FIRST AMENDED AND RESTATED DECLARATION OF TRUST

LAKE HAVASU UNIFIED SCHOOL DISTRICT NUMBER 1

EMPLOYEE BENEFIT TRUST

Effective

_____

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FIRST AMENDED AND RESTATED DECLARATION OF TRUST

THIS FIRST AMENDED AND RESTATED DECLARATION OF TRUST ("Agreement") is made and entered into _____, between Lake Havasu Unified School District Number 1, a School District, hereinafter referred to as the "School" and certain persons hereinafter referred to as the "Trustees" to administer the Trust in accordance with the terms and provisions of this instrument.

WITNESSETH:

WHEREAS, Lake Havasu Unified School District Number 1 hereinafter designated and referred to as "School", and certain employees of said School hereinafter designated and referred to as "Employees", desire to enter into a program of providing and maintaining health and welfare benefits for Employees of the School and certain members of their families which program is to be administered by the Trustees; and

WHEREAS, to effect the aforesaid purpose it is mutually desirable by and between the parties hereto to declare and create a Trust which establishes a Trust Fund for and in the manner more particularly set forth herein, and

WHEREAS, the Employees and School which accept this Agreement and agree to be bound by the provisions hereof shall, upon acceptance by the Trustees, be deemed a party to this Agreement.

NOW THEREFORE, in consideration of the promises, covenants, agreements, terms, obligations and duties herein set forth, it is understood and agreed as follows:

ARTICLE I
DEFINITIONS

It is mutually understood and agreed by and between the parties hereto that the following are and shall be the definitions:

SECTION 1.01 The term "Health and Welfare Program" shall mean the program of benefits to be established by the Trustees pursuant to this Agreement.

SECTION 1.02 The term "Employee" herein shall mean all persons who have been employed by the School on a regular basis, who work not less than 30 hours per week, and who are not eligible for benefits under any other Health and Welfare program to which School makes contributions.

SECTION 1.03 The term “Agreement" shall mean and refer to this Agreement and any modifications or amendments thereto.

SECTION 1.04 The term "Fund" as used herein shall mean the Trust Fund created by this instrument, and shall mean generally the monies, property, contracts, or things of value, tangible or intangible, received and held by the Trustee for the uses, purposes, and Trust set forth therein, and those things of value which comprise the corpus and additions to the Fund.

SECTION 1.05 The term "Trustees" as used herein shall mean the Trustees and their successors provided for in this Agreement.

SECTION 1.06 The name of this Trust is and shall be Lake Havasu Unified School District Number 1 Employee Benefit Trust (the “Trust”).

SECTION 1.07 The term "School Contributions" does and shall mean the contributions made by Lake Havasu Unified School District Number 1 to the Fund for the Health and Welfare Program.

SECTION 1.08 The term "Employee Contribution" does and shall mean the contributions made by the Employees of Lake Havasu Unified School District Number 1 to said Fund.

SECTION 1.09 The term "School" does and shall mean Lake Havasu Unified School District Number 1, a School District organized and existing under the laws of the State of Arizona.

SECTION 1.10 The term "Plan Document" does and shall mean the document containing certain self-funded health and welfare benefits.

ARTICLE II
PURPOSE OF TRUST AND APPLICATION OF THE FUND

FUND
SECTION 2.01 There is hereby declared and created the Lake Havasu Unified School District Number 1 Employee Benefit Trust: To establish a Trust Fund to provide benefits for, but not limited or restricted to Life, Accidental Death and Dismemberment, Weekly Income, Long Term Disability, Basic or Major Medical coverages for accidents or sicknesses, dental, vision and any other benefits as determined by the Trustees for employees and their dependent families; whether through self-funded or insured programs or both. The Trustees shall have the power to enter into contracts, procure insurance policies, or provide such benefits through self-funding, and to place into effect and maintain the desirable Schedule of Benefits.

PRINCIPAL OFFICE

SECTION 2.02 The Trust shall have its principal office in the City of Lake Havasu City, County of Mohave, State of Ari zona (hereinafter designated and referred to as Principal Office).

ARTICLE III

POWERS AND DUTIES OF TRUSTEES

TRUSTEES

SECTION 3.01 The School hereby appoints and designates:

Cinda Ross
Colleen Pankow
Kari Thompson
Pat Rooney
Hal Christiansen

as Trustees, who, with their successors appointed as hereinafter provided shall be known as the Trustees.

ACCEPTANCE

SECTION 3.02 The Trustees named in the preceding Section by signing their signatures to this Agreement, hereby accept the Trust and Trusteeship and declares they will receive and hold the Fund by virtue of this Agreement for the uses and purposes and with the powers and duties herein set forth and none other. The Trustees shall faithfully keep and hold any and all monies they receive as Trustees for the purpose of the Trust and keep adequate and proper records thereof.

DUTIES

SECTION 3.03 The Trustees shall hold, manage, care for and keep the Fund and collect the income and increments thereof, and shall keep and maintain adequate and proper records to render an annual audit, accounting and reports as hereinafter mentioned. The Trustees shall employ or hire such agents, attorneys, accountants, actuaries, employees or other persons and to lease premises and equipment as may be necessary or desirable in administering the Fund and carrying out its purposes and the fees, salaries, wages, emoluments or compensation of any and all such persons shall be paid from the Fund. When acting upon the advice of counsel for the Trust, the Trustees shall be relieved of all responsibility for acts done or not done. The Trustees may pay any and all taxes of whatsoever nature the Fund is or may be obligated to pay, and incur any expenses for supplies, rental of space or other items or anything else believed to be necessary or desirable in administering the Fund and carrying out the objects and purposes of this Agreement. The Trustees shall have all right, power and authority to do all those things

which, in the opinion of the Trustees may be necessary or desirable for the administration and operation of and accomplishments of the objects and purposes of the Fund and this Agreement.

TRUSTEES' AUTHORITY

SECTION 3.04 The Trustees, in carrying out the purposes of this Agreement, shall have the power and the right to provide the intended benefits under this Trust by means of direct or self-funding by the Trust and/or by the procurement of group insurance contracts (permissible under the laws of Arizona) including group insurance contracts issued to and in the name of the Trust, together with such other forms of contracts issued by qualified insurance companies authorized to do business in the State of Arizona as may be selected by the Trustees for the purpose of providing for all or part of the benefits provided for under this Trust. The Trustees are hereby expressly authorized to pay to any insurance company as may be selected by the Trustees, the required insurance premiums and/or fees in connection with such group insurance contracts issued to the Trust. Whether or not benefits are provided by means of direct or self-funding or by the procurement of group insurance, such decision shall be at the sole and exclusive discretion of the Trustees.

Should the Trustees select or provide for any policy or any program of self-funding, no claims for benefits or no claims for liabilities shall be brought against the Trustees. The sole and exclusive liability of said Trustees in the management and operation of any program of self-funding shall be limited to due care in the selection of administrators, claim representatives, actuaries, benefit consultants or other officials charged with the administration of such a program of self-funding.

BENEFITS TO BE PROVIDED

SECTION 3.05 The Trustees may, subject to their discretion and the continuing right to change, obtain for the beneficiaries of the Trust, the following forms of employee benefits but not limited to:

1. Accidental and Sickness Weekly Indemnity
2. Long-Term Disability
3. Accidental Death and Dismemberment
4. Dental Benefits
5. Life Insurance (Term)
6. Hospital, surgical and medical, and other group health products customarily made available to employee groups.
7. Vision.

DEPOSITS AND INVESTMENTS

SECTION 3.06 All corpus or portions of the Fund not expended under Article III may be deposited by the Trustees in the name of the Trust in such depository or depositories as the Trustees shall from time to time select, and any such deposit or deposits should carry or bear interest. The Trustees are empowered to receive for the benefit of the Fund such interest as might accrue on the above deposits. If not so deposited, any accumulated funds not currently required for the purposes of this Trust shall be invested by the Trustees in reasonably secure, reasonably liquid investments as permitted by statute.

The Trustees may accumulate dividends or experience rating refunds or other monies, if any accruing from any insurance policy or policies, deposits or investments. Such dividends, refunds or other monies, or all of them, shall be held in the Fund, applied to the payment of self-funded claims, the payment of insurance premiums, or held, used or applied as herein set forth.

COMPENSATION

SECTION 3.07 The Trustees shall receive reimbursement for actual reasonable expenses incurred.

SECTION 3.08 The Trustees shall not receive compensation for their services rendered.

OTHER PERSONS AND INTERPRETATIONS

SECTION 3.09 No person who is dealing with the Trustees shall be obligated to see to the application of any monies or property of the Fund, or to see that the terms of this Agreement have been complied with or to inquire as to the necessity or expediency of any act of the Trustees. Every instrument executed by the Trustees or by their direction shall be conclusive in favor of every person who in good faith relies upon it, that (a) at the time of the delivery of the instrument this Agreement was in full force and effect, (b) the instrument was executed in accordance with the terms and conditions of this Agreement, and (c) the Trustees were duly authorized to execute the instrument or direct its execution.

WITHDRAWALS

SECTION 3.10 All checks, drafts, vouchers, or other withdrawals from the Fund or depositories and the transfer or liquidating of insurance policies or investments shall first be authorized by the Trustees and then signed by appropriate signators as determined by the Trust, except that checks for claims payment under the self-funded benefit provisions of this Trust may be signed by an authorized representative of the Contract Administrator responsible for administering the self-funded benefits.

DISPUTE

SECTION 3.11 In the event there shall be any disagreement between the Trustees and the Contract Administrator over exercise of powers granted herein, the Trustees shall prevail, and the service organization shall have no liability to any person with respect to such act or omission in the event it shall give notice in writing of its dissent from such act to each Trustee and to the School.

EMPLOYEE BOOKLET

SECTION 3.12 The Benefits to be provided hereunder, whether by self-funding or insurance contract, shall be set forth in an Employee Booklet which shall also explain the eligibility rules for coverage for employees and dependents. To the extent there is a conflict between this Agreement and the Employee Booklet, the Employee Booklet shall control.

CHAIRMAN AND RECORDING SECRETARY

SECTION 3.13 The Trustees shall elect from among themselves at their first meeting a Chairman of the Trustees who shall preside at all meetings of the Trustees and who shall be empowered to perform ministerial duties of the Trustees as the Trustees may from time to time delegate to him. The Chairman shall appoint a Recording Secretary who shall keep minutes of all meetings, proceedings, and acts of the Trustees, which records shall be available at the said Principal Office for inspection by all the Trustees and interested persons during usual business hours. Such records and minutes need not be verbatim. The Recording Secretary shall also record the minutes for executive sessions, which shall not be made public, in accordance with the Arizona Public Records law.

MEETINGS

SECTION 3.14 The Trustees shall hold a regular meeting as soon as practical after being appointed and regular meetings shall be held periodically at least once each year after the first regular meeting. The Trustees shall determine the time and place of the regular meeting of the Board. Special meetings of the Trustees may be called by the Chairman. At least seven (7) days' written notice designating the time and place of the annual, regular or any special meeting shall be given to the Trustees. Any meeting at which all Trustees are present, in person, or concerning which all Trustees have waived notice in writing, shall be a valid meeting without the giving of any notice.

ALTERNATE

SECTION 3.15 A Trustee authorized in writing by an absent Trustee, may cast a vote on behalf of such absent Trustee. Any such authorization must be given for each meeting.

VOTING

SECTION 3.16 To constitute a quorum at any regular or special meeting of the Trustees t there must be present in person or by proxy at 1east three (3) Trustees.

MEETING PLACE

SECTION 3.17 All meetings of the Trustees shall be held at such location or locations as designated from time to time, by the Trustees.

SUCCESSORS

SECTION 3.18 The Trustees and their successors, from time to time acting hereunder, shall have all the rights, powers and duties of the original Trustees named herein and the Contract Administrator shall be immediately notified of any successor.

FISCAL YEAR AND AUDIT

SECTION 3.19 The accounting year of the Fund shall be on a fiscal year basis, commencing on the first day of July, 1986 and ending on the last day of June of the following year, and similarly each and every year thereafter. Any report required by law, city, county, State or Federal, or the respective subdivisions thereof, shall be made by the Trustees. The Trustees shall have an annual audit and accounting of the Trust Fund by an independent Certified Public Accountant in accordance with good accounting practices, at the end of each fiscal year. The CPA shall certify to the accuracy of his audit and accounting. A statement of the results of each audit shall be available for inspection by authorized persons at the Principal Office of the Trust. Copies of the audit and generalized statements of the accounting and reports shall be delivered to each Trustee after each audit or at other times when necessary.

RULES AND REGULATIONS

SECTION 3.20 The Trustees shall have the power to adopt rules and regulations for the administration of the Fund and/or Trust, which shall be consistent with covenants, terms, conditions, obligations and duties as set forth in this Agreement, and such rules and regulations shall be binding upon all persons dealing with the Fund and upon any and all persons claiming any benefits hereunder.

BONDS

SECTION 3.21 The Trustees shall procure fidelity bonds for the Trust -and persons authorized to receive, handle, deal with or draw upon the monies in the Fund for any purpose whatsoever, said bonds to be in such reasonable amount to reasonably aid in reimbursing bondable loss of money, and in the event shall meet the requirements as may be required, from time to time by applicable United States or State Law. Such are to be obtained from reputable fidelity or surety company or companies as the Trustees shall determine. If convenient, and in conformity with the Law, such bonds may be position bonds. The cost of the premiums on such bonds shall be paid out of the corpus or income of the Fund. If any fidelity or surety company refuses to bond or write a bond for any Trustee, or other persons as described in this section, said Trustee or person shall not serve and shall resign.

ARTICLE IV
TRUSTEE AND SUCCESSOR TRUSTEES

TRUSTEES

SECTION 4.01 The Health and Welfare Program and Trust shall be administered by the Trustees. If a member of the Governing Board or Employee of the School District is acting as a Trustee, the Trust shall be administered by at least five joint Trustees of whom no more than one may be a member of the Governing Board and no more than one may be an Employee of the School District. The Trustees shall be selected by the School District and may resign or be removed at any time. An alternate Trustee may be appointed, who shall serve in the absence of a regular Trustee. In the event of the removal or resignation of a Trustee, the School shall designate a successor to such Trustee, who, upon acceptance of his/her appointment in writing, shall succeed to the legal interest of his/her predecessor and have the same powers and duties.

SUCCESSORS' LIABILITY

SECTION 4.02 No Successor Trustee shall be liable or responsible for any acts or defaults of his/her predecessor, or for any losses or expenses resulting from or occasioned by anything done or neglected to be done in the administration of Fund or Trust prior to his/her appointment as Trustee, nor shall it be required to inquire into or take any notice of the prior administration of the Fund or Trust. A Successor Trustee is solely responsible for his/her actions as set forth in Article VIII.

ARTICLE V
CONTRIBUTIONS TO THE FUND

SCHOOL CONTRIBUTIONS

SECTION 5.01 In order to effectuate the purpose hereof, the School shall contribute to the Fund an amount determined by the Trustees to be necessary to pay for the benefits provided hereunder. The School contribution shall be due and payable as of the first day of the month as determined by the Trustees.

SCHOOL CONTRIBUTIONS ARE NOT WAGES

SECTION 5.02 The School contributions to be paid into the Fund shall not constitute or be deemed wages due to employees nor shall the school contributions in any manner be liable for or subject to the debts, contracts, or liabilities of the School. Neither the School, any Employee, nor any beneficiary under the Plan shall have any rights, title, or interest in the Fund, except as otherwise specifically provided herein.

EMPLOYEE CONTRIBUTIONS

SECTION 5.03 Employees will be required to contribute to the Fund the amount determined by the Trustees, to be appropriate for the benefits to be provided hereunder. All Employees· contributions shall be due and payable as of the first day of the month as determined by the Trustees.

PAYMENT IN LIEU OF BENEFITS

SECTION 5.04 No employee shall have any right to receive any part of his own or the School contributions paid to him in lieu of benefits.

PAYROLL DEDUCTIONS

SECTION 5.05 All Employees· contributions shall be paid by payroll deductions. The School shall remit all monies obtained through payroll deductions in a lump sum to the Fund, at least once per month, or as otherwise determined by the Trustees.

PAYMENT

SECTION 5.06 All contributions shall be payable to the name of the Trust, and shall be paid in the manner and form determined by the Trustees.

REPORTS

SECTION 5.07 The School shall make all reports required by the Trust. The Trust may at any time have an audit made by an independent Certified Public Accountant of the wage records of the School in connection with their contribution and/or reports.

IRREVOCABILITY OF CONTRIBUTIONS

SECTION 5.08 Subject to the provisions providing for termination of this Agreement in Article XII, all contributions to the Fund shall be irrevocable, and under no circumstances shall any monies properly paid into the Fund, or any part of the Fund, be recoverable by or payable to the School or any Employee, nor shall any of the same be used for or diverted to purposes other than for the exclusive program of benefits for Employees and beneficiaries provided hereunder.

ARTICLE VI

PAYMENT OF BENEFITS

METHOD OF PAYMENT

SECTION 6.01 The Trustees shall arrange for the disbursement of benefits under the Plan through a Contract Administrator appointed by the Trustees.

PROTECTION OF EMPLOYEES

SECTION 6.02 Prior to payment to an Employee or his beneficiary, all assets of the Trust shall be owned by the Trust and shall not be liable in any way for any debt or obligation of any Employee or the School. To the extent permitted by law, all Trust benefits shall be exempt from attachment, garnishment, 1evy of execution, bankruptcy proceedings, or other legal process at any time subject to the Trustee's possession and control; but in any event such assets shall be subject to such process only to the extent of such Employee's benefits hereunder as they fall due.

CLAIM TO BENEFITS

SECTION 6.03 No Employee or other beneficiary shall have any right or claim to benefits under the Health and Welfare Plan except as specified in the policy or policies or contract or contracts or self-funded benefits procured or entered into pursuant to Articles II and III. Any disputes as to eligibility time, amount, or duration of benefits shall be resolved by the appropriate insurance carrier or Contract Administrator, under and pursuant to the policy or contract; and the Employees or other beneficiary shall not have the right or claim in respect thereto against the Fund or Trustees. Any dispute as to eligibility, type, amount, time or duration of benefits provided by the Fund as self-funded, shall be decided by the Trustees, and all disputes shall be finally settled pursuant to Article VII.

FAILURE TO PAY BENEFITS

SECTION 6.04 Neither the School nor the Trustees shall be liable for the failure or omission, or any reason to pay any benefits under the Health and Welfare Plan. If for any reason including, but not limited to epidemics, catastrophes, or normal depletion, the Trustees determine that self-insured funds are insufficient to pay the current claims, the amount of benefits payable to an eligible employee dependent person shall, in all events, be limited to the extent that sufficient self-insured funds are available to the Trustees for the payment of all such claims; and in such event, benefit payments to such eligible employees or dependents shall be limited to the extent that sufficient funds are available from the Trust Fund, and shall be further prorated in such amounts that all such claims shall be treated proportionately equal to the ratio that such total claims bear to the funds that are available for such payment. If any controversy or dispute exists concerning such matters, all disputes or controversies shall be settled by the dispute provision contained in Article VII.

ARTICLE VII
CONTROVERSIES AND DISPUTES

DISPUTES

SECTION 7.01 The Trustees shall have the power to construe, interpret and apply the provisions of this Agreement or any amendments, rules or regulations adopted thereto, and the terms

used herein and any construction, interpretation or application adopted in good faith shall be final and binding upon the School beneficiaries, and Employees and their respective families, dependents, successors, assigns, executors, administrators, and/or legal representatives. Benefit claims will be decided pursuant to Section 6.03 above.

ARTICLE VIII
RESPONSIBILITY

RESPONSIBILITY
SECTION 8.01 The Trustees shall only be responsible for monies when and only after such are received in accordance herewith. The Trustees, or Successor Trustees, shall only be responsible for any liability arising from its respective gross negligence, bad faith or willful misconduct in handling of the monies actually received in hand by it for execution and administration of the terms of the Fund. The Trustees and Successors shall not be responsible for the actions or omissions of his/her Co-Trustees, Successors, nor for the actions or omissions of other agents, or for any of the actions or omissions of any insurance company or its agents, servants, or representatives, including, but not limited to nonpayment of claims by an insurance company or insurance companies for any reason. No Trustee or Successor Trustee shall be entitled to any indemnifications or court costs or attorneys' fees for any liability arising from his/her own willful misconduct, bad faith or gross negligence.

ARTICLE IX
AMENDMENTS

POWER TO AMEND
SECTION 9.01 It is anticipated that in the administration of this Trust, conditions may arise that are not foreseen at the time of execution of this Agreement, and it is the intention of the Trustees, and each and every party or person to this Agreement that the power of amendment which is herein granted be exercised in order to carry out the spirit, object and purposes of this Trust. Therefore, the general power is granted by all parties to this Agreement to the Trustees to amend this Agreement only upon the advice and consent and unanimous agreement of each and every Trustee, and all parties to the Trust and all persons claiming any interest hereunder are and shall be bound thereby. Any such amendment shall be signed by each Trustee or his/her Successor Trustee.

ARTICLE X
NON-VESTING RIGHTS

RIGHTS

SECTION 10.01 No Employee, his family or dependents, beneficiary, nor any other person or group nor their respective successors, assigns nor legal representatives shall have any right, title or interest, vested or otherwise, in or to the Fund, Trust, corpus (income or increments thereto), insurance dividends, cash value, if any, or insurance or benefits or monies payable therefrom, payments from the Fund, or in or to the eligibility requirements for benefits as changed or altered. Any participating Employee who withdraws or ceases to participate in the Program does hereby and shall expressly waive and forfeit any right, title or interest in and to the Fund, its corpus and assets. No Employee, his family nor his dependents, beneficiary, nor any other person or group nor their respective successors, assigns nor legal representatives shall have any right in or to the Trust, Fund, corpus, insurance, dividends, cash value, if any, of insurance, interest, income, benefits, or any benefits or money payable therefrom, or anything arising out of or in this Trust during the term of this Agreement and any benefits he or they may have is forever terminated and discharged upon the Employee's loss of employment with the School (quitting, discharge or otherwise), or when this Agreement is terminated, wound up, and dissolved. No benefit, right or interest, if any of the foregoing, is transferable or assignable by the Employee to another Employee or person, corporate or otherwise except to physicians, hospitals and any other person, or institutions furnishing medical services within the terms of this Agreement. No monies, property, or equity, of whatsoever nature, in the Fund, nor insurance policies or benefits or monies payable therefrom, nor investments, nor deposits nor any part or portion of the Fund, shall be subject in any manner by an Employee, or person claiming through such Employee, to ownership, anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, garnishment, attachment, execution, mortgage, lien or charge of whatsoever nature or kind, and any attempt to cause the same is and shall be null and void.

ARTICLE XI
PROVISIONS RELATING TO INSURANCE COMPANY

SECTION 11.01 No insurance company which may issue any policies or contracts for the purpose of fulfilling the terms of this Agreement shall be deemed to be a party to this Agreement, nor shall it be responsible for the validity of this Agreement, nor is this Agreement in any manner for the benefit of any insurance company or companies. No insurance company shall be required to look into the terms of this Agreement, or to question the authority of or action of the Trustees, or be responsible to verify that any action of the Trustees is authorized by the terms of this Agreement.

ARTICLE XII
TERMINATION OF TRUST

TERMINATION BY THE PARTIES

SECTION 12.01 This Trust may be terminated at any time by an instrument in writing executed by the School's Governing Board, upon the advice and consent of the Trustees.

NOTIFICATION OF TERMINATION

SECTION 12.02 This Trust may be terminated by an instrument in writing duly executed by the School upon 90 days' written notice. If the Trust is in a deficit position including the claims lag determined by the Trustees, the School will share in the liability of the Trust by a guarantee premium.

SECTION 12.03 Upon termination of the Trust in accordance herewith, the Trustees shall forthwith notify all Employees and also all other necessary parties; and the Trustees shall continue as Trustees for the purpose of winding up the affairs of the Trust.

CONTINUE UNTIL WOUND UP

SECTION 12.04 Notwithstanding any provisions herein concerning the duration and termination of this Trust, the Trust shall continue in existence for so long a period as may be necessary to wind up its affairs.

SECTION 12.05 Upon termination of this Trust, any and all monies remaining in the Fund after the payment of all unpaid claims and/or insurance premiums and other expenses and obligations of the Trust, shall be paid or used for the continuance of one or more of the benefits of the character hereinabove contemplated, until such monies have been exhausted.

FINAL ACCOUNTING

SECTION 12.06 At such time as the Trust is terminated, the Trustees shall render a final accounting of the affairs of the Trust and the Trust Fund to the School's Governing Board, and thereafter there shall be no claim or action against the Trustees and they shall have no further responsibility or duties and they shall be discharged.

ARTICLE XIII
MISCELLANEOUS

LAWSUITS

SECTION 13.01 In the event any suit, action or proceeding is brought against the Trust, Trustees, one or more of the Trustees, or the Fund, in connection with any matter arising out of the administration of the Trust or Fund or in connection with this Agreement or in connection with any action or omission of the Trustees, or in the event of any suit, action or proceeding is commenced by the Trustees, including but not limited to a request for a judicial settlement of their accounts, a suit for construction, a bill of interpleader, or any other matter relating to the Trust, the Trustees shall have the power and authority to employ counsel to represent them in any such suit, action or proceeding, including counsel fees and all other costs, shall be paid from the Fund as long as the Trustees have acted in good faith and not with gross negligence, bad faith, or willful misconduct, it being the intent to indemnify the Trustees against all honest mistakes in judgement and all acts of omissions that are not deliberate or willful violations of the duties of the Trustees. In addition, the Trustees shall have the right to commence and prosecute such suits, actions or proceedings as seem to them, necessary and proper in order to protect the interest of the Trust and Fund, and, in this connection, the Trustees shall have the same rights and reimbursements for costs concerning the prosecution of such suits as heretofor described in defending lawsuits.

WORKERS' COMPENSATION

SECTION 13.02 The insurance coverage contemplated by this Agreement shall not apply in any case which is compensable under Worker's Compensation Laws.

FIDUCIARY LIABILITY

SECTION 13.03 The fiduciary liability and funding of all eligible benefits as determined by the Plan Document shall be the sole responsibility of the participating School in the Trust.

SITUS

SECTION 13.04 The City of Lake Havasu, County of Mohave, State of Arizona shall be deemed the situs of the Fund created hereunder. All questions pertaining to validity, construction and administration shall be determined in accordance with the laws of such State and County. This Agreement is deemed, made, executed and delivered in such State.

CONSTRUCTION

SECTION 13.05 Wherever any words are used in this Agreement in the masculine gender, they shall be construed as though they were also in the feminine or neuter gender in all situations where they would so apply, and wherever any words are used in this Agreement in the singular form, they shall be construed as though they were also used in the plural form

in all situations where they would so apply, and wherever any words are used in this Agreement and Declaration of Trust in the plural form they shall be construed as though they were also used in the singular form in all situations where they would so apply.

SEVERABILITY

SECTION 13.06 Should any provision or term in this Agreement be deemed or held to be unlawful or invalid for any reason, such fact shall not adversely affect the provisions herein contained unless such illegality shall make impossible or impractical the functioning of the Trust in such case the appropriate parties shall immediately adopt a new provision to take the place of the illegal or invalid provision.

INTERNAL REVENUE

SECTION 13.07 This Agreement is being entered into and the School contributions are being made upon the condition and understanding of the School that all payments made by the School to this Fund are legally deductible as a business expense of the School for tax purposes under State and Federal laws, and that the same are not taxable to the Employee for compensation. The parties hereto, individually and collectively, agree to take or cause to be taken any and all steps that may be necessary or advisable in order to obtain and maintain a tax-exempt status for this Trust. If any provisions of this Agreement are held to render contributions by the School into the Trust non-deductible for tax purposes, or taxable to the Employee, or to render income received by such Trust non-exempt from taxation, the necessary steps to remedy such non-deductibility or taxability shall be taken immediately.

ARTICLE XIV

STOP LOSS PROVISION

STOP LOSS PROVISION

SECTION 14.01 An integral part of the Trust will be an aggregate stop loss and specific stop loss reinsurance. Stop loss coverage will be provided by an authorized carrier licensed to execute contracts in the State of Arizona.

ARTICLE XV
CAPTIONS

SECTION 15.01 It is understood and agreed that the captions headings are for convenience only and are not and shall not be a part of this Agreement and in no manner whatsoever define limit or expand any of the terms, obligations or conditions hereof.

IN WITNESS HEREOF, the Trustees have affixed his/her signature as of the day and year first above written at Lake Havasu City, Arizona.

[*Signatures to Follow*]

ACCEPTANCE

The undersigned School hereby accepts the foregoing Agreement and agrees to be bound by the provisions thereof.

GOVERNING BOARD

_____

_____

_____

_____

_____

_____

Dated: _____

TRUSTEES

_____

_____

_____

_____

_____

_____