

D R A F T
December 19, 2006

UNITARIAN UNIVERSALIST ASSOCIATION EMPLOYEE BENEFITS TRUST

(Effective as of January 1, 2007)

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UNITARIAN UNIVERSALIST ASSOCIATION EMPLOYEE BENEFITS TRUST AGREEMENT

This Agreement of Trust (the "Trust") was made and dated December __, 2006, effective January 1, 2007 by and between the Unitarian Universalist Association (the "Association") and the Trustees of the Trust (the "Trustees").

RECITALS

WHEREAS, the Association desires to establish and maintain a trust intended to qualify as a tax-exempt organization under Section 501(c)(9) of the Internal Revenue Code of 1986 ("Code"), as amended; and

WHEREAS, the Trustees are willing to perform duties for the Trust upon the terms and conditions hereinafter set forth and are legally competent and qualified to do so; and

WHEREAS, the principal purpose of the Trust is to fund benefits under a plan established by the Trust to be known as the Unitarian Universalist Organizations Health Plan ("Plan"), which plan is intended to be organized and operated as an employee welfare benefit plan described in Section 3(1) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

AGREEMENT

NOW, THEREFORE, the Association hereby adopts the Unitarian Universalist Association Employee Benefits Trust in accordance with this Agreement, as hereinafter set forth in its entirety, and the Trustees agree to receive and hold any and all cash and property which has been or which may be paid or delivered to them as Trustees hereunder from time to time in trust for the uses and purposes and upon the terms and conditions hereinafter stated.

ARTICLE 1 **PURPOSE**

Section 1.1 **Purpose**

The Trust is intended to constitute a voluntary employees' beneficiary association described in Code section 501(c)(9), and exempt from federal income tax under Code section 501(a). The principal purpose of the Trust is to fund health benefits under the Plan. The Plan is intended to be an employee welfare benefit plan described in Section 3(1) of ERISA. In no event will the Trust Fund be used for purposes other than (i) for the exclusive benefit of Covered Persons in accordance with the terms of the Plan and (ii) paying reasonable expenses relating to the administration of the Trust and the Plan.

Section 1.2 **Effective Date**

The original effective date of the Trust is January 1, 2007.

ARTICLE 2
DEFINITIONS

Section 2.1 **General**

Whenever any of the following terms is used in the Trust with the first letter or letters capitalized, it shall have the meaning specified below unless the context clearly indicates to the contrary.

Section 2.2 **Administrator**

“Administrator” shall refer to the Treasurer of the Association, or such other person or persons as may be appointed by the Association to administer the Plan.

Section 2.3 **Agreement**

“Agreement” shall mean this Trust instrument, as it may hereafter be amended.

Section 2.4 **Associate Member**

“Associate Member” shall have the same meaning as set forth in the Plan.

Section 2.5 **Code**

“Code” shall mean the Internal Revenue Code of 1986 as amended.

Section 2.6 **Congregation**

“Congregation” shall have the same meaning as set forth in the Plan.

Section 2.7 **Covered Person**

“Covered Person” shall have the same meaning as set forth in the Plan.

Section 2.8 **Delinquency Date**

“Delinquency Date” shall mean the first date following the ten (10) calendar day grace period commencing on the date that contributions required pursuant to Section 4.1 are due. If the Delinquency Date falls on a weekend or banking holiday, the Delinquency Date shall be the next following business day.

Section 2.9 **Employee**

“Employee” shall have the same meaning as set forth in the Plan.

Section 2.10 **ERISA**

“ERISA” shall mean the Employee Retirement Income Security Act of 1974 as amended.

Section 2.11 **Employer**

“Employer” shall have the same meaning as set forth in the Plan.

Section 2.12 **Independent Affiliate Organization**

“Independent Affiliate Organization” shall have the same meaning as set forth in the Plan.

Section 2.13 **Named Fiduciaries**

“Named Fiduciaries” shall have the meaning given in Section 7.1.

Section 2.14 **Plan**

“Plan” shall mean the Unitarian Universalist Organizations Health Plan, as amended from time to time.

Section 2.15 **Plan Benefits**

“Plan Benefits” shall mean the health benefits provided under the Plan.

Section 2.16 **Policy**

“Policy” shall mean any insurance policy issued to the Trust by an insurance company to provide Plan Benefits and shall include successor insurance policies issued to the Trust by successor insurance companies without further need of amendment of this Trust. Each such Policy is incorporated by reference in the Plan.

Section 2.17 **Subscribing Employer**

“Subscribing Employer” shall have the same meaning as set forth in the Plan.

Section 2.18 **Subscribing Individual**

“Subscribing Individual” shall have the same meaning as set forth in the Plan.

Section 2.19 **Trust**

“Trust” shall mean the Unitarian Universalist Association Employee Benefits Trust, as amended from time to time.

Section 2.20 **Trust Committee**

“Trust Committee” shall mean the persons designated by the Trustees in accordance with Article 8 who from time to time serve as the Trust Committee.

Section 2.21 **Trust Fund**

“Trust Fund” shall have the meaning given in Section 7.1.

Section 2.22 Trustees

“Trustees” shall mean the Trustees designated under the Trust, and their successors.

**ARTICLE 3
ELIGIBILITY**

Section 3.1 Subscribing Employers and Subscribing Individuals

The Association and any employer that is a member of the Association may become a Subscribing Employer by executing the subscription agreement prescribed by the Trustees and by meeting the contribution and participation requirements of the Plan. Any individual that is in a class or classes designated by the Trustees may become a Subscribing Individual by executing the subscription agreement prescribed by the Trustees and by meeting the contribution and participation requirements of the Plan. A “member of the Association” shall mean an employer who is a member of the Association in good standing including Congregations, Associate Members, Independent Affiliate Organizations and other organizations related to the Association as determined by the Association’s Board of Trustees.

Section 3.2 Coverage under the Plan

The terms and conditions of coverage under the Plan, including eligibility, enrollment, contributions, benefits, exclusions and other provisions are set forth in the Plan. The extent of coverage for each group of benefits is governed at all times by the terms of the Plan and Supplements thereto.

Section 3.3 Compliance with Subscription Agreement

Each Subscribing Employer and Subscribing Individual shall be obligated to comply with all terms and obligations contained in its subscription agreement which is hereby incorporated in the Trust by reference.

**ARTICLE 4
CONTRIBUTIONS**

Section 4.1 Contributions by Subscribing Employers and Subscribing Individuals

Each Subscribing Employer and Subscribing Individual electing to participate in the Trust and the Plan shall contribute to the Trust in such amounts, at such times, and according to such procedures as the Trustees or Trust Committee may determine from time to time. The current Trust contribution policies addressing the formulae for computing required contributions for Plan Benefits, the procedures for making contributions, and the timing of such required contributions, are attached hereto as Exhibit A.

Section 4.2 Delinquent Contributions

A contribution owed by a Subscribing Employer or Subscribing Individual shall be deemed delinquent if it is not received in full by the Trust by the end of business on the Delinquency Date. In the event of a delinquency, the Trust Committee shall take the following actions:

(a) Delinquent contributions not completely cured by the Delinquency Date may be assessed an interest charge retroactive to the initial due date. The accrual of interest shall not cease until the earlier of (i) complete payment of all amounts owed to the Trust; or (ii) payment of the amount in dispute to an escrow account established pursuant to Section 42(d). The interest shall be assessed against a delinquent Subscribing Employer or delinquent Subscribing Individual at a rate set annually by the Trust Committee.

(b) If the delinquency is not completely cured within fifteen (15) days following the Delinquency Date, the Trust Committee shall take the following actions:

(i) Issue an Expulsion Notice terminating the Subscribing Employer's or Subscribing Individual's participation in the Trust in accordance with Section 12.1(b); and

(ii) Notify Covered Persons associated with that Subscribing Employer that the Subscribing Employer's participation in the Trust is being terminated.

(c) The Trust Committee shall pursue any other legal or equitable remedies against the delinquent Participating Employer to collect delinquent contributions, deficits and accrued interest.

(d) In the event a Subscribing Employer or Subscribing Individual disputes the amount of a delinquency, it may only challenge the assessment if it first deposits the total amount in dispute in an interest bearing escrow account. The prevailing party shall be entitled to the principal and interest in such escrow account. The Subscribing Employer or Subscribing Individual shall be responsible for all fees owed to the escrow agent.

(e) The Trustees may establish policies regarding the reinstatement of delinquent Subscribing Employers or delinquent Subscribing Individuals whose participation in the Trust has been terminated.

Section 4.3 **Contributions by Covered Persons**

Covered Persons shall contribute to the Trust in such amounts, at such times, and according to such procedures as the Trustees or Trust Committee may determine from time to time. Contributions of Covered Persons who are Employees of a Subscribing Employer shall be included in the contributions forwarded by the Subscribing Employer to the Trust.

Section 4.4 **Irrevocability of Contributions**

All contributions made to the Trust shall be irrevocable; provided, however, that if a contribution or any portion thereof is made by a Subscribing Employer or Subscribing Individual to the Trust due to a good faith mistake of fact, then within one year of the date of payment of such contribution to the Trust an amount equal to the excess of (i) the amount of such

contribution, less (ii) the amount which would have been contributed had a mistake of fact not occurred, shall be returned to the Subscribing Employer or Subscribing Individual. The Trust Committee shall have the sole authority to determine whether a contribution was made due to a good faith mistake of fact. The amount of any contribution to be returned to the Subscribing Employer or Subscribing Individual in accordance with this Section 4.4 shall be limited to the Subscribing Employer's or Subscribing Individual's contributions. Notwithstanding the foregoing, in the event that a contribution is made under the expectation that an employer or individual will become a Subscribing Employer or Subscribing Individual and the employer or individual does not become a Subscribing Employer or Subscribing Individual, then the entire contribution (without interest or earnings) shall be returned to that employer or individual within one year of contribution.

Section 4.5 **Deposit of Funds**

All funds received by the Trustees hereunder as part of the Trust Fund shall be deposited in such bank as the Trustees may designate for that purpose from time to time, and all withdrawals of Trust Fund assets from such bank shall be made only by check or electronic funds transfer request signed by (a) any two of the Trustees or (b) any one of the Trustees and a representative of the Trust Committee, or (c) if the Trustees so resolve, any person to whom such responsibility has been delegated. Further, in the event that the Trustees enter into an agreement with a claims administrator, the Trustees may grant the claims administrator, its officers, agents or employees, authority to sign checks or electronic funds transfer requests for payment of Plan Benefits.

Section 4.6 **Funding Policy**

The funding policy of the Trust shall be as follows: The cost of Plan Benefits shall be provided first by contributions of Covered Persons and second from contributions of Subscribing Employers and Subscribing Individuals. To the extent not provided by contributions of Covered Persons, Subscribing Employers and Subscribing Individuals, the cost of Plan Benefits shall be provided by the Association.

Section 4.7 **Procedures for Contribution Adjustments**

The Administrator shall establish procedures to account for contribution adjustments related to (i) additions and deletions of Covered Persons and (ii) changes in coverage tier (for example, from self-only to family coverage). The procedures will facilitate contribution adjustments within 30 days of the date of any such addition, deletion or change.

ARTICLE 5 **DESIGNATION, TERM AND ACTION OF TRUSTEES**

Section 5.1 **Designation of Trustees**

The Trust shall be managed by seven Trustees, including two Association Trustees and five individual Trustees. The Association Trustees shall include the Association's Treasurer and the Association's Financial Advisor, each of whom will serve as ex-officio voting members. The individual Trustees will be designated by the Association's Board of Trustees.

Section 5.2 Term

The Association Trustees shall serve at the discretion of the Association, without term limits. Two of the individual Trustees shall be appointed to one-year terms, and three of the individual Trustees shall be appointed to two-year terms. All subsequent terms shall be two years. No individual Trustee may serve more than four terms, for a maximum of eight years; provided, however, that the individual Trustees who are appointed to one-year terms may serve a total of five terms, for a maximum of nine years. An Association Trustee shall automatically be deemed to have resigned her/his position as Trustee if the individual ceases to hold one of the positions described in Section 5.1.

Section 5.3 Qualifications of Trustees

Each Trustee shall be a member of a Congregation. Three of the individual Trustees shall have experience in insurance, human resources, healthcare finance or another health-related profession that will contribute to the administration and management of the Trust and the Plan. The remaining two individual Trustees shall be chosen at the discretion of the Association's Board of Trustees, without regard to specific expertise or background.

Section 5.4 Chairperson

The Trustees shall, by majority vote, elect a chairperson to serve a one year term, commencing each January 1st. The chairperson's duties shall include chairing meetings of the Trustees, communicating with the Administrator regarding various Trust issues to be presented at the Trustee meetings and such other duties as the Trustees may determine in their discretion.

Section 5.5 Meetings of the Trustees

Regular meetings of the Trustees shall occur at least once per calendar year, on a schedule to be determined by majority vote of the Trustees. Special meetings of the Trustees may be called by the Chairman of the Trustees or upon request of not less than three (3) Trustees. Meetings of the Trustees shall be held at a time and place designated by the Chairman of the Trustees or the Trustees calling the meeting. Telephonic meetings by conference call which permit the participating Trustees to participate with respect to the matters discussed are specifically authorized.

Section 5.6 Notices

Notices of meetings of the Trustees shall be in writing and delivered not less than two (2) nor more than forty (40) days prior to all meetings. If less than five (5) days' notice of any meeting is given, the notice shall be confirmed by telephone not less than twenty-four (24) hours prior to the meeting.

Section 5.7 Quorum

A quorum for the transaction of business at any meeting of the Trustees shall be a majority of the Trustees.

Section 5.8 **Meeting Action**

The vote of a majority of the Trustees present and voting at any meeting of the Trustees shall constitute the action of the Trustees. The Trustees shall have the authority to vote in person, by telephone, by email or by regular mail.

Section 5.9 **Informal Action by Trustees**

Any action which may be taken at a meeting of the Trustees may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all of the Trustees then serving.

ARTICLE 6
RESIGNATION, REMOVAL AND SUCCESSION OF TRUSTEES

Section 6.1 **Resignation**

A Trustee may resign at any time by providing prior written notice to the remaining Trustees. Any Trustee who resigns shall promptly fulfill any outstanding responsibilities and obligations with respect to the Trust.

Section 6.2 **Removal**

A Trustee may be removed by a vote of the majority of the Trustees (including the removed Trustee) or a majority vote of the Association's Board of Trustees at any time upon prior written notice to such Trustee.

Section 6.3 **Succession**

Upon resignation or removal of a Trustee, or upon the expiration of the term of a Trustee, the Association's Board of Trustees shall promptly appoint a successor Trustee, who shall commence her/his term as Trustee after ratification by a majority vote of the Association's Board of Trustees. Each successor Trustee shall have all the powers, rights, and duties conferred by this Agreement as if originally named Trustee. No successor Trustee shall be personally liable for any act or failure to act of the predecessor Trustee.

Section 6.4 **Duties of Terminating, Resigned or Removed Trustees**

If a Trustee's term ends, or the Trustee resigns or is removed, s/he shall promptly transfer and deliver all assets, property and records of the Trust in her/his possession or control to the successor Trustee. Any resigned or removed Trustee shall execute all documents and do all acts necessary to vest any such assets, property or records in any successor Trustee.

ARTICLE 7
POWERS, DUTIES AND RIGHTS OF TRUSTEES

Section 7.1 **General**

It shall be the duty of the Trustees to hold the funds from time to time received by them from the Subscribing Employers, Subscribing Individuals and Covered Persons. In addition, it shall be the duty of the Trustees to hold commissions and rebates received by the Administrator (if any) which are required to be paid to the Trust Fund. These amounts, together with increases, losses, earnings and profits, shall constitute the Trust Fund. The Trustees shall manage, invest and reinvest the Trust Fund except as provided in Section 7.2(c); collect and hold the Trust Fund; and make payments from the Trust Fund, all as herein provided. The Trustees shall be Named Fiduciaries of the Plan within the meaning of ERISA section 402(a)(2).

Section 7.2 **Status of Fiduciaries**

(a) The Trustees shall be fiduciaries within the meaning of Section 3(21)(A) of ERISA and shall perform their duties and exercise their powers as such subject to all provisions of the Trust, ERISA and other applicable laws and regulations governing fiduciaries.

(b) Subject to Sections 403(c) and (d) of ERISA, the Trustees and each fiduciary shall discharge their duties with respect to the Trust solely in the interests of the Covered Persons and their dependents and

(i) for the exclusive purpose of

(a) providing benefits to such persons, and

(b) defraying reasonable expenses of administering the Trust, but only as required in Section 7.12 of this Trust;

(ii) 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;

(iii) by diversifying the investments of the Trust so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so; and

(iv) in accordance with the documents and instruments governing the Trust insofar as such documents and instruments are consistent with the applicable provisions of Title I of ERISA.

(c) The Trustees shall have complete investment management responsibilities over all assets of the Trust except that they shall have no such responsibility over assets in an investment account managed pursuant to Section 7.10 by a fiduciary other than the Trustees.

Section 7.3 **General Funding Policy and Investment Objectives**

(a) The primary purpose of this Trust is to receive contributions from the Subscribing Employers, Subscribing Individuals and Covered Persons, to invest the same and to pay Plan Benefits to, or premiums on Policies for the benefit of, Covered Persons.

(b) Subject to the requirements of law and other provisions of this Trust, the assets of the Trust shall be prudently invested and managed with the purpose of achieving earnings of the Trust through interest, dividends and gain.

(c) Sufficient liquidity shall be maintained to meet the reasonably anticipated requirements of the Trust for payment of expenses of administration, investment and management, and the payment of premiums and Plan Benefits to Covered Persons.

(d) The Trust shall follow the funding policy described in Section 4.6, which may be modified at any time by the written agreement of the Trustees and the Association.

Section 7.4 **General Powers and Duties of Trustees**

Subject to the limitations and requirements of Section 7.2, the provisions of ERISA and other applicable laws, the Trustees shall have and are hereby granted all the powers permitted by law necessary to carry out the purpose and intent of the Trust. Such powers shall include, among other powers conferred in this Trust, the following:

- (a) To receive, hold and apply the funds contributed in trust hereunder.
- (b) To apply for, obtain and hold Policies under which some or all of the Plan Benefits may be provided for the benefit of Covered Persons; and to cancel, modify, amend or replace such Policies.
- (c) To make monthly remittances of premiums to any insurance company issuing a Policy.
- (d) To receive premium refunds and rebates from insurance companies and to distribute the same in such proportions as the Trustees in their sole discretion shall determine.
- (e) To pay claims for Plan Benefits provided by the terms of the Plan or to any agent, administrator or delegate appointed or engaged by the Trustees to process and pay such claims.
- (f) To pay fees and expenses of the Trustees and to make payments for any other purpose consistent herewith.

Section 7.5 **Powers and Duties of Investment, Management and Distribution**

Subject to Sections 7.2 and 7.3, the provisions of ERISA and other applicable laws, the Trustees shall have full power to invest and reinvest and/or cause to be invested and reinvested the assets of the Trust in such manner as they deem beneficial and appropriate for the conservation and growth of the Trust without being limited or bound by any rule or custom relating to investments by trustees, as follows:

- (a) To invest and reinvest the Trust or any part thereof in any one or more kind, type, class, item or parcel of property, real, personal, or mixed, tangible or intangible, and/or in any one or more kind, type, class, item or issue of investment or security and/or in any one or more kind, type or item of obligation, secured or unsecured.

- (b) To acquire, hold and sell shares in one or more regulated investment companies.
- (c) To acquire, hold and sell options to buy securities for the Trust (“call” options) and/or to acquire and sell options to sell securities from the Trust (“put” options).
- (d) To buy, sell, assign, transfer, acquire, lease (for any purpose, including mineral leases, and for terms within or extending beyond the life of this Trust), exchange and in any other manner to acquire, manage, deal with and dispose of all or any part of the Trust property, for cash or credit and upon any reasonable terms and conditions.
- (e) To make “deposits,” within the meaning of Section 408(b)(4) of ERISA, with any bank or savings and loan institution (including any other insured financial institution provided that at least a reasonable rate of interest is paid on such deposits).
- (f) To retain all or any portion of the Trust in cash temporarily awaiting investment without liability for interest thereon and to retain in cash, without liability for interest thereon, all or any portion of the Trust for the purpose of making distributions or other payments.
- (g) To borrow or raise money for the purposes of the Trust from any source (other than in a prohibited transaction as defined in Sections 406 of ERISA); to pay interest; to issue promissory notes and to secure the repayment thereof by pledging all or any part of the Trust.
- (h) To vote upon any stocks, bonds or other securities; to give general or special proxies or powers of attorney with or without power of substitution; to exercise any conversion privileges, subscription rights or other options, and to make any payments incidental thereto; to consent to or otherwise participate in corporate reorganizations or other changes affecting corporate securities and to delegate discretionary powers and to pay any assessments or charges in connection therewith; and generally to exercise any of the powers of an owner with respect to stocks, bonds, securities or other property held in the Trust.
- (i) To make, execute, acknowledge and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted.
- (j) To cause all or any part of the Trust to be held in the name of the Trustees (which in such instance need not disclose their fiduciary capacity) or, as permitted by law, in the name of any nominee, and to acquire for the Trust any investment in bearer form; but the books and records of the Trust shall at all times show that all such investments are a part of the Trust and the Trustees shall hold evidences of title to all such investments.
- (k) To pay or cause to be paid any and all real or personal property taxes, income taxes, or other taxes or assessments of any or all kinds levied or assessed upon or with respect to the Trust.
- (l) To maintain insurance for such purposes, in such amounts and with such companies as the Trustees shall elect, including stop-loss insurance and insurance to cover liability or losses occurring by reason of the acts or omissions of fiduciaries (but only if such

insurance permits recourse by the insurer against the fiduciary in the case of a breach of a fiduciary obligation by such fiduciary).

(m) To abandon, compromise, contest, arbitrate or settle claims or demands; to prosecute, compromise and defend lawsuits, but without obligation to do so; all at the risk and expense of the Trust.

(n) To permit such inspections of documents as are required by law.

(o) To comply with all requirements imposed by ERISA or other applicable provisions of law.

(p) To exercise and perform any and all of the other powers and duties specified in this Trust.

(q) To enter into, modify, renew and terminate contracts of any type with one or more insurance companies and to pay or deposit all or any part of the Trust thereunder.

(r) To pay or cause to be paid Plan Benefits to the Covered Persons entitled thereto, in the amounts and in the manner specified by the Plan.

(s) To compensate from the Trust such executive, consultant, actuarial, accounting, investment, appraisal, administrative, clerical, secretarial, medical, custodial, depository and legal firms, personnel and other employees or assistants as are engaged by the Trustees in connection with the administration of the Trust and to pay from the Trust the necessary expenses of such firms, personnel and assistants.

(t) To pay from the Trust the expenses reasonably incurred in the administration of the Trust.

(u) To establish an interest or non-interest bearing checking account or accounts with a commercial bank and cause to be held in any such account amounts needed to pay for insurance premiums, Plan Benefits, administrative expenses or other benefits reasonably expected to be payable within a reasonable period after transfer; and to permit delegates to write checks against such checking account for such amounts.

(v) To delegate any power or duty to the Administrator, the Trust Committee or to any other person, persons or entities.

Section 7.6 Administrative Duties and Powers of the Trustees

The Trustees shall conduct the general administration of the Trust in accordance with the Trust and shall have all the necessary power and authority to carry out that function, including the following:

(a) To determine questions of eligibility of any organization to become or remain a Subscribing Employer or Subscribing Individual and adherence of Subscribing Employers and Subscribing Individuals to contribution and participation requirements.

(b) To engage and designate a qualified public accountant meeting the requirements of Section 103(a)(3)(D) of ERISA, and, in any case, to engage and designate actuaries, attorneys, accountants, appraisers, brokers, consultants, administrators, physicians, or other persons and (with the Association, the Subscribing Employers and their officers, directors and employees) to rely upon the advice, opinions or valuations of any such persons, and to be fully protected in acting or relying thereon in good faith, except as required by law.

(c) To interpret the Trust and to adopt any rules for the administration, interpretation, and application of the Trust as are not inconsistent herewith or with applicable law, and to amend or revoke any such rule.

(d) To determine, receive (and to enforce the payment of) contributions to the Trust from Subscribing Employers.

(e) To establish, maintain, administer, interpret, amend and terminate the Plan in accordance with its terms.

Section 7.7 **Effect of Administrative Action**

All actions taken and all determinations made by the Trustees and their delegates in good faith shall be final and binding upon the Association, Subscribing Employers, Subscribing Individuals and all Covered Persons.

Section 7.8 **Forfeitures**

The Trustees shall make reasonable efforts to locate any Covered Person or other person who becomes entitled to a distribution of any Plan Benefits. But if such Covered Person or other person cannot be found within one year after the date of a distribution of any Plan Benefits, the amount thereof shall not escheat to any state, but shall be forfeited and restored to the Trust to be applied to the payment of current benefits and administrative fees under the Trust and Plan.

Section 7.9 **Other Duties of Trustees**

(a) The Trustees shall exercise any of the foregoing powers from time to time as may be appropriate or as required by law.

(b) The Trustees shall maintain or cause to be maintained suitable records, data and information relating to their functions hereunder.

(c) The Trustees shall keep accurate and detailed accounts of all investments, receipts, disbursements and other actions hereunder. Their books and records relating thereto shall be open to inspection and audit at all reasonable times by the Association or its duly authorized representatives.

(d) As of the end of each accounting year, the Trustees shall determine the fair market value of each asset in the Trust in compliance with the principles of Section 3(26) of ERISA and regulations issued pursuant thereto, based on information reasonably available to the Trustees including data from, but not limited to, newspapers and financial publications of general

circulation, statistical and valuation services, records of securities exchanges, appraisals by qualified persons, transactions and bona fide offers in assets of the type in question and other information customarily used in the valuation of property for purposes of the Internal Revenue Code. With respect to securities for which there is a generally recognized market, the published selling prices on or nearest to such valuation date shall establish the fair market value of such security. Fair market value so determined shall be conclusive for all purposes of the Trust.

(e) The Trustees shall file such descriptions and reports and shall furnish such information and make such other publications, disclosures, registrations and other filings as are required of the Trustees by ERISA.

Section 7.10 Investment Management by Other Fiduciaries

(a) The Trustees shall have the right from time to time to appoint and authorize one or more investment managers or other persons or entities to manage the investment of the Trust Fund, and to delegate thereto the exercise of the powers of the Trustees under subsections (a) through (f), (h), (i), and (j) of Section 7.5 with respect to all or a specified portion of the Trust. Such fiduciary may hold any assets of the Trust Fund in nominee or street name. The Trustees also reserve without limitation the right to remove any such person or entity or withdraw any authority delegated thereto.

(b) Any investment manager or other person or entity appointed hereunder

(i) shall be a fiduciary,

(ii) shall acknowledge in writing that it is a fiduciary with respect to the Trust,

and

(iii) if engaged as an investment manager shall be either an investment adviser registered under the Investment Advisers Act of 1940, a bank within the meaning of such Act, or an insurance company qualified under the laws of more than one state to manage, acquire or dispose of assets of the Trust.

(c) Separate investment accounts shall be established for each such fiduciary with investment management responsibilities with respect to that portion of the Trust over which it exercises such responsibilities. Such investment accounts shall consist of such Trust assets or such portion of the Trust as the Trustees may from time to time designate; provided, however, that any such designation shall be made solely for the purpose of establishing investment accounts and shall not constitute an act of investment management.

(d) Any fiduciary authorized under subsection (a) to exercise investment management responsibilities shall exercise its powers and duties directly, but shall reasonably keep the Trustees informed of its activities, which information may be supplied orally with the consent of the Trustees. If any such fiduciary issues orders for the purchase or sale of securities to a broker-dealer, such fiduciary shall promptly notify the Trustees of the issuance of each such order and shall require such broker-dealer to confirm the execution of each such order to the Trustees.

(e) The Trustees reserve the right from time to time, upon written notice to any investment manager or other person or entity, to specify one or more broker-dealers through which the Trustees or any investment manager shall transact purchases and sales of securities.

Section 7.11 Emergencies and Delegates

(a) In case of an emergency, the Trustees may act in the absence of directions from the fiduciary having the power and duty to direct the Trustees with respect to the matter involved and shall incur no liability in so acting, except to the extent they fail to comply with the requirements of Section 7.2.

(b) By written notice, the Trustees may authorize any investment manager or any delegate or delegates to act on matters in the ordinary course of the business of the Trust or on specific matters.

Section 7.12 Expenses and Taxes

The following fees, expenses and taxes shall be paid from and shall constitute a charge upon the Trust:

- (a) Fees charged by any fiduciary appointed in accordance with Section 7.10.
- (b) Reasonable counsel fees incurred by the Trustees.
- (c) Reasonable costs and expenses incurred by the Trustees in the performance of their duties.
- (d) Reasonable costs and expenses incurred by the Trust Committee in the performance of its duties.
- (e) Reasonable salary and other benefit expenses incurred by the Association for Association employees whose services are necessary to administer the Trust and the Plan.
- (f) Reasonable operating expenses for Trust administration.
- (g) Expenses relating to investment of the Trust such as brokers' commissions, stamp taxes and similar items.
- (h) Reasonable fees for professional services necessary to administer the Trust and the Plan including, without limitation, services rendered by accountants, actuaries, attorneys, third-party administrators or other professional service providers.
- (i) All taxes of any and all kinds that may be levied or assessed under existing or future laws upon or in respect of the Trust or the income thereof.

Section 7.13 Third Parties

No person dealing with the Trustees shall be required to follow the application of purchase money paid or money loaned to the Trustees nor inquire as to whether the Trustees

have complied with the requirements hereof. In any judicial or administrative proceedings, only the Trustees shall be necessary parties and no person having or claiming any interest in the Trust shall be entitled to any notice or service of process (except as required by law). Any judgment, decision or award entered in any such proceeding or action shall be conclusive upon all interested persons.

ARTICLE 8 **TRUST COMMITTEE**

Section 8.1 **Designation of Trust Committee**

The Trustees may delegate any or all of the administrative responsibilities described in Section 7.6 to a Trust Committee. The Trustees shall designate one or more individuals to serve as the Trust Committee, and one or more Trustees may also be designated to serve as members of the Trust Committee. Subject to the provisions of Section 8.2, designations to the Trust Committee shall be for an indefinite term.

Section 8.2 **Removal and Resignation of Trust Committee Members**

The Trustees shall have the power and authority to remove any member of the Trust Committee at any time without notice and with or without cause. Any individual serving on the Trust Committee in his capacity as an employee or officer of the Association or a Subscribing Employer shall automatically be deemed to resign effective as of such individual's termination of active employment with the Association or such Subscribing Employer. Any member of the Trust Committee may resign upon thirty (30) days' prior written notice to the Trustees, the Association and other members of the Trust Committee which notice may be waived by the Trustees. In the event that there are no remaining members of the Trust Committee, the Chairman of the Trustees shall serve as the Trust Committee.

Section 8.3 **Trust Committee Action**

All actions of the Trust Committee shall be taken pursuant to the decision of a majority of the members then serving on the Trust Committee. Any person serving on the Trust Committee may execute any document in the name of and on behalf of the Trust Committee and otherwise has the full power and authority to act on behalf of a majority of the members serving on the Trust Committee.

Section 8.4 **Powers, Rights and Duties of the Trust Committee**

The Trust Committee shall be responsible for the management, operation and administration of the Trust. In addition to any powers, rights and duties set forth elsewhere in this Agreement, the Trust Committee shall:

(a) Adopt such rules, regulations and conditions, consistent with the provisions of the Trust and obligations of applicable law, to effectuate its duties, rights or responsibilities under this Agreement;

- (b) Maintain records concerning the Trust adequate to prepare reports, returns and other information required under this Agreement or by law;
- (c) Construe and interpret the Trust to resolve all issues arising with regard to the Trust;
- (d) Direct the Trustees to pay Benefits as so authorized by the Claim Administrator and premiums under Benefit Programs and to direct the Trustees to make such other payments, distributions and transfers from the Trust Fund which it may deem necessary or proper with respect to its functions under this Agreement;
- (e) Employ or retain agents, attorneys, actuaries, accountants, consultants or other persons (who also may be employed by or represent a Participating Employer, a Trustee, a Trust Committee member or the Council) necessary to effectuate its duties, rights or responsibilities under the Trust and shall ensure that such agents, attorneys, actuaries, accountants, consultants, or other persons who fit the definition of a Business Associate, sign a Business Associate Contract prior to receiving Protected Health Information from the Trust;
- (f) Apply to the Internal Revenue Service for an initial determination letter recognizing the Trust's tax-exempt status under Code Section 501(c) (9), and for subsequent determination letters to the extent that the Trust's purpose or operations materially change;
- (g) Determine the third party administrator and other vendors that will work for or support the Plan on a fee for service basis;
- (h) Approve contracts with vendors that are signed by the Association's treasurer in his capacity as a Trustee;
- (i) Assure that the duties of the Plan by the Administrator and other persons hired for administrative purposes are carried out in a professional manner;
- (j) Approve any changes in benefits or rates proposed by the Administrator;
- (k) Undertake periodic reviews of the Plan's financial performance, funding safeguards, and stop-loss insurance protection;
- (l) Provide timely reports to the Association's Board of Trustees on the numbers of enrollees, claims experience, and the financial stability of the Plan;
- (m) Review and authorize or deny payment of claims that have been initially denied by the third party administrator per the then current description of Plan benefits;
- (n) Assure that funds collected by the Trust for the payment of claims, insurance premiums, administrative expenses, and other bona fide expenses are not co-mingled with operating funds of the Association;

(o) Authorize reimbursement from the Plan to the Association for payroll and expenses of the Administrator and/or other Association staff whose work is dedicated to Plan administration; and

(p) Assure that any retained earnings on hand at the end of the Plan's fiscal year are dedicated to a fund to be used for rate stabilization, to mitigate rate increases, to improve Plan Benefits or to take other actions to strengthen the Plan for the benefit of Covered Persons.

Section 8.5 **Information to be Furnished to Trust Committee**

Each Subscribing Employer, Subscribing Individual and Covered Person shall furnish the Trust Committee, to the extent permitted by law and requested by the Trust Committee, with such information as the Trust Committee may require in connection with the administration of the Trust.

ARTICLE 9
RESTRICTIONS ON TRANSFER

Section 9.1 **Persons to Receive Payments**

(a) The Trustees shall, except as otherwise provided in subsection (b), pay all amounts payable hereunder only to the person or persons designated by the Trust and not to any other person or corporation. The receipt of the person to whom such payment is made shall be a complete discharge to the Trustees for any sums so paid.

(b) In the event any controversy shall arise as to the person or persons to whom any distribution or payment is to be made by the Trustees, or as to any other matter arising in its administration, the Trustees may retain the amount in controversy and shall not be liable for the payment of any interest or income on any such amount, except to the extent of gain, if any, of the Trust attributable thereto.

Section 9.2 **Assignments, etc., Prohibited**

No part of the Trust shall be liable for the debts, contracts or engagements of any Employee or his successors in interest, or be taken in execution by levy, attachment or garnishment or by any other legal or equitable proceeding, while in the hands of the Trustees nor shall any such person have any right to alienate, anticipate, commute, pledge, encumber or assign assets hereunder in any manner whatsoever.

ARTICLE 10
AMENDMENT

Section 10.1 **Power to Amend**

The Trustees shall have the right at any time and from time to time to amend this Trust in whole or in part, provided that all amendments must be reported to the Association's Board of Trustees; and provided, however, that no amendment shall:

(a) Vest in any Subscribing Employer or Subscribing Individual any ownership of the Trust's assets;

(b) Have the effect of depriving, on a retroactive basis, any Plan Benefits which became payable prior to the date such amendment is effective;

(c) Affect the responsibilities or rights of a Subscribing Employer or Subscribing Individual without thirty (30) days' prior written notice to the Subscribing Employer or Subscribing Individual; or

(d) Have the result of diverting the assets of the Trust Fund to any purpose other than the purposes set forth in Article 1; or

(e) Amend the power of the Association's Board of Trustees to remove a Plan Trustee as provided in Section 6.2.

Section 10.2 Conformity with Law

Notwithstanding anything herein to the contrary, this Trust may be amended prospectively or retroactively at any time by the Trustees, if deemed necessary to conform to the provisions and requirements of ERISA, the Internal Revenue Code, or regulations promulgated pursuant thereto, to maintain the tax-exempt status of the Trust, or to conform the Trust to the provisions and requirements of any law, regulation, order or ruling affecting the character or purpose of the Trust.

ARTICLE 11 **LIABILITIES**

Section 11.1 Allocation of Fiduciary Responsibilities

The sole power and discretion to manage and control the Trust's assets are allocated to the Trustees except as delegated under Sections 7.5(v) or as provided in Section 7.10.

Section 11.2 Declaration of Intent

To the full extent permitted in Section 405 of ERISA and otherwise as not prohibited by law, it is the intent of this Article 11 to relieve each fiduciary from all liability for any acts or omissions of any other fiduciary or any other person and to declare the absence of liabilities of all persons referred to in this Article to the extent not imposed by law or by Section 4.2 or other provisions of this Trust. Each of the following Sections, in declaring such limitations of liability, is set forth without limiting the generality of this Section but shall be subject to the provisions, limitations and policies set forth in this Section.

Section 11.3 General Limitations on Liability

(a) No fiduciary shall be liable with respect to a breach of fiduciary duty under Title I of ERISA if such breach was committed before he became a fiduciary or after he ceased to be a

fiduciary, provided the fiduciary was not involved with any actions that were related to such breach or had no knowledge of an impending breach.

(b) No named fiduciary shall be liable for any act or omission of any person to whom fiduciary responsibilities (other than trustee responsibilities) are allocated by the Trust or by a named fiduciary, except as provided in Section 405 of ERISA.

Section 11.4 **Liability of Subscribing Employers and Subscribing Individuals**

The Subscribing Employers and Subscribing Individuals shall not be liable or responsible for

(a) any debts, liabilities or obligations of the Trust or the Trustees, and

(b) the acts or omissions of (except as specifically undertaken by agreement of indemnity or insurance) any fiduciary or other person rendering services to the Trust.

Section 11.5 **Liability of the Trustees**

(a) The Trustees shall have no liability for the adequacy of contributions for purposes of the Trust or for enforcement of the payment thereof.

(b) The Trustees shall have no liability for the acts or omissions of the Association, any Subscribing Employer or any Subscribing Individual.

(c) The Trustees shall have no liability for following proper directions, including investment directions, of a named fiduciary which are made in accordance with the Trust and which are not contrary to Title I of ERISA.

(d) The Trustees shall have no liability for the acts or omissions of any investment manager or managers or be under an obligation to invest or otherwise manage any assets of the Trust which is subject to the management of such investment manager.

(e) During such period or periods of time, if any, as any investment manager is authorized to direct the investment and management of Trust assets, the Trustees shall have no obligation to determine the existence of any conversion, redemption, exchange, subscription or other right relating to any securities purchased by such named fiduciary or investment manager if notice of any such right was given prior to the purchase of such securities. If such notice is given after the purchase of such securities, the Trustees shall notify such named fiduciary or investment manager thereof. The Trustees shall have no obligation to exercise any such right unless they are informed of the existence of the right and are instructed, in writing, by the named fiduciary or the investment manager, as the case may be, within a reasonable time prior to the expiration of such right to exercise such right.

(f) During such period or periods of time, if any, as an investment manager is authorized to purchase securities issued by any foreign government or agency thereof, or by any corporation domiciled outside of the United States, it shall be the responsibility of the investment manager, as the case may be, to advise the Trustees in writing with respect to any laws or

regulations of any foreign countries or any United States territories or possessions which shall apply, in any manner whatsoever, to such securities, including, but not limited to, receipt of dividends or interest by the Trustees with respect to such securities.

(g) If by reason of any action or failure to act by any Subscribing Employer and without the knowledge of the Trustees, the Trust ceases to be a tax-exempt trust pursuant to Section 501(c)(9) of the Internal Revenue Code, as amended, the Subscribing Employer shall indemnify the Trustees for any federal taxes which the Trustees are required to pay.

ARTICLE 12 **TERMINATION OF SUBSCRIBERS**

Section 12.1 **Voluntary Termination of Subscribers**

A Subscribing Employer or Subscribing Individual may voluntarily terminate its participation in the Trust by providing notice via certified mail to the Trust Committee at least thirty (30) days prior to the date the termination is intended to take effect and by complying with any terms and requirements concerning voluntary termination in accordance with the subscription agreement.

Section 12.2 **Involuntary Termination of Subscribers**

(a) Date of Termination. The Trust Committee shall terminate the participation of a Subscribing Employer or Subscribing Individual in the Trust on the first to occur of the following dates:

- (i) The date the Trust is terminated;
- (ii) The date the Plan is terminated;
- (iii) The effective date of a voluntary termination of a Subscribing Employer or Subscribing Individual pursuant to Section 12.1; or
- (iv) The date designated by the Trust Committee in an Expulsion Notice issued to a Participating Employer in accordance with Section 12.2(b).

(b) Expulsion Notice. In the event that the Trust Committee has determined that a Subscribing Employer or Subscribing Individual:

- (i) Is no longer qualified as a member of the Association in the case of a Subscribing Employer, or no longer in an eligible class in the case of a Subscribing Individual;
- (ii) Is not qualified to participate in the Trust under Section 501(c)(9) of the Code or other applicable law; or
- (iii) Has failed to timely cure a contribution delinquency pursuant to Section 4.2;

it shall immediately issue an Expulsion Notice to be effective as of the date designated in the Expulsion Notice.

ARTICLE 13 **TERMINATION OF TRUST**

Section 13.1 **Termination of Trust**

The Association reserves the right to terminate the Trust upon ninety (90) days' advance written notification to Subscribing Employers, Subscribing Individuals, the Trust Committee and the Trustees. Upon receipt of such notice, the Trustees shall proceed to apply the Trust Fund's assets in accordance with Section 13.2.

Section 13.2 **Application of Trust Fund Upon Termination**

In the event the Trust is terminated in accordance with Section 13.1 or any final and unappealed order of any court of competent jurisdiction, no further contributions shall be made to the Trust by a Subscribing Employer or Subscribing Individual. The assets in the Trust Fund, to the extent they exist, shall be applied in the following order, as directed by the Trustees unless a final and unappealed order of any court of competent jurisdiction or any applicable law shall mandate a contrary application:

- (a) The providing of benefits to Covered Persons with respect to claims arising prior to the date of termination; then to
- (b) All outstanding administrative expenses and fees for professional services, whether to accountants, lawyers, actuaries, administrators or other persons, which are necessary to administer or terminate the Trust and prepare final reports either under this Agreement, the Act or any applicable law; and then to
- (c) One or more charitable organizations described in Section 501(c)(3) of the Code, as determined by the Association in its discretion.

ARTICLE 14 **MISCELLANEOUS**

Section 14.1 **Use of Trust Funds**

Except as provided in Section 7.4(d), under no circumstances shall any contributions to the Trust or any part of the Trust be recoverable from the Trustees or from any Covered Person, dependent or any other person or be used for or diverted to purposes other than for the exclusive purposes of providing group benefits for Covered Persons or for defraying the reasonable expenses of administering the Trust and the Plan; provided, however, that a contribution by a Subscribing Employer by a mistake of fact shall be returned to that Subscribing Employer within one year after payment of the contribution was made.

Section 14.2 **Location of Fund Assets**

Except as authorized by the Secretary of Labor by regulation, the indicia of ownership of any assets of the Trust shall be maintained within the jurisdiction of the District Courts of the United States.

Section 14.3 **Partial Invalidity**

If any provision of the Trust is held to be illegal or invalid for any reason, such illegality or invalidity shall not affect the remaining portions of the Trust, unless such illegality or invalidity prevents accomplishment of the objectives and purposes of this Trust. In the event of any such holding, the parties will immediately amend this Trust as necessary to remedy any such defect.

Section 14.4 **Termination of Trust**

This Trust is intended as a permanent program but the Association shall have the right to declare the Trust, or any Plan Benefit, terminated at any time.

Section 14.5 **Identification of Fiduciaries**

The Trustees shall be the Named Fiduciaries within the meaning of ERISA and, as permitted or required by law, shall have exclusive authority and discretion to control and manage the operation and administration of the Trust, subject to proper delegation. The Trustees and every person who exercises any discretionary authority or discretionary control respecting management of the Trust, or exercises any authority or control respecting the management or disposition of the Trust assets, or renders investment advice for compensation, direct or indirect, with respect to any moneys or other Trust assets or has authority or responsibility to do so, or has any discretionary authority or discretionary responsibility in the administration of the Trust, and any person designated by the Named Fiduciaries to carry out fiduciary responsibilities under the Trust, shall be a fiduciary and, as such, shall be subject to provisions of the Trust, any Policy, ERISA and other applicable laws governing fiduciaries. Any person may act in more than one fiduciary capacity.

Section 14.6 **Inspection of Records**

Copies of the Trust and any other documents and records which a Covered Person is entitled by law to inspect shall be open to inspection by such person or such person's duly authorized representatives at offices of the Administrator at any reasonable business hour.

Section 14.7 **Limitation on Rights of Employees**

The Trust is strictly a voluntary undertaking on the part of the Association and the Subscribing Employers and Subscribing Individuals shall not constitute a contract between a Subscribing Employer and any of its Employees, or consideration for, or an inducement or condition of, the employment of any Employee. Nothing contained in the Trust shall give any Employee the right to be retained in the service of a Subscribing Employer or to interfere with or restrict the right of the Subscribing Employer which is hereby expressly reserved, to discharge any Employee at any time, except as provided by law, at any time with or without cause. Inclusion under the Trust will not give any Employee any right or claim to any benefit hereunder

except to the extent such right has specifically become fixed under the terms of the Trust. The doctrine of substantial performance shall have no application to Employees. Each condition and provision, including numerical items, has been carefully considered and constitutes the minimum right on performance which will give rise to the applicable right.

Section 14.8 **Payment on Behalf of Minor, etc.**

If any amount becomes payable under the Trust to a minor or a person who, in the sole judgment of the Administrator, is considered by reason of physical or mental condition to be unable to give a valid receipt therefor, the Trustees may direct that such payment be made to any person found by the Trustees, in their sole judgment, to have assumed the care of such minor or other person. Any payment made pursuant to such determination shall constitute a full release and discharge of the Association, the Subscribing Employers, the Trustees, the Plan and their officers, directors and employees.

Section 14.9 **Service of Process**

During such time as the Administrator is serving under Section 7.5(v), the Administrator is hereby designated as agent of the Trust for the service of legal process. Otherwise, the Executive Vice President of the Association is so designated.

Section 14.10 **Governing Law**

The Trust shall be interpreted, administered and enforced in accordance with ERISA, and the rights of Covered Persons, their covered dependents and all other persons shall be determined in accordance therewith; provided, however that, to the extent the state law is applicable, the laws of the Commonwealth of Massachusetts shall apply.

Section 14.11 **Genders and Plurals**

Where the context so indicates, the masculine pronoun shall include the feminine pronoun and the singular shall include the plural.

Section 14.12 **Titles**

Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of the Trust.

Section 14.13 **References**

Unless the context clearly indicates to the contrary, a reference to a statute, regulation or document shall be construed as referring to any subsequently enacted, adopted or executed statute, regulation or document.

Section 14.14 **Construction**

This Trust shall be construed, administered and enforced according to ERISA and the Internal Revenue Code and where state law is applicable, under the laws of the Commonwealth of Massachusetts, fairly, equitably and in accordance with the purposes of the Trust.

Section 14.15 Execution of Trust Document

This Trust document may be executed in one or more counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

* * * * *

IN WITNESS WHEREOF, the Association and the Trustees have caused this Agreement to be executed at _____, Massachusetts this ___ day of _____, 2006.

TRUSTEES

Tim Brennan

[Name]

[Name]

[Name]

[Name]

[Name]

[Name]

**UNITARIAN UNIVERSALIST
ASSOCIATION**

By _____
President

By _____
Assistant Secretary

EXHIBIT A

Policy for Contributions and Delinquent Contributions

Regular Contributions. Effective January 1, 2007, the Subscribing Employers and Subscribing Individuals will receive a monthly invoice representing the monthly contribution necessary to cover the cost of anticipated claims plus the ASO administrator's administrative fees, and the insurer's stop-loss premiums. The payment requirements are as follows:

- Payment is due on the 1st day of the month for the current month (e.g., January payment is due January 1st). If the due date falls on a weekend or banking holiday, the due date shall be the next following business day.

Delinquent Contributions. A contribution shall be deemed delinquent if it is not received in full by the Trust by the end of business on the Delinquency Date (10 days after the due date). In the event of a delinquency, the Trust Committee shall take the following actions:

- If the delinquency is not completely cured within fifteen (15) days following the Delinquency Date, the Trust Committee shall take the following actions:
 - i. issue an Expulsion Notice terminating the Subscribing Employer or Subscribing Individual's participation in the Trust.
 - ii. notify Participants of that Subscribing Employer of the termination.

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