

**TRUST AGREEMENT FOR THE
CITY OF FRANKLIN EMPLOYEE'S PENSION PLAN**

This **TRUST AGREEMENT** (the "Agreement") is made and entered into effective as of this _____ day of _____, 2010, by and between the City of Franklin, Tennessee (the "Employer") and SunTrust Bank, a Georgia banking and trust corporation.

WITNESSETH:

WHEREAS, the Employer maintains the City of Franklin Employees' Pension Plan (the "Plan") to provide retirement benefits to eligible employees; and

WHEREAS, a trust is maintained and operated in association with the Plan to which contributions are made by the Employer, to be held in the trust and invested, reinvested and distributed all in accordance with the provisions of the Plan and such trust (the "Trust"); and

WHEREAS, the Employer has previously appointed SunTrust Bank as trustee of the Trust (the "Trustee"), and the Trustee has accepted such appointment, according to the terms of that certain agreement entered into by and between the parties effective as of October 8, 1996; and

WHEREAS, the Employer and the Trustee desire to confirm the previous appointment of the Trustee as trustee of the Plan, pursuant to the terms hereof;

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained, it is hereby agreed as follows:

**ARTICLE I
The Trust**

1.1 Establishment of Trust. The Employer has previously established and currently maintains the Trust to hold the assets of the Plan, consisting of such sums of money and other property as from time to time shall be paid or delivered to the Trustee. All such money and other property, all investments and reinvestments made therewith or proceeds thereof and all earnings and profits thereon, less all payments and expenses as authorized herein, are hereinafter referred to as the "Trust Fund."

The Trustee is the owner of the Trust Fund, and shall hold such assets for the exclusive benefit of Plan Participants and Beneficiaries. Plan Participants and Beneficiaries do not have ownership interests in the Trust Fund.

1.2 Plan as Part of Agreement. The Plan is a part of this Agreement and as such both documents shall be interpreted as an integrated whole. All terms defined in

the Plan shall have the same meanings when used herein unless expressly provided to the contrary.

ARTICLE II

Management and Control of Trust Fund Assets

- 2.1 Reservation of Discretionary Investment Authority.** The authority to control, manage and direct the investment of the Trust Fund shall reside in the Trustee, except as otherwise provided herein, who shall hold, invest and manage the Trust Fund pursuant to this Agreement without distinction between principal and income.

The Employer or its designee shall have the right to, and by executing this Agreement hereby exercises the right to, direct the Trustee with respect to investments of the Trust Fund, such that the Trustee identified herein shall be a directed trustee with no discretionary authority over the investment of the Trust Fund.

The Employer shall also have the right to appoint an investment manager (registered as an investment advisor under the Investment Advisors Act of 1940) to direct investments, in which case the Trustee shall be a directed trustee with respect to any such assets.

The Trustee shall be advised in writing regarding the retention of investment powers by the Employer or the appointment of an investment manager, and such delegation of investment responsibility shall remain in force until revoked or amended in writing. Any investment directive shall be made in writing by the Employer or investment manager, as the case may be.

The Trustee must act solely in accordance with the directions of the Plan Administrator, the Employer or its designee, or a properly appointed investment manager or other fiduciary of the Plan. The Trustee shall not be responsible for the propriety of any directed investment made pursuant to this Section and shall not be required to consult with or advise the Employer or any other person regarding the investment quality of any directed investment held hereunder.

The Employer may appoint a custodian to hold all or any portion of the Plan assets.

In the event of any ambiguity or in the event a power or responsibility is not expressly allocated or assigned to a specific fiduciary, the power or responsibility shall be that of the Employer. The Trustee shall have no responsibility or duty to inquire into the acts or omissions of any other fiduciary in the exercise of powers or discharge or responsibilities assigned to such other fiduciary under the Plan or this Agreement.

- 2.2 Investment Policy.** The Employer shall formulate and communicate in writing to the Trustee or other fiduciary responsible for plan investments an investment policy and method for the Trust Fund. If any adjustment from such policy or method is subsequently deemed appropriate, notice of such adjustment shall be communicated by the Employer in writing as soon as practicable to the responsible fiduciary and the fiduciary shall be under no duty to make any such adjustment prior to receiving such notice.
- 2.3 Trustee Powers.** In addition to the powers, rights and duties enumerated herein, the Trustee has whatever powers are necessary to carry out its duties in a prudent manner. To the extent the exercise of any power, right or duty is subject to discretion, such exercise must be made at the direction of the Plan Administrator, Plan Committee, or the Employer.
- (a) The Trustee shall be responsible for the safekeeping of the assets of the Trust in accordance with the provisions of the Plan and this Agreement. However, the Trustee does not guarantee the Trust in any manner against investment loss or depreciation in asset value, or guarantee the adequacy of the Trust to meet and discharge any or all liabilities of the Plan.
 - (b) The Trustee may invest, manage and control the Plan assets in a manner that is consistent with the Plan's funding policy and investment objectives. The Trustee may invest in any investment, as authorized under Section 2.4, that the Trustee deems advisable and prudent, subject to the proper written direction of the Plan Administrator, the Employer or its designee, or a properly appointed investment manager.
 - (c) The Trustee may retain such portion of the Plan assets in cash or cash balances as the Trustee may, from time to time, deem to be in the best interests of the Plan, without liability for interest thereon.
 - (d) The Trustee may collect and receive any and all monies and other property due the Plan and may settle, compromise, or submit to arbitration any claims, debts, or damages with respect to the Plan, and may commence or defend on behalf of the Plan any lawsuit or other legal or administrative proceeding.
 - (e) The Trustee may hold any securities or other property in the name of the Trustee or in the name of the Trustee's nominee, and may hold any investments in bearer form, provided the books and records of the Trustee at all times show such investment to be part of the Trust.
 - (f) The Trustee may exercise any of the powers of an individual owner with respect to stocks, bonds, securities or other property, including the right to vote or refrain from voting upon such stocks, bonds or securities; may give general or special proxies or powers of attorney; may exercise or sell any conversion privileges, subscription rights, or other options; may participate in corporate reorganizations, mergers, consolidations, or other

changes affecting corporate securities (including those in which it or its affiliates are interested as Trustee); and may make any incidental payments in connection with such stocks, bonds, securities or other property. Notwithstanding anything to the contrary herein or in the Plan, the Trustee shall not have the power or responsibility to vote proxies with respect to any Plan assets if the Trustee is subject to the investment directions of the Employer with respect to those assets or if the power to manage, acquire, or dispose of the relevant assets has been delegated by the Employer to one or more investment managers. With respect to the voting of, or in the event of any tender or other offer with respect to shares of Employer securities held in the Trust, the Trustee shall follow the direction of the Employer or other responsible fiduciary or, to the extent voting and similar rights have been passed-through to Participants, of each Participant with respect to shares allocated to their Accounts.

- (g) The Trustee may borrow or raise money on behalf of the Plan in such amount, and upon such terms and conditions, as the Trustee deems advisable. The Trustee may issue a promissory note as Trustee to secure the repayment of such amounts and may pledge all or any part of the Trust as security.
- (h) The Trustee is authorized to enter into a transfer agreement with the Trustee of another qualified retirement plan and to accept a transfer of assets from such retirement plan on behalf of any Employee of the Employer, if so directed by the Plan Administrator. The Trustee is also authorized, upon the written direction of the Plan Administrator, to transfer some or all of a Participant's vested account balance to another qualified retirement plan on behalf of such Participant. If the assets to be transferred are not susceptible to proper valuation and identification or are of such a nature that their valuation is incompatible with other Plan assets, the Trustee may refuse to accept the transfer of all or any specific asset, or may condition acceptance of the assets on the sale or disposition of any specific asset.
- (i) The Trustee is authorized to execute, acknowledge and deliver all documents of transfer and conveyance, receipts, releases, and any other instruments that the Trustee deems necessary or appropriate to carry out its powers, rights and duties hereunder.
- (j) If the Employer maintains more than one Plan, the assets of such Plans may be commingled for investment purposes. The Trustee must separately account for the assets of each Plan. A commingling of assets, as described in this paragraph, does not cause the trusts maintained with respect to such plans to be treated as a single trust.
- (k) The Trustee may appoint a subsidiary or affiliate of the Trustee to manage (including the power to acquire and dispose of) any assets held by the Trustee hereunder, to such extent and upon such terms as the Trustee

deems best, provided (A) such manager is registered as an Investment Adviser under the Investment Advisers Acts of 1940; (B) such manager acknowledges in writing to the Trustee at the time of such appointment that such manager is a fiduciary with respect to the Plan; and (C) the Trustee shall remain responsible for the actions of such investment manager to the same extent as of such actions were performed by the Trustee.

- (l) The Trustee is authorized to invest in any type of deposit of the Trustee (including its own money market fund) at a reasonable rate of interest, provided that such investment is consistent with the Plan's funding policy.

2.4 Investments under the Plan. The Trustee or other person(s) responsible for the investment of Plan assets is authorized to invest Plan assets in any prudent investment consistent with the funding policy of the Plan. Investment options include, but are not limited to, the following: common and preferred stocks (including stock bought and sold on margin); corporate bonds; mutual funds (including funds for which the Trustee or their affiliates serve as investment advisor or in any other capacity); money market accounts; certificates of deposit; debentures; commercial paper; put and call options; limited partnerships; mortgages; U.S. Government obligations, including U.S. Treasury notes and bonds; real and personal property having a ready market; life insurance policies; commodities; savings accounts; notes; alternative investments, including timber, emerging market equity, real estate, private equity, international bonds, venture capital, and hedge funds; and securities issued by the Trustee and/or its affiliates as permitted by law. Plan assets may also be invested in a common/collective trust fund, or in a group trust fund which satisfies the requirements of IRS Revenue Ruling 81-100, the terms of which are incorporated herein, established by the Trustee or an affiliate of the Trustee. No portion of any voluntary, tax-deductible Employee contributions being held under the Plan or any earnings thereon, may be invested in life insurance contracts or, as with any Participant-directed investment, in tangible personal property characterized by the IRS as a collectible.

ARTICLE III

Trust Administration and Accounting

3.1 Responsibilities of Trustee Respecting Administration of the Trust. The Trustee's administrative duties with respect to the Plan and the Trust Fund are limited to those described in this Section 3.1; the Employer shall be responsible for any other administrative duties required under the Plan or by applicable law.

- (a) The Trustee will receive all contributions made under the terms of the Plan. The Trustee is not obligated in any manner to ensure that such contributions are correct in amount or that such contributions comply with the terms of the Plan or the Code. In addition, the Trustee is under no obligation to request that the Employer make contributions to the Plan.

The Trustee is not liable for the manner in which such amounts are deposited or the allocation between Participant's Accounts, to the extent the Trustee follows the written direction of the Plan Administrator.

- (b) The Trustee will make distributions from the Trust in accordance with the written directions of the Plan Administrator or other authorized representative. To the extent the Trustee follows such written direction, the Trustee is not obligated in any manner to ensure a distribution complies with the terms of the Plan, that a Participant or Beneficiary is entitled to such a distribution, or that the amount distributed is proper under the terms of the Plan. If there is a dispute as to a payment from the Trust, the Trustee may decline to make payment of such amounts until the proper payment of such amounts is determined by a court of competent jurisdiction, or the Trustee has been indemnified to its satisfaction.

If the Employer terminates this Plan and delivers written notice of such termination to the Trustee, the Trustee shall dispose of the assets of the Plan in accordance with the written directions of the Plan Administrator, provided that no liquidation of assets and payment of benefits (or provision therefor) in connection with said termination shall actually be made by the Trustee until the Internal Revenue Service has issued a favorable determination regarding the qualified status of the Plan upon its termination, unless the Employer specifically directs earlier payment.

- (c) The Trustee may employ agents, attorneys, accountants and other third parties to provide counsel on behalf of the Plan or Trust Fund, where the Trustee deems advisable. The Trustee may reimburse such persons from the Trust for reasonable expenses and compensation incurred as a result of such employment. The Trustee shall not be liable for the actions of such persons and shall be entitled to rely on the advice of such persons.

3.2 Annual Valuation. The Trustee shall value the assets of the Trust Fund annually or more frequently as requested in writing by the Employer. All assets contained in the Trust accounting shall be shown at their fair market value as of the end of the Plan Year or as of the date of valuation. The value of marketable investments shall be determined using the most recent price quoted on a national securities exchange or over the counter market. The value of non-marketable securities shall, except as provided otherwise herein, be determined in the sole judgment of the Trustee, which determination shall be binding and conclusive. The value of investments in securities or obligations of the Employer in which there is no market shall be determined by an independent appraiser at least once annually and the Trustee shall have no responsibility with respect to the valuation of such assets.

3.3 Reporting to Plan Administrator and Employer. Within ninety (90) days following the end of each Plan Year, and within ninety (90) days following its removal or resignation, the Trustee will file with the Employer an accounting of its administration of the Trust during such Plan Year or from the end of the

preceding Plan Year to the date of its removal or resignation. Such accounting shall include a statement of cash receipts, disbursements and other transactions effected by the Trustee since the date of its last accounting, and such further information as the Trustee and/or Employer deems appropriate. Upon receipt of such information, the Employer must promptly notify the Trustee of its approval or disapproval of the information. If the Employer does not provide a written disapproval within ninety (90) days following the receipt of the information, including a written description of the items in question, the Trustee is forever released and discharged from any liability with respect to all matters reflected in such information. The Trustee shall have sixty (60) days following its receipt of a written disapproval from the Employer to provide the Employer with a written explanation of the items in question. If the Employer again disapproves of the accounting, the Trustee shall file its accounting with a court of competent jurisdiction for audit and adjudication.

- 3.4 Reasonable Compensation.** The Trustee shall be paid reasonable compensation in an amount agreed upon by the Employer and Trustee. The Trustee will also be reimbursed for any reasonable expenses or fees incurred in its function as Trustee. The Plan will pay the reasonable compensation and expenses incurred by the Trustee, unless the Employer pays such compensation and expenses. Any compensation or expense paid directly by the Employer to the Trustee is not an Employer contribution to the Plan.
- 3.5 Plan Administration Expenses.** All reasonable expenses related to Plan administration, including all reasonable costs, charges and expenses incurred by the Trustee in connection with the administration of the Trust (including such reasonable compensation to the Trustee as may be agreed upon from time to time between the Employer or Plan Administrator and the Trustee and fees for legal services rendered to the Trustee) will be paid from Plan assets, except to the extent the expenses are paid by the Employer directly. From time to time, on written direction of the Plan Administrator, the Trustee shall make payments out of the Trust Fund to such persons, in such manner, in such amounts, and for such purposes related to the administration of the Plan as may be specified in such written direction. If liquid assets of the Trust are insufficient to cover the fees of the Trustee or reasonable expenses related to Plan administration that are not otherwise paid by the Employer, then Trust assets shall be liquidated to the extent necessary for such fees. In the event any part of the Trust becomes subject to tax, all taxes incurred will be paid from the Trust.
- 3.6 Resignation and Removal of Trustee.** The Trustee may resign at any time by delivering to the Employer a written notice of resignation at least sixty (60) days prior to the effective date of such resignation. The Employer may remove the Trustee at any time, with or without cause, by delivering written notice to the Trustee at least sixty (60) days prior to the effective date of such removal. Notwithstanding the foregoing, resignation or termination may be made effective at any time upon mutual consent of the parties.

Upon the resignation, removal, death or incapacity of the Trustee, the Employer shall appoint a successor trustee which, upon accepting such appointment, will have all the powers, rights and duties conferred upon the Trustee as if originally named hereunder. After the Trustee receives evidence satisfactory to it that the successor trustee has accepted its appointment as such, it shall promptly liquidate (to the extent possible) any assets the investment in which is unique to the Trustee, and turn over to such successor all assets held by the Trustee. In the event there is a period of time following the effective date of the Trustee's removal or resignation before a successor trustee is appointed, the Employer is deemed to be the successor trustee. During such period, the Trust continues to be in existence and legally enforceable, and the assets of the Plan shall continue to be protected by the provisions of the Trust.

- 3.7 Limitations on Liability; Indemnification.** The Employer warrants that all directions issued to the Trustee by it or its designee, the Plan Administrator, or other third parties authorized to direct the Trustee, will be in accordance with the terms of the Plan. All directions by the Employer or its designee, the Plan Administrator, or an investment manager shall be in writing, shall be given orally and promptly confirmed in accordance with reasonable procedures developed with the Trustee, or shall be made pursuant to preapproved communication procedures to which the Employer, Plan Administrator, or investment manager has consented in writing. The Employer shall deliver to the Trustee certificates evidencing the individual or individuals authorized to act on behalf of the Plan and shall deliver to the Trustee specimens of their signatures. The Trustee shall not be answerable for any action taken pursuant to any direction, consent, certificate, or other paper or document on the belief that the same is genuine and signed by the proper person.

The duties and obligations of the Trustee shall be limited to those expressly imposed upon it by this instrument or subsequently agreed upon in writing by the parties. Responsibility for administrative duties required under the Plan or applicable law not expressly imposed upon or agreed to by the Trustee shall rest solely with the Employer.

The Trustee shall not be liable for the making, retention or sale of any investment or reinvestment made by it, as herein provided, or for any loss to, or diminution of the Trust, or for any other loss or damage which may result from the discharge of its duties hereunder except to the extent that such loss or damage is solely attributable to a breach of its duties hereunder.

The Employer agrees to indemnify and hold harmless the Trustee against any and all claims, losses, damages, expenses and liabilities, including all expenses reasonably incurred in its defense, for any action taken or omitted by the Trustee pursuant to the direction of the Plan Administrator, the Employer or its designee, or other third party authorized to provide direction to the Trustee.

The Employer agrees that the Trustee shall have no liability with regard to the investment or management of illiquid Plan assets transferred from a prior trustee,

and shall have no responsibility for investments made before the transfer of Plan assets to it, or for the viability or prudence of any investment made by a prior trustee, including those represented by assets now transferred to the custody of the Trustee, or for any dealings whatsoever with respect to Plan assets before the transfer of such assets to the Trustee. The Employer shall indemnify and hold harmless the Trustee for any and all claims, actions or causes of action for loss or damage, or any liability whatsoever relating to the assets of the Plan transferred to the Trustee by any prior trustee of the Plan, including any liability arising out of or related to any act or event, including prohibited transactions, occurring prior to the date the Trustee accepts such assets, including all claims, actions, causes of action, loss, damage, or any liability whatsoever arising out of or related to that act or event, although that claim, action, cause of action, loss, damage, or liability may not be asserted, may not have accrued, or may not have been made known until after the date the Trustee accepts the Plan assets. Such indemnification shall extend to all applicable periods, including periods for which the Plan is retroactively restated to comply with any tax law or regulations.

The Trustee agrees to indemnify and hold harmless the Employer and the Plan against any and all claims, losses, damages, expenses and liabilities, including all expenses reasonably incurred in its defense, for any action taken or omitted by the Trustee other than pursuant to the direction of the Plan Administrator, the Employer or its designee, or other third party authorized to provide direction to the Trustee.

ARTICLE IV

Miscellaneous

- 4.1 Persons Dealing with Trustee.** No person, other than the Employer and the Plan Administrator, when dealing with the Trustee, shall be required to see to the application of any money paid or property delivered to the Trustee, or to determine whether or not the Trustee is acting pursuant to any authority granted it under this Agreement.
- 4.2 Assignment and Alienation.** The assets of the Trust Fund shall not be subject to alienation, assignment, process, garnishment, attachment, execution, or levy of any kind, or any claim or legal process of any creditor of a participant or beneficiary under the Plan, and no attempt to cause such assets to be so subjected shall be recognized except to such extent as may be required by law or provided in this Agreement.
- 4.3 Evidence.** Evidence required of anyone under this Agreement may be by certificate, affidavit, document or other instrument which the person acting in reliance thereon considers pertinent and reliable, and signed, made or presented by the proper party.
- 4.4 Waiver of Notice.** Any notice required under this Agreement may be waived by the person entitled thereto.

- 4.5 Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and no other counterpart need be produced.
- 4.6 Governing Laws.** This Agreement shall be construed and administered according to the laws of the State of Tennessee to the extent such laws are not preempted by the laws of the United States of America.
- 4.7 Successors, etc.** The provisions of this Agreement shall be binding on the Employer, the Trustee, and the Plan Administrator and their successors and assigns and on all persons entitled to benefits under the Plan and their respective heirs and legal representatives, successors and assigns. In the event that any acting corporate Trustee shall be merged or consolidated with or shall sell or transfer substantially all of its assets and business to another corporation authorized to act as a trustee, or shall in any manner be reorganized or reincorporated, then the corporation resulting from such merger, consolidation, reorganization or reincorporation, shall thereupon become Trustee hereunder without the execution of any instrument and without any further action on the part of the Employer, the Participants or the Trustee hereunder. If a successor to the Employer or a purchaser of all or substantially all of the Employer's assets elects to continue the Plan, such successor or purchaser shall be substituted for the Employer under this Agreement without the execution of any instrument and without any further action on the part of the Employer, the Participants or the Trustee hereunder.
- 4.8 Amendment.** This Agreement may be amended in writing at any time by the parties hereto, provided no amendment shall have the effect of diverting any of the assets of the Trust Fund to any purpose other than the exclusive benefit participants in the Plan and their beneficiaries and defraying the reasonable expenses of the Plan.

IN WITNESS WHEREOF, the Employer has caused these presents to be signed by its duly authorized representative, and the Trustee, to signify its acceptance of its responsibilities hereunder, has signed this Agreement as of the day and year first above written.

“EMPLOYER”

“TRUSTEE”

CITY OF FRANKLIN, TENNESSEE

SUNTRUST BANK

By: _____

By: _____

Its: _____

Its: _____