

**WASHINGTON TEAMSTERS
WELFARE TRUST**

**AGREEMENT AND DECLARATION
OF TRUST**

**As Constituted
October 11, 2013**

WASHINGTON TEAMSTERS WELFARE TRUST

This Washington Teamsters Welfare Agreement and Declaration of Trust amends and supersedes in its entirety prior Agreements and Declarations of Trust and is executed this 21st day of March, 2011, by and between the undersigned Union Trustees and Employer Trustees who, together with the successor Trustees and additional Trustees designated in the manner hereinafter provided, are hereinafter collectively referred to as "Trustees."

WITNESSETH:

WHEREAS, certain Unions have now and will hereafter have in effect agreements with certain Employers, requiring payments by the Employers into a Trust Fund for the purpose of providing and maintaining life and accident and health and welfare benefits for Employees of the Employers and/or qualified members of the family, and/or qualified dependents, and

WHEREAS, each Union and each Employer which accepts this Washington Teamsters Welfare Agreement and Declaration of Trust, as amended, and agrees to be bound by the provisions hereof, shall upon acceptance by the Trustees, be deemed a party to this Washington Teamsters Welfare Agreement and Declaration of Trust, and

WHEREAS, to effect the aforesaid purpose, it is desired to establish and maintain a Trust Fund which will conform to the applicable requirements of the Labor Management Relations Act of 1947, as amended, and the Employee Retirement Income Security Act of 1974 and qualify as a "qualified trust" and as a "tax exempt trust" pursuant to the 1954 Internal Revenue Code, as amended;

NOW, THEREFORE, in consideration of the premises and in order to establish and provide for the maintenance of the Washington Teamsters Welfare Trust Fund, it is understood and agreed as follows:

ARTICLE I *Definitions*

Section 1 — Union

The term "Union" as used herein shall mean any Local Union which, at the time of reference, has a written collective bargaining agreement in effect with the Employer and has agreed in writing to be bound by the terms and provisions of this Washington Teamsters Welfare Agreement and Declaration of Trust.

Section 2 — Employer

The term "Employer" as used herein shall include any association, individual, partnership, or corporation, which, at the time of reference, has a written Collective Bargaining Agreement in effect with a Union and has agreed to be bound by the terms and provisions of this Washington Teamsters Welfare Agreement and Declaration of Trust. In addition, the term "Employer" may include any other Employer accepted by resolution of the Trustees. A Union can be considered an Employer for the purpose of making contributions into the Washington Teamsters Welfare Trust Fund to secure benefits for its Employees and for no other purpose, provided that said Union enters into a Written Agreement with the Trustees of the Washington Teamsters Welfare Trust Fund and agrees to be bound by the terms and provisions of this Washington Teamsters Welfare Agreement and Declaration of Trust.

Section 3 — Employee

The term “Employee” as used herein shall mean any person on whose account an Employer is, at the time of reference, required under a Written Agreement and/or written Collective Bargaining Agreement to make Employer contributions into the Washington Teamsters Welfare Trust Fund.

Section 4 — Trustee

The term “Trustee” as used herein shall include any person designated as a Trustee pursuant to Section 2 or Section 3 of Article II of the Washington Teamsters Welfare Agreement and Declaration of Trust.

Section 5— Union Trustee

The term “Union Trustee” as used herein shall mean any Trustee designated pursuant to Section 3 of Article II of this Trust Agreement.

Section 6— Employer Trustee

The term “Employer Trustee” as used herein shall mean any Trustee designated pursuant to Section 2 of Article II of this Trust Agreement.

Section 7— Washington Teamsters Welfare Agreement and Declaration of Trust

The term “Washington Teamsters Welfare Agreement and Declaration of Trust” (herein also referred to as “Trust Agreement”) shall mean this instrument, including all amendments and modifications thereto.

Section 8— Washington Teamsters Welfare Trust Fund

The term “Washington Teamsters Welfare Trust Fund” (herein also referred to as “Trust Fund”) shall mean the assets of the Washington Teamsters Welfare Trust Fund established in Article III herein.

Section 9 — Employer Contributions

The term “Employer Contributions” as used herein shall mean payments to the Trust Fund by the Employer as provided in a Written Agreement and/or written Collective Bargaining Agreement at the time of reference.

Section 10 — Collective Bargaining Agreement

The term “Collective Bargaining Agreement” shall mean any written instrument made by an Employer with the Union which provides, among other things, for Employer Contributions to the Trust Fund. A Collective Bargaining Agreement shall be considered as being in effect on any date if it provides for Employer Contributions to be made to the Trust Fund with respect to employment on such date.

Section 11 — Written Agreement

The term “Written Agreement” shall mean any agreement in writing which provides for Employer Contributions to the Trust Fund on behalf of Employees not covered under the provisions of a collective bargaining agreement with a Union.

Section 12 — Plan

The term “Plan” or “Plans,” as hereinafter used, shall mean a program or programs which shall embody the benefits to be provided by the Trustees pursuant to the Trust Agreement, the conditions of eligibility for such benefits, and such other items as the Trustees shall deem it necessary to include.

Section 13 — Fiduciary

The term “Fiduciary” means any person or party who exercises any discretionary authority or discretionary control with respect to the management of the Trust Fund or the management or disposition of any assets of the Trust Fund, or who renders investment advice for a fee or other compensation,

whether direct or indirect, with respect to any of the Trust Fund's assets, or who has any responsibility or authority to do so, or who has any discretionary authority or discretionary responsibility in the administration of the Trust Fund or the Plan.

Section 14 — Chairmen

The Union Trustees shall select a Chairman from among the Union Trustees by such procedure as shall be satisfactory to them, and the Employer Trustees shall select a Chairman from among the Employer Trustees by such procedure as shall be satisfactory to them. Collectively these Chairmen shall be referred to herein as "Chairmen". The Chairman selected by the Union Trustees and the Chairman selected by the Employer Trustees shall alternate annually with respect to responsibility in presiding at meetings of the Trustees.

ARTICLE II

Trustees

Section 1 — Number of Trustees

The Trustees under this Washington Teamsters Welfare Trust who shall be the Trustees of the Fund herein created, shall be an even number, not less than four (4), and not more than twenty-two (22); one-half (1/2) to be Union Trustees, and one-half (1/2) to be Employer Trustees.

Section 2 — Selection of Trustees by Employers

(a) The present Employer Trustees under this Trust Agreement shall be those persons who at the date hereof are Employer Trustees. Each of said Trustees shall hold office until his successor is duly selected and qualified.

(b) The Union Trustees or fifty (50) individual Employer members of this Trust, or an Employer Association or Associations representing not less than fifty (50) individual Employer members of this Trust may request the Employer Trustees to conduct a selection of their successors. The selection of successor Employer Trustees shall be made in accordance with procedures or methods as shall be satisfactory to the Employer Trustees within six (6) months from the date the request has been made. In no event shall any selection be requested more than once every three (3) years. The Union Trustees shall not be permitted to participate in the selection of successor Employer Trustees in any manner beyond making a request for the selection. Existing Employer Trustees shall be eligible for re-selection.

Section 3 — Selection of Trustees by Unions

(a) The Union Trustees under this Trust Agreement shall be those persons who at the date of the execution of this instrument are the Union Trustees. Each of said Trustees shall hold office until his successor is duly selected and qualified.

(b) The Union Trustees shall be selected for a term of three (3) years by the Local Unions that are a part of the Joint Council of Teamsters No. 28, International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America or any successor body to said Joint Council. The nomination and selection of such Trustees shall be at a regular meeting of the Joint Council, each Local Union that has members who are beneficiaries under this Trust being entitled to one vote.

Section 4 — Acceptance of Trust by Trustees

A Trustee named or referred to in the foregoing sections shall be a natural person, and upon signing this instrument, or upon written acceptance filed with the other Trustees in the case of any successor or additional Trustee, shall be deemed to accept the Trust created and established hereby and shall be deemed to consent to act as Trustee and to agree to administer the Trust Fund as provided herein.

Section 5 — Trustee’s Term of Office

Each existing Trustee shall continue to serve as such until the end of his term or until his prior death, incapacity, resignation or removal as provided herein and until his successor is duly selected and qualified.

Section 6 — Resignation of Trustee

A Trustee may resign from all future duty or responsibility by giving notice in writing to the remaining Trustees, which notice shall state the date such resignation shall take effect and such resignation shall take effect on said date unless a successor Trustee shall have been appointed at an earlier date, subsequent to his giving notice of resignation, in which event such resignation shall take effect as of the date of appointment of his successor.

Section 7— Successor Trustees

(a) In the event any Union Trustee shall die, become incapable of acting, resign, or be removed, a successor Union Trustee shall be immediately designated by the Joint Council of Teamsters No. 28, International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America to fill the unexpired term. Upon the filing with the remaining Trustees of the acceptance of the Trusteeship by the designated successor Trustee, such designation shall be effective and binding in all respects.

(b) In the event an Employer Trustee shall die, become incapable of acting, resign, or be removed, a successor Employer Trustee shall be designated by the remaining Employer Trustees to fill the unexpired term. Upon the filing with the remaining Trustees of the acceptance of the Trusteeship by the designated successor Trustee, such designation shall be effective and binding in all respects.

(c) Any successor Trustee shall, immediately upon his acceptance of the Trusteeship in writing filed with the Trustees, become vested with all the property, rights, powers and duties of a Trustee hereunder.

(d) In case of the death, resignation, refusal or inability to act of any one or more of the Trustees, the remaining Trustees shall have all the powers, rights, estates and interest of this Trust, and shall be charged with its duties, provided that at least one Employer Trustee and one Union Trustee shall be required to act in any such case.

Section 8 — Removal of Trustees

Any Union Trustee may be removed at any time by the majority of Local Unions of the Joint Council of Teamsters No. 28, International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America, who have members that are beneficiaries under this Trust, and any Employer Trustee may be removed at any time by means of a petition calling for his removal signed by Employers employing at least 50% of the covered Employees. Such removed Trustees shall be relieved from all future duty herein.

Section 9 — Meetings of Trustees

The Trustees shall meet at least semi-annually, at a time and place to be determined by either the Chairman of the Union Trustees or the Chairman of the Employer Trustees for the purpose of acting upon matters connected with the administration of the Trust. In addition, Trustees may hold such special meetings as the Chairmen of the Trustees shall determine or upon joint call of one Employer Trustee and one Union Trustee. Trustees shall adopt such rules and regulations relative to the holding of such meetings, regular and special, as they shall determine: PROVIDED, that such rules and regulations shall include a requirement that special meetings shall be held only after special notice is given of the business proposed to be taken up at such special meeting, the requirement notice to be subject to written waiver or waiver by attendance at such meeting.

Section 10 — Compensation of Trustees

The Trustees shall receive no compensation for their services as Trustees except to the extent that reasonable compensation may from time to time be permitted under the Employee Retirement Income Security Act of 1974 and regulations issued thereunder; when permitted, such compensation shall be fixed by the Board of Trustees in such amount as shall be determined by them to be reasonable.

The Trustees may be reimbursed for expenses properly and actually incurred in the performance of their duties as Trustees. The phrase “performance of their duties as Trustees” shall be construed to permit (but not limited to) a Trustee to be reimbursed for all reasonable and necessary expenses incurred in connection with attendance at educational conferences for Trustees of employee benefit funds.

In addition, premiums for errors and omissions insurance and/or fiduciary liability insurance insuring the Trustees may be paid from the Trust Fund to protect the Trustees and also to make it possible for the Trust Fund to be reimbursed to the extent of any insurance recovery under any such insurance policy, provided that such insurance, to the extent required by law, shall permit recourse by the insurance carrier against the Trustees. Nothing herein shall be deemed to preclude a Trustee, Employer, or Union, from purchasing errors and omissions and fiduciary liability insurance for the account of a Trustee or from purchasing a waiver of such right of recourse by the insurance carrier of any insurance policy purchased by the Trust Fund with respect to such Trustee.

ARTICLE III

Creation, Purpose and Application of the Trust Fund

Section 1 — Creation of Trust

The Trust Fund hereby created and established shall comprise the entire assets hereof including those derived from Employer Contributions together with all insurance policies (including dividends, refunds, or other sums payable to the Trustees on account of such policies), all investments made and held by the Trustees, all income therefrom and any other property received and held by the Trustees by reason of their acceptance of this Trust Agreement.

The Trustees are hereby designated as the persons to receive Employer Contributions and the Trustees are vested with all right, title and interest in and to the Trust Fund for the uses, purposes and duties set forth in this Trust Agreement.

The Trustees shall have the exclusive authority and discretion to manage and control the assets of the Trust Fund (i) except to the extent that authority to manage, acquire, or dispose of assets of the Trust Fund is delegated to an Investment Manager under Article V, Section 6; and (ii) provided that the Trustees may allocate such authority and discretion to a Trustee Committee established under Article V, Section 4. The Trustees shall be the “administrator” under section 3(16)(A) of the Employee Retirement Income Security Act of 1974 and except as otherwise provided herein, shall have the authority to control and manage the operation and administration of the Trust Fund and the Plans.

Section 2 — Purpose of Trust

The Trust Fund is created, established and maintained, and the Trustees agree to receive the Trust Fund, hold and administer it, for the purpose of providing and maintaining life and accident and health and welfare benefits for Employees and/or qualified members of the family and/or qualified dependents. The Trustees shall, in their sole discretion, determine which benefits shall be provided.

Section 3 — Plan

The Trustees are hereby empowered and authorized:

- (a) If they so desire, to administer any life and accident and health and welfare benefit plan.

(b) If they so desire, to apply and enter into a group insurance policy or policies with an insurer or insurers to provide life and accident and health and welfare benefits for Employees and/or qualified members of the family and/or qualified dependents. The Trustees shall in their sole discretion determine which, if not all, of the above described group insurance policy benefits shall be provided.

(c) If they so desire, to enter into agreements or contracts with a health care service contractor or Health Maintenance Organization to provide life and accident and health and welfare benefits for Employees and/or qualified members of the family and/or qualified dependents. The Trustees shall in their sole discretion determine which, if not all, of the above described benefits shall be provided.

(d) To establish a Plan or Plans pursuant to Article III, Section 2 hereof, which will embody the benefits to be provided by the Employer Contributions, the conditions of eligibility for such benefits, and such other items as the Trustees shall deem it necessary to include. The aforesaid items of the Plan shall be determined by the Trustees in their sole discretion, and shall be subject to change by the Trustees retroactively, or otherwise, from time to time; provided, however, that any Plan or Plans will conform to the applicable requirements of the Labor Management Relations Act of 1947, as amended, and the Employee Retirement Income Security Act of 1974, and that Employer Contributions made by the Employers to the Trust Fund will be deductible as an item of expense of such Employers for income tax purposes.

Section 4 — Application of the Fund — Trustees' Power in Connection with Insurers

To effect the aforesaid, the Trustees, acting in their Fiduciary capacity, shall have power but not be required to use and apply the Trust Fund for the following purposes:

(a) To make premium payments to the insurance company or companies on group insurance policies obtained by the Trustees. In that connection, group insurance coverage involved in the Plan may be put to competitive bid periodically as deemed proper by the Trustees. The Trustees shall be policyholders on all such policies. They shall have power to terminate and change group insurance policies as in their discretion they may determine for the purposes of this Trust. They may allow policy dividends to be left with the insurance company pursuant to the provisions of the group insurance policy or policies to provide the benefits contemplated therein. In general, the Trustees may enter into any agreement with the insurance company which they, in their absolute discretion, deem to be in the best interests of this Trust, including but not limited to the following:

(1) Agreement whereby the experience under the policy or policies issued to the Trustees may be pooled with the experience of the other policyholders of insurer.

(2) Agreements whereby the Trustees may deposit certain sums with the insurer, which sums may be used by the insurer as premium under the policy or policies issued to the Trustees or may be used for payment of claims or for other purposes connected with such policy or policies.

(3) Agreements in respect to the calculation and payments or other disposition of any experience rating refunds, dividends or other credits to be paid to the Trust by the insurer. In the absence of any such agreement, any experience, rating refunds, dividends or other credits paid to this Trust shall be used for the general purposes of this Trust as the Trustees in their discretion shall determine.

(b) To pay or provide for the payment of the amounts determined by the Trustees as reasonable for the service of any person, persons or organization retained for receiving Employer Contributions and administering the affairs of the Trustees under the Trust Agreement.

(c) To pay or provide for the payment of all reasonable and necessary expenses, costs and fees, other than those covered in subsection (b) above, incurred by the Trustees in connection with the maintenance of this Trust Fund, including the employment of such actuarial, legal, accounting,

consulting, investment advice, and expert assistance, as the Trustees in their discretion deem necessary or appropriate in the performance of their duties.

(d) To pay or provide for the payment of all real and personal property taxes, income taxes and other taxes or assessments of any and all kinds levied or assessed under the existing or future laws upon or in respect to the Trust Fund or any money or property forming a part thereof.

(e) To maintain a reserve for future contingencies and expected administrative expenses.

(f) All funds received by the Trustees hereunder as part of the Trust Fund shall initially be deposited by them in such F.D.I.C. insured bank or banks as the Trustees may designate, and all withdrawals of such funds from such bank or banks shall be made only in accordance with resolutions adopted by the Trustees from time to time. The funds so deposited shall, to the extent authorized by resolution of the Trustees, be invested as investments of this Trust Fund. In that connection, in acquiring, investing, reinvesting, exchanging and selling and managing the property of the Trust Fund, the Trustees shall exercise the judgment and care under the circumstances then prevailing, which men of prudence, discretion and intelligence exercise in the management of their own affairs. Within the limitations of the foregoing standard and insofar as permitted under the Employee Retirement Income Security Act of 1974, the Trustees are authorized to acquire and retain every kind of property, real, personal or mixed, and every kind of investment specifically including, but not by way of limitation, debentures and other corporate obligations and stocks, preferred or common.

(g) The Trustees hereunder may coordinate its activities in the administration of the Fund and the Plan with the administrative activities of other funds established or to be established to such an extent as may be necessary or desirable to minimize costs, eliminate unnecessary bookkeeping and other expenses for the individual Employers, and avoid or eliminate duplicating Employer Contributions or benefits with relation to the same Employee. The Trustees hereunder may agree to exercise any of its administrative functions jointly with any one or more of the Board of Trustees of any other such trust funds and may agree to join with any one or more of said Board of Trustees in establishing a joint office or joint administrative personnel.

Section 5 — Limitations of Rights to Trust Fund

The following limitations shall apply to the rights or interests in, or use of, the Trust Fund:

(a) Neither the Unions, Employers, Employees nor any other person, association or corporation shall have any right, title or interest in or to the Trust Fund save as by this instrument expressly provided and save as by law provided; provided, however, that nothing herein contained shall impair or derogate from the right of any Employee or any person claiming by or through such Employee to the benefits provided pursuant to this Trust Agreement. In no event shall any Employer, directly or indirectly, receive any refund on contributions made by it to the Trust Fund except in the case of a bona fide erroneous payment or overpayment of contributions to the extent permitted by law.

(b) No part of the corpus or income of the Trust Fund shall be used for or diverted to purposes other than for the exclusive benefit of Employees and/or qualified members of the family and/or qualified dependents provided, however, that nothing in this paragraph contained shall impair or derogate from the provisions elsewhere in this instrument contained.

(c) No money, property, equity or interest of any nature whatsoever in the Trust Fund, in a group insurance policy, or in any benefits or moneys payable therefrom, shall be subject to the interference and control of any creditor and shall not be subject in any manner by any Employee or beneficiary or person claiming through any of them, to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, garnishment, lien or charge, and any attempt to cause the same to be subject thereto shall be null and void, except that the Trustees, within their discretion, may honor an Employee assignment of benefits to a hospital or doctor performing services for the Employee.

Section 6 — Funding Policy

The Trustees from time to time shall determine the immediate and long term financial requirements of the Trust Fund and on the basis of such determination, establish a policy and method of funding which will enable the Trustees or the Investment Manager, as the case may be, to coordinate the investment policies of the Trust Fund with the objectives and financial needs of the Trust Fund.

ARTICLE IV

Collection of Employer Contributions

Section 1 — Employer Contributions

All Employer Contributions required by a Collective Bargaining Agreement and/or Written Agreement, shall be made monthly in accordance with its terms and shall be due and payable on the date set forth in such Collective Bargaining Agreement and/or Written Agreement. If the Collective Bargaining Agreement and/or Written Agreement does not specify such a due date, said payments shall be made not later than the fifteenth (15th) day of the month for the immediately preceding month.

Section 2 — Delinquent Contributions

(a) For the purposes of this Trust Agreement, an Employer Contribution shall be termed to be delinquent if not received by the Trust on or before the due date as provided for in Section 1 above.

(b) It is recognized and acknowledged that the regular and prompt payment of required Employer Contributions is essential to the efficient and fair administration of the Trust Fund and that it would be extremely difficult and impracticable to fix the actual expense and damage to the Trust Fund, over and above attorney fees and loss of interest, which would result from the failure of an Employer to make timely payments of Employer Contributions required. Therefore, if any participating Employer shall be delinquent in the payment of contributions, such Employer shall pay in addition to the amount of delinquent Employer contributions liquidated damages of 20% of the amount of Employer contributions due on such date following the date on which Employer contributions become delinquent as the Trustee shall determine by rule or regulation. In addition, the delinquent Employer contribution shall bear interest at the Internal Revenue Service rate as determined quarterly from the date on which the Employer contributions became due and payable until the date the Employer contributions are paid to the Trust Fund.

The Trustees shall have the authority, however, to waive all or part of the liquidated damages or interest for good cause shown.

Section 3 — Collection Actions

(a) The Trustees may, but shall not be required to, institute legal proceedings to collect delinquent Employer Contributions, liquidated damages and attorneys' fees. Such proceedings may be instituted by the contract Administrator of the Trust Fund and may be brought in the name of the Trust Fund or the claim may be assigned to a third person for collection.

(b) King County, the county in which the Employer Contributions are payable, shall be the proper county in which to institute legal proceedings to collect delinquent Employer Contributions.

(c) If an Employer becomes delinquent in paying any amounts required under this Article (including liquidated damages) he shall reimburse the Trust Fund for all of its costs, including audit expenses, and for all reasonable attorneys' fees incurred by the Trust Fund in connection therewith, whether or not legal proceedings were instituted, it being recognized that the extent of legal services necessarily incurred in the collection of required Employer Contributions may in certain cases have no relation to the fact that the amount of the delinquency is relatively small.

(d) The Trustees may compromise and settle such collection actions on such terms and for such amounts as they consider reasonable, prudent and appropriate under the circumstances. Any such compromise and settlement shall be binding and conclusive on the Trustees, Trust Fund, Unions, Employers and Employees and their beneficiaries. The expenses of collection of delinquent Employer Contributions to the Trust Fund over and above the amount collected from a delinquent Employer, shall be paid out of the Trust Fund.

ARTICLE V

Administration of the Trust Fund

Section 1 — General

The administration of the Trust Fund shall be vested wholly and exclusively in the Trustees and for such administration the Trustees shall, consistent with the purposes of this Trust Fund, have the sole discretion and entire authority to:

(a) Administer the Trust Fund by retaining for that purpose a person, persons, or a service organization which has its principal office in Seattle, Washington, the sites of the Trust Fund, and such person, persons, or organization shall be deemed agent of the Trustees.

(b) Make such uniform rules and regulations as are consistent with and necessary for effectuating the provisions of this Trust Agreement.

(c) Exercise all rights or privileges granted to the policyholder by the provisions of a group insurance policy issued to the Trustees as provided herein or allowed by the insurance company issuing such policy, and they may agree with such insurance company to any alteration, modification, amendment or termination of such policy and such insurance company shall not be required to inquire into the authority of the Trustees with regard to any dealings in connection with such policy.

(d) Exercise all rights or privileges granted to the Trustees by the provisions of an agreement or contract with a health care service contractor or Health Maintenance Organization. Said Trustees may agree with said health care service contractor or Health Maintenance Organization to any alteration, modification, amendment or termination of such agreement or contract and such health care service contractor or Health Maintenance Organization shall not be required to inquire into the authority of the Trustees with regard to any dealing in connection with said agreement or contract.

(e) Agree with an insurance company, health care contractor or Health Maintenance Organization that any one or more persons designated by the Trustees, which may include one or more of the Trustees, shall sign drafts upon such organization in the amounts approved for payment of claims.

(f) Determine eligibility for benefits under the benefit plans, and to construe and apply the provisions of this Trust Agreement, the benefit plans, their own motions, resolutions, and administrative rules and regulations, and any contracts, instruments, or writings they may have adopted or entered into (and the terms used therein). Any benefit determination made or construction adopted by the Trustees in good faith shall be conclusive and binding upon the Unions, Employers, Employees and Beneficiaries under the benefit plans and the Trust Fund.

(g) In addition to such other powers as are set forth herein or conferred by law:

(1) Sell, exchange, lease, convey or dispose of any property at any time forming a part of the Trust Fund or the whole thereof upon such terms as they may deem proper and to effect and deliver any and all instruments of conveyance and transfer in connection therewith, provided that such action shall be consistent with the Employee Retirement Income Security Act of 1974.

(2) Enter into any and all contracts and agreements for carrying out the terms of this Trust Agreement and for the administration of the Trust Fund and to do all acts as they in their

discretion may deem necessary or advisable and such contracts, agreements and acts shall be binding and conclusive on the Unions, Employers, Employees and Beneficiaries.

(3) Do all acts whether or not expressly authorized herein which the Trustees may deem necessary or proper for the protection of the Trust Fund held hereunder.

(h) Promulgate such requirements relating to additional Unions and Employers becoming parties to this Trust Agreement and being covered under the Plan and such other rules and regulations as may in their discretion be deemed proper and necessary for the sound and efficient administration of the Trust Fund, provided that such requirements, rules and regulations are not inconsistent with this Trust Agreement.

(i) Keep true and accurate books of accounts and records of all their transactions which shall be open to the inspection of any Trustee at all times and which shall be audited at least annually by a certified public accountant selected by the Trustees. Such audits shall be available at all reasonable times for inspection by any Union or any Employer at the principal office of the Trust Fund.

(j) Administer the Trust Fund in conformity with the Trust Agreement as from time to time amended with the requirements of the Labor Management Relations Act of 1947, as amended, and the Employee Retirement Income Security Act of 1974, and in conformity with all applicable laws.

Section 2 — Execution of Instruments

Any instrument in writing may be executed on behalf of the Trustees by the signature of any two of the Trustees, one of whom shall be a Union Trustee and one an Employer Trustee, or by a person designated by the Trustees for such purposes, and all persons, partnerships, corporations and associations may rely thereon that such instrument has been duly authorized.

Section 3 — Voting by Trustees

Any action to be taken by the Trustees pursuant to this Trust Agreement shall be by unanimous vote of Employer and Union Trustees present at a meeting of the Trustees, or by unanimous vote of all Trustees in writing without a meeting. There shall be but two votes; the Union Trustees shall have one vote among them and the Employer Trustees shall have one vote among them. The Union and Employer Trustees shall each establish requirements to decide their vote. The Trustees jointly shall establish procedural rules governing, among other things, the calling and conduct of meetings, the constitution of a quorum and the existence of a deadlock. In the event that either an even number of Union Trustees or an even number of Employer Trustees, as the case may be, results in either the Union Trustees or Employer Trustees being unable to determine upon the casting of their respective votes on a question, the number of the Union Trustees or the Employer Trustees, as the case may be, shall be increased to an odd number within five (5) days and the question under consideration shall be held under abeyance during such five-day period. The additional Trustee shall serve only for the purpose of determining the question under consideration.

In the event of a deadlock between Union Trustees on the one hand and Employer Trustees on the other, questions shall be submitted for a decision to an impartial umpire selected by the Trustees. In the event of their inability to agree upon such impartial umpire, the Union Trustees, or Employer Trustees, or upon their failure to act, any Trustee, shall petition the District Court of the United States where the Trust Fund has its principal office to appoint an impartial umpire.

The decision of such impartial umpire shall be final and binding and shall be adopted by the Trustees and deemed to be the vote of the Trustees. The cost and expense incidental to any proceedings needed to break a deadlock shall be borne by the Trust Fund.

Any impartial umpire chosen or designated to break a deadlock shall be required to enter his decision within the time fixed by the Trustees. Such impartial umpire shall have no power or authority to change or modify any provisions of any agreement of a health care contractor, Health Maintenance Organization, insurance company, collective bargaining agreements, or this Trust Agreement.

Section 4 — Trustee Committees

The Trustees from time to time may establish one or more Trustee Committees consisting of an equal number of Union Trustees and Employer Trustees. Any action to be taken by a Committee shall be by unanimous vote of the members of the Committee present at the meeting of the Committee or by unanimous vote of all members of the Committee in writing without a meeting. There shall be but two votes; the Union Trustees members shall have one vote among them and the Employer Trustee members shall have one vote among them. The Union Trustee members shall establish requirements to decide their vote and the Employer Trustee members shall establish requirements to decide their vote. Each Committee shall establish procedural rules for the conduct of meetings, the consideration of a quorum, and the existence of a deadlock. In the event that an even number of Union or Employer Trustee members are unable to determine upon the casting of their vote on a question, or in the event of a deadlock between the Union Trustee members and the Employer Trustee members, the question under consideration shall be submitted for decision to the Trustees.

Section 5 — Allocation and Delegation of Duties

(a) Except as otherwise provided in this Trust Agreement, the Trustees from time to time may allocate to one or more Trustee Committees and may delegate to any other persons or organizations any of their rights, powers, duties and responsibilities with respect to the Trust Fund and the administration of the Plan. Any such allocations or delegations (including the appointment of an Investment Manager) shall be reviewed at least annually by the Trustees and shall be terminable upon such notice as the Trustees, in their sole discretion, deem reasonable and prudent under the circumstances. In the case of any appointment or other delegation, the Trustees may designate a Trustee Committee to make such review.

(b) No Trustee of other fiduciary shall be under any obligation to perform any duty or responsibility with respect to the Trust Fund or the Plan which has been allocated to other Trustees or to a Trustee Committee of which such Trustee is not a member, or which has been delegated to another person or organization other than such Trustee or other fiduciary pursuant to this Trust Agreement or the procedures established hereby.

(c) The power to modify this Trust Agreement or to amend the Plans shall not be allocated to a Trustee Committee or delegated to any other person.

Section 6 — Investment Manager

(a) The Trustees in their discretion may appoint an Investment Manager who shall have the power to manage, acquire and dispose of all or any part of the Trust Fund designated by the Trustees. The Investment Manager shall be a person who is an “investment manager” as such term is defined in section 3(38) of the Employee Retirement Income Security Act of 1974, and shall not act until he has delivered to the Trustees a written acknowledgment that he is a Fiduciary with respect to the Trust Fund.

(b) No Trustee shall be under any obligation to invest or otherwise manage any portion of the Trust Fund which is subject to the management of the Investment Manager and no Trustee shall be liable for the acts or omissions to act of the Investment Manager except to the extent that such Trustee:

(1) Violates the provisions of Article VI with respect to the appointment or retention of the Investment Manager;

(2) Participates knowingly in, or knowingly undertakes to conceal, any act or omission of the Investment Manager, knowing such act or omission is a breach of the Investment Manager’s fiduciary responsibility;

(3) By his failure to comply with the provisions of Article VI in the administration of his specific responsibilities hereunder, enables the Investment Manager to commit a breach of the Investment Manager’s fiduciary responsibilities; or

(4) Has knowledge of a breach by the Investment Manager, unless he makes reasonable efforts under the circumstances to remedy the breach.

ARTICLE VI ***Fiduciary Standards***

Each Trustee and other fiduciary shall discharge his duties and responsibilities with respect to the Trust Fund and the Plan in accordance with the standards set forth in section 404(a)(1) of the Employee Retirement Income Security Act of 1974.

Section 404(a)(1) of the Employee Retirement Income Security Act of 1974 provides that:

“Subject to sections 403(c) and (d), 4042, and 4044, a fiduciary shall discharge his duties with respect to a plan solely in the interest of the participants and beneficiaries and –

“(A) for the exclusive purpose of:

“(i) providing benefits to participants and their beneficiaries; and

“(ii) defraying reasonable expenses of administering 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 a like character and with like aims;

“(C) by diversifying the investments of the Plan 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 documents and instruments governing the Plan insofar as such documents and instruments are consistent with the provisions of Title I of the Employee Retirement Income Security Act of 1974.”

ARTICLE VII ***Administration of the Plan***

The Trustees shall have the following powers with regard to the administration of the Plan:

(a) To develop procedures to be followed by Employers in reporting contributions made on behalf of Employees.

(b) To prescribe rules and procedures governing the application by Employees and beneficiaries for benefits, and the furnishing of any evidence necessary to establish the rights of Employees and beneficiaries to such benefits.

(c) To obtain and evaluate all statistical and actuarial data which may be reasonably required with respect to the administration of the Plan.

(d) To coordinate its activities in the administration of the Trust Fund with the administrative activities of other health and welfare trust funds established or to be established to such extent as may be necessary or desirable to minimize costs, eliminate unnecessary bookkeeping or other expenses for the individual Employers.

(e) To make such other rules and regulations as may be necessary for the administration of the Plan and not inconsistent with the purposes of the Trust Agreement.

ARTICLE VIII
Limitation of Liability

Section 1 — Liability of Trustees

(a) No Trustee shall be liable for any act or omission to act of any other Trustee, of any Trustee Committee of which he is not a member, or of any other person, or organization to whom any responsibility of such Trustee is allocated or delegated pursuant to this Trust Agreement in carrying out such responsibility except to the extent that such Trustee:

(1) Violates the provisions of Article VI with respect to such allocation or delegation, with respect to the establishment or implementation of the allocation and delegation procedures provided for herein, or in continuing such allocation or delegation;

(2) Participates knowingly in, or knowingly undertakes to conceal, any act or omission of such person, knowing such act or omission is a breach of such person's fiduciary responsibility;

(3) By his failure to comply with the provisions of Article VI in the administration of his specific responsibilities hereunder, enables such other person to commit a breach of such person's fiduciary responsibilities; or

(4) Has knowledge of a breach by such other person, unless he makes reasonable efforts under the circumstances to remedy the breach.

(b) Neither the Trustees nor any Trustee shall be personally liable for any liability or debt of the Trust Fund contracted or incurred by them or him or for the fulfillment of any contract; provided that nothing herein shall exempt the Trustees or any Trustee for any liability, debt or obligation arising out of their or his acts or omissions done or suffered in bad faith or through gross negligence or willful misconduct.

(c) Subject to the provisions of Article VI the Trustees and each Trustee shall be fully protected in acting upon any instrument, certificate or paper believed by them to be genuine and to be signed or presented by the proper person or persons and shall be under no duty to make any investigation or inquiry as to any statement contained in any such record but may accept the same as conclusive evidence of the truth and accuracy of the statements therein contained.

Section 2 — Liability of Unions, Employers, Trustees

Nothing in this Trust Agreement shall be construed as making a Union or an Employer liable for the payments required to be made by any other Employer and each Employer's liability shall be limited solely to the payment of the amount designated by the Collective Bargaining Agreement and for liquidated damages, attorneys' fees, audit expenses and other costs as provided for in Article IV of this Trust Agreement. Neither the Union, Employers nor Trustees shall be liable for the payment of any benefits contemplated by the Plan.

Section 3 — Employers Not Liable for Benefits

None of the Employers shall be liable to Employees or beneficiaries for the failure of the Trustees to secure the benefits contemplated herein or in the Plan or for any default or negligent act of the Trustees.

ARTICLE IX
Miscellaneous Provisions

Section 1 — Employer’s Obligation to Furnish Information

Each Employer shall promptly furnish to the Trustees on demand any and all records of his Employees, concerning the classification of such Employees, their names, Social Security numbers, amount of wages paid and hours worked and any other payroll records and information that the Trustees may require in connection with the administration of the Trust Fund. Each Employer shall also submit in writing to the Trustees at such regular periodic intervals and in such form as the Trustees may establish such of the above data as may be requested by the Trustees. The Trustees or their authorized representatives may examine the payroll books and records of each Employer whenever such examination is deemed necessary or advisable by the Trustees in connection with the proper administration of the Trust Fund. Upon request from the Trustees, each Employer shall deliver in person or by such class of mail as the Trustees shall determine to each of his employees, and each Union shall deliver to each of its members, who is a participant or beneficiary hereunder, any notice or document which the Trustees are required by law to distribute to such participant or beneficiaries.

Section 2 — Dealings with Trustees

No person, partnership, corporation or association dealing with the Trustees shall be obliged to see to the application of any funds or property of the Trust Fund, or to see that the terms of this Trust Agreement have been complied with, or be obliged to inquire into the necessity or expedience of any act of the Trustees; and every instrument effected by the Trustees, whether executed by all of them or in the manner specified in Article V, Section 2, shall be conclusive in favor of any person, partnership, corporation or association relying thereon that:

- (a) At the time of delivery of said instrument, this Trust Agreement was in full force and effect, and
- (b) Said instrument was effected in accordance with the terms and conditions of this Trust Agreement, and
- (c) The Trustees were duly authorized and empowered to execute such instrument.

Section 3 — Notices

Notice given to a Trustee, Union or Employer shall, unless otherwise specified herein, be sufficient if in writing and delivered to or sent by postpaid first-class mail or prepaid telegram to the last address as filed with the Trustees. Except as herein otherwise provided, the delivery of any statement or document required hereunder to be made to a Trustee, Union or Employer shall be sufficient if delivered in person or if sent by postpaid first-class mail to his or its last address as filed with the Trustee.

Section 4 — Trustees’ Discretion

Any questions arising in connection with the performance of the provisions of this Trust Agreement not hereto specifically provided for shall be left to the sole discretion of the Trustees.

Section 5 — Legal Action by Trustees

The Trustees may seek judicial protection by any action or proceeding they may deem necessary to settle their accounts, or to obtain a judicial determination or declaratory judgment as to any question of construction of this Trust Agreement or instruction as to any action thereunder. Any such determination shall be binding upon all parties to or claiming under this Trust Agreement.

Section 6 — Costs of Suit

To the extent allowed by law, costs and expenses of any action, suit or proceeding brought by or against the Trustees or any of them (including counsel fees) shall be paid from the Trust Fund, except in

relation to matters as to which it shall be adjudged in such action, suit, or proceeding that such Trustee was acting in bad faith or was grossly negligent in the performance of his duties hereunder.

Section 7 — Fidelity Bonds

Each Trustee and each Employee employed by the Trustees who may be engaged in handling the moneys of the Trust Fund shall be bonded for such sum as the Trustees from time to time shall determine by a duly authorized surety company, but in no event for a lesser amount than required by applicable law. The cost of premiums for such bonds shall be paid out of the Trust Fund.

Section 8 — Review Procedure

Any person, or his duly authorized representative, whose claim for benefits is denied in whole or in part by the claim administrator, or believes benefits have not been properly provided, may appeal from such denial or adverse benefit determination to the Board of Trustees for a full review. The appeal is made by submitting to the Board of Trustees a written request for review within one hundred eighty (180) days after receiving notice of denial or adverse benefit determination. The Board of Trustees (or its Appeals Committee) shall give the claimant an opportunity to review pertinent documents in preparing his request for review. The request must set forth all of the grounds upon which it is based, supporting facts and any other matters, which the claimant deems pertinent.

The Board of Trustees shall, within a reasonable time after receipt of the request for review, notify the claimant of the date, time and place the review will occur. The claimant may be represented at any such hearing by an attorney or any other representative of his choosing. A written record shall be made of the proceedings at the hearing by such method as the Trustees shall determine. In conducting the hearing the Board shall not be bound by the usual common law or statutory rules of evidence and there shall be copies made of all documents and records introduced at the hearing, attached to the record of the hearing and made a part thereof.

The decision by the Board of Trustees shall be made in accordance with applicable requirements as to form and timing under Section 503 of ERISA and U.S. Department of Labor Regulation §2560.503-1. The required timing shall be determined by the benefit involved in the appeal and, in the case of a health care benefit, whether the appeal involves a pre-service, post-service, concurrent care or urgent care claim.

The decision on review shall be in writing and shall include specific reasons for the decision, written in a manner calculated to be understood by the claimant and specific references to the pertinent Plan provisions on which the decision was based.

Any person shall be obliged to exhaust all remedies provided for in this Section before resorting to any court, tribunal or agency. Where a person, before or following the exhaustion of all remedies provided for herein, resorts to a court, tribunal or agency and loses his or her case therein, such person may be required to pay all costs and expenses (including a reasonable attorney's fee) incurred by the Trust.

Section 9 — Title Not Part of Agreement

The titles of the various articles and paragraphs of this Trust Agreement are inserted solely for the convenience of reference and are not a part of, nor shall they be used to construe any term or provision hereof.

Section 10 — Gender and Form of Words

Any words used herein in the masculine gender shall be construed as though they are also used in the feminine gender in all cases where they would so apply, and any words used herein in the singular form shall be construed as though they are also used in the plural form in all cases where they would so apply.

Section 11 — Employee Contributions

Employees, who cease to perform work for an Employer for which work Employer contributions were required to be paid to this Trust Fund, may within the sole discretion of the Trustees make periodic contributions or payments to the Trust Fund in such amounts and at such times and subject to such conditions as the Trustees in their sole discretion may establish.

Section 12 — Termination Rights of Employers and Employees

The Trustees are specifically empowered to determine that in the event that an Employer ceases to make Employer contributions to this Trust Fund with the intention of making Employer contributions thereafter to another health and welfare trust, all rights of such Employer, his Employees, the persons claiming by or through them, or the Union of which such Employees are members, in and to the assets of the Trust, if there be any, known or unknown, including experience rating refunds or other sums payable or to become payable thereafter and whether accrued or earned during the period or membership participation by such Employer, Union, Employee, or otherwise, in the Trust, are terminated; provided, however, that in the absence of determination by Trustees to the contrary, termination of interest shall be deemed to have occurred in the aforesaid circumstances without further action by the Trustees; provided, further, that if prior to such termination any Employee or person claiming by or through him shall be entitled to benefits by reason of an injury or loss sustained, such claim or right shall not be affected by such termination of interest.

This section shall not in any other respect impair or derogate from the provisions of this Trust Agreement. Accordingly, in the event of any question or controversy concerning the meaning or application of the provisions of the foregoing paragraph, the Trustees shall have all rights and powers elsewhere conferred by this Trust Agreement in resolving such question. In addition, said Trustees are hereby specifically empowered to determine any such question or controversy, both with respect to the meaning of the provisions of the aforesaid section and the application thereof in the particular case in accordance with their own judgment of the proper decision to be made, and any such decision of the Trustees made in good faith shall be final and conclusive upon all persons, including the terminated Employer, Employee, persons claiming by or through him, and Union of which such Employee is a member and with whom the Employer has a collective bargaining agreement.

Section 13 — Merger

The Trustees shall have the power to merge with any other Trust Fund established for similar purposes as this Trust Fund under terms and conditions mutually agreeable to the Trustees.

ARTICLE X ***Modifications***

This Washington Teamsters Welfare Trust may be modified in any respect from time to time by the Trustees except that no modification:

- (1) Shall divert the Trust Fund as constituted immediately prior thereto or any part thereof to a purpose other than as set forth herein.
- (2) Shall result in an unequal number of Union Trustees and Employer Trustees.
- (3) Shall relieve the Trustees from liability for action taken in bad faith, willful misconduct or by reason of gross negligence.
- (4) Shall modify Article III, Section 5.
- (5) Shall modify the provisions of Article V, Section 3.
- (6) Shall modify this Article X of the subject matter of any of the foregoing.

Any proposed modification shall be submitted to each of the Trustees in writing ten (10) days before the date of the meeting at which the modification will be considered. A copy of such modification, upon passage by Trustees, shall be promptly forwarded to each Union and to each Employer.

An action by the Trustees modifying this Washington Teamsters Welfare Trust may be overruled by a majority of the Employers who have accepted this trust together with the majority of the Unions who have accepted this Trust; PROVIDED, that such action is taken within thirty (30) days after action by Trustees.

This Washington Teamsters Welfare Trust may also be modified in any respect from time to time by a majority of the Employers who have accepted this Trust together with a majority of the Unions who have accepted this Trust.

ARTICLE XI

Admission of Unions and Employers

Any Local Union shall become a "Union" hereunder as hereinabove in Article I, Section 1, defined, by executing a written agreement accepting both this Trust Agreement and the Union Trustees hereof, and meeting any other requirements established by the Trustees.

Any Employer shall become an "Employer" hereunder as hereinabove in Article I, Section 2, defined, by executing a written Collective Bargaining Agreement providing for Employer Contributions to the Trust Fund, and accepting both this Trust Agreement and the Employer Trustees hereof, and meeting any other requirements established by the Trustees.

ARTICLE XII

Termination of Trust

This Trust Agreement shall remain in full force and effect until terminated by action of the Trustees.

This Trust Agreement shall terminate as to an individual Employer when it has no Collective Bargaining Agreement providing for payments into the Trust Fund in effect with the Union.

In the event of termination the Trustees shall:

- (a) Make provision out of the Trust Fund for the payment of expenses incurred up to the date of termination of the Trust and expenses incident to such termination.
- (b) Distribute the balance, if any, of the assets of the Trust Fund remaining in the hands of the Trustees in such manner as they determine will carry out the purpose of the Trust.
- (c) Arrange for a final audit and report of their transactions and accounts for the purpose of terminating their Trusteeship.

In any event, upon termination, the Trustees may transfer the assets of the Trust Fund remaining in the hands of the Trustees, or any portion thereof, to the Trustees of any fund established for the purpose of providing substantially the same or greater benefits than contemplated by the Plan or Plans.

In no event shall any of the funds revert to or be recoverable by any Employee, Employer or Union.

Unless sooner terminated, this Trust shall terminate upon the death of the last survivor of the persons entitled to benefits hereunder; in the event the Trust hereby created is subject to any rule against perpetuities existing in the State of Washington, the Trust shall terminate at the end of the maximum time permitted under such rule; provided, however, that if, as and when this Trust without the benefit of this

provision shall not violate the rule against perpetuities, then this provision shall be of no force or effect, and this Trust shall continue in perpetuity unless otherwise terminated.

ARTICLE XIII
Situs and Construction of Trust

This Trust is accepted by the Trustees in the State of Washington. All questions concerning its validity, construction and administration shall be determined in accordance with the Employee Retirement Income Security Act of 1974, and other applicable Federal law, and to the extent applicable, in accordance with the laws of the State of Washington.

ARTICLE XIV
Severability

If any provision of this Trust Agreement is held to be illegal or invalid for any reason, such illegality or invalidity shall not affect the remaining portions of the Agreement.

TRUSTEES OF WASHINGTON TEAMSTERS WELFARE TRUST

Union Trustees

Steven Chandler
Leonard Crouch
John Emrick
Rich Ewing
Mark Fuller
Bob Hawks
Rick Hicks
Val Holstrom
Darren O'Neil
Scott Sullivan
Tracey Thompson

Employer Trustees

Terry Bodwin
Jerry D'Ambrosio
Brian Isom
John Mack
Yvonne Peters
H.L. Ravenscraft
Doug Ruygrok
Steve Manuszak
Randall Zeiler