disabled Beneficiary, remainderman or other beneficiary hereunder, or be in any manner liable while in the possession of the Trustee for his, her, or their debts, contracts, obligations, or engagements, voluntary or involuntary, or for any claims, legal or equitable, against such remainderman, beneficiary or beneficiaries. No trust property shall be available to any Disabled Beneficiary, remainderman, or any other beneficiary until actually delivered to or for the benefit of him or her.

(e) Any Trustee acting hereunder shall be paid reasonable compensation for its services commensurate with such services as are rendered hereunder. The fees of the Trustee shall be paid by The Arc and are subject to change from time to time as the Trustee may reasonably determine to be necessary.

(f) Notwithstanding any other provision in this trust to the contrary, the Trustee shall review the investments of the trust and make investment recommendations to The Arc. The Arc hereby retains the power to veto the recommendations of the Trustee in the acquisition, disposition, and retention of trust assets and the power to direct acquisition, disposition, and retention of assets contrary to the Trustee's recommendations. The Arc expressly directs the Trustee to rely on its written direction, when given, and relieves the Trustee from liability for so relying. The Trustee shall be completely exonerated from any liability in connection with any investment action or inaction resulting from The Arc's written direction. "Written direction" for this purpose shall include facsimile and e-mail transmissions. The Arc initially designates its Trust Director as its authorized agent for purposes of investment direction, which designation shall remain in effect until the Trustee is notified in writing of a change.

## ARTICLE SEVEN

**Indemnification.** The Trustee and The Arc and each of their agents and employees, as well as their agents' and employees' heirs and legal and personal representatives, shall be and are hereby indemnified by Trust I and the trust property against all claims, liabilities, fines, or penalties and against all costs and expenses (including attorneys' fees and disbursements and the cost of reasonable settlements) imposed upon, asserted against or reasonably incurred thereby in connection with or arising out of any claim, action, suit, or proceeding in which he, she, or it may be involved by reason of being or having been a Trustee or Advisor, whether or not he, she, or it shall have continued to serve as such at the time of incurring such claims, liabilities, fines, penalties, costs, or expenses or at the time of being subjected to the same. However, said

persons and entities (or their heirs or legal representatives) shall not be so indemnified with respect to matters as to which he, she, or it shall be finally determined to have been guilty of wilful misconduct in the performance of any duty as such, by a court of competent jurisdiction. This right of indemnification shall not be exclusive of, or prejudicial to, other rights to which any such person or entity may be entitled as a matter of law or otherwise.

## **ARTICLE EIGHT**

### **Amendment and Termination of Trust I.**

#### **SECTION I**

The governing board of The Arc shall have the right and power to amend the provisions of this Master Trust I and the Joinder Agreement provided, however, that such power of amendment shall not extend to any amendment thereof which shall: (a) alter the purpose or objective of Trust I, (b) make gifts revocable that are otherwise irrevocable under this Trust or the Joinder Agreement, or (c) change the duties of the Trustee without its consent.

#### **SECTION II**

If the Trustee has reasonable cause to believe that the Trust income or principal is or may become liable for basic maintenance, support, medical, dental and therapeutic care, or any other appropriate care or service for any Disabled Beneficiary that has been or would otherwise be provided by local, state, or federal government or agency or department thereof, the Trustee may within its discretion terminate Trust I as to the affected Disabled Beneficiary as though he or she had died, and the Trustee shall distribute the trust property according to the provisions of Article Eight, Section III, hereinbelow provided for.

#### **SECTION III**

Upon the death of the Disabled Beneficiary in whose name such contribution or contributions were made and held in trust, the trust property standing in his or her name shall be distributed upon proof of death and in accordance with the Joinder Agreement.

#### **SECTION IV**

If it becomes impossible, or impracticable to carry out the purpose and objective of Trust I, the Trustee may terminate the Trust and distribute the trust property as set forth in Section II of this Article, provided, however, that if The Arc has ceased to exist, then any property remaining in Trust I shall be applied and paid over to such other organization or organizations as the Trustee, in its sole discretion, may determine then to be serving the disabled persons' interests and needs in a manner consistent with the purpose and objective of Trust I.

#### **SECTION V**

Trust I shall terminate on July 1, 2078. At its termination, the Trustee shall distribute all trust property to The Arc. The Arc shall create a new Master Trust ("New Trust") immediately

following the termination of this trust, contributing to the New Trust all property distributed to The Arc from the terminating trust. The New Trust shall have a new termination date and, with that one exception, shall have identical terms as the Trust I terminating on July 1, 2078, with the same beneficiaries having benefits from the same sub-trust accounts as the terminating trust.

#### ARTICLE NINE

**Resignation.** The Trustee of Trust I may resign (or be removed without cause by The Arc) at any time. Its successor to Trust I must be a bank or trust company doing business in the state of Indiana, and shall be selected and appointed by The Arc. If The Arc does not act within thirty (30) days of receiving notice of the Trustee's intent to resign, its successor shall be selected and appointed by the then acting Judge of the Marion Superior Court, Probate Division, Indianapolis, Indiana. Any Successor Trustee shall act as such without any liability for the acts or omission of any predecessor Trustee.

The foregoing refers solely to the Trustee of Trust I. It does not apply to any other master trust to which responsibility might transfer if a beneficiary moves out-of-state. If a beneficiary moves out-of-state, the fiduciary of the out-of-state master trust is not subject to the provisions of this Article. The fiduciary may be any institution deemed appropriate by the administrator of that master trust. It need not be a bank or trust company doing business in the state of Indiana.

IN WITNESS WHEREOF, the undersigned hereby subscribe to the above Master Trust I agreement, consisting of 6 pages, including this page, on the date last above written.

THE ARC OF INDIANA, INC.  
BY: \_\_\_\_\_

THE NATIONAL BANK OF INDIANAPOLIS  
BY: \_\_\_\_\_

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Revised 12/6/93, 2/22/95, 8/26/00, 12/1/01, 3/6/04, 6/12/04, 11/27/07