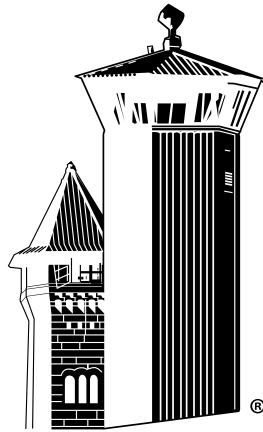


CCPOA Benefit Trust Fund Agreement & Declaration of Trust



Effective Date: April 12, 1987

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CCPOA BENEFIT TRUST FUND AGREEMENT

THE AGREEMENT and DECLARATION of TRUST for the CCPOA Benefit Fund, originally entered into January 1, 1972, and the Agreement and Declaration of Trust for the CCPOA Dental Trust originally entered into August 1, 1975, by and between the Board of Directors of the California Correctional Peace Officers Association (hereinafter referred to as “CCPOA”) and the Trustees of the Benefit Trust and Dental Trust (hereinafter referred to as “Trustees”) is restated in its entirety effective April 12, 1987.

Recitals

The purpose of this Agreement and Declaration of Trust is to provide for the establishment of a CCPOA Benefit Trust Fund which will supersede and replace the existing Benefit Trust and Dental Trust. This new CCPOA Benefit Trust will incorporate the Benefit Trust and Dental Trust, both of which will be maintained in accordance with the terms of the Employee retirement Income Security Act of 1974 (“ERISA”) as amended, and other applicable law. CCPOA is the sponsoring organization of the new Trust. The new CCPOA Benefit Trust may, from time to time, administer other non-ERISA plans.

NOW THEREFORE, in consideration of the mutual undertakings of the parties hereto, it is hereby agreed as follows:

ARTICLE I

NAME AND PURPOSE

Section 1 Name

The official name of the Trust established pursuant to this Trust Agreement is the CCPOA Benefit Trust Fund.

Section 2 Purpose

The purpose of this Trust is to provide health, welfare and death benefits, including but not limited to self-insured plans and contracted insurance plans, either from principal, consisting of but not limited to premium, payroll deductions, or income, or both for the members and retirees of CCPOA, CCPOA employees and Trust employees, and their families, dependents and other beneficiaries pursuant to a Plan (or Plans) adopted hereunder. The Trust will also participate in providing members and retirees of the CCPOA, CCPOA employees and Trust employees with other elective, supplemental benefit plans available through insurance companies which may or may not be serviced by the CCPOA Benefit Trust Fund, but which are administered by the insurance company itself.

The Trust shall consist of all CCPOA member contributions and investments and reinvestment thereof and all interest and income thereon, and all other contributions and receipts of every kind received by the Trustees. The Trust shall be irrevocable (although it may be terminated).

Section 3 Effective Date

The effective date of the new Benefit Trust Fund Agreement is April 12, 1987.

ARTICLE II

USE OF TERMS

Section 1 Definition and Interpretations

Where the following words and phrases appear in this Trust Agreement they shall have the meaning set forth in this Article, unless the context clearly indicates otherwise. Other words and phrases with special meaning are defined where they first appear unless their meaning is apparent from the context.

- A. “Active Employee” means a member of CCPOA or a present employee in Bargaining Unit No. 6.
- B. “Association” means the California Correctional Peace Officers Association and any successor thereto.
- C. “Bargaining Unit No. 6” refers to that Bargaining Unit established under the State Employer-Employee Relations Act of the State of California.
- D. “Beneficiary” means a participant or person designated by a participant or designated by the Plan who is or may become entitled to benefits thereunder.
- E. “Benefits” means those payments or services to which the participants and beneficiaries are or may become entitled under the Plan.
- F. “Benefit Plan” or “Plan” means the separate written documents, together with amendments, adopted by the Trustees pursuant to this Agreement or contracted with any insurance company which sets forth the insurance benefits, rules of eligibility for benefits, and administrative provisions for implementing such benefit Plan.

- G. “Board of Trustees” or “Trustees” mean the Board of Trustees created by this Agreement. The term “Trustees of the CCPOA Benefit Trust Fund” shall have the same meaning.
- H. “Board of Directors”, “State Board of Directors” or “Directors” means the Board of Directors of CCPOA.
- I. “CCPOA” means the California Correctional Peace Officers Association, on voluntary employees’ association which provides for certain life, sick, accident and other benefits to its members or their dependents.
- J. “ERISA” means the Employee Retirements Income Security Act of 1974, 29 U.S.C. 1001 et seq., any amendments thereto, and any lawful regulations issued thereunder.
- K. “Fiduciary” means the Trustees and all persons appointed by them or engaged by them who:
1. Exercise any discretionary authority or discretionary control respecting the management or disposition of the Trust funds;
 2. Render any investment advice for a fee or other compensation; or
 3. Exercise any discretionary authority or responsibility for Plan administration.
- L. “Member” or “Members” means any member in good standing of CCPOA or Bargaining Unit No. 6, either active or retired who is enrolled in an insurance program under this Trust Agreement.
- M. “Participant” means a person who is or was a member of CCPOA or Bargaining Unit No. 6 or who may becoming eligible for benefits under the plan or who otherwise qualifies as a participant under ERISA.

- N. “Party in Interest” means employers of Plan participants, person rendering services to the Plan, associations whose members are Plan participants and their officers, agents, administrators, fiduciaries and employees of an administrator, and relatives, agents and joint venturers of any of the foregoing. This definition is in general terms, and interpretation of the term “party in interest” is meant to comply with ERISA Section 3 (14), as amended, and applicable federal regulations issued thereunder.
- O. “President” or “President of CCPOA” means the elected President of the California Correctional Peace Officers Association.
- P. “Retired Member” includes any employee retired out of employment in Bargaining Unit No. 6 established under the State Employer-Employee Relations Act of the State of California.
- Q. “Trust Agreement” means this Agreement and any changes , amendments and modifications thereof and thereto.
- R. “Trust Fund” means the Trust Fund established by this Agreement and shall include the entire Trust estate which is created and established pursuant thereto. The term “Fund” shall have the same meaning as shall the term CCPOA “Benefit Trust Fund.”

Section 2 Title and Headings Not to Control

The titles to Articles and headings of paragraphs in this Agreement are placed herein for the convenience of reference only and, in case of any conflict, the text of this Agreement rather than such titles or headings shall control.

Section 3 Waiver of Notice

Any notice required under this Agreement or the Plan may be waived by the person entitled thereto as long as such waiver is in accordance with any applicable federal or state law or applicable regulation.

Section 4 Standards of Interpretation

The provisions of this Trust Agreement and any Plan established hereunder are designed and intended to comply with ERISA as amended, and construction or interpretation of the Plan or Trust Agreement shall be adopted as is consistent with the laws of the United States. The Trustees are vested with the power to interpret this Trust and any Plan established thereunder, and their interpretation, if not in conflict with the plain meaning of this Trust Agreement and any Plan established thereunder, and any applicable law or government regulation, shall be final and conclusive.

If the Trustees determine or are advised that regulations, rulings, or Court action may determine issues or disputes, the Trustees may defer action for a reasonable period of time in making a determination hereunder or until such time as they can determine what is a proper determination of that issue.

ARTICLE III

TRUST FUND

Section 1 Amount of Contributions

Each participant shall make such contributions to the Trust Fund as are required. Payments should be accompanied by complete reports on forms furnished or approved by the Trust.

Section 2 Trust Liability

Except as herein expressly provided, neither Trust Fund, any of assets thereof, nor any plans administered by this Trust shall in any manner be liable for, or subject to, the debts, contracts or liabilities of the Association, any employee, any current or former eligible retiree, any employer, or any Trustee thereof (except in his/her capacity as Trustee and only to the extent permitted by ERISA). The assets of any plan administered under this Trust shall not in any manner be liable for, or subject to, the debts, contracts, or liabilities of any other plan administered by this Trust, or subject to the debts of any insurance company that provides coverage to any participant or beneficiary pursuant to any premiums paid by the Trust or plan which it administers.

Section 3 Assignment

No Participant shall have the right to sell, transfer, anticipate, assign, hypothecate, or

otherwise dispose of his or her benefits, or any right or interest under any plans administered by this Trust, and the Board of Trustees shall not recognize or be required to recognize any such sale, transfer, anticipation, assignment, hypothecation or any other disposition; and such benefits, right or interest shall not be subject in any manner to voluntary transfer, or to transfer by operation of law or otherwise, and shall be exempt from the claims of creditors or other claimants and from all orders, decrees, garnishments, executions or other legal or equitable process or proceeding to the fullest extent permissible by law, except that this section shall not prohibit the Trustees from withholding any benefits due a Participant by applying them to offset such Participant's liability to any Plan due to overpayments or payments mistakenly made to that Participant, or his or her beneficiary, by that plan.

Section 4 Recordkeeping and Audits

The Trustees shall maintain such records, checks, check stubs or such other records related to contributions sufficient to permit the Trust to comply with all applicable laws. These records shall be maintained for a period of not less than seven years following the end of the calendar year in which the contribution commences.

Once each fiscal year, the trustees will arrange for an authorized certified public accountant to enter upon the premises of the Trust Fund at a mutually agreeable time during regular business hours to conduct an annual audit. This annual audit shall be presented to the Board of directors for informational purposes only.

Article IV

The Trustees

Section 1 Number of Trustees and Terms

The Fund shall be administered by five (5) Trustees. Three (3) shall be elected at the CCPOA annual convention and two (2) shall be appointed by the President of CCPOA at the CCPOA annual convention. Of the two (2) Trustees appointed by the President, one (1) Trustee shall be from CYA and one (1) Trustee shall be from CDC.

The terms of the Three (3) elected Trustees shall be for three (3) years; the terms of the two (2) appointed Trustees shall be for two (2) years.

Except for the initial Trustees, as set forth in Section 4 herein, all Trustees shall be active (present state employees) as opposed to retired (from state service) members of CCPOA. Any active Trustee who retires during his or her tenure as Trustee may continue to serve out his or her term and shall remain eligible to serve as a Trustee, notwithstanding his or her retiree status. One or more of the initial trustees, as set forth in Section 4 herein, may be retired state employees.

Section 2 Ex-officio Trustees

The President or his/her designee and the Treasurer of CCPOA shall be non-voting, ex-officio members of the board of Trustees.

Section 3 Method of Election and Appointment

The annual election for any Trustee position shall be held at CCPOA's annual convention. All CCPOA members eligible to serve as Trustees must file a "Notice of Intent to Run for Trustee" sixty (60) days prior to the convention. Such Notice must be filed with the CCPOA Secretary with a copy sent to the President.

After the election of a Trustee position, but during the convention, the President shall appoint a Trustee. The Presidential appointment shall be presented to the State Board of Directors for ratification. During or after the convention, the State Board of Directors shall meet and decide on ratification of that appointed Trustee or a successor Trustee until a Trustee is appointed and ratified.

Section 4 Selection of the Initial Trustees

In order to insure that the new CCPOA Benefit Trust becomes effective April 12, 1987, the present five (5) incumbent members of the CCPOA Insurance Committee shall serve as the initial Trustees until the first subsequent annual convention.

At the first subsequent annual convention following the effective date of this Trust Agreement, three (3) Trustees shall be elected and two (2) Trustees shall be appointed. The first election shall be for a Trustee to serve a three (3) year term. The second election shall be for a Trustees to serve a two (2) year term. The third election shall be for a Trustees to serve a one (1) year term. The elections for the three (3) Trustees shall be held consecutively rather than contemporaneously. Following the election of three (3) Trustees, the President shall appoint two (2) Trustees. One appointed Trustee shall be from CYA and shall serve a two (2) year term. One appointed Trustee shall be from CDC and shall serve an initial one (1) year term.

After the first three (3) years, only one Trustee shall be elected at the annual convention to his or her three (3) year term, as set forth herein in Section 1. Thereafter, at all subsequent conventions, the Trustees' terms shall be as set forth in Section 1 hereinabove.

Section 5 Membership Requirement

Except as set forth herein in Section 1, each person appointed or elected as Trustee shall be an active member in good standing of CCPOA and/or Bargaining Unit No.6 and shall be a participant in the Benefit Trust.

Section 6 Removal of Trustees

The Board of Directors may, by a $\frac{3}{4}$ vote, remove any Trustee, either appointed or elected, on grounds of malfeasance.

No vacancy or vacancies in the offices of the Trustees shall impair the power of the remaining Trustees acting in the manner herein provided to administer the affairs of the Trust.

Section 7 Resignation of Trustees.

A Trustee may resign upon giving a minimum of thirty (30) day's written notice to the remaining Trustees in which notice there shall be stated a date when such resignation shall take effect. Such resignation shall take effect on the date specified in the notice or on another alternate date, unless a successor Trustee shall have been appointed at an earlier date, in which event such resignation shall take effect immediately upon the appointment of said successor Trustee. The remaining Trustees shall establish the effective date of a Trustee's resignation if the resigning Trustee does not state a date when the resignation takes place.

The appointment of successor Trustees shall be made by the President and subject to ratification by the Board of Directors. In the event that the Board or Directors refuses to ratify the appointment of a successor Trustee, the successor Trustee shall be removed and the President shall nominate an alternate successor Trustee, subject to ratification by the Board of Directors.

Section 8 Rights of Successor Trustees

Any successor Trustee shall, immediately upon his or her appointment as a successor Trustee and his or her acceptance of the Trusteeship in writing, become vested with all the property, rights, powers and duties of a Trustee hereunder with like effect as if originally named as a Trustee, and all the Trustees then in office and the insurance carrier of each policy shall be immediately notified.

Section 9 Duty of Retiring Trustee

Any Trustee who resigns or who is removed shall forthwith turn over to the remaining Trustees at the principal office of the Trust any and all records, books, documents, monies and other property in his or her possession or under his or her control which belong to the Trust, or which were received by his or her capacity as Trustee, if so requested by the Board of Directors.

Section 10 Power of Board of Trustees in Event of Vacancy

If four or more Trustees are serving on the Board of Trustees, no vacancies in the office of the Trustees shall impair the power of the remaining Trustees to administer the affairs of the Trust.

ARTICLE V

OFFICERS, MEETINGS, VOTING

RESOLUTIONS OF DEADLOCKS AND DISPUTES

Section 1 Chairperson and Vice Chairperson of Board of Trustees

The Trustees shall select a Chairperson and a Vice Chairperson. The Trustees may select such other officers with such powers as they deem advisable. (The Trustees may appoint one of their own or any other person to be secretary.) The term for each office shall be one year.

If the Chairperson is absent from a Trust meeting, the Vice-Chairperson shall chair such meeting. If both the Chairperson and the Vice-Chairperson are absent from a meeting, the Trustees shall select one of themselves to chair such meeting.

Section 2 Time and Place of Meetings

The Board of Trustees shall determine the time and place of its regular meetings but shall meet at least quarterly. Notice of each regular meeting shall be given to all Trustees at least ten (10) days prior to the date of such meeting.

Section 3 Special Meetings

The Chairperson, Vice Chairperson or any Trustee shall have the power to call a special meeting of the Board of Trustees. Written Notice of a special meeting must be given to all other Trustees at least five (5) days before the date set for such meeting, specifying the time and place of such meeting. Special meetings shall be held at the principal office of the Trust, or at the place specified by the Board of Trustees for holding its regular meetings, or at such other place as all Trustees may agree upon. Any notice of meeting shall be sufficient if sent by postpaid, first class mail, or by prepaid telegram, addressed to the Trustee at his or her home address shown in the

records of the Board of Trustees or by hand-delivery to such Trustees. The Board of Trustees shall have the power to take any action at a special meeting which it might take at a regular meeting, except that the notice of special meeting must specify the matters to be considered at such meeting; in which event, only those matters specified in the notice may be considered or acted upon. Any meeting at which all Trustees are present, or concerning which all Trustees waive notice in writing, shall not be invalid for want of notice.

Section 4 Ratification by Trustees

Any Trustee may ratify any action taken by other Trustees at any meeting, and such ratification shall have the same effect the Trustee's vote would have had if it had been cast by him or her in person at the meeting. Any action taken by any number of Trustees at any meeting shall be valid if ratified by all absent Trustees, or, in the case of a meeting which would have been invalid for want of notice, if ratified by all absent Trustees who were not properly notified. The Trustees may take any action without a meeting, provided that all of the Trustees sign a written consent to such action.

Section 5 Quorum and Action of Board of Trustees

The exercise of any power or right reserved to the Trustees or conferred upon them hereunder shall be only by a majority of the Trustees at a meeting of the Trustees duly called, or by the signed concurrence of all Trustees thereto in the event there is no such meeting.

Section 6 Deadlock of Trustees

In the event that the Trustees deadlock on the administration of the Fund or on any matter arising under this Agreement or the Plan, the Trustees shall agree upon an impartial umpire to decide such dispute, or upon a mutually satisfactory method for selecting said umpire. In case an impartial umpire who is willing to act is not selected within thirty days of a written request for arbitration, any Trustee may petition the United States District Court for the district where the Fund has its principal office to appoint such an umpire. The impartial umpire shall have no power to alter, amend, add to, or take away from any of the terms of this Trust Agreement. The decision of the impartial umpire shall be final and binding upon the parties and the beneficiaries of the Plan and this Agreement.

Any costs and attorney's fees in connection with the dispute shall be paid out of the Trust Fund, including any reasonable compensation to such umpire, unless otherwise agreed to by the parties. Differences arising as to the interpretation or application of the provisions of this Trust Agreement or of any Plan, or relating to benefits provided for thereunder, shall be resolved by the impartial umpire.

Section 7 Rules of Procedures

The Board of Trustees is empowered to adopt such rules of procedure for the conduct of its meetings and determine the time and place of the meeting, provided such rules and determinations are not in conflict with this Trust Agreement. The Board of Trustees shall adopt an Accounting Procedures Manual and have the discretion to adopt such other rules and procedures for the administration of the Plan and Trust as it deems appropriate.

ARTICLE VI

POWERS AND DUTIES OF TRUSTEES

Section 1 General Rules/Named Fiduciaries

The Board of Trustees shall be the “named fiduciaries” required by ERISA. Other persons shall be fiduciaries only to the extent they have discretionary authority or discretionary control respecting management of the Trust or Plan; or exercise any authority or control respecting management or disposition of Trust assets; or have any discretionary authority or discretionary responsibility in the administration of the Plan; or render investment advice for a fee or other compensation, direct or indirect, or have any authority or responsibility to do so. Any person or group of persons may serve in more than one fiduciary capacity with respect to the Plan and Trust.

It is not intended that any attorney, accountant, broker, actuary, office personnel or consultant (other than an Investment Manager) shall be a “fiduciary” simply as a result of performing service for the Trust pursuant to agreement with the Board. Therefore, such persons shall not perform acts of the type set forth above which would make them fiduciaries except as specifically authorized by the Board.

Section 2 Powers Granted to Trustees

The Trustees shall have the power and authority in their sole, absolute and uncontrolled discretion to control and manage the operation and administration of the Plan and shall have all powers necessary to accomplish these purposes. The Plan Administrator of any Plan established hereunder shall report directly to the Board of Trustees. The Board of Trustees shall be considered the “named fiduciary” as provided for in ERISA.

The powers granted to the Trustees herein are in addition to, and not in limitation of, all powers granted to the Trustees by common law, statute, and other provisions of the Trust Agreement; are exercisable from time to time, and are not powers to be considered exhausted by their exercise on one (1) or more occasions; and are exercisable in the sole discretion of the Trustees. Unless specifically limited by law, the Trustees shall have the powers, responsibility and authority to administer the Trust and to do all acts they consider to be in the best interest of the Trust or of any Participant or Beneficiary, and shall include but not be limited to the right to exercise any or all of the following powers:

- A. Determine all questions relating to the eligibility of employees to participate;
- B. Determine the amount and kind of benefits payable to any participant, spouse or beneficiary;
- C. Establish and reduce to writing and distribute to any participant or beneficiary a claims procedure, administer that procedure including the processing and determination of all appeals thereunder;
- D. Interpret the provision of the Plan including the publication of rules for the regulation of the Plan as in its sole, absolute and uncontrollable discretion are deemed necessary or advisable, and which are not inconsistent with the express terms hereof or ERISA;
- E. Establish Plans. To establish such plans of benefits to be provided, the eligibility requirements and any other matters applicable to such plan;

- F. Investments. To invest and reinvest (or encumber) funds of the Trust in any investments as set forth in Article VII and as permitted by law;
- G. Interpret Trust and Plans. Specifically limit and define the individuals entitled to interpret the provisions of the Trust Agreement and any Plan adopted thereunder. The Trustees shall have the exclusive and discretionary right to interpret and construe the Trust document and the plan document of any plan or program established or administered by the Trust and to decide any and all matters arising thereunder, including the right to interpret plan terms and or remedy possible ambiguities, inequities, inconsistencies as well as to determine factual matters or omissions. All interpretations and decisions of the Trustees with respect to any matters hereunder shall be final, conclusive and binding on all parties affected thereby;
- H. Lawsuits. To sue or to be sued on behalf of the Trust and to be the only necessary parties plaintiff or defendant in any such action;
- I. Settle Claims. To accept, compromise, arbitrate or otherwise settle any obligation, liability or claim involving this Trust, including any claim asserted for taxes under present or future law. The Trustees may also enforce or contest any such obligation, liability or claim by appropriate legal proceedings, but they shall not be obliged to do so unless, in their judgement, it is in the best interests of the Trust to do so.
- J. Deposits in Financial Institutions. To receive contributions from the members and, at the discretion of the Trustees, to deposit such monies in a bank, savings and loan or other financial institution, subject to the supervision of appropriate state or federal authorities.
- K. Administrative Functions. To provide for the administration of the Trust and Plan by delegating administrative functions to the Plan Administrator who may be an

independent contractor with his own office and staff, or alternatively, the Trustees may engage the services of an administrator and delegate any of the functions the Trustees may deem including but not limited to:

1. Establish and maintain an office;
2. Establish written procedures concerning collection of assets or income and payment of debts or expenses in connection with Trust administration;
3. Make and change from time to time and enforce the rules and regulations for the administration of the Plan and the benefits provided under it, including:
 - a. Questions relating to the eligibility of members to become participants;
 - b. The amount and kind of payments to be made to person entitled to benefits;
 - c. The rights of participants and beneficiaries;
 - d. Similar or related questions.

The Administrator shall be a “fiduciary” and may be an Employee of another Trust or entity, and Employee of this Trust, an association representative or an independent contractor. The duties of the Administrator shall be specified in a written agreement with the Trust.

- L. Procure Group Insurance. To procure a policy or policies, or group insurance, for the provision of any benefits under the Trust Agreement or any Plan established hereunder, and to do any and all acts necessary or advisable to effectuate such group insurance plan.
- M. Employ Person/Consultants. To employ one (1) or more persons to assist the Trustees in administering the Plan, to provide collection and payment services, to render investment or administrative advice, or to perform such other fiduciary functions

as the Trustees consider advisable. All such engagements involving delegation of fiduciary duties shall be pursuant to a written contract between the consultants and the Trustees, which contract shall constitute acceptance by the consultant to be bound by, and to be subject to, the fiduciary obligations of the Trust Agreement, and which contract shall clearly set forth the responsibilities delegated to, and accepted by, the consultant. Investment of the Trust funds may be by segregated funds under different investment management.

Any agreement with such persons or entities may be for any reasonable period. At the Trustees' discretion, a letter-agreement between the consultant/agent or the party may be satisfactory.

The Board of Trustees shall have the exclusive authority to hire and fire all employees of the Insurance Benefit Trust or any other trust adopted hereafter. All personnel matters shall be subject to the rules and regulations adopted under the Trust's Operating Procedures. The Board of Trustees may delegate the authority to hire and fire Trust personnel, if a majority of the Board of Trustees so elects.

- N. Delegate Investment Management. To delegate to a state or national banking or savings and loan association, an investment firm or association, an investment consultant, or to an insurance company, as fiduciary, the duty of managing the funds and assets of the Trust, including the duties of collection and payment, investments and reinvestment, in such manner and to the extent considered desirable by the Trustees and permitted under the terms of the Trust Agreement and under applicable law.
- O. Loan Agreements. To enter into loan, subordination and/or guarantee agreements, which, in the business judgment of the Trustees, are desirable to protect or enhance any investment in which the Trust holds an interest.

- P. Errors and Omissions Insurance. To purchase on behalf of the Trust, errors and omissions policies to protect the funds of the Trust. To the extent permitted by law, individual fiduciaries may purchase Rider Coverage on the individual behalf of each to protect against individual recourse.
- Q. Maintain an Office. To establish and maintain an office for the Trust which shall be staffed in such manner as the Trustees deem appropriate. The Trust Administrative Office personnel and costs may be shared with other trusts and/or plans to reduce the expenses of the Trust, achieve greater efficiency and/or provide better service to the participants.
- R. Reciprocity Agreements. To enter into reciprocity agreements with the Trustees of other qualified trusts upon terms mutually agreeable, actuarially sound and lawful.
- S. Reserves. To establish and accumulate such reserve funds as they deem appropriate in accordance with ERISA and other federal law and any lawful regulations issued thereunder.
- T. Policies and Procedures. To adopt uniform procedures, rules and regulations for the administration of the Trust and any adopted Plan which are consistent with the terms and intent of this Agreement and the relevant Plan.
- U. Check Writing and Documents. To authorize such persons or entities as they deem appropriate to execute checks drawn on any bank account, or to issue checks bearing facsimile signatures of such person. Any two Trustees may execute any contracts or other legal documents on behalf of the Trust if so authorized by the Board of Trustees. Instructions or communications to any fund custodian, Administrator, investment manager, or other persons shall be similarly executed or may be executed in such other manner as the Board of Trustees may authorize.

- V. Set Salaries. To establish and periodically review the wages and salaries of all employees of the Trustee.

Section 3 Duties of Fiduciaries

In addition to any fiduciary obligations which may be provided for elsewhere in this Trust Agreement or which are established by law, all fiduciaries shall have the responsibility to perform as follows:

- A. Manage Trust for Beneficiaries. To manage the Trust in accordance with the Trust Agreement, and solely in the interests of the participants and beneficiaries, and for the exclusive purpose of providing benefits to participants and to their beneficiaries.
- B. Act Prudently. To discharge their duties with the care, prudence and diligence that a prudent person, familiar with such matters and acting in a like capacity and under similar circumstances, would use in the conduct of similar business. No decision shall be made by any Trustee unless that Trustee has reviewed all available information.
- C. Diversify Investments. To diversify the investments of the Trust in order to minimize the risk of large losses, unless, under the circumstances, it is clearly prudent not to do so.
- D. Maintain Adequate Records. To see that records are maintained which will provided in sufficient detail the basic information and date necessary to verify, explain, clarify, or check for accuracy any reports required by local, state or federal agencies, for periods of not less than seven (7) years after the filing date of such reports, or seven (7) years after the date on which such reports would have been filed but for an exemption under applicable law. All bonds shall be in a form or the type and in the amount approved by the Secretary of Labor.

- E. File Government Reports. To file with local, state and federal agencies all reports required by law.
- F. Complete Annual Audit. To engage annually an independent, qualified certified public accountant, who shall conduct such an examination of any financial statements of the Trust and of other books and records of the Trust as the accountant may consider necessary. Such examination by the certified public accountant shall be conducted in accordance with generally accepted auditing standards, and shall involved such tests of the books and records of the Trust as are considered necessary by the accountant.

Section 4 Prohibited Transactions

Except as exempted by ERISA Section 408, or unless waived by the Secretary of Labor or by the Secretary of the Treasure, the Trustees shall not cause the Trust to engage in any transaction which constitutes a direct or indirect:

- A. Sale, exchange or lease of any property between the Trust and a party in interest;
- B. Lending of money or other extension of credit between a Trust and a party in interest;
- C. Furnishing of goods, services or facilities between the Trust and a party in interest;
- D. Transfer to, or use by or for the benefit of, a party in interest of any assets of the Trust (other than authorized dues deductions from amounts due participants pursuant to written authorizations by participants);

- E. Acquisition, on behalf of the Trust, of any security or real property in excess of ten percent (10%) of the Trust assets.

Section 5 Restrictions Upon Actions

A. A fiduciary shall not:

1. Utilize the assets of the Trust in his or her own interest or for his or her own account.
2. In his or her individual or any other capacity, act in a transaction involving the Trust on behalf of a party whose interests are adverse to the interests of the Trust or its participants.
3. Receive consideration for his or her own personal account from any party dealing with the Trust in connection with a transaction involving the assets of the Trust.
4. Maintain the indicia of ownership of Plan assets outside the jurisdiction of the District Court of the United States.

B. Nothing in this section shall be interpreted to prohibit a fiduciary from:

1. Receiving any benefits to which he or she may be entitled as a participant or beneficiary of the Trust.
2. Receiving reasonable compensation for loss of salary as a correctional peace officer while engaged in services for the Trust or for the reimbursement of expenses properly and actually incurred in the performance as a fiduciary of the Trust.
3. Serving as a fiduciary in addition to being an officer, employee, agent, or other representative of a party in interest.

Section 6 Breach of Fiduciary Duty.

Any fiduciary who, while acting as or serving as a fiduciary, breaches any of the responsibilities, obligations or duties imposed upon him or her by the Trust Agreement or by law shall be personally liable to make good to the Trust any losses resulting from such breach, and to restore to the Trust any profits which may have been made through the use of the Trust assets. In addition, such fiduciary shall be subject to other equitable or remedial relief as the court may deems appropriate, including his or her removal as a fiduciary, and reimbursement to the Trust of attorneys' fees and costs incurred by the Trust as a result of a breach of fiduciary responsibility by a Trustee. The Trust may, on advice of counsel, utilize Trust assets to pay attorney's fees and costs incurred in the defense of an individual Trustee accused of breaching his or her fiduciary responsibility, provided that such Trustee consents, by written agreement, to reimburse the Trust for such attorneys fees and costs if such trustee is found by a court of competent jurisdiction, after all appeals have been exhausted or the time for same has run, to have in fact breached his or her fiduciary responsibility to the Trust and /or its participants.

Section 7 Allocation of Fiduciary Responsibilities

Fiduciary responsibilities may be allocated or delegated as follows, so long as the allocation or delegation meets the fiduciary standards set forth above and is evidenced by an appropriate resolution of the board of Trustees:

- A. Any responsibility to manage or control Plan assets may be allocated only among the Trustees and any Fund Custodian, except insofar as such responsibility is delegated to an Investment Manager as provided hereafter.

- B. Other responsibilities may be allocated or delegated to any person, but any participant or beneficiary whose claim for benefits is denied shall have the right to have the denial ultimately reviewed by the Board of Trustees itself except insofar as it may be permissible under ERISA for any other firm or person to make a final decision on review.

Section 8 Breach of Co-Fiduciary

- A. The fiduciaries shall jointly manage and control the assets of the Trust, unless the Trust Agreement or the Trustees specifically allocated responsibilities, obligations or duties among the fiduciaries, and each fiduciary shall use reasonable care to prevent a co-fiduciary from committing a breach of a fiduciary responsibility. A fiduciary shall be liable for a breach of fiduciary responsibility of another co-fiduciary in the event:
1. He or she knowingly participates in, or undertakes to conceal, an act or omission of the co-fiduciary, knowing such act or omission is a breach;
 2. If, by his or her failure to discharge his or her duties prudently and in accordance with the obligations set forth in this Trust Agreement, he or she has enabled the co-fiduciary to commit the breach; or
 3. If he or she has knowledge of a breach by a co-fiduciary and makes no reasonable effort under the circumstances to remedy such breach.
- B. In the event the responsibilities of the Trustees are allocated specifically to each of the Trustees or to other fiduciaries, an individual fiduciary shall not be liable for an act or omission of another fiduciary in carrying out such responsibility, except to the extent that the appointing fiduciary failed to use prudence or failed to consider the interests of the participants or beneficiaries (1) in the appointment of the fiduciary;

(2) in the allocation of the responsibility; (3) with respect to the establishment or implementation of the procedures under which the responsibilities were allocated; or (4) in continuing to prevent such allocation or designation.

- C. To the extent allowed by law, fiduciaries are not to be liable with respect to a breach of a fiduciary duty if such breach was committed before they became fiduciaries or after they ceased to be fiduciaries.

Section 9 Fiduciary Insurance

Nothing in this Article shall preclude:

- A. The Trust from purchasing insurance for its fiduciaries or for itself to cover liabilities or losses occurring by reason of the act or omission of a fiduciary, if such insurance permits recourse by the insured against the fiduciary in the case of the breach of a fiduciary obligation by such fiduciary; or
- B. A fiduciary from purchasing insurance to cover liability under this part from or for his or her own account.

Section 10 Persons Prohibited From Being Fiduciaries

No person who has been convicted of, or who has been imprisoned as a result of his or her conviction of, those crimes set forth in §411 of ERISA shall be permitted to serve as an Administrator, fiduciary, officer, Trustee, custodian, counsel, agent or employee of the Trust, or as a consultant to the Trust, during or for five (5) years after such conviction or after the end of such imprisonment, whichever is later, unless (a) his or her citizenship rights, having been revoked as a result of such conviction, have been fully restored; or (b) the Board of Parole of the United States Department of Justice determines that such person's service would be permissible under law.

Section 11 Compensation and Expenses

To the extent approved by the Board of Trustees, fiduciaries may receive reasonable compensation for loss of salary as a correctional peace officer while engaged in fiduciary duties.

To the extent authorized by the Board of Trustees, all fiduciaries may be reimbursed for expenses actually and properly incurred in accordance with the performance of their duties hereunder, or given an appropriate advance against such reimbursement subject to immediate repayment if the advance should exceed the amount to which they are entitled hereunder. Expenses for which reimbursement may be authorized shall include, without limitation, those incurred in attendance at meetings and other functions of the Board of Trustees or its committees, or in attendance at institutes, seminars, conferences or workshops relating to matters of common interest to trusts.

Section 12 Payment of Benefits

Unless specifically provided by law, the Trustees shall not make any payments or distribution to any person entitled to any benefits except to the beneficiary personally; provided, however, that, if a beneficiary is a minor or is considered by the Trustees to be incompetent, then any payment due may be paid to such person and in such manner as the Trustees, in their sole discretion, consider to be in the best interest of the beneficiary for whom the payment is made. The Trustees shall not be under any duty to see to the application of funds so paid, provided due care was exercised in the selection of the person to whom funds were paid, and the receipt of the person to whom funds were paid shall be full acquittance to the Trustees. The Trustees shall not be liable to any person for a determination made in good faith that a beneficiary is incompetent.

Section 13 Protective Clause

Neither the Association nor the Trustees shall be responsible for the validity of any contract of insurance issued in connection with any Plan or Trust, or for the failure on the part of the insurer to make payments provided by such contract, or for the actions of any person which may delay payment, or render a contract null and void or unenforceable in whole or in part.

ARTICLE VII

ADMINISTRATOR

Section 1 Appointment of Administrator

The Board of Trustees shall employ or contract for an Administrator and/or other clerical and professional assistants to implement the functions and duties of the Board of Trustees. The Administrator's salary shall be paid from the Trust funds. The Administrator shall also be reimbursed for reasonable expenses incurred in the course of his or her duties as Administrator.

Section 2 Administrator Responsibilities

The Administrator, also known as the "CCPOA Benefit Trust Fund Administrator" or "Insurance Administrator", shall conduct the routine business of the Board at the direction of said Trustees. The Administrator's duties and responsibilities shall be determined by the Board of Trustees and shall be set forth in an Agreement or be reflected in the Trust meeting minutes.

The Administrator's duties shall include representing the Trust at the Departmental academies in order to explain the Trust's benefit to each academy graduating class.

Section 3 Signatures on Checks and Documents

Signatures of two officers of the Board of Trustees, or one member of the Board of Trustees and the Administrator, shall be required on all negotiable instruments issued or transacted as a result of action by the Board of Trustees, unless otherwise approved by the Board of Trustees.

Section 4 Bonding

The Administrator shall be bonded as required by applicable law.

Section 5 Named Administrator

The Administrator for the Trust shall be Jeffrey I. Reynolds.

ARTICLE VIII

INVESTMENTS

Section 1 Investment Policies

The Board of Trustees shall establish and carry out funding and investment policies and methods consistent with the objectives of the Trust and the requirements of ERISA.

Section 2 Investment Decisions

The Board of Trustees may itself invest and otherwise manage Plan assets, or it may delegate all or some of these powers, including the power to acquire and dispose of plan assets to an Investment Manager that qualifies as such under ERISA and acknowledges in writing that it is a fiduciary with respect to the Plan and Trust. The appointment, selection and retention of any Investment Manager shall be solely the responsibility of the Board of Trustees and shall be revocable by it at any time.

The Trustees may also utilize the services of investment advisors, brokers, consultants, attorneys, administrators, or other persons in making investment decisions particularly in regard to short-term investments or small investments.

Section 3 General Investment Powers

The Trust assets, or any part thereof, may be invested in securities issued by the United States Government and state governments; in common or preferred stock; in corporate bonds; in other securities listed on any exchange or traded in any over-the-counter market, including shares of mutual investment companies; in pooled investment portfolios; in improved real estate; in notes; in short-term investment mutual funds or similar investment vehicles; in guaranteed investment

contracts; in mortgages; in certificates of deposit of any bank, including any Fund Custodian; in commercial paper; in bankers' acceptances (excluding those of any Fund Custodian) or in any other properties in which this Trust may lawfully invest. (This list for illustrative purposes only.) If any assets are ever held in which this Trust may not properly invest they shall be disposed of as promptly as is prudent under the circumstances.

Section 4 Specific Investment Powers

Whoever holds title to trust assets shall have all rights and powers with respect to investing the trust property that an absolute owner would have, subject only to any written directions previously received from another fiduciary authorized hereunder to give such directions. These investment powers shall include, without limitation, the following powers in addition to those set forth elsewhere hereunder and other given by law.

- a) To hold in cash in a non-interest bearing account such portion of the Trust assets as may be reasonably required for the day-to-day administration of the Trust and disbursement of benefits, by depositing the same in any financial institution such as a bank or savings and loan (including any bank acting as Fund Custodian hereunder) subject to the rules and regulations governing such deposits. Additional cash shall be placed in interest-bearing accounts and/or obligations (which may be with the Fund Custodian) until such times as it is otherwise invested;
- b) To participate in any plan of lease, merger, consolidation, exchange, foreclosure or reorganization affecting securities held hereunder at any time;
- c) To deposit stocks under voting agreements;
- d) To subscribe for stock or bond privileges;

- e) To vote with respect to all securities or other assets in person or by proxy, except that where an Investment Manager has been appointed and is acting, proxies and other shareholder material with respect to assets under its supervision will be forward to it if it so requests;
- f) To register securities in the name of a nominee, or to hold the same unregistered and in such form that they will pass by deliver;
- g) To lease, repair, alter, or improve real estate or other assets;
- h) To sell any securities, real estate, or other assets at public or private sale for such prices and upon such terms as it may deem proper, without liability on the part of the purchasers to see the application of the purchase money;
- i) To borrow money and to secure the repayment thereof by mortgage on real estate, pledge of securities, or otherwise, without liability on the part of the lenders as to the application of the assets loaned.
- j) To invest Trust assets collectively with funds of other trusts in one or more of the investment funds for employee benefit trusts established by a Fund Custodian or any other common or commingled fund now or hereafter maintained by any Fund Custodian as the same may be amended from time to time; and if any portion of the Trust is so invested, the declaration creating such funds shall be deemed to be incorporated into this Trust Agreement the same as if fully set forth here;

- k) To lend stock certificates and other securities constituting part of the Trust assets to securities brokers and others; provided, that the terms and conditions of each such loan shall be established in accordance with, and shall comply with the applicable Plan, this Trust Agreement and all applicable rules, regulations and laws governing the Board, the applicable Plan and this Trust.

ARTICLE IX

GENERAL PROVISIONS

Section 1 Instruments Executed by the Trustees

No party dealing with the Trustees, or any of them, shall be obligated to see to the application of any monies or properties of the Trust, or to see that the terms of the Trust Agreement have been complied with, or to inquire as to the necessity or expediency of any acts of the Trustees.

Every instrument executed by the Trustees shall be conclusive in favor of every person who relies upon it, that:

- A. At the time of the delivery of the instrument, the Trust Agreement is in full force and effect;
- B. The instrument was executed in accordance with the terms and conditions of the Trust Agreement; and
- C. The Trustees were duly authorized and empowered to execute the instrument.

Section 2 Applicable Agreements

The rights and duties of all parties (so far as they relate to this Trust and Trust Fund), including members and their beneficiaries and Trustees shall be governed by the provisions of this Trust Agreement, the acts of the Trustees and the provisions of the applicable collective bargaining agreement providing for payment to the Trust Fund.

Section 3 Agreement Binding on Successors and Assigns

This Agreement shall be binding upon and inure to the benefit of each Association or organization who hereafter may become a successor to CCPOA which would require contributions to this Trust on behalf of said organization shall be bound by this Agreement.

Section 4 Governing Law

The Trust Agreement and the performance thereunder shall be governed by and construed according to the Employee Retirement Income Security Act of 1974 and other applicable federal law, and to the extent that federal law is not applicable, according to the laws of the State of California.

Section 5 Separability

If any provision of the Trust Agreement, any Plan established hereunder, the rules and regulations made pursuant thereto, or any other step in the administration of the Trust is held illegal or invalid for any reason, then such illegality or invalidity is not to effect the remaining portions of the Trust Agreement, or rules or regulations adopted. They shall be construed and remain in force as if the illegal or invalid portions had never been inserted or established, if the remaining portions will enable the objectives and purposes of the Trust to be accomplished. Should any of the provisions of the Trust Agreement or rules ad regulations be declared illegal or invalid, the appropriate parties shall immediately adopt a new provision to take the place of that declared illegal or invalid.

Section 6 Costs and Expenses of Suits

The cost and expense of any suit or proceeding brought against the Trust Fund or against the Trustees or any of them (including reasonable attorney's fees), in any matter arising out of or under this Trust Agreement, shall be paid from the Trust Fund; provided, however, that such expenses or fees shall not be payable for any proceeding brought against a fiduciary or fiduciaries on behalf of the Trust fund to recover from a fiduciary or fiduciaries for damage or loss sustained on account of an alleged breach of fiduciary duty of defendant fiduciary or fiduciaries.

In an action filed by the Trust or any or all of the Trustees against a current or former fiduciary, the Trust shall not be obligated to pay or reimburse such current or former fiduciary (being sued) for his or her attorney's fees, costs and other expenses, unless ordered to do so by a court.

Section 7 Interference with Rights Protected by Law

- A. It shall be unlawful for any person to discharge, fine, suspend, discipline or discriminate against a participant or a beneficiary for exercising any right to which he or she is entitled under the provisions of the Trust Agreement, ERISA, or other federal or state law.
- B. It shall be unlawful for any person to discharge, fine, suspend, expel or discriminate against any person because he or she has given information or has testified or is about to testify in any inquiry or proceeding relating to ERISA or other federal or state law.
- C. It shall be unlawful for any person through the use of fraud, force, violence or threat of the use of force or violence to restrain, coerce or intimidate any participant or beneficiary for the purpose of interfering with or preventing the exercise of any right to which he or she is or may become entitled under the Trust Agreement, ERISA or other federal or state law.

Section 8 Number and Gender of Words

Whenever appropriate, words used herein in the singular may include the plural, the plural may be read as the singular, and the masculine may include the feminine and vice versa.

Section 9 Payments During Incapacity

Notwithstanding any other provisions hereof, if in the judgment of the Board of Trustees any mental, physical or other incapacity prevents a person entitled to benefits from properly handling his or her own affairs, then until any benefits to which he or she is entitled have been claimed by a legally appointed representative, these benefits may, in the discretion of the Trustees, either be held for his or her benefit or paid to any one or more person or institutions responsible for providing for his or her care and maintenance. The persons entitled to the benefits shall promptly be sent notice of any such action.

Section 10 Legal Counsel

The Trustees shall seek legal advice whenever necessary to fulfill their fiduciary obligations.

ARTICLE X

CLAIMS AND APPEALS

Section 1 Claims Procedure

No person shall have any legal or equitable right or claim against CCPOA unless the right or claim is specifically provided in the Plan or this Trust Agreement, as amended, or is conferred by affirmative action of the appropriate fiduciaries by authority specifically delegated to them. No interested party may bring any action in any court on any matter arising out of the Plan or this Trust Agreement, the determination of which is otherwise provided for in this Trust Agreement, until the procedure provided in the Plan or this Trust Agreement shall have been exhausted and a decision made with respect to it.

If any dispute or question arises concerning the beneficiaries to whom any benefits should be paid, whether any other payments should be made, or to whom any other assets of the Trust should be delivered, the Trustees, or any of them, may withhold such action until the dispute or question is determined under the appropriate provisions of the Plan and this Trust Agreement. The Trustees may, in the event of competing claims, in their discretion, deposit any sum claimed by two or more parties in escrow and notify the disputants of the willingness of the Trust to deliver this sum so deposited to whoever should establish a right to the sum through appropriate Court action and, in such an event, Trustees shall have no obligation to participate in any litigation between the disputants.

Section 2 Claim Denial

The Trustees shall make all determinations as to the right of any person to a benefit under a self-insured plan. Any denial by the Trustees of a claim for benefits under the Plan by a participant or beneficiary shall be stated in writing by the Trustees and delivered or mailed to the claimant; and such notice shall set forth in language calculated to be understood by the claimant the following:

- (1) The specific reason or reasons for the denial;
- (2) Specific reference to the Plan provisions on which the denial is based;
- (3) A description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary;
- (4) An explanation of the Plan's claim review procedure.

Section 3 Claim Appeals

In the event the participant or beneficiary is dissatisfied with the decision of the Trustees, he or she may within sixty (60) calendar days of receipt of such decision, submit an appeal in writing to the Trustees for review of the initial decision to deny. The appeal shall state in clear and concise terms the reason or reasons the mutual decision is alleged to be in error. The appellant may submit any records or documents in support of the appeal. In the event documents or records are within the custody or control of CCPOA or the Trustees, the participant or beneficiary shall be allowed reasonable access to such records or documents necessary to the preparation of the appeal. Normally any appeal will be determined at the next succeeding regular Trustees' meeting following receipt of the appeal. An appeal received within thirty (30) days of the next regular meeting will normally be determined no later than the second regular meeting following its receipt. If special circumstances arise necessitating a delay in determining the appeal, a

determination will be made no later than the third meeting following receipt of the appeal so long as the Trustees are in receipt of all information necessary to decide the appeal and the appellant will be so notified of that extension in writing beforehand.

The decision of the Trustees upholding or changing the initial decision shall be in writing, stating the specific reasons therefore in a manner calculated to be understood by appellant and specifying the pertinent Plan provisions relied upon. The decision will be sent to the appellant no later than sixty (60) days following the date of the meeting at which the decision is rendered. If the decision is not sent to appellant within such period of time, the participant or beneficiary may consider that the appeal has been denied. If either the Board of Trustees or the appellant desires to submit the denial to further review, the matter may be submitted to arbitration upon written request in accordance with the procedures described in Section 4 herein below.

Section 4 Arbitration

In the event of any controversy or claim between the Trustees and any participant or beneficiary arising out of or relating to the Plan or this Trust Agreement or the breach thereof, in connection with the Trustees' performance thereunder, or in connection with the meaning and interpretation or application of any provisions of the Plan, after exhaustion of the procedures provided in Section 3 immediately preceding, the matter may be settled by arbitration in accordance with the applicable rules of the American Arbitration Association and judgment upon the award rendered by the Arbitrator(s) may be entered in any Court having jurisdiction thereof.

ARTICLE XI

AMENDMENTS AND TERMINATION

Section 1 Amendments

This Trust Agreement may be amended by a majority vote of the Board of Trustees from time to time, and any Plan may be amended by the Board of Trustees from time to time, in either case effective as of any prior, current or future date, subject to the following limitations:

- A. Under no condition shall such amendment result in a change in the election or other selection procedures for Trustees or result in or permit the distribution of any property for the benefit of anyone other than participants or their beneficiaries, except as allowed by ERISA or other applicable law.
- B. Such amendment shall not substantially change the duties, responsibilities or liabilities of the Trustees without their consent.
- C. No such amendment shall be effective if, as a result thereof, either the Plan or this Trust will no longer meet the requirements of the Internal Revenue Code, or this Trust no longer would be exempt from income taxes under Section 501 of the Internal Revenue Code, or any section or sections of said Code which amend, supplement or supersede said sections, or either of them.

Section 2 Termination

- A. The Board of Directions shall have the right to discontinue or to terminate this Trust and the Plan in whole or in part. The rights of all affected participants to benefits accrued to the date of the termination, partial termination or discontinuance, to the extent funded as of such date, shall be non-forfeitable.
- B. In the event of termination, the assets then remaining in the Fund, after providing for any administrative expenses, shall be allocated among the participants and beneficiaries in the manner determined by the Board of Trustees in accordance with applicable law.

Section 3 Amendment to Election Procedures

Any amendment to or change in the election procedures of Trustees shall only be by a two thirds (2/3) vote of the Board of Directors.

Section 4 Transfer of Assets To or From Another Benefit Trust

Notwithstanding anything above to the contrary, the Board of Trustees may, if the Trust is wholly or partially terminated, transfer the Trust assets or any portion thereof to any other trust or non-profit entity which provide similar benefits, or may receive assets from any other such Trust or non-profit entity which is wholly or partially terminated. The failure of the Board of Trustees to agree, however, on any such action shall not be subject to arbitration.

IN WITNESS WHEREOF, the parties have set their hands as of the day and year first above written.

President of CCPOA by
Authorization of the
Board of Directors

Don Rowe

May 11, 1987

Trustees of CCPOA Insurance
Division Trust

Donald W. Smith

Loe Chls

J. Z. Amundson

Arnold B. Colby Jr

Edmund M. Smith

CCPOA Benefit Trust Fund
Agreement and Declaration of Trust
Amendment No. 1-2003

The Board of Trustees of the CCPOA Benefit Trust Fund does hereby amend the “Agreement and Declaration of Trust” (effective April 12, 1987, as amended), as follows:

Article VII, Section 5, entitled Named Administrator, is deleted in its entirety, effective April 1, 1999.

Adopted at the Trust meeting held on May 13, 2003

**FOR THE BOARD OF TRUSTEES,
CCPOA BENEFIT TRUST FUND**



Trustee



Trustee

CCPOA Benefit Trust Fund

Agreement and Declaration of Trust

Amendment No. 2003-2

The Board of Trustees of the CCPOA Benefit Trust Fund does hereby amend the “Agreement and Declaration of Trust” (effective April 12, 1987, as amended), effective March 1, 2003, as follows:

1. Article 1, Section 2, entitled Purpose, is amended by adding the underlined language set forth below:

The purpose of this Trust is to provide health, welfare and death benefits, including but not limited to self-insured plans and contracted insurance plans, either from principle, consisting of but not limited to premium, payroll deductions, or income, or both for the members and retirees of CCPOA, CCPOA employees and Trust employees, and their families, dependants and other beneficiaries pursuant to a Plan (or Plans) adopted hereunder. The Trust will also participate in providing members and retirees of CCPOA, CCPOA employees and Trust employees with other elective, supplemental benefit plans available through insurance companies which may or may not be serviced by the CCPOA Benefit Trust Fund, but which are administered by the insurance company itself. The Trust may also provide administrative services for benefit programs sponsored by other Public Safety Labor Organizations.

The Trust shall consist of all CCPOA member contributions and investments and reinvestment thereof and all interest and income thereon, and all other contributions and receipts of every kind received by the Trustees. The Trust shall be irrevocable (although it may be terminated).

2. A new term and definition is inserted into Article II, Section 1, as set forth below, and all remaining provisions of Article II, Section I, and any references to such provisions, are re-lettered accordingly:

P. “Public Safety Labor Organizations” means any organization, association, or entity considered by the Trustees to be a public safety labor organization.

3. The first paragraph of Article VI, Section 2, entitled Powers Granted to Trustees, is amended by adding the underlined language set forth below:

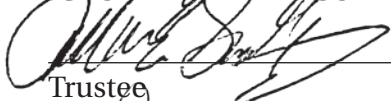
The Trustees, shall have the power and authority in their sole, absolute and uncontrolled discretion to control and manage the operation and administration of the Plan and shall have all powers necessary to accomplish these purposes. The Plan Administrator of any Plan established hereunder shall report directly to the Board of Trustees. The Board of Trustees shall be considered the “named fiduciary” as provided for in ERISA, except to the extent as otherwise limited by agreement with a Public Safety Labor Organization for whose benefit the Trust provides administrative services pursuant to Subsection F below.

4. An explicitly named powner granted to the Trustees is inserted into Article VI, section 2, as set forth below, and all remaining provisions of Article VI, Section 2, and any references to such provisions, are re-lettered accordingly:

F. Provide Other Administrative Services. In exchange for reasonable consideration, enter into agreements with Public Safety Labor Organizations on behalf of the Trust to perform various administrative services with respect to the policies, contracts, or other benefit programs sponsored by such Public Safety Labor Organizations for the benefit of eligible participants and beneficiaries which may include, but not be limited to, Public Safety Labor Organization members, employees, and voting organization members.

Adopted at the Trust meeting held on July 22, 2003.

**FOR THE BOARD OF TRUSTEES,
CCPOA BENEFIT TRUST FUND**



Trustee



Trustee

CCPOA Benefit Trust Fund

Agreement and Declaration of Trust

Amendment No. 2003-2

The Board of trustees of the CCPOA Benefit Trust Fund do hereby amend the Agreement and Declaration of Trust (effective April 12, 1987, as amended), as follows:

1. Number of Trustee Terms. Article IV, Section 1, is deleted in its entirety and replaced with the following, effective January 22, 2004:

The Fund shall be administered by five(5) Trustees. Three (3) shall be elected at the CCPOA annual convention and two (2) shall be appointed by the President of the CCPOA at the CCPOA annual convention. Of the two (2) Trustees appointed by the President, one (1) Trustee shall be from CYA and one (1) shall be from CDC.

The terms of the three (3) elected Trustees shall be for three (3) years beginning on January 1 following the election and continuing thru December 31 of the third year; the terms of the two (2) appointed Trustees shall be for two (2) years beginning on January 1 following their appointment at the annual convention and continuing thru December 31 of the second year.

Except for initial Trustees, as set forth in section 4 herein, four of the Trustees shall be active (present state employees) as opposed to retired (from state service) members of CCPOA, however, one appointed Trustee may be a retired member. Any active Trustee who retires during his or her tenure as Trustee may continue to serve out his or her term and shall remain eligible to continue as serve as a Trustee, notwithstanding his or her retiree status. One or more of the initial Trustees, as set forth in Section 4 herein, may be retired state employees.

2. Newly Appointed to Elected Trustees Training. Article IV is amended to add the following as a new Section 11, effective January 22, 2004:

Any newly appointed or elected Trustee must complete the New Trustee training offered by the International Foundation of Employee Benefit Plans (IFEBC) or its equivalent prior to having voting privileges. They will also complete any training required by ERISA or other applicable law. All training will be paid for by the Trust.

For educational purposes, newly appointed or elected Trustees may at the Benefit Trust Fund's expense, and pursuant to its expense policy, attend any meeting that may occur after their appointment or election but prior to January 1 when they assume their position. The new Trustee may participate in any discussion but will not have any voting privileges. Attendance at any meeting prior to assuming the Trustee position will be to gain a better understanding of the operations and procedures of the Benefit Trust Fund.

3 Chairperson and Vice Chairperson of the Board of Trustees. Article V, Section 1 is deleted in its entirety and replaced with the following, effective January 22, 2004:

The Trustees shall select a Chairperson and a Vice Chairperson each January or at the first meeting following January 1 where a newly appointed or elected Trustee assumes office. The Trustees may select such other officers with such powers as they deem advisable. (The Trustees may appoint one of their own or any other person to be secretary.) The term for each office shall be one year.

If the Chairperson is absent from a Trust meeting, the Vice Chairperson shall chair such meeting. If both the Chairperson and the Vice Chairperson are absent from a meeting, the Trustees shall select one of themselves to chair such meeting.

4. Amendments. Article XI, Section 1A, is deleted in its entirety and replaced with the following paragraph, effective January 22, 2004:

“Under no condition shall such amendment result in a change in the election procedures for

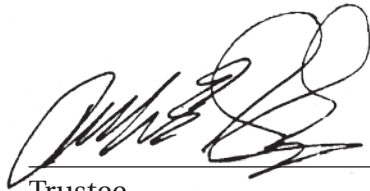
Trustees including, the method of election and appointment of Trustees, the number of Trustees to be elected or appointed to the Trust, the term of Trustees, or other selection procedures for Trustees. In addition, under no condition shall such amendment result in or permit the distribution of any property for the benefit of anyone other than participants or their beneficiaries, except as allowed by ERISA or other applicable law.”

5 Amendment to Election Procedures and Terms of Trustees. Article XI, Section 3, is deleted in its entirety and replaced with the following paragraph, effective January 22, 2004:

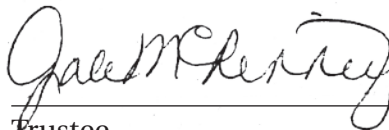
“Any amendment to or change in the election procedures for Trustees, including, the method of election and appointment of Trustees, the number of Trustees to be elected or appointed to the Trust, the term of Trustees, or other selection procedures for Trustees shall only be by a two-thirds (2/3) vote of the Board of Directors.”

Adopted at Trust meetings held on March 3, 2004:

FOR THE BOARD OF TRUSTEES, CCPOA BENEFIT TRUST FUND

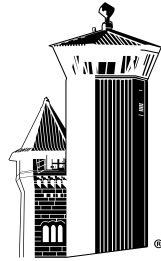


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Trustee

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