

Disclaimer

The following unit trust agreement is merely an example of an agreement drafted to meet minimal requirements of the Charitable Bingo Enabling Act and the rules of the Bingo Division of the Texas Lottery Commission. The grant of trust powers constitutes the creation a special fiduciary relationship wherein a trust representative is authorized to conduct financial, business, or other activities on behalf of the grantor[s]. This agreement may not be appropriate or sufficient to protect the rights or property of any particular grantor[s]. This example is not a substitute for the advice of a licensed attorney and tax specialist.

UNIT TRUST AGREEMENT (Rev. 07152011)

THIS TRUST AGREEMENT is entered into on this _____ day of _____, _____,
by and among

- _____, a 501(c)(__) organization,
- _____, a 501(c)(__) organization,
- _____, a 501(c)(__) organization,
- _____, a 501(c)(__) organization,
- _____, a 501(c)(__) organization,
- _____, a 501(c)(__) organization,
- _____, a 501(c)(__) organization,

(“Grantors”) with _____ to serve as the initial Trustee (“Trustee”) which term shall refer to any entity service from time to time as Trustee under this instrument.

WITNESSETH:

The Grantors, desire to create a trust upon the terms and conditions set forth in this document for the purpose of forming a “Unit” (the “Unit”) as such term is defined in Section 2001.431 of the Texas Occupations Code. Accordingly, the Grantors have transferred to the Trustee and the Trustee does, by the execution of these presents, acknowledge receipt from the Grantors of the property described in Exhibit A, attached hereto and incorporated herein for all purposes as though set forth in full, and accepts the Trust herein granted, and agrees to comply with the duties, obligations, and responsibilities set out herein. This property which may hereafter be conveyed to the Trustee subject to the trust hereby created (the “Trust Property”), shall be held, administered and distributed by the

Trustee upon the terms and for the purposes and uses set forth herein. The trust created hereunder shall be administered pursuant to this Trust Agreement (the "Agreement") and shall be known as the _____ – Unit Trust Agreement.

ARTICLE 1

BENEFICIARIES AND DISTRIBUTIONS

1.1 The Beneficiaries of this Trust (the "Beneficiaries") are:

- a) _____, _____
- b) _____, _____
- c) _____, _____
- d) _____, _____
- e) _____, _____
- f) _____, _____
- g) _____, _____

1.2 The Trustee shall hold, manage, sell, exchange, and invest the trust property, including bingo revenues, collect all income, comply with all applicable provisions of Chapter 2001 of the Texas Occupations Code and Title 16, Part 9, Chapter 402 of the Texas Administrative Code, and, after deducting such expenses as are properly payable, shall accumulate and distribute the net income (or loss) and principal as herein provided.

1.3 During the administration of the trust, the Trustee shall distribute net income (or loss) after appropriate provisions for cash requirements of the trust at least quarterly,

among the Beneficiaries.

ARTICLE 2

TRUSTEE APPOINTMENT

2.1 _____ shall be the initial trustee of the trust created hereunder. If _____ having qualified, resigns or otherwise ceases to act as Trustee, then a majority of the Grantors shall, by written instrument, appoint another person, or one of the other Grantors to serve as successor Trustee.

2.2 Any Trustee may resign by giving written notice to each of the Grantors of the Trust.

2.3 Every Trustee shall be reimbursed for the reasonable and ordinary out-of-pocket costs and expenses incurred in connection with such Trustee's duties; provided, however, in no event shall the Trustee be paid for any fees for acting as Trustee.

2.4 No Trustee acting hereunder shall be required to give bond or other security.

2.5 Before incurring any reasonable and ordinary out-of-pocket expense(s) of greater than \$_____, the Trustee shall provide written notice of such expense to each of the Beneficiaries justifying such expenses.

ARTICLE 3

DESIGNATED AGENT

3.1 _____ shall be the initial Designated Agent responsible for carrying out the duties described in Section 2001.438(b) of the Texas Occupations Code. If _____ having qualified, resigns or otherwise ceases to act as the Designated Agent, then the trustee shall, by written instrument delivered to each of Grantors, appoint a successor Designated Agent.

3.2 Any Designated Agent may resign by giving written notice to the Trustee and each of the Grantors of the trust.

3.3 The Trustee may remove the Designated Agent for any reason, including failure to comply with any section of Chapter 2001 of the Texas Occupations Code or the rules adopted thereunder.

3.4 A majority of the Grantors may, by written instrument delivered to the Trustee, remove the Designated Agent for any reason. In such event, the Designated Agent shall be notified of such act within three business days of such event.

ARTICLE 4

REVOCABILITY

4.1 The Grantors declare that this trust instrument shall be revocable, and that the Grantors shall retain the power to alter or amend any provisions of this trust instrument by a written instrument signed by all of the Grantors.

4.2 The trust shall terminate or be dissolved thirty (30) days after delivery to the Trustee of a written election to terminate or dissolve the trust that is signed by a majority of the Grantors. The Trustee shall deliver a copy of the written election to then non-electing Grantors, if any.

Within sixty (60) days of termination or dissolution, the trust estate then remaining, including all principal and accumulated, accrued, and undistributed net income, inventory, unpaid expense and liabilities, shall be allocated or distributed,

among the Grantors; a written accounting to all Grantors shall be provided at the same time.

Each Grantor shall receive a duplicate copy of all trust records, including records required by the Texas Lottery Commission (the "Commission"), or its successor, necessary for a Grantor to file any report with the Commission. In the event that the trust is terminated or dissolved, the non-electing Grantors shall have the right to create a new trust.

4.3 Any of the Grantors may withdraw from the trust for any reason thirty (30) days after delivery to the trustee by any of the Grantors of a written election to withdraw from the trust (the "Withdrawal Date"). The Trustee shall deliver a copy of the written election to the non-electing Grantors.

Within sixty (60) days of the Withdrawal Date, (i) the trust estate existing on the Withdrawal Date, including all principal and accumulated, accrued, and undistributed not income, inventory, unpaid expenses, and liabilities, shall be allocated on the books of the trust,

among the Grantors, (ii) the portion of the trust estate allocated to a Grantor electing to withdraw from the trust shall be distributed to such Grantor; and (iii) the Grantor's pro-rata portion of the trust estate's inventory and supplies.

The designated agent for the trust will provide a copy of all unit accounting records to the bingo chairperson whose organization was a member of the accounting unit within 30 calendar days of the date of separation.

4.4 The Grantors may admit additional Grantors to the trust pursuant to a written amendment of the trust instrument signed by all of the Grantors.

ARTICLE 5

TRUSTEE PROVISIONS

5.1 Any Trustee serving hereunder shall have all of the powers conferred upon trustees by Texas Law, except for any instance in which Texas law may conflict with the express provisions of this trust instrument, in which case the Texas law shall control. To the extent not otherwise conferred by the immediately preceding sentence, the Grantors further grant to the Trustee the power to open and maintain one checking account designated as the Unit's bingo account and an interest-bearing savings account designated as the Unit's bingo savings account, to be operated on behalf of the trust.

5.2 The Unit shall be operated in a manner that complies with the rules of the Texas Lottery Commission and chapter 2001 of the Texas Occupations Code. The Trustee is responsible for compliance by the Unit with the rules of the Texas Lottery Commission and chapter 2001 of the Texas Occupations Code. Without limiting the preceding sentence, the Trustee is also responsible for compliance by the Unit with the Texas Occupations Code Sections 2001.435 and 2001.436(a) and any rules promulgated by the Texas Lottery Commission that interpret such sections.

Pursuant to Texas Occupations Code Section 2001.439(a)(3), the Trustee shall ensure that the minimum charitable distribution requirement mandated under Texas Occupations Code Section 2001.457(a) is met

and dispersed to the beneficiary unit members, for charitable purposes, all of the net proceeds from the conduct of bingo, minus operating capital limits allowed to be retained under Texas Occupations Code Section 2001.451(h).

5.3 The Trustee is specifically authorized to pay the reasonable and necessary expenses of the Unit which are incurred in connection with the conduct of bingo and which are authorized by Chapter 2001 of the Texas Occupations Code.

5.4 The Trustee shall be released and be free from any liability to any person or entity for any action or omission by the trustee in connection with the administration of the trust, unless such action or omission is caused by the Trustee's own gross negligence, bad faith, or willful commission of an act in breach of trust or fiduciary duty.

5.5 The Trustee is specifically relieved of any duty or obligation which the Trustee might otherwise have to: (i) diversify the investment of the assets of the trust, or (ii) make the trust property productive of income. The Trustee shall be released and be free from any liability to any person or entity for any loss resulting from the Trustee's failure to diversify the assets of the trust created hereunder, or to make the trust property reasonably productive of income.

5.6 Any successor Trustee is relieved of any duty to examine the acts of any prior fiduciary, and any successor Trustee shall be responsible only for those assets that are actually delivered to such Trustee. Any successor Trustee, on executing an acknowledged acceptance of the trusteeship and upon receipt of those assets which are actually delivered to such successor Trustee by the prior Trustee, shall be vested without further act on the part of anyone with all of the rights, powers, duties, immunities and discretion granted to the prior Trustee.

ARTICLE 6

MISCELLANEOUS PROVISIONS

6.1 This trust instrument has been executed in the State of Texas, and all questions pertaining to its validity, construction and administration shall be determined in accordance with the laws of the State of Texas.

6.2 Any notice required or permitted by this trust instrument shall be given in writing and shall be deemed to be delivered when received, or regardless of whether received, when deposited in the United States mail, certified or registered with postage prepaid, return receipt requested, addressed to the party to whom such notice is intended to be given, at the address set forth below such party's signature on this trust instrument, or at such other address as may have been specified by written notice delivered in accordance herewith.

IN WITNESS WHEREOF, the Grantors and the Trustee have, hereunto set their hands, to be effective as of the date first above written, to multiple counterparts of this Agreement, each of which shall be deemed an original for all purposes, but which together shall constitute but one and the same instrument.

BY: _____
Signature of Representative & Date

Unit Member's Name as Grantor

BY: _____
Signature of Representative & Date

Unit Member's Name as Grantor

BY: _____
Signature of Representative & Date

Unit Member's Name as Grantor

BY: _____
Signature of Representative & Date

Unit Member's Name as Grantor

BY: _____
Signature of Representative & Date

Unit Member's Name as Grantor

BY: _____
Signature of Representative & Date

Unit Member's Name as Grantor

BY: _____
Signature of Representative & Date

Unit Member's Name as Grantor

BY: _____
Signature of Representative & Date

Unit Trustee as Trustee

**EXHIBIT A
TO TRUST AGREEMENT**

GRANTORS

CONTRIBUTION

- | | |
|----------|----------|
| 1. _____ | \$ _____ |
| 2. _____ | \$ _____ |
| 3. _____ | \$ _____ |
| 4. _____ | \$ _____ |
| 5. _____ | \$ _____ |
| 6. _____ | \$ _____ |
| 7. _____ | \$ _____ |