



STATE OF WEST VIRGINIA

Offices of the Insurance Commissioner

Earl Ray Tomblin
Governor

Michael D. Riley
Insurance Commissioner

May 20, 2013

Gary Cohen
200 Independence Ave., SW
Suite 733H-02
Washington, DC 20201

Dear Mr. Cohen:

We have recently received inquiries from several employer associations and an insurance issuer as to whether an association comprising both large and small employers may be treated as a large group under the PPACA. We have concluded that, in certain circumstances, such an association may be treated as a single employer for PPACA purposes and, further, that such determination may be made at the state level. In light of the uncertainty surrounding the issue, however, we are seeking guidance from CMS.

The only written guidance we have seen on this issue from CMS is a September 1, 2011 memo from Gary Cohen, Director for the Center for Consumer Information and Insurance Oversight, entitled "Application of Individual and Group Market Requirements under Title XXVII of the Public Health Service Act when Insurance Coverage Is Sold to, or through, Associations."¹ In this memo, under the section entitled III.B., "Group Market", CMS states:

The PHS Act *derives* its definitions of group health plan and employer from the ERISA definitions of employee welfare benefit plan and employer. PHS Act § 2791(a)(1), (d)(6). Under ERISA section 3(5), an employer is "any person acting directly as an employer, or indirectly in the interest of an employer, in relation to an employee benefit plan; and includes a group or association of employers acting for an employer in such capacity." *Thus, reference to ERISA is needed when establishing the existence of a group health plan and determining the identity of the "employer" sponsoring the plan.*

[emphasis added]. In other words, the adoption of ERISA's definition of "group health plan" led to CMS's decision to give deference to DOL's interpretation of the factors that should be reviewed in determining if an employer group may be treated as a "single employer" for PPACA purposes: How members are solicited; who is entitled to participate and who actually participates in the association; the process by which the association was formed; the purposes for which it was formed and what, if any, were the pre-existing relationships of its members; the powers, rights and privileges of employer-members; and who actually controls and directs the activities and operations of the benefit program. In addition, employer-members of the group or association that participate in the benefit program must, either directly or indirectly, exercise

¹ This memo can be found at the following link (last accessed May 14, 2013):
http://cciio.cms.gov/resources/files/association_coverage_9_1_2011.pdf.pdf

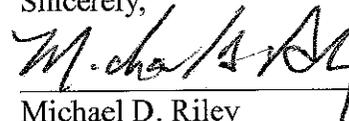


control over that program, both in form and in substance, in order to act as a bona fide employer group or association with respect to the benefit program.²

We believe that a state with PPACA enforcement authority³ necessarily has the authority to make a determination, guided by the above-referenced ERISA factors, as to whether an issuer may rate an employer association as a large group under the PPACA. This view has been reinforced after recent discussions with the Washington Insurance Commissioner's office, which has been informed by CMS that that state agency would be able to review and approve or disapprove, on a case-by-case basis, situations in which an issuer wished to insure an employer association under the PPACA as a single employer large group.⁴ Washington State's approach, as outlined in the attached documents, assumes that an association that includes *only* members in the exact same industry would fulfill the "commonality" requirement and that ensuring that the participating employers themselves control the "benefits vehicle" satisfied the control prong of the ERISA test. Before adopting a similar process, however, we would like confirmation from CMS that Washington State's course is an appropriate one, that WV OIC does indeed have authority to make the "single employer" determination for PPACA purposes, and that CMS will not take any regulatory action against an issuer for acting in good faith based such on such approval.

As always, any guidance which could be provided would be very much appreciated by the OIC, the State of WV, its stakeholders and consumers. Your prompt response would be appreciated as the OIC hopes to be able to move forward with establishing a process in the near future in light of the close proximity of 2014.

Sincerely,



Michael D. Riley
Insurance Commissioner

CC:

Teresa Miller, Acting Director, Oversight Division. HHS/CMS/CCIIO
Lina Choudhry Rashid, MHM, HHS/CMS/CCIIO via e-mail
Greg Elam, Associate General Counsel, WVOIC via e-mail
Timothy Murphy, Associate Counsel, WVOIC via e-mail

² See "Multiple Employer Welfare Arrangements under the Employee Retirement Income Security Act (ERISA): A Guide to Federal and State Regulation," 2004. <http://www.dol.gov/ebsa/publications/mewas.html> (Last accessed on 05/14/13). See specifically section entitled "What is an Employer?"

³ Pursuant to PPACA §1321 (codified at 42 USC §18041) and PHSa 2736(b) (codified at 42 USC §300gg-22(b)), states have sole enforcement authority over PPACA reforms if the state chooses to "implement" such provisions.

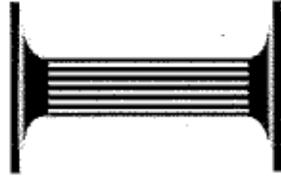
⁴ See attached the following documents from Washington State: (1) an October 19, 2013 power point presentation prepared by Washington's OIC outlining a process and analysis to be used in determining whether employer associations within its state may be granted status as single employers using the ERISA test as a basis, and thus be permitted to be underwritten as a large group under the PPACA, set forth as attachment A; and (2) several letters and relevant association documents from Washington's OIC in which Washington has, through an established process, granted certain employer associations the right to be written as a single large group, at least for certain classes of employees within the association, set forth as attachment B.

Ryan Sims, Associate Counsel, WVOIC via e-mail

Fred Holiday, L & H Policy and Rate Analyst Supervisor, WVOIC via e-mail

Dina Wildman, Insurance Complaint Specialist Supervisor, WVOIC via e-mail

Jeremiah, Director of Health Policy, WVOIC via e-mail

 Washington State
Office of the
Insurance Commissioner

Association Health Plans
pathway to “employer” status

Office of Insurance Commissioner
October 19, 2012

ATTACHMENT A

Agenda

- Purpose of Today's Meeting
- ERISA definition of “employer”
- Role of U.S. Dept of Labor
- Filing of Rates for 2014
- DOL Criteria
- Court Decisions [on](#) DOL Criteria
- DOL Advisory Opinions
- 2 Essential Issues
- Case Study

Purpose of Today's Meeting

- Provide guidance to Association Health Plans wishing to pursue Employer Health and Welfare Benefit Plan status

ERISA definition of “employer”

- Sec. 1002 (5) provides: “The term “employer” means any person acting directly as an employer, or indirectly in the interest of an employer, in relation to an employee benefit plan; and includes a group or association of employers acting for an employer in such capacity.” [emphasis added]

U.S. Dept of Labor

- The U.S. DOL is the agency charged with administering, interpreting, and enforcing these ERISA provisions. Therefore, that agency's determination about application of these provisions is the critical one, and one that will receive deference from the courts should litigation arise.

Filing of Rates for 2014

- OIC is required by federal law, commencing in 2014, to allow only associations that satisfy the ERISA definition of “employer” to rate at the association level.
- Carriers for associations which do not satisfy that definition must rate the members of such associations by employer group.
- If the member employer is a small group; the carrier must place such a group in the community-rated small group pool.
- If an association has individual members, it is not an employer with respect to those members, who must be placed by the carrier in the individual community-rated pool.

Filing of Rates for 2014

- The U.S. DOL requires a significant amount of time to perform an analysis of the “employer” issue resulting in an advisory opinion.
- OIC would be happy to accept DOL’s advisory opinions regarding an association’s employer status under ERISA as definitive.
- In the absence of such opinions, OIC must decide whether to accept association health plan filings as one large group or whether the members must be grouped into their respective categories.
- We believe that the transition planning with the carriers will resolve most of these issues.

DOL Criteria

Among the factors considered by DOL are:

- how members are solicited;
- who is entitled to participate and who actually participates in the association;
- the process by which the association was formed,
- the purposes for which it was formed, and
- what, if any, were the preexisting relationships of its members; the powers, rights, and privileges of employer members that exist by reason of their status as employers; and
- who actually controls and directs the activities and operations of the benefit program. The employers that participate in a benefit program must, either directly or indirectly, exercise control over the program, both in form and in substance, in order to act as a bona fide employer group or association with respect to the program.

DOL Criteria

- The definition of “employee welfare benefit plan” in ERISA is grounded on the premise that the person or group that maintains the plan is tied to the employers and employees that participate in the plan by some common economic or representation interest or genuine organizational relationship unrelated to the provision of benefits. *See, e.g.,* Advisory Opinion 94-07A; Advisory Opinion 2001-04A.

Court Decisions Related to DOL Criteria

- Courts have consistently held that there must be some cohesive relationship between the provider of benefits and the recipient of benefits under the plan so “that the entity that maintains the plan and the individuals that benefit from the plan are tied by a common economic or representation interest, unrelated to the provision of benefits.” *Wisconsin Educ. Ass'n Ins. Trust v. Iowa State Bd. of Public Instruction*, 804 F.2d 1059, 1064 (8th Cir. 1986).

Court Decisions Related to DOL Criteria

- The representational link between employees and an association of employers in the same industry who establish a trust for the benefit of those employees also supplies the requisite connection. See *Advisory Opinion 2001-04A*; *Advisory Opinion 2003-13A*; *National Business Ass'n Trust v. Morgan*, 770 F. Supp. 1169, 1174-75 (W.D.Ky. 1991); *MDPhysicians & Associates, Inc. v. State Bd. of Ins.*, 957 F.2d 178 (5th Cir. 1992), *cert. denied*, 506 U.S. 861 (1992). See also *Nat'l Business Conf. Employee Benefits Ass'n v. Anderson*, 451 F. Supp. 458, 461 (S.D.Iowa 1977) (employees must have common interest in employment relationship for ERISA plan). [emphasis added]

Court Decisions on DOL Criteria

- The established judicial view appears to be that the person or group maintaining an “employee benefit plan” under ERISA must be tied to the employees or the contributing employers by genuine economic or representational interests unrelated to the provision of benefits. *See MDPhysicians & Associates, Inc. v. State Bd. Ins.*, 957 F.2d 178,185 (5th Cir.), *cert. denied*, 506 U.S. 861 (1992) (“the entity that maintains the plan and the individuals that benefit from the plan [must be] tied by a common economic or representation interest, unrelated to the provision of benefits.” (quoting *Wisconsin Educ. Assoc. Ins. Trust v. Iowa State Bd.*, 804 F.2d 1059, 1063 (8th Cir. 1986))).

Pertinent Language from DOL Advisory Opinions

- These common employment-based interests distinguish an employee benefit plan from other entities that underwrite benefits or provide administrative services. The Department [DOL] has long adhered to this interpretation of ERISA. *See, e.g.,* Advisory Opinion 94-07A (it is the “commonality of interest” among the individuals that benefit from the plan and the party that sponsors the plan that “forms the basis for sponsorship of an employee welfare benefit plan”); Advisory Opinion 80-42A (“plans established and maintained by insurance entrepreneurs for the purpose of marketing insurance products to employers and employees at large are not ERISA plans.”)..

2 Essential Issues

- Commonality/nexus among employers – this criteria is the most subjective and can be difficult to interpret.
- One thing that seems clear is that, if the members of the association entitled to join in the insurance arrangements are all in the exact same industry, that can form the basis for the requisite nexus. See Advisory Opinions 2001-04A and 2003-13A for different outcomes based on this issue. I also recommend Opinion 2007-06A with respect to the statement on page 3 that, if membership were limited to employers and those employers control the welfare trust, it would qualify as an employer.
- DOL has informed us that defining an industry too broadly can result in a finding that the nexus element is not present.

2 Essential Issues

- The second essential issue is control of the association or insurance vehicle by the participating employers.
- The control issues are best understood by reviewing the DOL Advisory Opinions, such as 2001-04A, 2007-06A, 2005-20A, and 2012-04A.
- The employers eligible by virtue of their commonality/nexus for the insurance benefits must control the benefits vehicle.

Case Study

- Original MBIA Insurance Trust document
- Revised MBIA Insurance Trust document
- Exclusion of all ancillary industry categories from eligibility for Insurance Trust
- Revisions were to remove the Association from control of the Trust and put the participating employers in control.

Review of Recommended Steps

- Review membership and classification of employers – is the requisite commonality present?
- Review the Association Bylaws and Trust documents for necessary changes – such as the type of changes in the Master Builders Trust Agreement
- Consult with legal counsel with ERISA expertise
- Consult with insurance carrier – OIC regulates Carrier, not the Association
- Consider consultation with DOL
- Make sure AHP and Carrier are keeping OIC in the loop on transition planning
- Understand that if AHP successful in satisfying “employer” criteria, it may still need to modify business processes because rating at the large group level will be required and health status may not be used to set rates

Non-Employer AHPs

- If an Association cannot satisfy the “employer” criteria, the carrier will need to offer the community rated small group and individual products (and associated rates) to each small group or individual member group.
- The carrier would file the large group rate and benefit forms for review— instructions will be provided once federal rate review rules are available
- We urge you to consider other valuable services associations can offer if “employer” status is unavailable.

Any Questions?



OFFICE OF
INSURANCE COMMISSIONER

March 26, 2013

Deb Brady
Director
Associated Industries
1206 N Lincoln Ste 200
Spokane, WA 99201-2559

ATTACHMENT B

In Re: Associated Industries Occupational Categories

Dear Ms. Brady:

First, I'd like to thank you for your assistance in the effort we've made to analyze your association membership in the context of your insurance benefits vehicle to determine whether the membership constitutes an "employer" under 29 USCS 1002 (5).

Attached is a copy of the list of occupational categories we have agreed constitute a single industry. Also attached is a copy of the Trust Agreement governing the insurance vehicle which we have agreed provides for the employer members included in the occupational categories list to control the insurance vehicle. These documents should be provided to your carrier, as they will be needed for your plan filings.

If you have any questions, please let me know. Thank you again for your cooperation in this effort.

Very truly yours,


Carol Sureau

Deputy Commissioner, Legal Affairs
Enclosures

cc: Beth Berendt, Deputy Commissioner, Rates & Forms
Charles Brown, Senior Staff Attorney
Marta DeLeon, Assistant Attorney General
Brendan Williams, Deputy Commissioner, Policy
Jason Froggatt, Davis Wright Tremaine
Keith VanderZanden, Wells Fargo Insurance Services

**AMENDED AND RESTATED ASSOCIATED
EMPLOYERS HEALTH AND WELFARE TRUST AGREEMENT**

THIS AMENDED AND RESTATED ASSOCIATED EMPLOYERS HEALTH AND WELFARE TRUST AGREEMENT (this "Agreement") is entered into by and among Associated Industries of the Inland Northwest (the "Association") as the Sponsor, and the undersigned Trustees.

ARTICLE I. DECLARATION OF TRUST

1.01 Purpose. The purpose of this Agreement is to provide a trust under which the Association and Eligible Employers (defined below) of the Association may make certain Welfare Benefits available for their Participants, through group insurance or otherwise.

1.02 Establishment of Trust. The Association established this Trust on March 1, 1954, at which time it was known as the Associated Employers Health and Welfare Trust. The Association hereby amends and restates the Agreement establishing the trust, which will continue to be known as the Associated Employers Health and Welfare Trust (the "Trust"). The Trustees who have signed this Agreement hereby accept the appointment as Trustees for the Trust and agree to be bound by the terms and conditions of this Restated and Amended Agreement and the Participation Agreements, attached hereto as Exhibit A and incorporated by reference herein.

1.03 Term. This Amended and Restated Agreement shall be effective as of December 1, 2014, and shall continue indefinitely, unless terminated in accordance with Article VIII.

ARTICLE II. DEFINITIONS

2.01 "Administrator and Named Fiduciary" of each Participating Employer's Plan means that person or persons selected by the Participating Employer in the Participation Agreement to exercise the authority granted pursuant to Article VII, unless otherwise indicated by the Participating Employer.

2.02 "Association" means Associated Industries of the Inland Northwest.

2.03 "Association Chair" means the Chair of the Board of Directors of the Association and his or her successor.

2.04 "Board" means the Board of Directors of the Association.

2.05 "Chief Executive Officer" means the individual employed by the Association to administer and manage the business affairs and policies of the Association.

2.06 "Eligible Employer(s)" means, as of December 1, 2014, employers that are members of the Association in the following classes (as defined in the bylaws of the Association): commercial construction contractors, sub-contractors, suppliers, vendors, service providers, and allied trades provided such employer has as a principal business purpose engaging in the building and construction industry and is included in the industry classifications described in Exhibit B, attached hereto and incorporated by reference herein.

2.07 "Employee(s)" means any individual(s) employed by an Eligible Employer (or was so employed, but is subsequently laid off, terminated or retired).

2.08 "Insurer(s)" means the insurance carrier or carriers selected by the Trustees to issue policies to the Trust to insure benefits provided under a Plan.

2.09 "Participant(s)" means Employees, their dependents, and retirees who are specified as eligible for Welfare Benefits by a Participating Employer, pursuant to Article III.

2.10 "Participating Employer(s)" means the Association and any other Eligible Employer that is an employer of common-law employees and has executed a Participation Agreement. Prior to December 1, 2014, Participating Employer(s) includes all employers that were participating in the Trust as of the date this Agreement is executed.

2.11 "Participation Agreement(s)" means the Participation Agreement(s) between each Eligible Employer and the Trust substantially in the form of Exhibit A attached hereto, and incorporated by reference herein.

2.12 "Plan" means any employee welfare benefits plan created and administered for the benefit of Participants which provides Welfare Benefits covered by this Trust.

2.13 "Trustee(s)" means those persons appointed in accordance with Article VI, and their duly appointed or elected successors.

2.14 "Welfare Benefits" means the employee welfare benefits specified by the Trustees from time to time, including but not limited to medical, surgical or hospital care or benefits in the event of sickness, accident, disability, death or unemployment. Such Welfare Benefits shall be evidenced either by contracts of insurance or, with respect to uninsured plans, if any, by plan documents.

ARTICLE III. PARTICIPATING EMPLOYERS AND PARTICIPANTS

3.01 Eligible Employers. The Association as an employer and any Eligible Employer that is an employer of common-law employees may elect to become a Participating Employer hereunder by executing a Participation Agreement. In such Participation Agreement, the Eligible Employer will agree to be bound by the terms and conditions of this Agreement, to make contributions to pay for Welfare Benefits to be provided for its Participants, and to adopt

such Welfare Benefits. The Welfare Benefits to be provided and the persons entitled to them shall be as selected by the Participating Employer in its Participation Agreement, and subject to its terms.

3.02 Participants. Subject to applicable insurance laws and regulations and the rules of the Trust, each Participating Employer shall select those of its Employees, dependents and/or retirees who shall be eligible for Welfare Benefits. Generally, all Employees or all Employees of a class or classes determined by conditions pertaining to their employment must be eligible to participate in the particular Welfare Benefits selected by the Participating Employer. Eligibility requirements and other classifications need not be uniform among the various Participating Employers.

3.03 Information. Each Participating Employer agrees to provide such information, including payroll information and data, to the Trust regarding such Participating Employer's Participants and Employees of any control group in which any Participating Employer may be a member, as shall be determined by the Trustees to be necessary for administration of the Trust and the Plans. Each Participating Employer shall provide such information at such times and in such manner as the Trustees or their designees may specify from time to time.

ARTICLE IV. BENEFITS AND CONTRIBUTIONS

4.01 Welfare Benefits. Welfare Benefits shall be provided directly from the assets of the Trust or by the purchase of group policies of insurance in accordance with this Agreement. No Welfare Benefits will be paid directly by any Participating Employer, and no Participant shall be entitled to any benefits other than those provided by the Trust assets or the policies of group insurance. Participating Employers may adopt some or all of the Welfare Benefits, as evidenced in its Participation Agreement.

4.02 Payment of Contributions. Each Participating Employer shall pay to the Trust the amount of contributions required to maintain Welfare Benefits coverage for such Participating Employer's Participants in the amounts and at the times described in the Participation Agreement. Depending on the Plan, contributions may be made wholly by the Participating Employer, partially by the Participating Employer and partially by Participants, or wholly by the Participants.

ARTICLE V. SPONSOR

5.01 Powers and Duties of the Association as Sponsor. The Association shall act as Sponsor of this Trust. Each Participating Employer by execution of the Participation Agreement does thereby delegate to the Trustees certain specific responsibilities and authority, some of which may be delegated at the discretion of the Trustees to the Association for implementation.

5.02 Chair. Any specific responsibilities and authority implementation granted by the Trustees to the Association shall be exercised by and through the Association Chair. The Association Chair may delegate any of such specific responsibilities and authority implementation to the Chief Executive Officer. After approval of the Trustees, the Association Chair, or the Chief Executive Officer, if such authority has been delegated to him or her, may execute any documents on behalf of the Trust. Thereafter, the Trustees may accept and rely conclusively upon any document executed by the Association Chair, or the Chief Executive Officer, if such authority has been delegated to him or her, as representing action by the Trust.

ARTICLE VI. TRUSTEES

6.01 Number, Nomination, and Election. There shall be six (6) Trustees, one of whom shall be the Chief Executive Officer who shall serve as a non-voting Trustee. Each Trustee, other than the Chief Executive Officer, must be a principal in a Participating Employer. The Trustees, other than the Executive Officer, shall be elected by a majority of the Participating Employers. Candidates for election as Trustee may be nominated by the Association; by a majority of the incumbent Trustees (excluding those in the last year of their term); or by written petition submitted to the Association and signed by the lesser of 10% of the Participating Employers or ten (10) Participating Employers. Each Trustee shall acknowledge, in writing, his or her acceptance of appointment as a Trustee.

6.02 Terms of Trustees.

(a) The term of the non-voting Trustee shall be concurrent with his or her term in office as Chief Executive Officer of the Association.

(b) The term of the voting Trustees shall be three (3) years. At the end of a voting Trustee's term the Trustee may be nominated to serve an additional term, subject to election by a majority of the Participating Employers. The terms of the voting Trustees are, and shall continue to be, staggered so that their terms of appointment do not all expire in the same year.

(c) If a voting Trustee is removed or resigns prior to the expiration of his or her term of appointment, a successor Trustee shall be nominated by the Association or by written petition submitted to the Association and signed by the lesser of 10% of the Participating Employers or ten (10) Participating Employers, subject to confirmation by a majority vote of the Participating Employers, to serve out the remainder of the term of the Trustee who was removed or resigned; upon expiration of such term, the successor Trustee may be nominated as any candidate for election to serve an additional term, subject to election by a majority of the Participating Employers.

6.03 Resignation of a Trustee. A Trustee may resign at any time by giving thirty (30) days' notice in writing to the Association and the Trustees, after which that Trustee's position shall become non-voting for the remainder of the thirty (30) days. The resigning Trustee and

the other Trustees may, in a writing signed by or on behalf of both parties, waive the notice required by this provision. A successor shall be appointed as provided by Section 6.02(c).

6.04 Removal of a Trustee. The Association shall remove a Trustee by delivery of a writing to the Trustees notifying them of both the proposed removal of the Trustee and a majority vote approving the Trustee removal by the Participating Employers. Alternatively, the Participating Employers shall remove a Trustee by delivery to the Association and the Trustees of a writing signed by Participating Employers whose contributions during the preceding twelve (12) months totaled more than 50% of all contributions. Without a writing from the Association or 50% of the Participating Employers, a Trustee shall be removed by a supermajority vote (3 out of 5) of the Trustees. The removal of any Trustee shall be effective thirty (30) days after receipt of the writing by the Trustees, after which that Trustee's position shall become non-voting for the remainder of the thirty (30) days. A Trustee may be removed for any reason, including but not limited to missing three consecutive Trustee meetings without an approved absence by the chair of the Trustees. A successor shall be appointed as provided by Section 6.02(c).

6.05 Use of Contributions. The Trustees shall have all necessary power to receive contributions hereunder to pay reasonable expenses of the Trust and to pay Welfare Benefits and premiums on the group insurance policies owned by the Trust. The contributions shall be deposited in one or more banks or similar financial institutions supervised by the United States or a state pending the allocation of monies for Welfare Benefits or otherwise permitted hereunder. The Trust shall not be required to pay interest on Participating Employer or Participant contributions to the Trust. In the event that any Participating Employer shall fail or refuse to pay the Participating Employer's or the Participants' contributions due to the Trust on a timely basis, the Trustees shall cancel and terminate the coverages afforded the Participating Employer's Participants, and the Participating Employer shall be notified accordingly by the Insurer(s) and/or the Trustees.

6.06 Investment. From time to time, funds held by the Trustees may exceed the immediate needs of the Trust. Additionally, dividends, returns of premium or other Welfare Benefits received from Insurers under the provisions of any contract of insurance shall become a part of the Trust assets and shall be subject to these provisions. Any excess funds held by the Trustees shall be used and controlled as follows:

(a) The Trustees may apply the same or any portion thereof to the payment of reasonable administration expenses and/or premiums on insurance policies held by the Trust in lieu of increasing required contributions hereunder; and

(b) The Trustees may invest any of such funds as provided by an investment policy adopted by the Trustees. Such investment policy shall generally favor, but not necessarily require, investments in obligations of the United States government, of any state or political subdivision thereof, obligations of solvent United States corporations, savings deposits or time certificates of deposit in any federally-insured bank (including a party in interest) and similar

obligations, provided, however, that any such investment shall have a maturity date not exceeding three (3) years from the date of purchase.

6.07 Title. Title to all assets of the Trust shall be maintained in the name of the Trust, provided, however, that for convenience in transferring negotiable securities, title may be held in the name of the Trust's custodian bank or nominee.

6.08 Record Keeping and Accounts. The Trustees or their delegates shall keep and maintain true and accurate books of account and records reflecting all sums received and all sums expended, together with all necessary and pertinent information connected with their administration of the Trust. Such books and records shall be subject to audit by the Association as directed by the Trustees or, if required by law, to audit by an independent public accountant. Such books and records shall also be open to inspection by any Participating Employer upon demand at all reasonable times during business hours. Within ninety (90) days after the end of the Trust's year, the Trustees shall furnish to the Association a written statement of account setting forth all receipts and disbursements.

6.09 Standard of Care. The Trustees shall discharge their duties with respect to the Trust solely in the interests of Participants and their beneficiaries, and

(a) For the exclusive purpose of providing benefits to Participants and their beneficiaries and defraying reasonable expenses of the Trust;

(b) With the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man 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;

(c) To the extent the Trustees exercise their investment discretion pursuant to Section 6.06, 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

(d) In accordance with the terms of this Trust to the extent such terms are consistent with the Employee Retirement Income Security Act of 1974, as amended.

6.10 Compensation of Trustees. The Trustees shall be reimbursed for all reasonable expenses incurred by them in the administration of the Trust, which shall be paid from the Trust.

6.11 Settlement of Account. Upon resignation or removal of a Trustee, such Trustee shall have the right to a settlement of the Trustee's account which, unless the parties are unable to agree, shall be accomplished by agreement between such Trustee and the Association. Upon such settlement, all right, title and interest of the Trustee in the assets of the Trust and all rights and duties under this Agreement shall vest in the successor trustee, and thereupon all future liability of the Trustee shall terminate, provided, however, that the Trustee

shall execute, acknowledge and deliver all documents and written instruments which are necessary to transfer and convey the right, title and interest in the Trust assets and all rights and privileges to the successor.

6.12 Powers and Duties of the Trustees. The Trustees shall have all powers that are necessary or desirable in administering the Trust and any Plan, including but not limited to the following:

- (a) Approve premium rates, select and change Insurers;
- (b) Select and retain consultants and advisors to assist in Welfare Benefit design and improvement;
- (c) Select and engage administrative assistance to maintain Plan records, collect and remit premiums, initiate claims procedures, prepare and disseminate information and similar functions;
- (d) Select and engage all other service providers necessary or desirable for administration of the Trust, including without limitation third party administrators, custodians, actuaries, attorneys, accountants, consultants, advisors, investment managers and other service providers;
- (e) Establish procedures, requests for proposals, and criteria for selection and acceptance of service providers;
- (f) Enter into arrangements for the provision of services, including the execution of contracts and other documents and payment from the Trust of reasonable fees, expenses and compensation;
- (g) Establish and carry out a funding policy for the Trust. In establishing such policy, the short-term and long-term liquidity needs of the Trust shall be determined, to the extent possible, by considering among other factors the due date of premiums for insurance policies, Employee turnover, and contributions to be made by Participating Employees and Participants;
- (h) Engage an independent qualified public accountant and authorize such accountant to conduct an annual financial examination of the Trust. The costs of such financial examination shall be paid by the Trust;
- (i) Prepare and file with the Department of Labor the annual reports regarding the Trust, to the extent required by law. The costs of such audit and reports shall be paid by the Trust;
- (j) Audit the payroll books and records of a Participating Employer, either directly or through a qualified public accountant at the expense of the Trust;

(k) Act upon any written letter, report, certificate or other document submitted by a Participating Employer or Participant, if such document appears to be genuine and to be signed by the proper person or persons. The Trustees shall be under no duty to make any investigation or inquiry as to any statement contained in any such document;

(l) Prosecute and defend all legal actions, claims and proceedings initiated against the Trust or the Trustees relating to the Trust, and compromise, settle or release all such actions on such terms or conditions as the Trustees may determine;

(m) Select and engage other trustees and custodians, to safekeep assets and act in similar capacities, and pay reasonable fees and expenses from the Trust;

(n) Establish contribution levels required to maintain various coverages and a fair share of Trust expenses, and change the same from time to time in its discretion;

(o) Authorize disbursements from the Trust;

(p) Generally interpret the Trust and promulgate rules and regulations designed to result in consistent interpretation and administration; and

(q) Do all acts, take all actions and exercise all rights and privileges that it deems necessary to administer and carry out the purposes of this Trust. Provided, however, that Participating Employers whose contributions during the preceding twelve (12) months totaled more than 50% of all contributions may direct the Trustees method and manner of conducting any particular action by written instruction delivered to the Trustees. Any such instruction shall provide a reasonable time for the Trustees to act, taking into account all facts and circumstances.

6.13 Trustee Transition. Each Trustee who is an incumbent on the date this Amended and Restated Agreement is adopted by the Association and the Trust shall continue to serve to the end of his or her term, at which time the provisions of Article VI shall apply to the nomination and election of a successor. In the event that as of the date this Amended and Restated Agreement is adopted by the Association and the Trust the number of incumbent Trustees (including the Chief Executive Officer) exceeds six (6), no successor Trustees shall be nominated or elected, until such time as the number of incumbent Trustees (including the Chief Executive Officer) equals six (6). If, while there are more than six (6) incumbent Trustees (including the Chief Executive Officer), an incumbent Trustee resigns or is removed, no successor Trustee shall be nominated or elected.

6.15 Trustee meetings. Regular meetings must be held at least twice a year. The Trustees shall determine the time and place of all meetings. Special meetings may be called by the request of at least two (2) Trustees with written notice of the meeting at least ten (10) days

prior to the meetings. Ten days' advance notice is not required if all Trustees agree to the date of the special meeting.

a. Manner of Voting. Any action taken by the trustees at a meeting shall be by majority vote. Approval of all Trustees is required for action without a meeting.

b. Quorum. To constitute a valid meeting of the Trustees, a quorum of at least three (3) trustees must be present.

c. Action without a formal meeting. Trustees may take action without a meeting via conference call, teleconference, or other electronic means, including e-mail. A written motion or resolution must be provided to all Trustees prior to or at the time of such electronic communication. Action on these motions or resolutions will be effective upon receipt of the signed motion or resolution by each Trustee by the Chair, Chief Executive Officer, or their designee.

ARTICLE VII. OTHER ADMINISTRATION

7.01 Powers and Duties of Plan Administrator and Named Fiduciary. The Administrator and Named Fiduciary of each Participating Employer's Plan shall have the authority to control and manage the operation and administration of such Participating Employer's Plan. Each Participating Employer shall by execution of the Participation Agreement delegate to the Trustees certain specific responsibilities and functions described in Articles V and VI. Any function or responsibility not specifically delegated or allocated to the Trustees with respect to the administration of the Participating Employer's Plan shall be retained by the Participating Employer and carried out by the Administrator and Named Fiduciary. Without limiting the generality of the foregoing, the Administrator and Named Fiduciary of each Participating Employer's Plan shall have the following responsibility and authority with respect to such Plan:

- (a) Determining all questions relating to eligibility of Participants;
- (b) Identifying Participants and enrolling them in the Participating Employer's Plan, and notifying the Trustees accordingly;
- (c) Deleting Participants from the Participating Employer's Plan's enrollment when they become ineligible;
- (d) Computing and certifying to the Trustees the contributions necessary to provide coverages elected;
- (e) Preparing and disseminating to all Participants plan documents, summary plan descriptions, summary annual reports, financial statements, administration and other

reporting forms and disclosures in such form and within such time periods as is required by law, and filing such reports and returns as are required by law;

- (f) Distributing to all Participants certificates of insurance as required by law;
- (g) Initiating claim procedures, including notification to the Trustees and/or Insurers, and providing the necessary forms to the claimant, and assist in the completion of such forms and submitting them to the Insurers and/or Trustees;
- (h) Enrolling all eligible Participating Employers' Participants and assisting in communicating Welfare Benefits and responding to Participant inquiries concerning claims and coverage;
- (i) Maintaining all necessary records for the administration of the Participating Employer's Plan other than those which the Trustees, their delegates have specifically agreed to maintain; and
- (j) Interpreting the provisions of the Participating Employer's Plan and publication of such rules for regulation of the Plan as are deemed necessary and not inconsistent with the terms of this Agreement, the policies of insurance, or rules and regulations implemented by the Trustees or the Association.

7.02 Allocation and Delegation of Responsibility. The Administrator and Named Fiduciary of a Participating Employer's Plan may delegate in writing to persons other than such Administrator and Named Fiduciary, the responsibility and authority to carry out fiduciary responsibilities of the Participating Employer's Plan.

7.03 Bonding. Where required by law, the Administrator and Named Fiduciary of the Participating Employer's Plan, and every person handling Plan funds, shall be bonded. It shall be the obligation of the Administrator and Named Fiduciary to insure compliance with the applicable bonding requirements. The Trustees and the Association shall not be responsible for ensuring that bonding requirements (other than those applicable to the Trustees and the Association) are complied with, and all of such responsibility is specifically allocated to the Administrator and Named Fiduciary of the Participating Employer's Plan.

7.04 Claims Procedure. Procedures for claims review and appeal of denied claims under a Plan shall be as set forth in the applicable insurance contracts and summary plan descriptions for such Plan. There shall be no recourse to the Trust or the Trustees with respect to any such claims.

7.05 Funding Policy. The Administrator and Named Fiduciary shall establish and carry out a funding policy designed to assure the prompt payment of contributions to the Participating Employer's Plan.

7.06 Standard of Care Imposed Upon Administrator and Named Fiduciary, and the Association. The Administrator and Named Fiduciary for the Participating Employer's Plan and the Association shall discharge their duties with respect to the Participating Employer's Plan solely in the interest of the Participants and their beneficiaries, and

(a) For the exclusive purpose of providing benefits to Participants and their beneficiaries and defraying reasonable expenses of the Plan;

(b) With the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man 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; and

(c) In accordance with the Plan provisions to the extent such provisions are consistent with the Employee Retirement Income Security Act of 1974, as amended.

ARTICLE VIII. MISCELLANEOUS

8.01 Amendment and Termination of Trust. The Association shall have the right to terminate this Trust. In addition, the Association may submit a Trust amend by written resolution, which may be adopted by a majority of Trustees. This Trust may be amended or terminated by written resolution adopted by a majority of Trustees or by a writing delivered to the Trustees and signed by Participating Employers whose contributions during the preceding 12 months have totaled more than 50% of all contributions; provided, however, that no such resolution shall:

(a) Divert the Trust assets or any part thereof to a purpose other than as set forth in this Agreement;

(b) Relieve the Trustees from liability for acts in violation of the standard of care hereby imposed; or

(c) Modify Section 8.02 relating to Limitation of Rights to Trust Fund.
Notice of any amendment or modification shall be promptly forwarded by the Trustees to the Association, each Participating Employer and to any Insurer, and on request a copy shall be furnished to any such person.

8.02 Limitation of Rights to Trust Fund. Neither the Association, the Participating Employers, Participants, nor any other person shall have any right, title or interest in or to the Trust assets except as expressly provided herein; provided, however, that nothing herein contained shall impair or derogate from the right of any Participant or any person claiming by or through such Participant to the benefits provided by group policies purchased by the Trustees. No part of the assets or income of the Trust shall be used for or diverted to purposes other than for the exclusive benefit of Participants and their beneficiaries. No money, property or interest of any nature whatever in the Trust, the group insurance policies or any benefits or

monies payable therefrom, shall be subject in any manner by any Participating Employer or Participant or beneficiary or person claiming through any of them to anticipation, garnishment, lien or charge, and any attempt to cause the same to be subject thereto shall be null and void to the extent allowed by law.

8.03 Disposition of Assets Upon Termination of Trust. Upon dissolution or termination of this Trust, all assets remaining in the Trust after payment of all expenses incidental to the dissolution or termination shall be used to provide benefits for which this Trust was established. This arrangement shall continue until all funds in the Trust are exhausted.

8.04 Withdrawal from Trust. Any Participating Employer may withdraw from participation in the Trust by giving thirty (30) days written notice of intent to withdraw to the Trustees. With respect to insured benefits, such withdrawal shall be effective as of the day immediately preceding the premium due date under the group insurance policy or policies insuring such Participating Employer's Participants next following receipt of such notice by the Trustees. Upon withdrawal, the withdrawing Participating Employer and its Participants shall have no further rights whatever to the assets of the Trust or to any insurance provided thereunder, except as may otherwise be provided in the group insurance policy or policies which insured such Participants.

8.05 Termination of Participating Employer. The Trustees shall be entitled to terminate, or decide not to renew, any Participating Employer from participation in the Trust upon the occurrence of any of the following events:

- (a) Nonpayment of contributions;
- (b) Fraud or other intentional misrepresentation of material fact by the Participating Employer;
- (c) Noncompliance with material provisions of the Trust;
- (d) The Trust ceases to offer any coverage in a geographic area;
- (e) There is no longer any individual enrolled through the Participating Employer who lives, resides, or works in the service area of a network plan offered by the Trust and the Trust applies this paragraph uniformly without regard to the claims experience of Participating Employer or any health status-related factor in relation to such individuals or their dependents;
- (f) For failure to meet the terms of an applicable collective bargaining agreement, to renew a collective bargaining or other agreement requiring or authorizing contributions to the Trust, or to employ employees covered by such an agreement; and

(g) For failure to be a member in good standing of the Association (which includes, but is not limited to, the payment of all Association dues in a timely manner); provided, however, that the Participating Employer shall have received written notice of such event and failed to cure within ten (10) days after receipt of such notice.

8.06 Indemnity. Each Participating Employer, by execution of the Participation Agreement, does thereby indemnify and hold harmless the Trustees, and the Association (the "Indemnitees") from any and all loss, damages or liability incurred in the course and scope of their respective duties as described in this Agreement, except those resulting from the Indemnitees' gross negligence, willful misconduct or dishonesty. In the event that any of the Indemnitees are made a party to any legal proceeding of any kind or nature arising out of their respective duties hereunder, directly or indirectly, the Participating Employers jointly agree to indemnify and hold the Indemnitees harmless from any and all liability and expenses (including reasonable attorneys' fees) resulting therefrom. Any damages assessed or expenses required to be paid or incurred by reason of this indemnification shall be borne equally by the Participating Employers, unless it shall be determined that the damages, expenses or losses incurred result directly from the actions or inactions of a specific Participating Employer, its employees or agents. In such event, that specific Participating Employer shall be primarily responsible for payment, with other Participating Employers being responsible only in the event of the specific Participating Employer's inability by reason of financial insolvency to respond.

8.07 Fidelity Bond. The Trustees, the Association Chair, and the Board members shall, where required by law, be bonded by a duly licensed corporate surety covering all misappropriations of funds and other assets. Such bond shall be in the amount required by law, and the premiums on such bond shall be paid by the Trustees from the Association Trust.

8.08 Fiduciary Insurance. The Trustees, Association Chair, Association Board members, and any other officers or employees exercising discretion in the management of the Plan or its assets shall be entitled to fiduciary insurance. The cost of such insurance shall be borne by the Trust, but such insurance shall permit recourse by the Insurer against the fiduciary. The cost of any nonrecourse endorsement shall not be borne by the Trust.

8.09 No Legal or Equitable Right. Neither the establishment of the Trust nor the payment of any Welfare Benefits shall be construed as giving to any Participant any legal or equitable right against the Participating Employers, the Trustees, the Association, the Association Board, the Association Chair, nor any fiduciary, except as provided in this Agreement. The terms of employment of any Employee shall be in no way affected by this Trust, nor shall this Trust be construed to guarantee or extend the employment of any Employee.

8.10 Severability; Construction. If any provision of this Trust is held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of this Trust, but this Agreement shall be construed and enforced as if such provisions had never been included. Whenever used in this Agreement, the masculine gender shall include other genders as well,

and singular usage shall include plural usage, as the context may require. Headings and numbers in this Trust are included for convenience of reference only.

8.11 Governing Law. This Trust shall, to the extent applicable, be construed and enforced in accordance with the Employee Retirement Income Security Act of 1974, as amended, and the laws of the State of Washington.

8.12 Entire Agreement. This Agreement and the Participation Agreements constitute the entire agreement between the Participating Employers, the Association and the Trustees, and shall not be amended except in writing between the parties hereto.

Executed this ____ day of _____, 2012.

**ASSOCIATED INDUSTRIES OF THE INLAND
NORTHWEST**

By: _____

**ASSOCIATED EMPLOYERS HEALTH AND WELFARE
TRUSTEES:**

By: _____
**, Trustee

By: _____
**, Trustee

By: _____
**, Trustee

By: _____
**, Trustee

By: _____

Exhibit A — Participation Agreement
Exhibit B — Classifications

EXHIBIT A

PARTICIPATION AGREEMENT

EXHIBIT B

INDUSTRY CLASSIFICATIONS

Associated Industries of the Inland Northwest Business Categories - June 2012

code-desc

1	
2	code-desc
3	Access/Mobility Sys-Ramps
4	Accountants
5	Acoustics
6	Admin Svcs/Office Support
7	Adult Family Living
8	Advertising
9	Aggregate
10	Air Cleaners
11	Air Conditioning
12	Air Duct Cleaning
13	Alarm Systems
14	Apparel
15	Appliances
16	Appliance Recycling
17	Appliances - Coin-Op
18	Appraisers
19	Arborists
20	Architects
21	Architectural Design
22	Architectural Renderings
23	Art/Antique Appraisals
24	Art Consultation
25	Art Installation
26	Art Restoration
27	Artificial Turf
28	Artisan Contractors
29	Artwork
30	Asbestos Abatement
31	Asphalt Paving
32	Asphalt Markings/Striping
33	Asphalt Maintenance
34	Assisted Living Facility
35	Attorneys
36	Attorneys: Construction Law
37	Auctioneers
38	Audio/Video
39	Automotive- Glass
40	Automotive-Maint/Repair
41	Automotive-Sales/Leasing
42	Awards
43	Awnings
44	Banks
45	Bank
46	Bathtub Refinishers
47	Bathtub Surrounds-Manuf/Instal
48	Bathtub Repair
49	Beverages
50	Blinds
51	Blueprints
52	Bonds
53	Builder Services
54	Building Inspection
55	Building Materials
56	Building Moving
57	Buildings-Metal
58	Business Broker
59	Business Evaluations
60	Business Formation
61	Business Planning
62	Buying Service
63	Cabinet Touch-Up Repair
64	Cabinet Installation
65	Cabinets
66	Cabinets-Wood Comp Manuf

A	
2	code-desc
67	Cbl Contract-TV/Voice/Data
68	Card Service
69	Catering
70	Caulks/Sealants
71	Carpet Cleaning
72	Ceramics
73	Cleaning Service
74	Chiropractor
75	Closet/Storage Systems
76	Closets - Custom
77	Coatings
78	Code Resource
79	Communications
80	Communications - Wireless
81	Computer Systems
82	Concrete Products
83	Concrete Contractors
84	Concrete Countertops
85	Concrete Cutting
86	Concrete Form
87	Concrete Lightweight Fill
88	Concrete - Precast
89	Concrete - Pumping
90	Concrete - Ready-Mixed
91	Concrete Resurfacing
92	Concrete - Stamped
93	Condominium Conversion
94	Construction Management
95	Consulting Services
96	Corporate Awards
97	Corrosion Control
98	Countertops
99	Courier
100	Crane Service
101	Crawlspace Repair
102	Credit Card Processing
103	Credit Services
104	Credit Unions
105	Curbing
106	Cstm Architect Mat/Supply
107	Custom Draperies
108	Damage Restoration
109	Decking - Marine
110	Deck Coating
111	Decking
112	Decking Materials - Composite
113	Deconstruction
114	Demolition
115	Dentistry
116	Designers
117	Direct Mail
118	Displays
119	Dispute Resolution
120	Doors
121	Doors - Garage
122	Drafting
123	Drainage
124	Drilling/Boring Contr
125	Drywall Contractors
126	Drywall Products
127	Earth Retention/Shoring
128	Earthquake Preparedness
129	Electrical Contractors
130	Electric Contr - Low Volt
131	Electric Heating Manufact
132	Electrical Motor Repair

	A
2	code-desc
133	Electrical Supplies
134	Elevators
135	Embroidery
136	Employee Benefits
137	Employee Recruiter
138	Employment Service
139	Energy Conservation
140	Engineers - Civil
141	Engineers - Consulting
142	Engineers - Geotechnical
143	Engineers - Mechanical
144	Engineers - Soils
145	Engineers - Storm Drain
146	Engineers - Structural
147	Engineered Wood Products
148	Engraving
149	Entertainment Venue
150	Environmental Consulting
151	Equipment - Heavy
152	Erosion Control
153	Escrow Service
154	Est Digi/Software/Consult
155	Event Coordinating
156	Excavating Contractors
157	Executive Consulting
158	Explosives/Blasting
159	Fabricators
160	Fasteners
161	Feasibility Studies
162	Fencing
163	Fiberglass
164	Financial Services
165	Finance/Construct Loans
166	Finishing Contractors
167	Finish Carpentry
168	Fire Suppression
169	Fireplaces
170	Fixtures - Metal
171	Fixtures - Wooden
172	Floor Care Services
173	Floor Coverings
174	Floor Heating Systems
175	Florist
176	Foam Trim Manuf.
177	Foundation Contractors
178	Fountains
179	Framing Contractors
180	Fuel
181	Funeral Services
182	Furniture
183	Garages
184	Gates-Automatic/Security
185	Generators
186	Geothermal
187	Gifts
188	Glass
189	Glass - Decorative
190	Golf Courses
191	Glass Block
192	Golf Course Construction
193	Graffiti Removal
194	Graphic Designers
195	Grocery Store
196	Gutters
197	Handyman
198	Hardware

A	
2	code-desc
199	Hardscapers
200	Hardwood Floors
201	Hauling
202	Hazardous Materials Svcs
203	Health and Wellness
204	Heavy Highway/Bridges
205	Helicopter Services
206	Home Inspection
207	Home Automation Systems
208	Home Maintenance
209	Hotels
210	House Movers
211	HVAC Products
212	Human Resources
213	HVAC Contractors
214	HVAC Systems Cleaning
215	Hydroseeding
216	Identity Theft
217	Indoor Air Quality
218	Industrial Forklift Dealer
219	Information Systems
220	Instruments-Bidrs/Survey
221	Insulation Contractors
222	Insulation Materials
223	Insurance
224	Insurance - Damage Repair
225	Ins-Life/Disability Income
226	Interior Design
227	Irrigation
228	Jeweler
229	Kitch/Bath Specialists
230	Kitchen Refinishing
231	Labor Services
232	Locksmiths
233	Land Use Planning/Consult
234	Landscape Architects
235	Landscape Contractors
236	Landscape Lighting
237	Laser Vision Correction
238	Lasers
239	Legal Services
240	Lighting Fixtures
241	Lighting - Fiber Optic/LED
242	Limestone Products
243	Limousine Service
244	Locks
245	Low Voltage Wholesale
246	Logging/Clearing/Chipping
247	Logging/Log Marketing
248	Lumber
249	Machine Parts Manufact
250	Mailboxes
251	Mailing Services
252	Maintenance
253	Mantels
254	Manufact Home Sales
255	Manufacturer's Reps
256	Marble
257	Marine Construction
258	Marketing
259	Masonry Contractors
260	Masonry Supplies
261	Mechanical Contractors
262	Measurement Instrument
263	Merchant Services
264	Metal Fabrication

A	
2	code-desc
265	Millwork
266	Mirror Framing
267	Mirrors
268	Mobile Offices
269	Mold Remediation
270	Moisture Testing & Drying
271	Mortgage Bankers
272	Mortgage Brokers
273	Mortgage Insurance
274	Moving
275	Municipality
276	Murphy Beds
277	Music Provider-Business
278	Noise Remedy Specialists
279	Nursery
280	Nutritionist
281	Notary
282	Occupational Therapist
283	Office Equipment
284	Office Supplies
285	Online Document Mgmt
286	Organizing Products/Svcs
287	Outdoor Kitchens
288	Painting Contractors
289	Paints
290	Panelized Wall Systems
291	Payroll
292	Peer Review/Consulting
293	Permit Process Specialists
294	Pest Control
295	Photographers
296	Photovoltaic
297	Pianos
298	Picture Framing
299	Picture Hanging
300	Pile Driving
301	Pile Foundations
302	Pipe Valves/Fittings
303	Physician - Naturopathic
304	Plantation Shutters
305	Plaster Contractors
306	Plat Develop Contractors
307	Playground Equipment
308	Plumbing Contractors
309	Plumbing Fixtures
310	Ponds
311	Post Frame Construction
312	Post Tension Cables
313	Post Tension Concrete
314	Power Tools/Repair
315	Printing
316	Pressure Washing
317	Producer of Events
318	Productivity Workshops
319	Project Management
320	Propane
321	Property Developer
322	Property Management
323	Property Tax Appeals
324	Public Affairs
325	Public Relations
326	Publications
327	Pump Systems
328	Quarries
329	Radiant Heat
330	Railings

	A
2	code desc
331	Real Estate Consult Svcs
332	Real Estate Developer
333	Real Est MultiListing Svc
334	Real Estate
335	Real Estate - Statistics/Repor
336	Rebar/Post Tension Cable Place
337	Referral Service
338	Refrigeration-Commercial
339	Rentals
340	Recycling
341	Recycled Materials
342	Research/Studies
343	Restaurant
344	Restaurant Consultant
345	Restoration
346	Retaining Walls
347	Rockerries
348	Roof Trusses
349	Roofing Contractors
350	Roofing Materials
351	Roofing Tile
352	Rubber Products
353	Records Management
354	Safes
355	Safety Education
356	Safety Equipment
357	Sales/New Business Develop
358	Sales Center Design
359	Sales Training/Evaluation
360	Salvage
361	Sand & Gravel
362	Satellite Systems
363	Saunas
364	Sawmill
365	Scaffolding
366	Screens
367	Safety Consultants
368	Security Services
369	Septic Tanks
370	Sewer Contractors
371	Sheet Metal
372	Shotcrete
373	Siding Contractor
374	Siding Materials/Manuf
375	Signs
376	Site Preparation
377	Skylights
378	Slab Jacking
379	Smart Wiring
380	Sod
381	Software Management
382	Soils
383	Solar Heating
384	Solar Power
385	Solar Lighting
386	Spas
387	Specialty Finishes
388	Specialty Gifts
389	Sport/Athletic Courts
390	Sporting Goods
391	Strnd Glass-Design/Fab/Instl
392	Staging
393	Staircases
394	Steel Erection
395	Steel Frame Contractors
396	Steel Tube Manufacturing

A	
2	code-desc
397	Stone Products
398	Storage
399	Storage Sheds
400	Storefronts
401	Stucco
402	Succession Planning
403	Sunrooms
404	Surveying Equipment
405	Surveyors
406	Sweeper Service
407	Swimming Pools
408	Telecommunications
409	Television Station
410	Test Lab-Concrete/Bldg Mat
411	Tile
412	Timber Framing
413	Tires
414	Title Insurance
415	Toilets - Portable
416	Tools/Equipment
417	Towing
418	Trade Associations
419	Trade Shows
420	Traffic Control
421	Traffic Engineering
422	Trailers
423	Training - Construction
424	Train-CPR/Aid/Drug Aware
425	Transportation Agents
426	Travel Agency
427	Tree Service
428	Trellis
429	Trucking
430	Underground Store Tank Svc
431	Undergrnd Utility Cntract
432	Uniforms
433	Unit Paver
434	Utilities
435	Vacuums
436	Vacuum Svcs-Industrial
437	Vanguard Detectable Warning Sy
438	Vaults - Water Detention
439	Vending Machines
440	Ventilation Systems
441	Venture Capital
442	Video Media
443	Wallpaper
444	Warranty Insurance
445	Warranty Management
446	Water Intrusion Consult
447	Waste Disposal
448	Water-Filter/Purification
449	Water Heaters
450	Water Wells
451	Waterworks Sales
452	Waterproofing
453	Weather Barrier
454	Web Hosting
455	Website Development
456	Wetland Consulting
457	Wholesale Distributors
458	Welding
459	Wind Turbine Installation
460	Window Components
461	Window Coverings
462	Windows

A	
2	code-desc
463	Window Screens
464	Window Tinting
465	Window Washing
466	Wine Cellars
467	Wood Preserve/Finishes
468	Wood Production
469	Wood Veneer Manufacturer
470	Woodstoves



OFFICE OF
INSURANCE COMMISSIONER

March 26, 2013

Jeff Marcell
President & CEO
enterprise Seattle
1301 5th Avenue Ste 2500
Seattle, WA 98101

In Re: Aerospace Industry Health Trust

Dear Mr. Marcell:

First, I'd like to thank you for your assistance in the effort we've made to analyze your association membership in the context of your insurance benefits vehicle to determine whether the membership constitutes an "employer" under 29 USCS 1002 (5).

Attached is a copy of the list of occupational categories we have agreed constitute a single industry. Also attached is a copy of the Trust Agreement governing the insurance vehicle which we have agreed provides for the employer members included in the occupational categories list to control the insurance vehicle. These documents should be provided to your carrier, as they will be needed for your plan filings.

If you have any questions, please let me know. Thank you again for your cooperation in this effort.

Very truly yours,

A handwritten signature in black ink, appearing to read "Carol Sureau", written over the typed name.

Carol Sureau
Deputy Commissioner, Legal Affairs
Enclosures

cc: Beth Berendt, Deputy Commissioner, Rates & Forms
Charles Brown, Senior Staff Attorney
Marta DeLeon, Assistant Attorney General
Brendan Williams, Deputy Commissioner, Policy
Jason Froggatt, Davis Wright Tremaine
Keith VanderZanden, Wells Fargo Insurance Services

AEROSPACE INDUSTRY HEALTH TRUST AGREEMENT

THIS AEROSPACE INDUSTRY HEALTH TRUST AGREEMENT (this "Agreement") is entered into by and among the initial Participating Employers (the "Aerospace Group") as the Sponsor, and the undersigned Trustees.

ARTICLE I.

DECLARATION OF TRUST

1.01 Purpose. The purpose of this Agreement is to provide a trust under which the Eligible Employers may make certain Welfare Benefits available for their Participants, through group insurance or otherwise.

1.02 Establishment of Trust. The Aerospace Group establishes this trust as of October 1, 2014, to be known as the Aerospace Industry Health Trust (the "Trust"), which is intended to be a tax-exempt trust under Internal Revenue Code section 501(c)(9). The Trustees, who have signed this Agreement, hereby accept the appointment as Trustees for the Trust and agree to be bound by the terms and conditions of this Trust Agreement and the Participation Agreements attached hereto as Exhibit A and incorporated by reference herein.

1.03 Term. This Trust Agreement shall be effective as of October 1, 2014, and shall continue indefinitely, unless terminated in accordance with Section 8.01.

ARTICLE II.

DEFINITIONS

2.01 "Administrator and Named Fiduciary" of any Plan provided under the Trust means that person or persons selected by the Participating Employer in the Participation Agreement to exercise the authority granted pursuant to Article VII, unless otherwise indicated by the Participating Employer.

2.02 "Employee(s)" means any individual(s) employed by a Participating Employer (or was so employed but is subsequently laid off, terminated or retired).

2.03 "Eligible Employer" means employers in Washington State, provided such employer has as its principal business purpose engaging in the aerospace industry and is included in the industry classifications described in Exhibit B, attached hereto and incorporated by reference herein.

2.04 "Employee" means any individual employed by an Eligible Employer (or who was so employed, but who is subsequently laid off, is terminated or retires).

2.05 "Insurer(s)" means the insurance carrier or carriers selected by the Trustees to issue policies to the Trust to insure benefits provided under a Plan.

2.06 "Participant(s)" means Employees, their dependents and retirees who are specified as eligible for Welfare Benefits by a Participating Employer, pursuant to Article III.

2.07 "Participation Agreement" means the Participation Agreement between any Eligible Employer and the Trust substantially in the form of Exhibit A attached hereto and incorporated by reference.

2.08 "Participating Employer" means any Eligible Employer that is an employer of common-law employees and has executed a Participation Agreement.

2.09 "Plan" means any employee welfare benefits plan created and administered for the benefit of Participants which provides Welfare Benefits covered by this Trust.

2.10 "Sponsor" means the Aerospace Group.

2.11 "Trustee(s)" means those persons appointed in accordance with Article VI, and their duly appointed or elected successors.

2.12 "Welfare Benefits" means the employee welfare benefits specified by the Trustees from time to time, including but not limited to medical, dental, surgical or hospital care or benefits in the event of sickness, accident, disability, death or unemployment. Such Welfare Benefits shall be evidenced either by contracts of insurance or, with respect to uninsured plans, if any, by plan documents.

ARTICLE III.

PARTICIPATING EMPLOYERS AND PARTICIPANTS

3.01 Eligible Employers. Any Eligible Employer that is an employer of common-law employees may elect to become a Participating Employer hereunder by executing a Participation Agreement. In such Participation Agreement, the Eligible Employer will agree to be bound by the terms and conditions of this Agreement, to make contributions to pay for Welfare Benefits to be provided for its Participants, and to adopt such Welfare Benefits. The Welfare Benefits to be provided and the persons entitled to them shall be as selected by the Participating Employer in its Participation Agreement, and subject to its terms.

3.02 Participants. Subject to applicable insurance laws and regulations and the rules of the Trust, each Participating Employer shall select those of its Employees, dependents and/or retirees who shall be eligible for Welfare Benefits. Generally, all Employees or all Employees of a class or classes determined by conditions pertaining to their employment must be eligible to participate in the particular Welfare Benefits selected by the Participating Employer. Eligibility requirements and other classifications need not be uniform among the various Participating Employers.

3.03 Information. Each Participating Employer agrees to provide such information, including payroll information and data, to the Trust regarding such Participating Employer's Participants and Employees of any control group in which any Participating Employer may be a member, as shall be determined by the Trustees to be necessary for administration of the Trust

and the Plans. Each Participating Employer shall provide such information at such times and in such manner as the Trustees or their designees may specify from time to time.

ARTICLE IV.

BENEFITS AND CONTRIBUTIONS

4.01 Welfare Benefits. Welfare Benefits shall be provided directly from the assets of the Trust or by the purchase of group policies of insurance in accordance with this Agreement. No Welfare Benefits will be paid directly by any Participating Employer, and no Participant shall be entitled to any benefits other than those provided by the Trust assets or the policies of group insurance. Participating Employers may adopt some or all of the Welfare Benefits, as evidenced in its Participation Agreement.

4.02 Payment of Contributions. Each Participating Employer shall pay to the Trust the amount of contributions required to maintain Welfare Benefits coverage for such Participating Employer's Participants in the amounts and at the times described in the Participation Agreement. Depending on the Plan, contributions may be made wholly by the Participating Employer, partially by the Participating Employer and partially by Participants, or wholly by the Participants.

ARTICLE V.

SPONSOR

5.01 Powers and Duties of the Aerospace Group as Sponsor. The Aerospace Group shall act as Sponsor of this Trust. Each Participating Employer by execution of the Participation Agreement does thereby delegate the powers and duties of the Sponsor to the Trustees, any of which may be delegated at the discretion of the Trustees to the Administrator and Named Fiduciary.

ARTICLE VI. TRUSTEES

6.01 Number, Nomination, and Election. There shall be three (3) Trustees. Each Trustee must be a principal in a Participating Employer. The Trustees shall be elected by a majority of the Participating Employers. Candidates for election as Trustee may be nominated by the Administrator and Named Fiduciary; by a majority of the incumbent Trustees (excluding those in the last year of their term); or by written petition submitted to the Administrator and Named Fiduciary and signed by the lesser of 10% of the Participating Employers or ten (10) Participating Employers. Each Trustee shall acknowledge, in writing, his or her acceptance of appointment as a Trustee.

6.02 Terms of Trustees.

(a) The term of the Trustees shall be three (3) years. At the end of a Trustee's term the Trustee may be nominated to serve an additional term as set forth in Section 6.01, subject to election by a majority of the Participating Employers. The terms of the Trustees are,

and shall continue to be, staggered so that their terms of appointment do not expire in the same year.

(b) If a Trustee is removed or resigns prior to the expiration of his or her term of appointment, a successor Trustee shall be nominated by the Administrator and Named Fiduciary or by written petition submitted to the Administrator and Named Fiduciary and signed by the lesser of 10% of the Participating Employers or ten (10) Participating Employers, subject to confirmation by a majority vote of the Participating Employers, to serve out the remainder of the term of the Trustee who was removed or resigned; upon expiration of such term, the successor Trustee may be nominated as any candidate for election to serve an additional term, subject to election by a majority of the Participating Employers.

6.03 Resignation of a Trustee. A Trustee may resign at any time by giving thirty (30) days' notice in writing to the Administrator and Named Fiduciary and the Trustees, after which that Trustee's position shall become non-voting for the remainder of the thirty (30) days. The resigning Trustee and the other Trustees may, in a writing signed by or on behalf of both parties, waive the notice required by this provision. A successor shall be appointed as provided by Section 6.02(b).

6.04 Removal of a Trustee. The Administrator and Named Fiduciary shall remove a Trustee by delivery of a writing to the Trustees notifying them of both the proposed removal of the Trustee and a majority vote approving the Trustee removal by the Participating Employers. Alternatively, the Participating Employers shall remove a Trustee by delivery to the Administrator and Named Fiduciary and the Trustees of a writing signed by Participating Employers whose contributions during the preceding twelve (12) months totaled more than 50% of all contributions. The removal of any Trustee shall be effective thirty (30) days after receipt of the writing by the Trustees, after which that Trustee's position shall become non-voting for the remainder of the thirty (30) days. A Trustee may be removed for any reason, including but not limited to missing three consecutive Trustee meetings without an approved absence by the chair of the Trustees. A successor shall be appointed as provided by Section 6.02(b).

6.05 Use of Contributions. The Trustees shall have all necessary power to receive contributions hereunder to pay reasonable expenses of the Trust and to pay Welfare Benefits and premiums on the group insurance policies owned by the Trust. The contributions shall be deposited in one or more banks or similar financial institutions supervised by the United States or a state pending the allocation of monies for Welfare Benefits or otherwise permitted hereunder. The Trust shall not be required to pay interest on Participating Employer or Participant contributions to the Trust. In the event that any Participating Employer shall fail or refuse to pay the Participating Employer's or the Participants' contributions due to the Trust on a timely basis, the Trustees shall notify the Insurer(s) to cancel and terminate the coverages afforded the Participating Employer's Participants, and the Participating Employer shall be notified accordingly by the Insurer(s) and/or the Trustees.

6.06 Investment. From time to time funds held by the Trustees may exceed the immediate needs of the Trust. Additionally, dividends, returns of premium or other Welfare Benefits received from Insurers under the provisions of any contract of insurance shall become a

part of the Trust assets and shall be subject to these provisions. Any excess funds held by the Trustees shall be used and controlled as follows:

(a) The Trustees may apply the same or any portion thereof to the payment of reasonable administration expenses and/or premiums on insurance policies held by the Trust in lieu of increasing required contributions hereunder; and

(b) The Trustees may invest any of such funds as provided by an investment policy adopted by the Trustees. Such investment policy shall generally favor, but not necessarily require, investments in obligations of the United States government, of any state or political subdivision thereof, obligations of solvent United States corporations, savings deposits or time certificates of deposit in any federally-insured bank (including a party in interest) and similar obligations, provided, however, that any such investment shall have a maturity date not exceeding three (3) years from the date of purchase.

6.07 Title. Title to all assets of the Trust shall be maintained in the name of the Trust, provided however, that for convenience in transferring negotiable securities, title may be held in the name of the Trust's custodian bank or nominee.

6.08 Record Keeping and Accounts. The Trustees or their delegates shall keep and maintain true and accurate books of account and records reflecting all sums received and all sums expended, together with all necessary and pertinent information connected with their administration of the Trust. Such books and records shall be subject to audit by the Administrator and Named Fiduciary as directed by the Trustees or, if required by law, to audit by an independent public accountant. Such books and records shall also be open to inspection by any Participating Employer upon demand at all reasonable times during business hours. Within ninety (90) days after the end of the Trust's year, the Trustees shall furnish to the Administrator and Named Fiduciary a written statement of account setting forth all receipts and disbursements.

6.09 Standard of Care. The Trustees shall discharge their duties with respect to the Trust solely in the interests of Participants and their beneficiaries, and

(a) For the exclusive purpose of providing benefits to Participants and their beneficiaries and defraying reasonable expenses of the Trust;

(b) With the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man 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;

(c) To the extent the Trustees exercise their investment discretion pursuant to Section 6.06, 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

(d) In accordance with the terms of this Trust to the extent such terms are consistent with the Employee Retirement Income Security Act of 1974, as amended.

6.10 Compensation of Trustees. The Trustees shall be reimbursed for all reasonable expenses incurred by them in the administration of the Trust, which shall be paid from the Trust.

6.11 Settlement of Account. Upon resignation or removal of a Trustee, such Trustee shall have the right to a settlement of the Trustee's account which, unless the parties are unable to agree, shall be accomplished by agreement between such Trustee and the Administrator and Named Fiduciary. Upon such settlement, all right, title and interest of the Trustee in the assets of the Trust and all rights and duties under this Agreement shall vest in the successor trustee, and thereupon all future liability of the Trustee shall terminate; provided however, that the Trustee shall execute, acknowledge and deliver all documents and written instruments which are necessary to transfer and convey the right, title and interest in the Trust assets and all rights and privileges to the successor.

6.12 Powers and Duties of the Trustees. The Trustees shall have all powers that are necessary or desirable in administering the Trust and any Plan, including but not limited to the following:

- (a) Approve premium rates, select and change Insurers;
- (b) Select and retain consultants and advisors to assist in Welfare Benefit design and improvement;
- (c) Select and engage administrative assistance to maintain Plan records, collect and remit premiums, prepare and disseminate information and similar functions;
- (d) Select and engage all other service providers necessary or desirable for administration of the Trust, including without limitation third party administrators, custodians, actuaries, attorneys, accountants, consultants, advisors, investment managers and other service providers;
- (e) Establish procedures, requests for proposals, and criteria for selection and acceptance of service providers;
- (f) Enter into arrangements for the provision of services, including the execution of contracts and other documents and payment from the Trust of reasonable fees, expenses and compensation;
- (g) Establish and carry out a funding policy for the Trust. In establishing such policy, the short-term and long-term liquidity needs of the Trust shall be determined, to the extent possible, by considering among other factors the due date of premiums for insurance policies, Employee turnover, and contributions to be made by Participating Employees and Participants;
- (h) Engage an independent qualified public accountant and authorize such accountant to conduct an annual financial examination of the Trust. The costs of such financial examination shall be paid by the Trust;
- (i) Prepare and file with the Department of Labor the annual reports regarding the Trust, to the extent required by law. The costs of such audit and reports shall be paid by the Trust;

(j) Audit the payroll books and records of a Participating Employer, either directly or through a qualified public accountant at the expense of the Trust;

(k) Act upon any written letter, report, certificate or other document submitted by a Participating Employer or Participant, if such document appears to be genuine and to be signed by the proper person or persons. The Trustees shall be under no duty to make any investigation or inquiry as to any statement contained in any such document;

(l) Prosecute and defend all legal actions, claims and proceedings initiated against the Trust or the Trustees relating to the Trust, and compromise, settle or release all such actions on such terms or conditions as the Trustees may determine;

(m) Select and engage other trustees and custodians, to safekeep assets and act in similar capacities, and pay reasonable fees and expenses from the Trust;

(n) Establish contribution levels required to maintain various coverages and a fair share of Trust expenses, and change the same from time to time in its discretion;

(o) Authorize disbursements from the Trust;

(p) Generally interpret the Trust and promulgate rules and regulations designed to result in consistent interpretation and administration; and

(q) Do all acts, take all actions and exercise all rights and privileges that it deems necessary to administer and carry out the purposes of this Trust.

Provided, however, that Participating Employers whose contributions during the preceding twelve (12) months totaled more than 50% of all contributions may direct the Trustees method and manner of conducting any particular action by written instruction delivered to the Trustees. Any such instruction shall provide a reasonable time for the Trustees to act, taking into account all facts and circumstances.

ARTICLE VII.

OTHER ADMINISTRATION

7.01 Powers and Duties of Plan Administrator and Named Fiduciary. The Administrator and Named Fiduciary of each Plan under the Trust shall have the authority to control and manage the operation and administration of such Plan. Each Participating Employer shall by execution of the Participation Agreement delegate to the Trustees certain specific responsibilities and functions described in Articles V and VI. Any function or responsibility not specifically delegated or allocated to the Trustees with respect to the administration of any Plan under the Trust shall be retained by the Participating Employer and carried out by the Administrator and Named Fiduciary. Without limiting the generality of the foregoing, the Administrator and Named Fiduciary of each Plan shall have the following responsibility and authority with respect to such Plan:

(a) Determining all questions relating to eligibility of Participants;

- (b) Identifying Participants and enrolling them in the Plan, and notifying the Trustees accordingly;
- (c) Deleting Participants from the Plan's enrollment when they become ineligible;
- (d) Computing and certifying to the Trustees the contributions necessary to provide coverages elected;
- (e) Preparing and disseminating to all Participants plan documents, summary plan descriptions, summary annual reports, financial statements, administration and other reporting forms and disclosures in such form and within such time periods as is required by law, and filing such reports and returns as are required by law;
- (f) Distributing to all Participants certificates of insurance as required by law;
- (g) Initiating claim procedures, including notification to the Trustees and/or Insurers, and providing the necessary forms to the claimant, and assist in the completion of such forms and submitting them to the Insurers and/or Trustees;
- (h) Enrolling all eligible Participants and assisting in communicating Welfare Benefits and responding to Participant inquiries concerning claims and coverage;
- (i) Maintaining all necessary records for the administration of the Plan other than those which the Trustees or their delegates have specifically agreed to maintain; and
- (j) Interpreting of the provisions of the Plan and publication of such rules for regulation of the Plan as are deemed necessary and not inconsistent with the terms of this Agreement, the policies of insurance, or rules and regulations implemented by the Trustees.

7.02 Allocation and Delegation of Responsibility. The Administrator and Named Fiduciary of a Plan may delegate in writing to persons other than such Administrator and Named Fiduciary, the responsibility and authority to carry out fiduciary responsibilities of the Plan.

7.03 Bonding. Where required by law, the Administrator and Named Fiduciary of the Plan, and every person handling Plan funds, shall be bonded. It shall be the obligation of the Administrator and Named Fiduciary to insure compliance with the applicable bonding requirements. The Trustees shall not be responsible for ensuring that bonding requirements (other than those applicable to the Trustees) are complied with, and all of such responsibility is specifically allocated to the Administrator and Named Fiduciary of the Plan.

7.04 Claims Procedure. Procedures for claims review and appeal of denied claims under a Plan shall be as set forth in the applicable insurance contracts and summary plan descriptions for such Plan. There shall be no recourse to the Trust or the Trustees with respect to any such claims.

7.05 Funding Policy. The Administrator and Named Fiduciary shall establish and carry out a funding policy designed to assure the prompt payment of contributions to the Plan.

7.06 Standard of Care Imposed Upon Administrator and Named Fiduciary. The Administrator and Named Fiduciary for the Plan shall discharge its duties with respect to the Plan solely in the interest of the Participants and their beneficiaries, and

(a) For the exclusive purpose of providing benefits to Participants and their beneficiaries and defraying reasonable expenses of the Plan;

(b) With the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man 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; and

(c) In accordance with the Plan provisions to the extent such provisions are consistent with the Employee retirement Income Security Act of 1974, as amended.

ARTICLE VIII.

MISCELLANEOUS

8.01 Amendment and Termination of Trust. This Trust may be amended or terminated by written resolution adopted by a majority of Trustees or by a writing delivered to the Trustees and signed by Participating Employers whose contributions during the preceding 12 months have totaled more than 50% of all contributions; provided, however, that no such resolution shall:

(a) Divert the Trust assets or any part thereof to a purpose other than as set forth in this Agreement;

(b) Relieve the Trustees from liability for acts in violation of the standard of care hereby imposed; or

(c) Modify Section 8.02 relating to Limitation of Rights to Trust fund.

Notice of any amendment or modification shall be promptly forwarded by the Trustees to the Administrator and Named Fiduciary, each Participating Employer and to any Insurer, and on request a copy shall be furnished to any such person.

8.02 Limitation of Rights to Trust Fund. Neither the Participating Employers, Participants, nor any other person shall have any right, title or interest in or to the Trust assets except as expressly provided herein; provided, however, that nothing herein contained shall impair or derogate from the right of any Participant or any person claiming by or through such Participant to the benefits provided by group policies purchased by the Trustees. No part of the assets or income of the Trust shall be used for or diverted to purposes other than for the exclusive benefit of Participants and their beneficiaries. No money, property or interest of any nature whatever in the Trust, the group insurance policies or any benefits or monies payable therefrom, shall be subject in any manner by any Participating Employer or Participant or beneficiary or person claiming through any of them to anticipation, garnishment, lien or charge, and any attempt to cause the same to be subject thereto shall be null and void to the extent allowed by law.

8.03 Disposition of Assets upon Termination of Trust. Upon dissolution or termination of this Trust, all assets remaining in the Trust after payment of all expenses incidental to the dissolution or termination shall be used to provide benefits for which this Trust was established. This arrangement shall continue until all funds in the Trust are exhausted.

8.04 Withdrawal from Trust. Any Participating Employer may withdraw from participation in the Trust by giving thirty (30) days written notice of intent to withdraw to the Trustees. With respect to insured benefits such withdrawal shall be effective as of the day immediately preceding the premium due date under the group insurance policy or policies insuring such Participating Employer's Participants next following receipt of such notice by the Trustees. Upon withdrawal, the withdrawing Participating Employer and its Participants shall have no further rights whatever to the assets of the Trust or to any insurance provided thereunder, except as may otherwise be provided in the group insurance policy or policies which insured such Participants.

8.05 Termination of Participating Employer. The Trust shall be entitled to terminate, or decide not to renew, any Participating Employer from participation in the Trust upon the occurrence of any of the following events:

- (a) Nonpayment of contributions;
- (b) Fraud or other intentional misrepresentation of material fact by the Participating Employer;
- (c) Noncompliance with material provisions of the Trust;
- (d) The Trust ceases to offer any coverage in a geographic area; or,
- (e) There is no longer any individual enrolled through the Participating Employer who lives, resides, or works in the service area of a network plan offered by the Trust and the Trust applies this paragraph uniformly without regard to the claims experience of Participating Employer or any health status-related factor in relation to such individuals or their dependents;

provided, however, that the Participating Employer shall have received written notice of such event and failed to cure within ten (10) days after receipt of such notice.

8.06 Indemnity. Each Participating Employer, by execution of the Participation Agreement, does thereby indemnify and hold harmless the Trustees and the members of the Aerospace Group (the Indemnitees) from any and all loss, damages or liability incurred in the course and scope of their respective duties as described in this Agreement, except those resulting from the Indemnitees' gross negligence, willful misconduct or dishonesty. In the event that the Indemnitees are made a party to any legal proceeding of any kind or nature arising out of their respective duties hereunder, directly or indirectly, the Participating Employers jointly agree to indemnify and hold the Indemnitees harmless from any and all liability and expenses (including reasonable attorneys' fees) resulting therefrom. Any damages assessed or expenses required to be paid or incurred by reason of this indemnification shall be borne equally by the Participating Employers, unless it shall be determined that the damages, expenses or losses incurred result

directly from the actions or inactions of a specific Participating Employer, its employees or agents. In such event, that specific Participating Employer shall be primarily responsible for payment, with other Participating Employers being responsible only in the event of the specific Participating Employer's inability by reason of financial insolvency to respond.

8.07 Fidelity Bond. The Trustees, the Administrator and Named Fiduciary shall, where required by law, be bonded by a duly licensed corporate surety covering all misappropriations of funds and other assets. Such bond shall be in the amount required by law, and the premiums on such bond shall be paid by the Trustees from the Trust.

8.08 Fiduciary Insurance. The Trustees, the Administrator and Named Fiduciary, and any other officers or employees exercising discretion in the management of the Plan or its assets shall be entitled to fiduciary insurance. The cost of such insurance shall be borne by the Trust, but such insurance shall permit recourse by the Insurer against the fiduciary. The cost of any nonrecourse endorsement shall not be borne by the Trust.

8.09 No Legal or Equitable Right. Neither the establishment of the Trust nor the payment of any Welfare Benefits shall be construed as giving to any Participant any legal or equitable right against the Participating Employers, the Trustees, the Administrator and Named Fiduciary, or any fiduciary, except as provided in this Agreement. The terms of employment of any Employee shall be in no way affected by this Trust, nor shall this Trust be construed to guarantee or extend the employment of any Employee.

8.10 Severability; Construction. If any provision of this Trust is held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of this Trust, but this Agreement shall be construed and enforced as if such provisions had never been included. Whenever used in this Agreement, the masculine gender shall include other genders as well, and singular usage shall include plural usage, as the context may require. Headings and numbers in this Trust are included for convenience of reference only.

8.11 Governing Law. This Trust shall, to the extent applicable, be construed and enforced in accordance with the Employee Retirement Income Security Act of 1974, as amended, and the laws of the State of Washington.

8.12 Entire Agreement. This Agreement and the Participation Agreements constitute the entire agreement between the Participating Employers and the Trustees, and shall not be amended except in writing between the parties hereto.

EXECUTED this _____ day of _____, 2014.

TRUSTEES:

Exhibit A – Participation Agreement

Exhibit B – Industry Classifications

EXHIBIT A
PARTICIPATION AGREEMENT

EXHIBIT B
INDUSTRY CLASSIFICATIONS

AEROSPACE INDUSTRY CLASSIFICATIONS

Aerodynamic Prototype Modeling & Simulation
Aircraft parts, engines & supplies
Aircraft Parts & Supplies – electronic
Aircraft Parts & Supplies – metal & tooling
Aircraft Parts & Supplies – simulation
Aircraft Parts & Supplies – equipment services
Aircraft Parts & Supplies – labor services
Aircraft Parts & Supplies – engineering
Aircraft Parts & Supplies – consulting
Aerospace business organization



OFFICE OF
INSURANCE COMMISSIONER

March 26, 2013

Chris E. Rivera, President
Washington Biotechnology & Biomedical Assn
1551 Eastlake Avenue E Ste 300
Seattle, WA 98102

In Re: Washington Biotechnology & Biomedical Assn Occupational Categories

Dear Mr. Rivera:

First, I'd like to thank you for your assistance in the effort we've made to analyze your association membership in the context of your insurance benefits vehicle to determine whether the membership constitutes an "employer" under 29 USCS 1002 (5).

Attached is a copy of the list of occupational categories we have agreed constitute a single industry. Also attached is a copy of the Trust Agreement governing the insurance vehicle which we have agreed provides for the employer members included in the occupational categories list to control the insurance vehicle. These documents should be provided to your carrier, as they will be needed for your plan filings.

If you have any questions, please let me know. Thank you again for your cooperation in this effort.

Very truly yours,


Carol Sureau
Deputy Commissioner, Legal Affairs

Enclosures

cc: Beth Berendt, Deputy Commissioner, Rates & Forms
Charles Brown, Senior Staff Attorney
Marta DeLeon, Assistant Attorney General
Brendan Williams, Deputy Commissioner, Policy
Jason Froggatt, Davis Wright Tremaine
Keith VanderZanden, Wells Fargo Insurance Services

WASHINGTON BIOTECHNOLOGY AND BIOMEDICAL ASSOCIATION HEALTH TRUST AGREEMENT

THIS WASHINGTON BIOTECHNOLOGY AND BIOMEDICAL ASSOCIATION HEALTH TRUST AGREEMENT (this "Agreement") is entered into by and among the participating Eligible Employers and the undersigned Trustees.

ARTICLE I.

DECLARATION OF TRUST

1.01 Purpose. The purpose of this Agreement is to provide a trust under which the Washington Biotechnology and Biomedical Association and Eligible Employers (defined below) of the Washington Biotechnology and Biomedical Association may make certain Welfare Benefits available for their Participants, through group insurance or otherwise.

1.02 Establishment of Trust. The Washington Biotechnology and Biomedical Association established this trust effective September 1, 2010. The participating Eligible Employers hereby amend and restate the Agreement establishing the trust, which shall be known as the Washington Biotechnology and Biomedical Association Health Trust (the "Trust"), which is intended to be a tax-exempt trust under Internal Revenue Code section 501(c)(9). The Trustees who have signed this Agreement hereby accept the appointment as Trustees for the Trust and agree to be bound by the terms and conditions of this Agreement and the Participation Agreements (defined below) attached hereto as Exhibit A and incorporated herein by reference.

1.03 Term. This Amended and Restated Agreement shall be effective January 1, 2014, and shall continue indefinitely, unless terminated in accordance with Section 9.01.

ARTICLE II.

DEFINITIONS

2.01 "Administrator and Named Fiduciary" of any Plan provided under the Trust means that person or persons selected by the Participating Employer in the Participation Agreement to exercise the authority granted pursuant to Article 8, unless otherwise indicated by the Participating Employer.

2.02 "Board" means the Board of Directors of the Washington Biotechnology and Biomedical Association.

2.03 "Eligible Employers" means employers that are members of the Washington Biotechnology and Biomedical Association, provided such an employer has as its principal business purpose engaging in the biotechnology and biomedical industry and is included in the industry classifications described in Exhibit B, attached hereto and incorporated by reference herein.

2.04 **"Employee(s)"** means any individual(s) employed by a Participating Employer (or was so employed but is subsequently laid off, terminated or retired).

2.05 **"Insurer(s)"** means the insurance carrier or carriers selected by the Trustees to issue policies to the Trust to insure benefits provided under a Plan.

2.06 **"Participant(s)"** means Employees, their dependents and retirees who are specified as eligible for Welfare Benefits by a Participating Employer, pursuant to Article III.

2.07 **"Participation Agreement(s)"** means the Participation Agreement(s) between each Eligible Employer and the Trust substantially in the form of Exhibit A attached hereto and incorporated by reference herein.

2.08 **"Participating Employer"** means any Eligible Employer which has executed a Participation Agreement.

2.09 **"Plan"** means any employee welfare benefits plan created and administered for the benefit of Participants which provides Welfare Benefits covered by this Trust.

2.10 **"Trust Administrative Committee"** means the individual or individuals appointed pursuant to Section 6.02.

2.11 **"Trustee(s)"** means those persons appointed in accordance with Section 7.01, and their duly appointed successors.

2.12 **"Welfare Benefits"** means the employee welfare benefits specified by the Trustees from time to time, including but not limited to medical, dental, surgical or hospital care or benefits in the event of sickness, accident, disability, death or unemployment. Such Welfare Benefits shall be evidenced either by contracts of insurance or by plan documents.

ARTICLE III.

PARTICIPATING EMPLOYERS AND PARTICIPANTS

3.01 **Eligible Employers.** The Washington Biotechnology and Biomedical Association and any Eligible Employer may elect to become a Participating Employer hereunder by executing a Participation Agreement. In such Participation Agreement, the Participating Employer will agree to be bound by the terms and conditions of this Agreement, to make contributions hereunder to pay for Welfare Benefits to be provided for its Participants, and to adopt such Welfare Benefits. The Welfare Benefits to be provided and the persons entitled to them shall be as selected by the Participating Employer in its Participation Agreement, and subject to its terms.

3.02 **Participants.** Subject to applicable insurance laws and regulations and the rules of the Trust, each Participating Employer shall select those of its Employees, dependents and/or retirees who shall be eligible for Welfare Benefits. Generally, all Employees or all Employees of a class or classes determined by conditions pertaining to their employment must be eligible to participate in the particular Welfare Benefits selected by the Participating Employers. Eligibility

requirements and other classifications need not be uniform among the various Participating Employers.

3.03 Information. Each Participating Employer agrees to provide such information, including payroll information and data, to the Trust regarding such Participating Employer's Participants and Employees of any control group in which any Participating Employer may be a member, as shall be determined by the Trustees to be necessary for administration of the Trust and the Plans. Each Participating Employer shall provide such information at such times and in such manner as the Trustees or their designees may specify from time to time.

ARTICLE IV.

BENEFITS AND CONTRIBUTIONS

4.01 Welfare Benefits. Welfare Benefits shall be provided directly from the assets of the Trust or by the purchase of group policies of insurance in accordance with this Agreement. No Welfare Benefits will be paid directly by any Participating Employer, and no Participant shall be entitled to any benefits other than those provided by the Trust assets or the policies of group insurance. Participating Employers may adopt some or all of the Welfare Benefits, as evidenced in its Participation Agreement.

4.02 Payment of Contributions. Each Participating Employer shall pay to the Trust the amount of contributions required to maintain Welfare Benefits coverage for such Participating Employer's Participants in the amounts and at the times described in the Participation Agreement. Depending on the Plan, contributions may be made wholly by the Participating Employer, partially by the Participating Employer and partially by Participants, or wholly by the Participants.

ARTICLE V.

SPONSOR

5.01 Powers and Duties of the Sponsor. The Washington Biotechnology and Biomedical Association shall act as Sponsor of this Trust. Each Participating Employer by execution of the Participation Agreement does thereby delegate to the Trust Administrative Committee certain specific responsibilities and authority, some of which may be delegated at the discretion of the Trust Administrative Committee to the Washington Biotechnology and Biomedical Association for implementation.

5.02 President. Any specific responsibilities and authority implementation granted by the Trustees to Washington Biotechnology and Biomedical Association shall be exercised by and through the Washington Biotechnology and Biomedical Association President. The Washington Biotechnology and Biomedical Association President may delegate any of such specific responsibilities and authority implementation to any member of the executive team. After approval of the Trust Administrative Committee, the Washington Biotechnology and Biomedical Association President, or member of the executive team, if such authority has been delegated to him or her, may execute any documents on behalf of the Trust. Thereafter, the Trustees may

accept and rely conclusively upon any document executed by the Washington Biotechnology and Biomedical Association President, or a member of the executive team, if such authority has been delegated to him or her, as representing action by the Trust.

ARTICLE VI.

ADMINISTRATION OF THE TRUST

6.01 Trust Administrative Committee. The Trust Administrative Committee shall have oversight responsibility for the operation and administration of the Trust in accordance with applicable laws.

6.02 Number, Nomination, and Election. There shall be three (3) members of the Trust Administrative Committee. Each Trust Administrative Committee member must be a principal in a Participating Employer. Each Trust Administrative Committee member shall be elected by a majority of the Participating Employers. Candidates for election as a Trust Administrative Committee member may be nominated by the Washington Biotechnology and Biomedical Association; by a majority of the incumbent Trust Administrative Committee members (excluding those in the last year of their term); or by written petition submitted to the Washington Biotechnology and Biomedical Association and signed by the lesser of 10% of the Participating Employers or ten (10) Participating Employers. Each Trust Administrative Committee member shall acknowledge, in writing, his or her acceptance of appointment as a Trust Administrative Committee member.

6.03 Terms of Trust Administrative Committee Members.

(a) The term of the Trust Administrative Committee members shall be three (3) years. At the end of a voting Trust Administrative Committee member's term the Trust Administrative Committee member may be nominated as set forth in Section 6.02 to serve an additional term, subject to election by a majority of the Participating Employers. The terms of the voting Trust Administrative Committee members are, and shall continue to be, staggered so that their terms of appointment do not all expire in the same year.

(b) If a Trust Administrative Committee member is removed or resigns prior to the expiration of his or her term of appointment, a successor Trust Administrative Committee member shall be nominated by the Washington Biotechnology and Biomedical Association or by written petition submitted to the Washington Biotechnology and Biomedical Association and signed by the lesser of 10% of the Participating Employers or ten (10) Participating Employers, subject to confirmation by a majority vote of the Participating Employers, to serve out the remainder of the term of the Trust Administrative Committee member who was removed or resigned; upon expiration of such term, the successor Trust Administrative Committee member may be nominated as any candidate for election to serve an additional term, subject to election by a majority of the Participating Employers.

6.04 Resignation of a Trust Administrative Committee Member. A Trust Administrative Committee member may resign at any time by giving thirty (30) days' notice in writing to the Washington Biotechnology and Biomedical Association, the Trust Administrative

Committee and the Trustees, after which that Trust Administrative Committee member's position shall become non-voting for the remainder of the thirty (30) days. The resigning Trust Administrative Committee member and the other Trust Administrative Committee members may, in a writing signed by or on behalf of both parties, waive the notice required by this provision. A successor shall be appointed as provided by Section 6.03(b).

6.05 Removal of a Trust Administrative Committee Member. The Washington Biotechnology and Biomedical Association shall remove a Trust Administrative Committee member by delivery of a writing to the Trust Administrative Committee notifying them of both the proposed removal of the Trust Administrative Committee member and a majority vote approving the Trust Administrative Committee member removal by the Participating Employers. Alternatively, the Participating Employers shall remove a Trust Administrative Committee member by delivery to the Washington Biotechnology and Biomedical Association and the Trust Administrative Committee of a writing signed by Participating Employers whose contributions during the preceding twelve (12) months totaled more than 50% of all contributions. Without a writing from the Washington Biotechnology and Biomedical Association or 50% of the Participating Employers, a Trust Administrative Committee member shall be removed by a supermajority vote (2 out of 3) of the Trust Administrative Committee. The removal of any Trust Administrative Committee member shall be effective thirty (30) days after receipt of the writing by the Trust Administrative Committee, after which that Trust Administrative Committee member's position shall become non-voting for the remainder of the thirty (30) days. A Trust Administrative Committee member may be removed for any reason, including but not limited to missing three consecutive Trust Administrative Committee meetings without an approved absence by the chair of the Trust Administrative Committee. A successor shall be appointed as provided by Section 6.03(b).

6.06 Standard of Care. The Trust Administrative Committee shall discharge its duties with respect to the Trust and Plan solely in the interests of Participants and their beneficiaries, and

- (a) For the exclusive purpose of providing benefits to Participants and their beneficiaries and defraying reasonable expenses of the Trust;
- (b) With the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man 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;
- (c) 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
- (d) In accordance with the terms of this Trust to the extent such terms are consistent with the Employee Retirement Income Security Act of 1974, as amended.

6.07 Compensation of Trust Administrative Committee. The Trust Administrative Committee shall be reimbursed for all reasonable expenses incurred by it in the administration of the Trust, which shall be paid from the Trust.

6.08 Powers and Duties of the Trust Administrative Committee. The Trust Administrative Committee shall have all powers that are necessary or desirable in administering the Trust and any Plan, including but not limited to the following:

- (a) Approve premium rates, select and change Insurers;
- (b) Select and retain consultants and advisors to assist in Welfare Benefit design and improvement;
- (c) Select and engage administrative assistance to maintain Plan records, collect and remit premiums, initiate claims procedures, prepare and disseminate information and similar functions;
- (d) Select and engage all other service providers necessary or desirable for administration of the Trust, including without limitation third party administrators, custodians, actuaries, attorneys, accountants, consultants, advisors, investment managers and other service providers;
- (e) Establish procedures, requests for proposals, and criteria for selection and acceptance of service providers;
- (f) Enter into arrangements for the provision of services, including the execution of contracts and other documents and payment from the Trust of reasonable fees, expenses and compensation;
- (g) Establish and carry out a funding policy for the Trust. In establishing such policy, the short-term and long-term liquidity needs of the Trust shall be determined, to the extent possible, by considering among other factors the due date of premiums for insurance policies, Employee turnover, and contributions to be made by Participating Employees and Participants;
- (h) Engage an independent qualified public accountant and authorize such accountant to conduct an annual financial examination of the Trust. The costs of such financial examination shall be paid by the Trust;
- (i) Prepare and file with the Department of Labor the annual reports regarding the Trust, to the extent required by law. The costs of such audit and reports shall be paid by the Trust;
- (j) Audit the payroll books and records of a Participating Employer, either directly or through a qualified public accountant at the expense of the Trust;
- (k) Act upon any written letter, report, certificate or other document submitted by a Participating Employer or Participant, if such document appears to be genuine and to be signed by the proper person or persons. The Trust Administrative Committee shall be under no duty to make any investigation or inquiry as to any statement contained in any such document;

(l) Prosecute and defend all legal actions, claims and proceedings initiated against the Trust or the Trustees relating to the Trust, and compromise, settle or release all such actions on such terms or conditions as the Trustees may determine;

(m) Select and engage other trustees and custodians, to safekeep assets and act in similar capacities, and pay reasonable fees and expenses from the Trust;

(n) Establish contribution levels required to maintain various coverages and a fair share of Trust expenses, and change the same from time to time in its discretion;

(o) Authorize disbursements from the Trust;

(p) Delegate its responsibilities hereunder;

(q) Generally interpret the Trust and promulgate rules and regulations designed to result in consistent interpretation and administration; and

(r) Do all acts, take all actions and exercise all rights and privileges that it deems necessary to administer and carry out the purposes of this Trust.

Provided, however, that Participating Employers whose contributions during the preceding twelve (12) months totaled more than 50% of all contributions may direct the Trust Administrative Committee method and manner of conducting any particular action by written instruction delivered to the Trust Administrative Committee. Any such instruction shall provide a reasonable time for the Trustees to act, taking into account all facts and circumstances.

ARTICLE VII.

TRUSTEES

7.01 Appointment. One or more initial Trustees shall be appointed by the Trust Administrative Committee. If a single Trustee is appointed, it shall be an independent institutional, corporate or professional trustee. In the event of the termination of appointment or resignation of a Trustee, a successor Trustee shall be appointed by the Trust Administrative Committee. The Trust Administrative Committee shall notify Participating Employers of the appointment of a successor Trustee. The Trustee shall consent to and accept its appointment as the Trustee in writing.

7.02 Use of Contributions. The Trustees shall have all necessary power to receive contributions hereunder to pay reasonable expenses of the Trust and to pay Welfare Benefits and premiums on the group insurance policies owned by the Trust. The contributions shall be deposited in one or more banks or similar financial institutions supervised by the United States or a state pending the allocation of monies for welfare benefits or as otherwise permitted hereunder. The Trust shall not be required to pay interest on Participating Employer or Participant contributions to the Trust. In the event that any Participating Employer shall fail or refuse to pay the Participating Employer's or the Participants' contributions due to the Trust on a timely basis, the Trustees shall notify the Insurer(s) to cancel and terminate the coverages

afforded the Participating Employer's Participants, and the Participating Employer shall be notified accordingly by the Insurer(s) and/or the Trustees.

7.03 Duties of the Trustees. Each Participating Employer by execution of the Participation Agreement does thereby delegate to the Trustees certain specific responsibilities and authority for the following:

- (a) Review Trust books and records, oversee the administration of collecting and remitting premiums, preparing and disseminating information and similar functions;
- (b) Establish and carry out a funding policy for the Trust. In establishing such policy, the short-term and long-term liquidity needs of the Trust shall be determined, to the extent possible, by considering among other factors the due date of premiums for insurance policies, Employee turnover, and contributions to be made by Employees and Participants;
- (c) Engage an independent qualified public accountant and authorize such accountant to conduct an annual financial examination of the Trust. To the extent required by applicable law, the Trust Administrative Committee shall also prepare and file with the Department of Labor an annual report regarding the Trust. The costs of such audit and report shall be paid by the Trust;
- (d) Audit the payroll books and records of a Participating Employer, either directly or through a qualified public accountant, as the Trust Administrative Committee may deem necessary in the administration of the Trust, at the expense of the Trust; and,
- (e) Select and engage administrative assistance;
- (f) Generally interpret the Trust and promulgate rules and regulations designed to result in consistent interpretation and administration;
- (g) Reimburse itself from the Trust for expenses incurred on behalf of the Trust, and for the cost of its services of administration;
- (h) Exercise all rights and powers described in the Agreement; and
- (i) Do all acts, take all actions and exercise all rights and privileges that it deems necessary to administer and carry out the purposes of this Trust.

7.04 Power to Delegate. The Trustees may delegate their responsibilities under this Agreement (excluding Trustee responsibilities). Without limiting the generality of the foregoing, the Trustees shall have the authority to delegate responsibility for recordkeeping, custodian duties, billing, receipting and disbursing of contributions and similar functions. Such delegation shall be accomplished by written agreement, and upon the delegation becoming effective, the Trustees shall have no further responsibility for any act or omission of the delegate, except as may otherwise be required by law.

7.05 Investment. From time to time funds held by the Trustees may exceed the immediate needs of the Trust. Additionally, dividends, returns of premium or other Welfare

Benefits received from Insurers under the provisions of any contract of insurance shall become a part of the Trust assets and shall be subject to these provisions. In the event that such excess funds are held by the Trustees, they shall be used and controlled as follows:

(a) The Trustees may apply the same or any portion thereof to the payment of reasonable administration expenses and/or premiums on insurance policies held by the Trust in lieu of increasing required contributions hereunder; and

(b) The Trustees may invest any of such funds and keep the funds invested, without distinction between principal and income, in such securities or in such property, real or personal, tangible or intangible, as the Trustee shall deem advisable, including but not limited to stocks, common or preferred, trust and participation certificates, interests in registered investment companies, leaseholds, fee titles, bonds, or notes and mortgages, and other evidences of indebtedness or ownership, irrespective of whether such securities or such property shall be of the character authorized by any state law from time to time for trust investments; provided, however, that investments shall be so diversified as to minimize the risk of large losses unless under the circumstances it is clearly prudent not to do so in the sole judgment of the Trustee.

7.06 Title. Title to all assets of the Trust shall be maintained in the name of the Trust, provided however, that for convenience in transferring negotiable securities, title may be held in the name of the Trust's custodian bank or nominee.

7.07 Record Keeping and Accounts. The Trustees or their delegates shall keep and maintain true and accurate books of account and records reflecting all sums received and all sums expended, together with all necessary and pertinent information connected with their administration of the Trust. Such books and records shall be subject to audit by the Trust Administrative Committee or, if required by law, to audit by an independent public accountant. Such books and records shall also be open to inspection by any Participating Employer upon demand at all reasonable times during business hours. The Trustees shall furnish to the Trust Administrative Committee a written statement of account within ninety (90) days after the end of the Trust's year, setting forth all receipts and disbursements.

7.08 Standard of Care. The Trustees shall discharge their duties with respect to the Trust solely in the interests of Participants and their beneficiaries, and

(a) For the exclusive purpose of providing benefits to Participants and their beneficiaries and defraying reasonable expenses of the Trust;

(b) With the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man 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;

(c) To the extent the Trustees exercise their investment discretion pursuant to Section 7.05, 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

(d) In accordance with the terms of this Trust to the extent such terms are consistent with the Employee Retirement Income Security Act of 1974, as amended.

7.09 Compensation of Trustees. The Trustees shall be reimbursed for all reasonable expenses incurred by them in the administration of the Trust, which shall be paid from the Trust. Where a Trustee is not an employee of a Participating Employer, such Trustee may be paid a reasonable fee for his or her services.

7.10 Resignation or Removal of the Trustee and Appointment of Successor. The Trustee may resign and subsequent thereto shall be discharged from further duty or responsibility hereunder by giving at least sixty (60) days prior written notice to the Trust Administrative Committee. The notice shall state the date such resignation is to be effective, and such resignation shall take effect on that date unless a successor Trustee shall have been appointed at an earlier date. If a successor Trustee has been appointed, the resignation shall take effect immediately upon the appointment of the successor Trustee. The appointment of a Trustee may be terminated at any time by the written request of a two-thirds (66 2/3%) majority of the Participating Employers sent to the Trust Administrative Committee. The Trustee shall be automatically removed from office if the Trustee is convicted of any crimes described in Section 411(a) of ERISA.

7.11 Settlement of Account. Upon resignation or removal of a Trustee, such Trustee shall have the right to a settlement of the Trustee's account which, unless the parties are unable to agree, shall be accomplished by agreement between such Trustee and the Trust Administrative Committee. Upon such settlement, all interest of the Trustee in the assets of the Trust and all rights and duties of this Agreement shall vest in the successor trustee, and thereupon all future liability of the Trustee shall terminate; provided however, that the Trustee shall execute, acknowledge and deliver all documents and written instruments which are necessary to transfer and convey any interest in the Trust assets and all rights and privileges to the successor.

ARTICLE VIII.

OTHER ADMINISTRATION

8.01 Powers and Duties of Plan Administrator and Named Fiduciary. The Administrator and Named Fiduciary of each Plan under the Trust shall have the authority to control and manage the operation and administration of such Plan. Each Participating Employer shall by execution of the Participation Agreement delegate to the Trust Administrative Committee certain specific responsibilities and functions described in Article VI. Any function or responsibility not specifically delegated or allocated to the Trustees with respect to the administration of any Plan under the Trust shall be retained by the Participating Employer and carried out by the Administrator and Named Fiduciary. Without limiting the generality of the foregoing, the Administrator and Named Fiduciary of each Plan shall have the following responsibility and authority with respect to such Plan:

- (a) Determining all questions relating to eligibility of Participants;
- (b) Identifying Participants and enrolling them in the Participating Employer's Plan, and notifying the Trustees accordingly;

(c) Deleting Participants from the Participating Employer's Plan's enrollment when they become ineligible;

(d) Computing and certifying to the Trustees the contributions necessary to provide coverages elected;

(e) Preparing and disseminating to all Participants plan documents, summary plan descriptions, summary annual reports, financial statements, administration and other reporting forms and disclosures in such form and within such time periods as is required by law, and filing such reports and returns as are required by law;

(f) Distributing to all Participants certificates of insurance where required by law;

(g) Initiating claim procedures, including notification to the Trustees and/or Insurers, and providing the necessary forms to the claimant, and assist in the completion of such forms and submitting them to the Insurers and/or Trustees;

(h) Enrolling all eligible Participants and assisting in communicating Welfare Benefits and responding to Participant inquiries concerning claims and coverage;

(i) Maintaining all necessary records for the administration of the Participating Employer's Plan other than those which the Trustees, their delegates or the Trust Administrative Committee have specifically agreed to maintain; and

(j) Interpreting the provisions of the Participating Employer's Plan and publication of such rules for regulation of the Plan as are deemed necessary and not inconsistent with the terms of this Agreement, the policies of insurance, or rules and regulations implemented by the Trustees or the Trust Administrative Committee.

8.02 Allocation and Delegation of Responsibility. The Administrator and Named Fiduciary of a Participating Employer's Plan may delegate in writing to persons other than such Administrator and Named Fiduciary, the responsibility and authority to carry out fiduciary responsibilities of the Participating Employer's Plan.

8.03 Bonding. Where required by law, the Administrator and Named Fiduciary of the Participating Employer's Plan, and every person handling Plan funds, shall be bonded. It shall be the obligation of the Administrator and Named Fiduciary to ensure compliance with the applicable bonding requirements. The Trustees and the Trust Administrative Committee shall not be responsible for ensuring that bonding requirements (other than those applicable to the Trustees and the Trust Administrative Committee) are complied with, and all of such responsibility is specifically allocated to the Administrator and Named Fiduciary of the Participating Employer's Plan.

8.04 Claims Procedure. Procedures for claims review and appeal of denied claims under a Plan shall be as set forth in the applicable insurance contracts and summary plan descriptions for such Plan. There shall be no recourse to the Trust or the Trustees with respect to any such claims.

8.05 Funding Policy. The Administrator and Named Fiduciary shall establish and carry out a funding policy designed to assure the prompt payment of contributions to the Participating Employer's Plan.

8.06 Standard of Care Imposed Upon Administrator and Named Fiduciary and the Trust Administrative Committee. The Administrator and Named Fiduciary for the Participating Employer's Plan and the Trust Administrative Committee shall discharge their duties with respect to the Participating Employer's Plan solely in the interest of the Participants and their beneficiaries, and

(a) For the exclusive purpose of providing benefits to Participants and their beneficiaries and defraying reasonable expenses of the Plan;

(b) With the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man 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; and

(c) In accordance with the Plan provisions to the extent such provisions are consistent with the Employee Retirement Income Security Act of 1974, as amended.

ARTICLE IX.

MISCELLANEOUS

9.01 Amendment and Termination of Trust. The Washington Biotechnology and Biomedical Association shall have the right to terminate this Trust. In addition, this Trust may be amended or terminated by written resolution adopted by the Trust Administrative Committee or by a writing delivered to the Trust Administrative Committee and signed by Participating Employers whose contributions during the preceding 12 months have totaled more than 50% of all contributions; provided, however, that no such resolution shall:

(a) Divert the Trust assets or any part thereof to a purpose other than as set forth in this Agreement;

(b) Relieve the Trustees from liability for acts in violation of the standard of care hereby imposed; or

(c) Modify Section 9.02 relating to Limitation of Rights to Trust Fund.

Notice of any amendment or modification shall be promptly forwarded by the Trustees to the Washington Biotechnology and Biomedical Association, each Participating Employer and to any Insurer, and on request a copy shall be furnished to any such person.

9.02 Limitation of Rights to Trust Fund. None of the Washington Biotechnology and Biomedical Association, the Trust Administrative Committee, the Participating Employers, Participants, nor any other person shall have any right, title or interest in or to the Trust assets except as expressly provided herein, provided, however, that nothing herein contained shall impair or derogate from the right of any Participant or any person claiming by or through such

Participant to the benefits provided by group policies purchased by the Trustees. No part of the assets or income of the Trust shall be used for or diverted to purposes other than for the exclusive benefit of Participants and their beneficiaries. No money, property or interest of any nature whatever in the Trust, the group insurance policies or any benefits or monies payable therefrom, shall be subject in any manner by any Participating Employer or Participant or beneficiary or person claiming through any of them to anticipation, garnishment, lien or charge, and any attempt to cause the same to be subject thereto shall be null and void to the extent allowed by law.

9.03 Disposition of Assets upon Termination of Trust. Upon dissolution or termination of this Trust, all assets remaining in the Trust after payment of all expenses incidental to the dissolution or termination shall be used to provide benefits for which this Trust was established. This arrangement shall continue until all funds in the Trust are exhausted.

9.04 Withdrawal from Trust. Any Participating Employer may withdraw from participation in the Trust by giving thirty (30) days written notice of intent to withdraw to the Trustees. With respect to insured benefits such withdrawal shall be effective as of the day immediately preceding the premium due date under the group insurance policy or policies insuring such Participating Employer's Participants next following receipt of such notice by the Trustees. Upon withdrawal, the withdrawing Participating Employer and its Participants shall have no further rights whatever to the assets of the Trust or to any insurance provided thereunder, except as may otherwise be provided in the group insurance policy or policies which insured such Participants.

9.05 Termination of Participating Employer. The Trust shall be entitled to terminate, or decide not to renew, any Participating Employer from participation in the Trust upon the occurrence of any of the following events:

- (a) Nonpayment of contributions;
- (b) Fraud or other intentional misrepresentation of material fact by the Participating Employer;
- (c) Noncompliance with material provisions of the Trust;
- (d) The Trust ceases to offer any coverage in a geographic area; or,
- (e) There is no longer any individual enrolled through the Participating Employer who lives, resides, or works in the service area of a network plan offered by the Trust and the Trust applies this paragraph uniformly without regard to the claims experience of Participating Employer or any health status-related factor in relation to such individuals or their dependents;

provided, however, that the Participating Employer shall have received written notice of such event and failed to cure within ten (10) days after receipt of such notice.

9.06 Indemnity. Each Participating Employer, by execution of the Participation Agreement, does thereby indemnify and hold harmless the Trustees, and the Trust

Administrative Committee (the "Indemnitees") from any and all loss, damages or liability incurred in the course and scope of their respective duties as described in this Agreement, except those resulting from the Indemnitees' gross negligence, willful misconduct or dishonesty. In the event that the Indemnitees are made a party to any legal proceeding of any kind or nature arising out of their respective duties hereunder, directly or indirectly, the Participating Employers jointly agree to indemnify and hold the Indemnitees harmless from any and all liability and expenses (including reasonable attorneys' fees) resulting therefrom. Any damages assessed or expenses required to be paid or incurred by reason of this indemnification shall be borne equally by the Participating Employers, unless it shall be determined that the damages, expenses or losses incurred result directly from the actions or inactions of a specific Participating Employer, its employees or agents. In such event, that specific Participating Employer shall be primarily responsible for payment, with other Participating Employers being responsible only in the event of the specific Participating Employer's inability by reason of financial insolvency to respond.

9.07 Fidelity Bond. The Trustees, the Washington Biotechnology and Biomedical Association, the Board members and the Trust Administrative Committee shall, where required by law, be bonded by a duly licensed corporate surety covering all misappropriations of funds and other assets. Such bond shall be in the amount required by law, and the premiums on such bond shall be paid by the Trustees from the Trust.

9.08 Fiduciary Insurance. The Trustees, the Trust Administrative Committee, the Washington Biotechnology and Biomedical Association, the Board members and any officer or employee exercising discretion in the management of the Plan or its assets shall be entitled to fiduciary insurance. The cost of such insurance shall be borne by the Trust, but such insurance shall permit recourse by the Insurer against the fiduciary. The cost of any nonrecourse endorsement shall not be borne by the Trust.

9.09 No Legal or Equitable Right. Neither the establishment of the Trust nor the payment of any Welfare Benefits shall be construed as giving to any Participant any legal or equitable right against the Participating Employers, the Trustees, the Trust Administrative Committee, the Washington Biotechnology and Biomedical Association, the Board or any fiduciary, except as provided in this Agreement. The terms of employment of any Employee shall be in no way affected by this Trust, nor shall this Trust be construed to guarantee or extend the employment of any Employee.

9.10 Severability; Construction. If any provision of this Trust is held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of this Trust, but this Agreement shall be construed and enforced as if such provisions had never been included. Whenever used in this Agreement, the masculine gender shall include other genders as well, and singular usage shall include plural usage, as the context may require. Headings and numbers in this Trust are included for convenience of reference only.

9.11 Governing Law. This Trust shall, to the extent applicable, be construed and enforced in accordance with the Employee Retirement Income Security Act of 1974, as amended, and the laws of the State of Washington.

9.12 Entire Agreement. This Agreement and the applicable Participation Agreements constitute the entire agreement between the Participating Employers and the Trustees, and shall not be amended except in writing between the parties hereto.

EXECUTED this _____ day of _____, 2013.

TRUSTEE:

Exhibit A – Participation Agreement

Exhibit B – Industry Classifications

EXHIBIT A
ADOPTION AGREEMENT

Washington Biotechnology Biomedical Association -- Research Business Categories

Business Categories	CORE	Out-of-Scope
Bio Information Research	x	
BioPharma (Biotechnology/Pharmaceutical) Research	x	
Environmental Safety Research	x	
Ergonomics Research	x	
Global Health Research	x	
Health Care Research	x	
Life Science Consulting Research Services	x	
Medical Research	x	
Medical Research Services	x	
MedTech/Research	x	
Clinical Research	x	
Contract Research Organization	x	
Academic Medical Institute		x
Advocacy		x
Biotech/Clean Energy		x
Building and Construction		x
Business Development		x
Community Center		x
Compensation & Benefits Surveys		x
Corporate Wellness		x
Document Management		x
Education and Training		x
Energy Management		x
Entrepreneur Consortium		x
Events Facility		x
Executive Search		x
Financial Services		x
Government		x
Healthcare IT and Interop		x
Hotel and Conference Services		x
Human Resources		x
In Vitro Biology and Biotechnology for both Plants and Animals		x
Incubator		x
Insurance Services		x
Investment & Venture Capital		x
IP Licensing		x
Legal Services		x
Manufacturing Association		x
Mechanical Contractor		x
Medical Billing Services		x
Moving/Relocation services		x
non profit foundation		x
non profit group		x
non profit society		x
Other		x
Product Design and Development		x
Product Development Services		x
Public Accounting		x
Publications		x
Real Estate		x
Residential Real Estate		x
Shipping/Logistics		x
Staffing		x
Supplies and Equipment		x
Supply Chain Logistics		x
Trade Association		x