

TRUST AGREEMENT
GOVERNING
CITY OF CORONA
PENSION STABILIZATION TRUST

Effective January 19, 2022

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CITY OF CORONA PENSION STABILIZATION TRUST

PREAMBLE

WHEREAS, the City of Corona (the "City") intends to create a pension stabilization trust fund to hold funds set aside by the City for future pension contributions to CalPERS in order to stabilize the expected pension funding from the City and fund some of the unfunded liability for CalPERS pension benefits;

WHEREAS, the City seeks to grant administration of the trust fund to a Board of Trustees, as set forth in this Trust Agreement;

NOW THEREFORE, the City does hereby adopt this Trust Agreement, effective January 19, 2022.

SECTION 1. DECLARATION OF TRUST

1.1 Name

The City hereby declares the establishment of a Trust Fund, named:

City of Corona Pension Stabilization Trust

The Trustees may hold property, enter into contracts, and in all matters act on behalf of the Trust Fund in such name.

1.2 Purpose

The exclusive purpose of the Trust Fund is to provide an entity to which funds from the City can be deposited, and through which the Trustees can invest and manage assets for the exclusive purpose of funding contributions to the pension plan providing pension benefits for City employees and retirees.

1.3 Duration of Trust Fund

The Trust Fund shall continue in existence on an indefinite basis, contemporaneously with the term of this Trust Agreement.

1.4 Term of Trust Agreement

This Trust Agreement shall be effective as of January 19, 2022, and shall continue indefinitely until such time as it is terminated in accordance with the provisions of Section 10 hereof.

SECTION 2. DEFINITIONS

These terms shall have the following meanings when used in this Trust Agreement:

- 2.1 “**City**” means the City of Corona, California.
- 2.2 “**Code**” means the Internal Revenue Code of 1986, as amended.
- 2.3 “**Trustees**” or “**Board of Trustees**” means the governing board of the Trust Fund and their successors.
- 2.4 “**Trust**” or “**Trust Fund**” means the entity created by this Trust Agreement and all property and funds held by such entity, including all contract rights and records.

SECTION 3. BOARD OF TRUSTEES

3.1 Board of Trustees

The Board of Trustees, selected as provided below, shall administer the Trust Fund pursuant to the rules established herein.

3.2 Capacity of Trustees

The Trustees shall be considered fiduciaries of the Trust Fund.

3.3 Agents for Service of Process

The Clerk’s Office of the City of Corona shall be considered an agent of the Trust Fund for the purpose of accepting service of legal process, provided that the Trustees may designate in writing a different City employee, a Trustee, or a contract service provider, as exclusive agent of the Trust Fund for this purpose.

3.4 Number and Selection of Trustees

There shall be 5 Trustees. The Trustees shall be the City Treasurer, City Manager, Assistant City Manager, Finance Director and Accounting Manager, or their designees, who must meet the requirements of this Section to serve. The Trustees serving as of the effective date of this Trust Agreement are: City Treasurer Chad Willardson; City Manager Jacob Ellis; Assistant City Manager Roger Bradley; Finance Director Kim Sitton; and Accounting Manager Christine Thompson.

In the event of termination of a Trustee term through resignation, death, or separation from City employment, the City Manager shall appoint a successor Trustee to serve in the Trustee position until a new individual becomes qualified for the Trustee position pursuant to the selection requirements above.

The City may remove an individual from a Trustee position by action of the City Council. Removal of an individual from a Trustee position shall not affect the individual's City employment.

3.5 Employment/Elected Official Requirement

Each person appointed as a Trustee shall be currently employed by the City or an elected official of the City.

3.6 Term of Position

Trustee terms shall continue until the person is no longer qualified for the position under Section 4 or 5 above or until resignation pursuant to Section 11 below.

3.7 Individuals Disqualified from Serving as Trustees

No individual who has been convicted of a felony prior to or during their term shall serve as a Trustee. No individual who has been accused, found guilty or held liable for breach of trust may serve as a Trustee. The term of a Trustee who is convicted of a felony, or accused, found guilty or held liable for a breach of trust shall be automatically terminated.

3.8 Trustee Acceptance of Position

Each Trustee shall sign a document accepting the Trustee position and agreeing to abide by the terms and provisions of this Trust Agreement. Acceptance will also be deemed to occur by attendance at two Trustee meetings.

3.9 Termination For Failure To Attend Meetings

The term of a Trustee shall be automatically terminated if a Trustee fails to attend two (2) consecutive meetings of the Board of Trustees, without being excused from attendance by the remaining Trustees, as noted in the meeting minutes.

3.10 Termination For Mental Incapacity

The term of a Trustee declared mentally incompetent by court decree shall be automatically terminated.

3.11 Resignation

A Trustee may resign from the Trustee position at any time subject to applicable law. Such resignation shall be effective upon the resignation date specified in a written notice of resignation addressed to the Chairperson of the Board of Trustees or as noted in the meeting minutes when the resignation is given orally at a Board of Trustees meeting. A Chairperson of the Board of Trustees may resign from the Trustee position by written notice of resignation addressed to one of the other

Trustees or as noted in the meeting minutes when the resignation is given orally at a Board of Trustees meeting. Written resignations of Trustees shall be recorded in the meeting minutes of the next Board of Trustees meeting following receipt of the written resignation.

3.12 Vacancies.

No vacancy in a Trustee position shall impair the power of the remaining Trustees to administer the affairs of the Trust Fund so long as a quorum exists as specified in Section 4 hereof.

3.13 Return of Books and Records

In the event of the termination of term, resignation, or death of a Trustee, the Trustee (or his legal guardian, heirs, or personal representative) shall, upon the request of the Chairperson or the Secretary of the Trustees, forthwith turn over to the Chairperson or Secretary any and all records, books, documents, and other property in the possession of the Trustee, or under his or her control, that belong to the Trust Fund or that were received by him or her in capacity as a Trustee. Former Trustees shall cooperate with the Board of Trustees to turn over signatory authority on Trust Fund accounts, as needed.

SECTION 4. TRUST FUND ADMINISTRATION

4.1 Manner of Voting

Any action to be taken by the Board of Trustees shall be approved by majority vote (greater than 50%) of the number of Trustees present at the meeting.

4.2 Quorum

To constitute a valid meeting of the Board of Trustees, a quorum must be present. A quorum exists if there are present at a meeting a simple majority of the number of Trustee positions, pursuant to Section 3.4 hereof, even if all positions are not filled.

4.3 Motions

Any Trustee including the Chairperson or Secretary may offer or second any motion or resolution presented for the Trustees' consideration.

4.4 Prohibition of Proxies

To encourage full attendance at meetings of the Board of Trustees and due consideration of the matters being voted upon, there shall be no proxies. A Trustee must be present, in person or via teleconference or videoconference, in order to cast a vote.

4.5 Regular Meetings

The Trustees shall hold regular periodic meetings consistent with the needs of Trust Fund business, provided that there shall be at least two regular meetings held during each calendar year. The Trustees shall determine the time and place of all such meetings, and comply with all applicable provisions for open meetings pursuant to the Ralph M. Brown Act, Cal. Govt. Code Section 54950 et seq.

4.6 Special Meetings

The Chairperson or any two Trustees may call a special meeting of the Board of Trustees by giving written notice to all other Trustees of the time and place of such meeting with sufficient time before the date set for the meeting to allow notice and agenda posting that is compliant with the Ralph M. Brown Act, Cal. Govt. Code Section 54950 et seq.

4.7 Election of Chairperson and Secretary

The Trustees shall elect one of their number as Chairperson and one as Secretary. The Chairperson and the Secretary shall each hold office indefinitely, provided that when a particular Chairperson or Secretary have held office for two years, or at any time thereafter, any Trustee may obtain, on request, a rotation of offices, or a new election, or both. A Chairperson or Secretary may resign their office at any time. Such resignation shall be effective upon the resignation date specified in a written notice of resignation addressed to the remaining Trustees or communicated orally at a meeting of the Board of Trustees and noted in the minutes.

4.8 Duties of Chairperson and Secretary

The Chairperson shall chair the meetings of the Board of Trustees, shall have the power to appoint committees, and shall carry out such other duties as the Trustees may assign.

The Secretary, in the absence of the Chairperson, shall act in the place of the Chairperson and perform the Chairperson's duties. The Secretary shall also advise the Trustees as to all correspondence and financial reports pertaining to the Trust Fund and shall keep minutes of all meetings, proceedings, and actions of the Trustees, provided that these particular responsibilities may be delegated to other of the professional or non-professional help retained by the Trustees.

4.9 Authorized Signatures

The Chairperson and the Secretary or any two authorized Trustees shall sign all negotiable instruments, certificates, contracts, government reports, and other legal documents on behalf of the Trust Fund, provided that the authority for signing negotiable instruments may be delegated to an administrative agent, corporate trustee (if any), depository bank, or custodian bank. All persons doing business with the Trust Fund may rely on such signatures.

4.10 Compensation and Expenses

No Trustee shall receive any compensation from the Trust Fund for services as a Trustee except as may be allowed under applicable law, and as may be authorized by the Board of Trustees. Each Trustee shall be reimbursed out of the Trust Fund for all reasonable expenses properly and actually incurred by the Trustee in the administration of the Trust Fund. The Board of Trustees may establish a policy and procedures for the reimbursement of expenses.

4.11 Benefits to Trustees Not Prohibited

Nothing in this Trust Agreement shall prohibit a Trustee from receiving any benefits under the terms of a pension plan funded from Trust assets.

SECTION 5. TRUSTEE RESPONSIBILITIES

5.1 General Duties

It shall be the general duty of the Trustees to receive the City's funds transfers into the Trust Fund and to oversee the investment of those funds and the payment of administrative expenses of operating the Trust Fund.

5.2 Compliance with Internal Revenue Code

The Trustees shall administer the Trust Fund such that, to the extent allowed in the Internal Revenue Code, the Trust Fund income is tax exempt.

5.3 Application of Trust Fund Assets

The assets of the Trust Fund shall be held in the Trust Fund separate and apart from assets of the City for the exclusive purposes of providing contributions to, and funding for obligations to, the pension plan that provides benefits to City employees and/or retirees, fulfilling the purposes indicated Section 1 hereof, and paying the reasonable expenses of administering the Trust Fund. The Trust assets shall not be used for or diverted to any other purpose, including but not limited to, debt service and bond pay off, except that pay off of a pension obligation bond is permitted. On dissolution of the Trust, before the remaining assets may be refunded to the City or another entity that is tax exempt under Code Section 115, the Trust assets must be spent on current contributions or other funding obligations to the pension plan in which the City participates for its employees and/or retirees.

5.4 Fiduciary Standards

The Trustees shall discharge their duties and administer the Trust Fund assets solely in the interest of the City and the City employees and retirees, and for the exclusive purpose of (a) meeting the contribution and funding obligations to the pension plan(s) in which the City currently participates for pension benefits for its employees and/or retirees; and (b) defraying reasonable

expenses of administration of the Trust. In carrying out their duties under this Trust Agreement, the Trustees shall act with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims.

5.5 Deposits

The funding from the City, or any other monies which the Trustees may receive, shall be deposited in one or more banks or similar financial institutions supervised by the United States or a state, pending the investment of such monies or the payment of administrative expenses of the Trust Fund.

5.6 Investments

The Trustees shall invest all Trust assets that are not required for the imminent payment of pension contributions or administrative expenses. The Trustees may invest and reinvest in bank accounts, savings and loan accounts, and securities, as they deem prudent, provided that in the making of investments the Trustees shall diversify such investments so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so. The Board of Trustees shall adopt an Investment Policy establishing guidelines for the investment of Trust assets.

5.7 Title to Investments and Other Assets

Title to all investments or other assets of the Trust Fund shall be maintained in the name of the Trust Fund with Trustee signatories on the account. The Trustees shall maintain ownership of all investments and other assets of the Trust Fund within the jurisdiction of the District Courts of the United States.

5.8 Fidelity Bond

The Trustees shall procure, either through the City or from Trust Fund assets, crime insurance in the amount of not less than \$500,000, covering each Trustee or other person who receives, handles, disburses, or otherwise exercises custody or control of any of the funds or other property of the Trust Fund. If a third-party service provider receives, handles, disburses, or otherwise exercises custody or control over any of the funds or other property of the Trust Fund, the Trustees shall require the third-party service provider to maintain a fidelity bond or crime insurance in a reasonable amount for the circumstances. The cost of such bond shall be chargeable to the Trust Fund, provided that, if such bond covers persons other than the Trustees or the employees (if any), and if there is an additional premium for the coverage for such other persons, the additional premium shall be chargeable to such other persons.

5.9 Insurance

The Trustees shall procure, either through the City or from Trust Fund assets, fiduciary insurance in an amount appropriate under the circumstances and shall have the authority to

purchase other policies of insurance (liability, property damage, casualty, cybersecurity, and errors and omissions) to protect the Trust Fund and to protect themselves and their employees (if any) with respect to their activities on behalf of the Trust Fund as they may deem necessary. The cost of such insurance policies shall be chargeable to the Trust Fund, provided that, if such insurance policies cover persons other than the Trustees or their employees (if any), and if there is an additional premium for the coverage for such other persons, the additional premium shall be chargeable to such other persons. Any policy of fiduciary or errors and omissions insurance which covers the Trustees individually shall contain a recourse clause, provided that nothing herein shall prevent a Trustee (or the City acting on behalf of the Trustee) from purchasing for the Trustee a waiver of the recourse clause or a separate policy insuring against such recourse.

5.10 Records

The Trustees shall maintain records of their administration of the Trust Fund, including records of all receipts and disbursements, all investments purchased or sold, all minutes of Trustee meetings, and all correspondence. No such record shall be destroyed except upon specific direction from the Trustees and destruction shall not be directed until a period of five years from the date the record was created.

5.11 Annual Audit

The Trustees shall engage an independent qualified public accountant and shall authorize such accountant to conduct an annual financial examination of the Trust Fund. The cost of such examination shall be chargeable to the Trust Fund. A report of the results of each such examination shall be submitted to the Board of Trustees for their review and provided to the City Finance Director after the report is final.

SECTION 6. DELEGATION OF TRUSTEE RESPONSIBILITIES

6.1 Delegation of Responsibilities to Committees

The Trustees may allocate to one or more committees of Trustees, or to a single Trustee, all or part of the following responsibilities, with full power to act on behalf of the Board of Trustees: (a) the responsibility for overseeing and/or reviewing the performance of the qualified investment manager in managing the Trust fund investments; (b) the responsibility for resolving questions or problems that may be encountered in connection with auditing activities; (c) the responsibility for resolving questions or problems that may be encountered in connection with the day-to-day work of administering the Trust Fund; and (d) the responsibility for reviewing the performance of any other professional persons retained by the Trustees.

In the event the Trustees elect to delegate the responsibilities enumerated above, they shall do so by the adoption of a motion, which shall specify the particular responsibility that is being delegated and whether the committee or Trustee shall report back to the full Board of Trustees or have all the powers of the full Board of Trustees to make a decision.

Nothing contained herein shall in any way limit the authority of the Trustees to create additional committees for the purpose of assisting with or expediting the affairs of the Trust Fund, provided that any such committee shall be empowered only to make recommendations with respect to the matters referred to it.

6.2 Delegation of Investment Responsibilities

The Trustees shall delegate their responsibilities for the management of the Trust Fund investments to one or more qualified investment managers, who shall be registered as an investment adviser under the Investment Advisers Act of 1940 and who shall contractually accept fiduciary responsibility and discretion for investment management of the Trust Fund investments. The delegation shall be effective when the investment manager accepts the delegation and acknowledges in writing his status as a fiduciary with respect to the Trust Fund.

6.3 Delegation of Other Responsibilities

The Trustees may delegate all or part of their responsibilities with respect to the administration of the Trust Fund to any other person whom they may designate for such purpose. If the delegation involves a responsibility other than one which is ministerial in nature, the designated person shall also acknowledge in writing their status as a fiduciary with respect to the Trust Fund.

6.4 Oversight of Performance

In the event the Trustees elect to delegate Trustee responsibilities, they shall periodically review the performance of the persons to whom such responsibilities have been delegated.

SECTION 7. TRUSTEE POWERS

7.1 General Powers

Except as may be expressly limited by the terms of this Trust Agreement, Trustees shall have full and exclusive authority to control and administer the Trust Fund. The authority of the Trustees not only encompasses the specific powers recited in the various paragraphs of this Trust Agreement but also includes the general power to do all things and take all actions, including the expenditure of Trust Fund monies, which they may deem necessary to carry out the purpose of this Trust Agreement. The Trustees may implement their powers through the adoption of appropriate motions, resolutions, or policies.

7.2 Specific Powers Discretionary

The recitation of specific powers in this Trust Agreement shall not be interpreted as compelling the exercise of any such power. The exercise of specific powers is discretionary with the Trustees.

7.3 Banking Services

The Trustees shall have the authority to retain, at the expense of the Trust Fund, one or more banks or similar financial institutions supervised by the United States or a state, to perform depository or custodial services, or to serve as corporate trustee or co-trustee, on behalf of the Trust Fund. The Trustees shall periodically review the performance of the banks which they have retained to perform banking services.

7.4 Professional and Non-Professional Help

The Trustees shall have the authority to retain, at the expense of the Trust Fund, one or more accountants, actuaries, attorneys, investment managers, and other professional or non-professional help, as they may deem necessary in the administration of the Trust Fund. Unless limited by applicable law, the retention of any such professional or non-professional help may be on a contract or salaried basis.

7.5 Transfer of Funds for Pension Contributions – No Diversion of Assets

The Trustees shall have the authority to transfer funds for pension contributions to the City to reimburse contribution payments made or to pay funds directly to the pension plan(s) in which City employees and/or retirees participate. The Trustees shall have the authority to adopt policies for such payments and restrict the use of the funds transferred to the City for pension benefits. The Trust assets shall not be used for or diverted to any other purpose and may not be used to satisfy any creditors of the City. By signature on this Trust Agreement, the City agrees to use these funds transfers only for the purposes designated by the Trustees and this Trust Agreement.

7.6 Prosecution of Legal Actions or Claims

The Trustees shall have the authority to originate and maintain any legal actions or claims involving potential legal actions, at the expense of the Trust Fund, as they may deem necessary in the administration of the Trust Fund. All such actions and claims shall be prosecuted in the name of the Trust Fund or in the name of an assignee.

7.7 Defense of Legal Actions or Claims

The Trustees shall have the authority to defend all legal actions, claims involving potential legal actions, and investigatory proceedings initiated against the Trust Fund or against one or more of the Trustees, former Trustees, administrative agents, or against one or more of the employees of the Trust Fund (if any) that relate to the administration of the Trust Fund. Except as stated below, the defense of such actions, claims, and proceedings shall be at the expense of the Trust Fund.

If the final court decree establishes personal liability on the part of specified Trustees, administrative agents, or employees (if any), and orders that the specified persons are to bear the expenses of their own defense, their attorney fees shall not be chargeable to the Trust Fund. If

attorney fees and costs have already been charged to the Trust Fund, the specified persons shall be obligated to repay the Trust Fund for the pro-rata share of such fees and costs.

7.8 Compromise of Legal Actions or Claims

The Trustees shall have the authority to compromise, settle, or release all legal actions or claims involving potential legal actions, in favor of or against the Trust Fund, on such terms and conditions as they may determine.

7.9 Participation in Non-Profit Educational Opportunities

The Trustees shall have the authority to participate in non-profit foundations, corporations, committees, or other organizations which sponsor educational programs or provide educational materials pertaining to the administration of trust funds. If the Trustees act to participate in any such non-profit organization, the membership or participation fees of the organization shall be chargeable to the Trust Fund.

The Trustees shall also have the authority to purchase educational materials and to provide for the attendance of the Trustees, or of such of their employees (if any), as they may designate, at educational conferences and meetings. The costs of such materials and attendance shall be chargeable to the Trust Fund.

7.10 Mergers

It is recognized that at some time or times in the future, the Trustees may deem it in the best interest of the Trust Fund, and of the City and City employees and/or retirees, to accept the merger into the Trust Fund of another trust fund with similar purpose, or to merge the Trust Fund into another trust fund that is tax exempt under Code Section 115.

The Trustees shall have the authority to negotiate the terms of the merger. After receiving written approval from the City Attorney, the Trustees shall have authority to enter into an appropriate merger agreement. If the Trust Fund is merging into another trust fund, then upon confirmation that the other trust fund is tax exempt under Code Section 115, the Trustees shall have authority to transfer the remaining monies, assets, and liabilities to the other trust fund, and to terminate the Trust Fund subject to Section 10 hereof.

7.11 Interpretation and Application of Documents

The Trustees shall have the authority to interpret and apply the provisions of this Trust Agreement, or of their own motions, resolutions, and policies, or of any contracts, instruments, or writings that they may have adopted or entered into.

SECTION 8. LIMITATIONS

8.1 Liabilities and Debts of Trust Fund

The City and the Trustees shall not be responsible for the liabilities or debts of the Trust Fund.

8.2 No Fiduciary Liability for City

The City shall not be a fiduciary of the Trust and shall have no responsibility or liability for actions of the Board of Trustees, the Trust investments or the income tax treatment of Trust investment earnings.

8.3 Personal Liabilities of Trustees

No Trustee shall incur any personal liability in connection with the administration of the Trust Fund, except for such liability that may be established in accordance with applicable laws. Except as may be required by applicable law, no Trustee shall be held personally liable for any breach of fiduciary responsibilities in connection with the administration of the Trust Fund where it is established (a) that the responsibilities at issue were lawfully delegated to other Trustees or fiduciaries, or (b) that in carrying out the responsibilities at issue the Trustee reasonably relied upon the advice given by one or more of the advisers retained by the Trustees. No Trustee shall be personally liable for a breach of fiduciary responsibilities if such breach was committed before the acceptance of the Trustee position or after cessation the Trustee's term, except as required by applicable law.

8.4 Judgments against Trust Fund

Any money judgment against the Trust Fund shall be enforceable only against the Trust Fund entity and shall not be enforceable against any Trustee or other person, unless liability against the Trustee or other person, in their individual capacity, is established in accordance with applicable law.

8.5 City's Rights Limited – Irrevocable Trust

Except as specifically provided for in this Trust Agreement, the City shall have no right, title, or interest in or to the Trust Fund or Trust Fund assets, and this Trust shall be irrevocable. The Trust is not subject to attachment or garnishment or other legal process by any creditor of the City, nor will the City have any right to alienate, pledge, encumber or assign any Trust assets.

8.6 Agents of Trust Fund

The Trust Fund is an entity separate and apart from the City. Accordingly, unless authorized in a motion of the Board of Trustees, the City shall have no authority to act or function for or on behalf of the Trust Fund or as an agent thereof.

Likewise, unless authorized in a motion of the Board of Trustees or this Trust Agreement, no individual Trustee shall have authority to act or function for or on behalf of the Trust Fund or as an agent thereof.

SECTION 9. MISCELLANEOUS

9.1 Trust Fund Offices

The Trust Fund shall maintain a principal office and sub-offices, where necessary, in such locations as the Trustees may determine.

9.2 Applicable Laws and Regulations

This Trust Agreement shall be interpreted, and the Trust Fund shall be administered, in accordance with the Internal Revenue Code, and the regulations pertinent thereto, and other applicable statutes and regulations, as such statutes and regulations presently exist or as they may hereafter be amended. References herein to particular sections of statutes shall include any regulations pertinent to such sections and any subsequent amendments to such sections or regulations.

9.3 Service in More than One Fiduciary Capacity

Any Trustee or other person who is a fiduciary may serve the Trust Fund in more than one fiduciary capacity.

9.4 Notices

Any written notice permitted or required by this Trust Agreement shall be personally delivered to the person for whom it is intended or sent to such person at his residence or business address by first class mail or by a professional letter or package delivery service.

9.5 Severability

Any written notice permitted or required by this Trust Agreement shall be personally delivered to the person for whom it is intended or sent to such person at his residence or business address by first class mail or by a professional letter or package delivery service.

9.6 Titles and Words

The titles of the various articles and sections of this Trust Agreement are inserted solely for convenience of reference and are not a part of, nor shall they be used to construe, any term or provision hereof. Whenever any words are used herein in a particular gender they are construed as though they refer to all genders, and words in singular form shall be construed as though they were used in the plural form, in all cases where they would so apply.

SECTION 10. AMENDMENTS AND TERMINATION

10.1 Amendments

This Trust Agreement may be amended in writing at any time by action of the City Council upon written recommendation from the Board of Trustees. The City shall deliver a copy of any amendment, bearing any necessary signatures, to the Board of Trustees for acknowledgement within 5 days of the signing of such Amendment.

10.2 Termination

This Trust Agreement may be terminated at any time by action of the City Council upon written recommendation from the Board of Trustees. If the City takes action to terminate the Trust, the City must notify the Board of Trustees in writing within five days of taking such action.

As part of the termination process, the Trustees or the City may arrange for retention of an independent Trustee to administer the wasting trust and pay obligations for pension benefit contributions on behalf of the City employees and/or retirees, until such time as there are no obligations remaining. When all pension obligations of the City are paid, the remaining assets of the Trust Fund may revert to the City or may be paid into another trust fund which is tax exempt under Code Section 115.

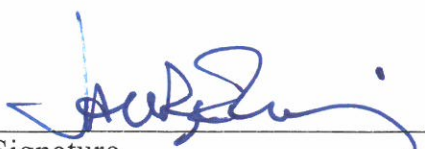
10.3 Allocation upon Dissolution of Trust

Upon the termination of this Trust Agreement, the Trustees shall wind up the affairs of the Trust Fund. Any and all monies remaining in the Trust Fund after the payment of administrative expenses of the Trust Fund and pension benefit obligations of the City shall revert to the City or may be paid into another trust fund which is tax exempt under Code Section 115. In no case will the assets of the Trust be distributed, upon dissolution of the Trust, to an entity that is not a state, a political subdivision of a state, or an entity the income of which is excluded from gross income under Code Section 115.

EXECUTION

This Trust Agreement has been approved and executed by an authorized representative of the City of Corona on this 2nd day of Feb 2022, effective January 19, 2022, and acknowledged by the Board of Trustees of the Trust.

For the CITY OF CORONA,



Signature

Acknowledged by BOARD OF TRUSTEES,
CITY OF CORONA PENSION
STABILIZATION TRUST



Trustee

JACOB ELIIS
Printed Name

City Manager
Title

Attest:

Sylvia Edwards
Signature

Sylvia Edwards
Printed Name

City Clerk
Title

[Signature]
Trustee

[Signature]
Trustee

[Signature]
Trustee

[Signature]
Trustee