ARIZONA BOARD OF REGENTS

OPTIONAL RETIREMENT PLAN
TRUST AGREEMENT
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THIS TRUST AGREEMENT, made and entered into the 16th day of DECEMBER, 2013, by and between the ARIZONA BOARD OF REGENTS, as the Employer (the "Employer") and the ARIZONA BOARD OF REGENTS, as the Trustee (the "Trustee").

WITNESSETH:

WHEREAS, the Arizona Board of Regents, a body corporate created under Article 2, Chapter 13, Title 15, Arizona Revised Statutes (A.R.S. sections 15-1621, et seq.) (the "Board") has adopted the Arizona Board of Regents Optional Retirement Plan (the "Plan") to provide its employees with a retirement income; and

WHEREAS, the Employer desires to establish a Trust to aid in the proper execution of the Plan;

NOW, THEREFORE, the Employer and the Trustee do hereby establish the Arizona Board of Regents Optional Retirement Plan Trust (the "Trust") which is intended to form a part of the Plan and in so doing, do hereby declare and agree as follows:

ARTICLE I

THE TRUST FUND

1.1 Trust Fund. The "Trust Fund" as at any date means all money and other property held by the Trustee pursuant to this Trust Agreement. The Trust Fund shall be held by the Trustee in trust and dealt with in accordance with the provisions of this Trust Agreement.

1.2 Trustee. Except where an Investment Manager is appointed pursuant to Section 2.6 hereof, the Trustee shall have exclusive authority and discretion to manage and control the Trust Fund. The rights, powers, titles, duties, discretions and immunities of the Trustee shall be governed solely by this Trust Agreement without reference to the provisions of the Plan.

1.3 Employer. The Plan is established for the benefit of eligible employees of the Employer.

1.4 Plan Administration. The Plan shall be administered by the Plan Administrator who shall be the Arizona Board of Regents.
ARTICLE II

MANAGEMENT AND ADMINISTRATION OF THE TRUST FUND

2.1 Contributions. The Employer may from time to time make, or cause to be made, contributions to the Trust Fund, which, upon receipt thereof by the Trustee, shall be held as a part of the Trust Fund for the exclusive benefit of the Employees and their beneficiaries covered by the Plan. The Trustee shall be under no duty to require payment of any contributions to the Trust Fund, to determine that the contributions comply with the provisions of the Plan or with any resolution of the Board providing therefor, to compute the amounts of said contributions, or to take any steps necessary to collect said contributions.

2.2 Payments. Payments from the Trust Fund shall be made by the Trustee only to such persons, in such manner, at such times, and in such amounts as the Plan Administrator shall from time to time direct in writing. The Plan Administrator may also direct in writing the payment or reimbursement for expenses of administering the Plan or this Agreement. No direction will be issued to the Trustee by the Plan Administrator other than in accordance with the terms of the Plan, and accordingly the Trustee shall be fully protected in making payments in accordance with such directions without ascertaining whether such payments are in compliance with the terms of the Plan and without responsibility to see to their application. All payments of benefits under the Plan shall be made exclusively from the assets of the Trust Fund as they may be constituted at the time or times of payment, and no person shall be entitled to look to any other source for such payments.

The Trustee shall not be liable for any payment made in good faith without actual notice or knowledge of the changed condition or status of any recipient thereof. In the event that any check in payment of a benefit provided under the Plan has been dispatched by regular United States Mail to the last address of the recipient furnished to the Trustee by the Plan Administrator, and if such check is returned unclaimed, the Trustee shall so notify the Plan Administrator and shall discontinue further payments to such recipient until further instructions are received from the Plan Administrator.

2.3 Compensation and Expenses. The Trustee shall be reimbursed for all of its costs and expenses incurred in the administration of the Trust Fund and shall be paid such reasonable compensation as may be agreed upon from time to time by the Employer and the Trustee. The Employer intends to pay such costs, expenses, and compensation; but if the Employer fails to make such payments, they shall be paid out of the Trust Fund. The Trustee also shall pay out of the Trust Fund such expenses of administration of the Plan, including but not limited to, accounting, actuarial and legal expenses, as the Plan Administrator shall direct. All taxes of any and all kinds whatsoever that may be levied or assessed under existing or future laws upon the Trust Fund or the income thereof, and investment charges, shall be paid from the Trust Fund.

2.4 Indemnification. The Employer shall indemnify and hold harmless the Trustee from and against any and all personal liability to which the Trustee may be subjected by reason of any action taken or omitted in its official capacity in good faith in the administration of this Trust Agreement, or in carrying out any directions of the Plan Administrator issued in accordance with this Agreement. The Trustee shall be reimbursed by the Employer for all
expenses reasonably incurred in its defense in the event that the Employer fails to provide such defense.

2.5 **General Powers and Duties of the Trustee.** The Trustee shall have the following powers, rights and duties in addition to those provided elsewhere in this Trust Agreement or by law:

(a) To have the exclusive authority and discretion to invest and reinvest the Trust Fund in property of any kind, real or personal, subject only to the provisions of Section 2.6 and other specific provisions contained herein.

(b) To engage in the writing, sale, purchase and exercise of covered call option contracts as an investment for the Trust Fund.

(c) To manage, operate, sell, contract to sell, grant options with respect to, convey, exchange, partition, transfer, abandon, improve, repair, insure, lease for any term (although commencing in the future or extending beyond the term of this Trust) and otherwise deal with all property, real or personal, in such manner, for such considerations, and on such terms and conditions as the Trustee shall decide.

(d) To borrow from anyone such amount or amounts of money as the Trustee considers desirable to carry out the purpose of this Trust and for that purpose to mortgage or pledge all or any part of the Trust Fund.

(e) To retain in cash (pending investment, reinvestment or payment of benefits) any portion of the Trust Fund and to deposit cash in any depository or bank.

(f) To rent one or more boxes from any recognized safety deposit company for keeping the securities of the Trust Fund.

(g) To compromise, contest, arbitrate, settle or abandon claims or demands.

(h) To begin, maintain or defend any litigation necessary in connection with the investment, reinvestment and administration of the Plan or this Trust, except that the Trustee shall not be required to do so unless indemnified to its satisfaction.

(i) To have all rights of an individual owner, including the power to give proxies to vote stocks, to join in or oppose (alone or jointly with others) voting trusts, mergers, consolidations, foreclosures, reorganizations, recapitalizations or liquidations, or other changes in the financial structure of any corporation, and to exercise or sell stock subscription or conversion rights.

(j) To hold securities or other property in the name of the Trustee or its nominee, or nominees, or in such other form as it determines best, with or without disclosing the trust relationship, provided the records of the Trustee shall indicate the actual ownership of such securities or other property, and provided further that except as authorized by regulations issued by the Secretary of Labor, the indicia of ownership or the assets of the Trust Fund shall not be maintained outside the jurisdiction of the district courts of the United States.
(k) To retain any funds or property subject to any dispute without liability for the payment of interest, or to decline to make payment or delivery thereof until final adjudication is made by a court of competent jurisdiction or until an appropriate release is obtained.

(l) To report to the Plan Administrator and the Employer as of the last day of each fiscal year of the Trust, or such other times as may be required under the Plan, the then net worth of the Trust Fund, which is the fair market value of all property held in the Trust Fund, reduced by any liabilities to participants in the Plan and their beneficiaries, all as determined by the Trustee.

(m) To furnish the Plan Administrator and the Employer an annual written account as soon as practicable following the close of each fiscal year of the Plan (and following the close of such other periods as may be required under this Trust Agreement or the Plan), showing the net worth and a list of the assets of the Trust Fund at the end of the period and all investments, receipts, disbursements and other transactions made by the Trustee during the accounting period. All accounts of the Trustee should be kept on an accrual accounting basis, unless the Employer directs otherwise.

(n) To pay any estate, inheritance, income or other tax, charge or assessment attributable to any benefit which, in the Trustee's opinion, they shall or may be required to pay out of such benefit; to defer making payment of any such tax, charge or assessment if it is indemnified to its satisfaction with respect thereto; and to require before making any payment such release or other document from any taxing authority and such indemnity from the intended payee as the Trustee shall deem necessary for its protection.

(o) To employ agents, attorneys, actuaries, accountants, depositaries or other persons (who also may be employed by or represent the Employer) and to delegate to them such powers as the Trustee may consider desirable (except that the Trustee may not delegate its responsibilities as to the management or control of the assets of the Trust Fund), provided that such delegation, and the acceptance thereof, by such agents, attorneys, actuaries, accountants, depositaries or other persons, shall be in writing; and, to the extent permitted by law, the Trustee shall be protected in acting or refraining from acting on the advice of persons so employed.

(p) To maintain records and accounts reflecting all receipts and disbursements under this Trust Agreement and such other records and accounts as the Employer may specify, all of which shall be open to the inspection of the Employer or the Plan Administrator at all reasonable times, and may be audited from time to time by anyone named by the Employer.

(q) To invest and reinvest all or any part of the Trust Fund in deposits which bear a reasonable rate of interest in a bank or similar financial institution supervised by the United States or a state, and in any common, collective or commingled trust funds which then provides for the pooling of the assets of plans described in Section 401(a) and exempt from tax under Section 501(a) of the Code, or any comparable provisions of any future legislation that amends, supplements or supersedes those sections, provided that such common, collective or commingled trust funds are exempt from tax under the Code or regulations or rulings issued by the Internal Revenue Service, and further provided that the provisions of the document governing such common, collective or commingled trust funds as it may be amended from time to time shall govern any investment therein and are hereby made a part of this Agreement.
(r) To furnish the Plan Administrator with such information in the possession of the Trustee as the Plan Administrator may need for tax or other purposes.

(s) To perform any and all other acts in its judgment necessary or appropriate for the proper and advantageous management, investment, and distribution of the Trust Fund.

(t) To assume, until advised to the contrary, that the Trust evidenced by this Trust Agreement is qualified under Section 401(a) of the Code, and is entitled to tax exemption under Section 501(a) thereof.

(u) To make loans to Participants and deal with notes representing such loans and collateral for such loans, as directed from time to time by the Plan Administrator, if permitted under the Plan.

2.6 Appointment of Investment Manager. Notwithstanding any other provision of this Trust, the Employer may from time to time appoint (and remove) one or more investment fund managers (the “Investment Manager”) who shall have the authority to direct investments to be made by the Trustee with respect to all or any part of the assets of the Trust Fund and who shall have and exercise with respect to all assets subject to its investment direction, all of the investment powers and duties reserved to the Trustee under this Article II during the period of such appointment. Any such Investment Managers must either be registered as an investment advisor under the Investment Advisors Act of 1940 or be a bank, as defined in such Act. Any Investment Manager appointed under this Section shall acknowledge, in writing, its acceptance of such appointment and that it is a fiduciary with respect to the assets of the Trust Fund subject to its investment direction. If an Investment Manager is removed, the Employer shall give prompt written notice of such removal to the Trustee, and if a successor Investment Manager is not appointed, the Trustee shall thereupon assume all of the investment powers. Upon receipt of written notice of the appointment of an Investment Manager, the Trustee shall perform such custodial and disbursing functions and ministerial acts relating to investments directed by the Investment Manager as may be required to carry out the administration of the Trust Fund but shall be relieved of all responsibility for investment or failure to invest that portion of the Trust Fund subject to investment direction by the Investment Manager during the period of appointment of such Investment Manager, except that the Trustee may, but shall not be required to, invest and reinvest income and principal cash in U.S. Treasury bills, commercial paper, or other short-term investments pending receipt of directions as to the investment or disposition of such cash. The charges and expenses of the Investment Manager shall be charged against the Trust Fund to the extent that they are not paid by the Employer. The Trustee shall have no duty to review or recommend the sale, retention, or other disposition of any asset purchased or retained at the direction of the Investment Manager, nor shall the Trustee have any personal liability or responsibility for any loss to or depreciation of the Trust Fund occasioned by reason of the purchase, sale, or retention of any asset in accordance with the direction of the Investment Manager, or by reason of not having sold such assets so purchased or retained in the absence of any direction from the Investment Manager to make such sale. All directions given to the Trustee by the Investment Manager, including brokers’ confirmations, shall be given in writing. All terms and conditions of any agreement between the Trustee and an Investment Manager appointed in accordance with the provisions of this Section shall become a part of the terms and conditions of this agreement, but shall not be binding on
the Employer or change the powers or duties of the Employer or the Board without their consent.

ARTICLE III

CHANGE OF TRUSTEE

3.1 Resignation. The Trustee may resign at any time by giving sixty days advance notice in writing to the Board. The necessity for such sixty day notice may be waived by the mutual agreement of the Trustee and the Board.

3.2 Removal. The Trustee may be removed by the Board at any time upon sixty days advance notice in writing to the Trustee. The necessity for such sixty day notice may be waived by the mutual agreement of the Trustee and the Board.

3.3 Duties of Resigning or Removed Trustee and of Successor Trustee. Upon the removal or resignation of the Trustee, the Board shall appoint a successor Trustee who shall have the same powers and duties as those conferred upon the removed or resigned Trustee. For any reason whatsoever, the Board may at any time appoint a successor trustee or trustees, other than as heretofore provided, and any such successor trustee or trustees may be either an individual or individuals, or a corporation authorized by law to administer trusts. Acceptance as successor Trustee shall be evidenced by the successor's endorsement hereto; and upon such acceptance, the successor shall have the same title, rights, powers, duties and discretions as the other Trustees.

In the event that the successor is a corporate trustee, the Trustee is authorized, when the Trust Fund is paid over to such successor trustee, to reserve such reasonable sum of money as it deems advisable to provide for any charges against the Trust Fund for which it may be liable, or for payment of fees and expenses in connection with the settlement of its accounts or otherwise; and any balance of such reserve remaining after the payment of such fees and expenses shall be paid over to the successor trustee. If the successor trustee is a corporation, the resigned or removed Trustee shall furnish within one hundred twenty days to the Board and the successor Trustee an account of its administration of the Trust Agreement from the date of its last account.

ARTICLE IV

AMENDMENT OR TERMINATION

4.1 Amendment. This Trust Agreement may be amended at any time by the Board, except that the duties and liabilities of the Trustee cannot be changed without its consent, and under no condition shall an amendment result in the return or repayment to the Employer of any part of the Trust Fund or the income from it or result in the distribution of the Trust Fund for the benefit of anyone other than persons entitled to benefits under the Plan, except as otherwise provided in Section 5.5.

4.2 Termination. In the event of the merger, consolidation or transfer of any portion of the Trust Fund to a trust fund held under any other plan of deferred compensation or in the event of the partial or total termination of the Plan, all as provided in the Plan, the Trustee shall dispose of the Trust Fund or a portion thereof, as the case may be, in accordance with the
written direction of the Board and/or the Plan Administrator, accompanied by certification to the Trustee that the directed disposition is in accordance with the terms of the Plan and that the requirements of Section 5.5 of this Trust Agreement are satisfied. Notwithstanding any such direction, the Trustee may reserve from the Trust Fund such reasonable amount as it shall deem necessary to provide for the payment of any expenses or taxes then or thereafter chargeable against the Trust Fund. Until all assets have been distributed by the Trustee in accordance with such direction, this Trust Agreement, including all rights, titles, powers, duties, discretions and immunities imposed on or reserved to the Trustee, the Employer, the Board, the Plan Administrator and the Investment Managers, if any, notwithstanding, shall continue in effect.

ARTICLE V

MISCELLANEOUS

5.1 Action by Employer. Any action required or permitted to be taken by the Employer under the Trust Agreement shall be by resolution of the Board, by resolution of a duly authorized committee of the Board or by a person or persons authorized by resolution of the Board or such committee.

5.2 Disagreement as to the Acts. If there is a disagreement between the Trustee and anyone as to any act or transaction reported in any accounting, the Trustee shall have the right to have its account settled by a court of competent jurisdiction.

5.3 Persons Dealing with the Trustee. No person 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 to it under this Trust Agreement.

5.4 Benefits May Not Be Assigned or Alienated. Except as may be specifically allowed under the provisions of the Plan or the tax withholding provisions of the Internal Revenue Code or any State income tax Act, the interests of Plan participants and their beneficiaries under this Trust Agreement may not be voluntarily or involuntarily assigned or alienated.

5.5 No Reversion to Employer. The Employer shall have no right, title, or interest in the Trust Fund, nor shall any part of the Trust Fund or the income from it revert to the Employer directly or indirectly, except for the payment of Plan and Trust Agreement administrative expenses, or otherwise result in the distribution of the Trust Fund for the benefit of anyone other than persons entitled to benefit under the Plan. Notwithstanding the foregoing, upon the request of the Employer, a contribution made by a mistake of fact, or conditioned upon initial qualification of the Plan and Trust or any amendment thereof, shall be returned to the Employer within one year after the payment of the contribution, denial of the qualification, or disallowance of the deduction (to the extent disallowed), whichever is applicable.

5.6 Evidence. Evidence required of anyone under this Trust 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 or parties.
5.7 **Waiver of Notice.** Any notice required under this Trust Agreement may be waived by the person entitled thereto.

5.8 **Counterparts.** This Trust Agreement may be executed in any number of counterparts, each of which shall be deemed an original and no other counterpart need be produced.

5.9 **Severability.** If any provision of the Plan or this Trust Agreement is held to be illegal or invalid, such illegality or invalidity shall not affect the remaining provisions of the Plan and this Trust Agreement, and they shall be construed and enforced as if such illegal or invalid provision had never been inserted therein.

5.10 **Successors.** The provisions of this Trust Agreement shall be binding on the Employer, the Trustee, the members of the Plan Administrator, the Investment Manager, if any, and their successors and on all persons entitled to benefits under the Plan and their respective heirs and legal representatives.

5.11 **Service of Process.** With respect to any litigation arising as a result of the terms of this Trust Agreement, service of process on the Trustee or the Employer shall constitute service of process of all necessary parties to the litigation provided that the person so served notifies all such necessary parties of the service of process. The settlement of judgment in any such case in which the Employer is duly served or cited shall be binding upon all participants and their beneficiaries, contingent beneficiaries and estates, and upon all persons claiming by, through or under them.

5.12 **Governing Laws.** This Trust Agreement shall be construed and administered according to the laws of the State of Arizona.

IN WITNESS WHEREOF, the Employer has caused this Trust Agreement to be executed, as duly authorized by its Board and the Trustee has executed this Trust Agreement, the day and year first above written.

ARIZONA BOARD OF REGENTS,
Trustee

By
President

ARIZONA BOARD OF REGENTS,
Employer

By
President