

**UNIVERSITY OF IDAHO HEALTH BENEFITS
TRUST AGREEMENT**

WHEREAS, the Board of Regents of the University of Idaho (“University”) finds there is a need to provide healthcare coverage to its employees;

WHEREAS, University finds it prudent to self-fund such a healthcare plan;

WHEREAS, University has determined said plan should be funded through a trust whose income is not included in the gross income and thus is tax-exempt under Section 115(1) of the Internal Revenue Code of 1986, as amended (“Code”);

NOW THEREFORE, effective June 27, 2007 (“Effective Date”), in order to accomplish the foregoing, University hereby establishes this trust (“Trust”) by entering into the agreement set forth below (“Agreement”).

1.0 DEFINITIONS.

1.1 BENEFICIARY.

As defined by the current medical, pharmacy, dental, and vision contracts contained in the Plan.

1.2 CLAIMS ADMINISTRATORS.

One or more third-party administrators retained by the Plan Sponsor that shall administer the health benefits under the Plan including medical, pharmacy, dental, and vision.

1.3 CONTRIBUTIONS.

The payments by University, employees, dependents and/or retirees to the Trust for the purposes of the Plan and Trust set out in Section 2. 3.

1.4 COVERED SERVICES.

Those services for medical, pharmacy, dental, and vision benefits set out in the Plan.

1.5 DEPENDENT.

As defined under the Plan.

1.6 FUND.

The Trust created by this Agreement, which shall consist of all bank accounts or savings accounts or certificates together with all investments made and held by or for the Trustees, all monies received by the Trustees and any other property received and held by the Trustees for uses, purposes and trusts set forth in this Agreement.

1.7 PARTICIPANT.

Persons who participate in the Trust other than the University, by making contributions to the Fund.

1.8 PLAN.

The one or more documents under which the Plan Sponsor provides medical, pharmacy, dental, and vision benefits to Plan Participants, including without limitation the written agreements between the Plan Sponsor and the Claims Administrators identifying Plan terms and conditions, including general provisions, exclusions, limitations, schedule of benefits, endorsements, and application forms.

1.9 PLAN PARTICIPANTS.

Beneficiaries, enrolled employees, retirees, or families of employees or retirees who have met the eligibility requirements for medical, pharmacy, dental, and vision benefits as set out in the Plan, and who, in a timely manner, have made all required Contributions.

1.10 PLAN SPONSOR.

The University as the entity creating the Plan for the benefit of the Plan Participants is the Plan Sponsor.

1.11 PLAN YEAR.

The Plan Year means each twelve consecutive month period beginning July 1 and ending June 30, except for the first Plan Year beginning on the Effective Date and any shorter last Plan Year.

1.12 TRUSTEES.

The persons designated as Trustees in this Agreement together with their successors.

2.0 ESTABLISHMENT OF TRUST.

2.1 ESTABLISHMENT AND NAME OF TRUST.

University hereby establishes an employee benefit trust, referred to as the University of Idaho Health Benefits Trust ("Trust").

2.2 AGREEMENT BY TRUSTEES.

The undersigned Trustees, by the execution of this Agreement, (i) accept the trusteeship, and (ii) declare that they will receive and hold the Fund assets as Trustees under this Agreement for the uses, purposes, and trusts set forth in this Agreement.

2.3 PURPOSES OF TRUST.

University has established a Plan to provide for the payment of covered services incurred by Plan Participants. The purposes of the Trust are:

- 2.3.1 To accumulate funds in a trust intended to satisfy the requirements of Code Section 115(1) to pay Plan benefits for Plan Participants;
- 2.3.2 To receive all contributions to the Plan;
- 2.3.3 To hold, manage, invest, and reinvest the Trust property and all income from the property, in accordance with the terms of this Trust;
- 2.3.4 To make distributions from the Trust Fund in accordance with Section 3.3; and
- 2.3.5 To qualify as a self-funded trust under Idaho state law.

2.4 IRREVOCABILITY OF THE TRUST.

University reserves no right or authority to revoke or terminate the Trust; provided, however, the Trust shall terminate if it no longer serves the purposes for which it is established and in accordance with Idaho law, including without limitation, Section 41-4018 of the Idaho Code and Article 6.0 herein.

2.5 NONINUREMENT.

No part of the net earnings of the Trust (other than through the payment of benefits in accordance with the Plan) shall inure or accrue to the benefit of any private person or entity.

2.6 NOTIFICATION.

The University and/or Trustees will take such action and file such documents that they deem to be appropriate so that the Trust satisfies the requirements of Section 115(1) of the Code.

3.0 ADMINISTRATION AND DISPOSITION OF TRUST FUND.

3.1 CLAIMS.

3.1.1 Authority: The Plan Sponsor, or its designee, shall have full and complete authority, responsibility, discretion and control over the management, administration and operation of the Plan, including without limitation to make all determinations as to the right of any person to a benefit under the Plan and to delegate any responsibilities to another party. The Plan Sponsor shall generally delegate the Plan administration to the Claims Administrators who shall have authority to control and manage the daily operation and administration of the Plan

and shall apply rules in a nondiscriminatory manner so that persons entitled to benefits under the Plan are treated similarly. The Trustee shall have full and complete authority, responsibility, discretion and control with respect to all matters pertaining to the Trust and Fund.

3.1.2 Notice: The Plan Sponsor, on behalf of the Trustees, shall cause a written statement or schedule adequately and clearly stating all benefits currently allowable under the Plan, together with all applicable restrictions, limitations, and exclusions, and the procedure for filing a claim for benefits, to be furnished to each Plan Participant.

3.2 CONTRIBUTIONS.

3.2.1 Plan Sponsor Contributions: The Plan Sponsor shall make Contributions to the Trust as it in its sole discretion determines from time to time to provide health benefits under the Plan; provided that for each Plan Year in which the Plan and Trust continue the Plan Sponsor shall make Contributions to the Trust in an amount to be actuarially sound and consistent with statutory requirements, including but not limited to making Contributions in advance. However the Plan Sponsor does not hereby assume any contractual or other obligation as to the continuance of the Plan or the making of future Contributions with respect thereto.

3.2.2 Plan Participant Contributions: Any Contribution to the Trust by Plan Participants shall be by regular, periodic payroll deductions unless allowed otherwise under the Idaho Code.

3.2.3 Receipt of Contributions: The Trustee shall receive and hold as part of the Trust Fund any Contributions paid to the Trustee; provided, however, to the extent applicable law does not otherwise require, the Trustee shall not be required to determine that any Contributions are in compliance with the Plan, shall be accountable only for the funds actually received by it, and shall not be responsible for the adequacy of the Trust Fund to meet and discharge any or all liabilities under the Plan or for the proper application of distributions made upon the written direction of the Plan Sponsor.

3.3 PAYMENT.

The Trustees shall make distributions from the Trust Fund in such amounts and to such person or persons as the Claims Administrators, by direction from the Plan Sponsor through the Plan, or by direction of such persons authorized in writing by the Plan Sponsor to give the direction to provide for the payment of (i) covered medical services, (ii) covered dental services, (iii) covered pharmacy services, (iv) covered vision plan services, (v) such administrative fees charged by the Claims Administrators, and (vi)

other such costs and charges related to Trust business. Trustees or their designees may authorize draws upon the Fund. The Trustees shall not be considered the agents of the Claims Administrators.

3.4 SEPARATE ACCOUNTS.

For investment and/or accounting purposes, the assets of the Trust Fund may be held in one or more separate accounts as may be determined by the Trustees, or as may be directed by the University for the sole purpose of complying with GASB or other accounting or legal requirements. All such separate accounts must be consistent with applicable accounting standards. At such time as any amounts shall be paid or delivered to the Trustees, the University shall, if separate accounts have been established, specify to which accounts such amounts shall be credited.

Assets credited to a separate account may be invested on a commingled basis, but if so invested, the separate account must be adjusted on at least a yearly basis to reflect its proportionate share of the appreciation, depreciation, income, expenses, gains, and losses of the Trust Fund for the period.

The accounting for the active employee medical plans shall be separate from the accounting for the retired employee medical plans.

3.5 EXPENSES, RESERVES, SURPLUS AND TAXES.

3.5.1 The Trustees may pay or provide for (i) the payment of all reasonable and necessary expense of collecting the employer and employee Contributions and administering the affairs of the Trust and Fund, including all expenses which may be incurred in connection with the establishment of the Trust and Fund, (ii) the employment of administrative, legal, expert and clerical assistance, (iii) the leasing of premises and the purchase or lease of materials, supplies and equipment which the Trustees, in their discretion, find necessary or appropriate in the performance of their duties, (iv) any cost associated with covered claims or administration of claims for benefits; and (v) any reasonable and necessary expenses of offering, communicating, documenting and maintaining health programs for the benefit of the Plan Participants.

3.5.2 The Trustees shall establish and accumulate as part of the Fund a reserve in an amount certified to by a member of the American Academy of Actuaries as being necessary for payment of claims against the Trust Fund for benefits, including both claims reported and not yet paid and claims incurred but not yet reported. If under the Plan, periodic Contributions of either the University or Plan Participants to the Trust Fund are payable less frequently than monthly, there shall be a reserve for unearned Contributions as computed pro rata on the basis of the unexpired portion of the period for which the Contribution has been paid.

3.5.3 The Trustees shall establish and maintain in the Trust Fund a surplus. For the first Plan Year, the surplus shall be not less than ten percent (10%) of the unpaid claims liability of the Plan. For the second Plan Year the surplus shall be not less than twenty percent (20%) of the unpaid claims liability. For the third Plan Year and every Plan Year thereafter, the surplus shall be not less than thirty percent (30%) of the unpaid claims liability of the Plan.

3.5.4 The Trustees may pay any federal, state or local tax which may be properly levied against the Fund.

3.6 INVESTMENTS.

3.6.1 All funds received by the Trustees under this Trust as part of the Fund shall be deposited by them, or their designees, in the bank or banks that the Trustees designate for that purpose. All withdrawals of funds from such bank or banks shall be made only by check signed by a person or persons authorized by the Trustees to sign or countersign. The Trustees may invest and reinvest (or direct same to a professional investment manager) any part of the Fund which, in their sole judgment, is not required for current expenditures, as provided herein.

3.6.2 In accordance with Section 41-4009 of the Idaho Code, the Trustees shall, at all times, invest and reinvest the Fund and keep the Fund invested, without distinction between principal and income, in the following kinds of investments only:

- (1) General obligations of the United States government, or of any state, district, commonwealth, or territory of the United States, or of any municipality, county, or other political subdivision or agency thereof.
- (2) Obligations the payment of principal and interest of which is guaranteed by any such government or agency.
- (3) Corporate bonds and similar obligations meeting the requirements specified for investment of funds of insurers under Section 41-711 of the Idaho Code.
- (4) Collateral loans payment of principal and interest of which is adequately secured by securities in which the Trust Fund could lawfully invest directly.
- (5) Deposits, savings accounts, and share accounts in established banks and savings and loan associations located in the United States.

Such investment as to any one (1) such institution shall not be in excess of the amount covered by applicable deposit, savings, and share account insurance.

(6) Investments as permitted by sections 41-714 (common stock of publicly traded domestic and foreign corporations) and 41-716 (securities of any open-ended management type investment company or investment trust) of the Idaho Code, provided that the combined amount of such investments shall not exceed ten percent (10%) of the total assets of the Trust Fund.

(7) And in any other property or securities that are legal for investment of trust funds under the laws of the State of Idaho.

3.6.3 The Trustees are expressly prohibited from investing Trust Fund assets in:

(1) Any loan to or security of the University, or to or of any officer, director, subsidiary or affiliate of the University.

(2) The security of any person in which the Trustees, Committee, or any consultant of the plan has a direct or indirect material pecuniary interest.

(3) Real estate or loans thereon, or any personal loan.

3.6.4 All investments shall be made and held in the name of the Trust Fund, and the interest and yield thereon shall inure to the account of the Fund. No investment shall be made unless authorized in writing by the Trustees and must be so shown in the records of the Fund. Any person who authorizes any investment of Fund assets in violation of Section 41-4009 of the Idaho Code shall, in addition to other penalty therefore, be liable for all loss suffered by the Fund on account of the investment. No investment made in violation of this Section shall constitute an "asset" in any determination of the financial condition of the Fund.

3.7 TITLE TO ASSETS AND TRUST OBLIGATIONS.

The Trustee is vested with title to all the assets of the Trust Fund and shall have full power and authority to do all acts necessary to carry out its duties hereunder. The interest of each Participant hereunder shall be deemed to be personalty only and no Participant shall have any individual ownership interest in any Trust asset. Conveyances, assignments, transfers and deliveries of Trust assets by the Trustee alone shall pass all titles, rights and interests held hereunder. The liability for any Plan benefits is specifically limited to the assets of the Fund, including any Contributions receivable from the University and Participants.

3.8 INTEREST.

The Trust shall not be required to pay interest on University or Participant Contributions to the Fund.

3.9 SPENDTHRIFT CLAUSE.

No Trust Funds shall be:

3.9.1 Assigned or encumbered by any Participant;

3.9.2 Attached by or subjected to the interference or control of any creditor of any Participant or University; or

3.9.3 Reached by any legal or equitable process in satisfaction of any debt or liability of any Participant other than provided by statute.

3.10 VALUATION OF ASSETS.

The Trustees shall determine the value of the assets of the Fund as of such dates as the Trustees may deem appropriate or upon the request of the University on a given date. . Assets shall be valued at their market values at the close of business on the date of valuation, or in the absence of readily ascertainable market values, at such values as the Trustees shall determine, in accordance with methods consistently followed and uniformly applied.

3.11 POWERS OF THE TRUSTEES.

In administering the Fund, the Trustees shall be authorized to exercise the following powers, all of which shall be exercised by the Trustees in a fiduciary capacity, and in the best interest of the Fund and the Beneficiaries thereof.

3.11.1 To vote in person or by proxy, or to refrain from voting, with respect to any securities held by the Fund, and to enter into any voting trust or similar agreement relating thereto;

3.11.2 To consent or object to any action or non-action of any corporation, or of the directors, officers or stockholders of any corporation, with respect to any investment;

3.11.3 To settle, compromise or submit to arbitration any claims, debts or damages due or owing to or from the Fund, provided, however, that the Trustees shall not be authorized to settle, compromise or submit to arbitration any claims for benefits submitted by or on behalf of any Plan Participant or beneficiary under the Plans;

3.11.4 To deposit any property with any protective, reorganization or similar committee; to delegate power thereto; and to pay, or agree to pay, part of its expenses and compensation and any assessments levied with respect to any property so deposited;

3.11.5 To deposit securities with custodians or securities clearing corporations or depositories or similar organizations, whether located within the State of Idaho or elsewhere in the United States or abroad, except that the indicia of ownership of any property shall not be maintained outside the jurisdiction of Idaho state courts;

3.11.6 To commence or defend suits or legal proceedings; and to represent the Fund in all suits or legal proceedings in any court or before any other body or tribunal (provided, however, that the Trustees shall have no obligation to take any legal action for the benefit of the Fund unless it shall be first indemnified for all expenses in connection therewith, including reasonable attorneys' fees);

3.11.7 To establish one or more bank accounts (of any type) in the name of the Trust and to keep all or a portion of the assets of the Fund in any such accounts;

3.11.8 To apply for, accept, hold and act as owner and policyholder of, and to administer insurance policies, from time to time for policies that they determine to be necessary or that the University request they obtain, provided such request is consistent with best business practices, , and to pay premiums or fees with respect to such policies as they become due;

3.11.9 To execute and deliver such instruments and to take any and all actions to the extent necessary or desirable to carry out any of the foregoing powers or as are otherwise in the best interests of the Fund;

3.11.10 To employ suitable agents, custodians and counsel and, as part of its reimbursable expenses under this Agreement, to pay their reasonable expenses and compensation;

3.11.11 To appoint ancillary trustees to hold any portion of the assets of the Trust and to pay their reasonable expenses and compensation;

3.11.12 To register any securities held by it hereunder in its own name, in the name of its nominee, in the name of its agent, or in the name of its agent's nominee, with or without the addition of words indicating that such securities are held in a fiduciary capacity, and to hold any securities in bearer form and to deposit any securities or other property in a depository or clearing corporation;

3.11.13 To make, execute and deliver, as Trustees, any and all deeds, leases, conveyances, waivers, releases or other instruments in writing necessary or desirable for the accomplishment of any of the foregoing powers;

3.11.14 To seek legal redress on behalf of the Fund as the Trustees deems necessary and appropriate; and

3.11.15 Generally, to do all acts, exclusive of acts delegated to investment managers,' which the Trustees may deem necessary or desirable for the protection of the Fund and administration of the Trust.

3.12 INVESTMENT MANAGERS.

The Trustees from time to time, may appoint one or more investment managers to manage the investment of any portion of the Trust Fund, with the written consent of the University, which shall not be unreasonably withheld. The Trustees shall have an investment management agreement with any and all investment managers employed to invest a portion of the Trust Fund. Any directions to an investment manager from the Trustees shall be in writing and shall be signed by both parties authorized to act on behalf of each party.

4.0 TRUSTEES.

4.1 TRUSTEES.

There shall be four Trustees. Any University employee may be a Trustee, except the President, the Vice President for Finance and Administration, and the Assistant Vice President for Human Resources. The initial four Trustees (and successor Trustees) shall be those individuals who are appointed by the University and who accept such appointment by fixing their signatures to this Agreement (or to amendments hereto).

4.2 TERM.

Each Trustee shall continue to serve as Trustee until the Trustee's death, incapacity, resignation or removal as provided in this Agreement.

4.3 RESIGNATION.

A Trustee may resign from all further duty or responsibility under this Agreement upon giving thirty (30) days notice in writing to the President of the University, or such shorter notice as the University may accept as sufficient. The notice shall state a date when the Trustee's resignation shall take effect. The resignation shall take effect of the date specified in the notice unless a successor Trustee shall have been appointed at an earlier date, in which event the resignation shall take effect immediately upon the appointment of the successor Trustee.

4.4 REMOVAL.

A Trustee may be removed from office at any time by a written notice signed by the President and Vice President for Finance and Administration, which shall be sent by registered or certified mail and which shall state a date when the removal shall take effect.

4.5 SUCCESSOR TRUSTEE.

4.5.1 In case any of the Trustees shall die, become incapable of acting under this Agreement, resign, or be removed, a successor Trustee shall promptly be appointed by a written notice signed by the President of the University and the Vice President for Finance and Administration. Until the appointment of a successor Trustee, the remaining Trustees by majority vote shall have full power to act under this Agreement.

4.5.2 A successor Trustee shall become vested with all the property, rights, powers, and duties of a Trustee upon (i) appointment as a successor Trustee, and (ii) acceptance by such successor Trustee of the trusteeship in a writing filed with the Trustees.

4.6 MEETINGS.

4.6.1 The Trustees shall meet regularly, at least once each calendar quarter, and at other times as is necessary to carry out the business and responsibilities of the Plan and Trust. Any one of the Trustees may call a meeting of the Trustees at any time, in person, by telephone or by e-mail, by giving at least forty-eight (48) hours written or e-mailed notice of the time and place of the meeting to the remaining Trustees; however, such notice may be waived by agreement of the Trustees.

4.6.2 The Trustees may conduct ministerial and administrative duties (e.g. paying legitimately presented bills) by voting via e-mail, without notice, but a record of such action must be made and stored.

4.7 ACTIONS BY TRUSTEES.

The four (4) Trustees shall act by a majority vote needed of three (3). Any person serving as Trustee may take any action or execute any document in the name of and on behalf of the Trust Fund and the other persons serving as Trustee, once duly approved and authorized by the Trustees, and unless the University or the persons serving as Trustee provide otherwise. The decision of the Trustee in matters within its jurisdiction shall be final, binding, and conclusive upon all interested or concerned parties.

4.8 PERSONS DEALING WITH TRUSTEE.

No person contracting or in any way dealing with the Trustee shall be under any obligation to ascertain or inquire (i) into any powers of the Trustee, (ii) whether such powers have been properly exercised or (iii) about the source or application of any funds received from or paid to the Trustee, and such person may rely on the Trustee's exercise of any power or authority as conclusive evidence that he or she possesses such power and authority. This Section shall not apply to any person who is a fiduciary with respect to the Plan or Trust.

4.9 VOTING.

Each Trustee shall have one vote on all matters in any meeting of the Trustees.

4.10 ADDITIONAL POWERS.

4.10.1 In addition to the Powers set out in Section 3.11, the Trustees shall have all powers specified herein, and as further provided in the Idaho Uniform Trustees' Powers Act, as amended, and any other applicable statute or rule of law.

4.10.2 The Trustees, the University, and each investment manager shall discharge their respective duties provided for under this Agreement with respect to the Fund in a fiduciary capacity and solely in the interest of the Beneficiaries with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims. The duties of the Trustees shall only be those specifically undertaken pursuant to this Agreement.

4.11 PROHIBITED POLITICAL OR PECUNIARY INTERESTS IN PLAN MANAGEMENT.

4.11.1 In accordance with Section 41-4015 of the Idaho Code, no Trustees, or other person having responsibility for the management of the Plan, or the investment or other handling of Trust Fund assets shall:

(1) Receive directly or indirectly or be pecuniarily interested in any fee, commission, compensation, or emolument, other than salary or other similar compensation regularly fixed and allowed for services regularly rendered to the Plan, arising out of any transaction to which the Trust Fund is or is to be a party.

(2) Receive compensation as a consultant to the Plan while also acting as a Trustee or administrator, or as an employee of either.

(3) Have any direct or indirect material pecuniary interest in any loan or investment of the Trust Fund.

4.11.2 No consultant to the Plan or Fund shall directly or indirectly receive or have any pecuniary interest in any commission or other compensation arising out of any contract or transaction between the Trust Fund and any insurer, health care service corporation, health maintenance organization or other provider of health care services or of drugs or other health care needs and supplies.

4.11.3 No Trustee shall make or knowingly permit the making, directly or indirectly, of any political contribution by or from the Fund.

4.12 INTERPRETATION.

The Trustees shall have full and complete authority, discretion and power to construe the provisions of this Agreement. Any construction adopted by the Trustees that is not inconsistent with the provisions of the Plan shall be binding upon Plan Participants, Participants, University, the Claims Administrator and all others claiming by or through any of them by assignment, bequest or otherwise.

4.13 PAYMENT OF ADMINISTRATIVE EXPENSES.

4.13.1 All reasonable expenses incurred in administering the Plan and Trust, including but not limited to administrative fees and expenses owing to any third-party administrative service provider, actuary, consultant, accountant, specialist, or other person or organization that may be employed by the Trustees in connection with the administration of the Plan, insurance premiums, bond premiums for Trustees' coverage, or premiums for University self insurance, shall be paid out of the Fund. In the first twelve months of operation of the Fund, the University shall provide adequate contributions to cover initial administrative fees and expenses. In subsequent years, if the Fund is inadequate to cover administrative fees and expenses, Trustees may apply to the University for additional Fund contributions.

4.13.2 At the request of the Trustees, the University will provide administrative services and use of facilities and equipment to the Trustees. Services to be provided may include financial management, accounting services, investment management, information technology services, and other services as requested, provided such requests fall within permissible services to be provided to affiliated foundations under Section V.E. of the policies of the State Board of Education, as they are now and as they may be amended in the future, and provided that the Fund is at all times clearly segregated from all University accounts and established in separate accounts pursuant to this Agreement. After the first twelve months, for any and all services requested, University shall charge its cost for providing such services, through monthly detailed invoices. University shall

not charge for services in the first year, and shall not charge for facilities and equipment used by the Trustees on behalf of the Trust.

4.14 RULES AND REGULATIONS.

The Trustees may adopt and promulgate such rules and regulations as may, in their discretion, be proper and necessary for the sound and efficient administration of the Trust

4.15 LIABILITY AND INDEMNITIES.

To the extent permitted by law, the Trustees shall not incur any liability for any acts or for failure to act except for willful misconduct or dishonesty, and the University or applicable insurance carrier hereby agrees to indemnify each Trustee for and to hold him or her harmless against any and all liabilities, losses, costs or expenses (including legal fees and expenses) of whatsoever kind and nature which may be imposed on, incurred by or asserted against him or her at any time by reason of his or her service under the Plan if he or she did not act dishonestly or otherwise in willful violation of the law under which such liability, loss, cost or expense arises. This indemnity shall not preclude such other indemnities as may be available under insurance purchased or provided by the University or under any agreement with the University to the extent permitted by law. Payments under this Section shall not be made from Trust Fund assets. University or any applicable insurance carrier shall also supply counsel, and pay all attorney fees incurred by Trustees in defense of any action.

4.16 TRUSTEES RELIANCE.

The Trustees may rely upon any certificate, notice or direction of the University which the Trustees believe to be genuine and to have been signed by a duly authorized employee of the University. Communications from the University to the Trustees shall be sent to the Trustees' office as stated above or to such other address as the Trustees shall specify,.

4.17 RECORDS AND ACCOUNTS.

4.17.1 In accordance with Idaho Code § 41-4011, the Trustees shall keep accurate and detailed accounts of all investments, receipts, disbursements, earnings on contributions for each year in which the Trust is effective and all other transactions hereunder. The Trustees shall keep records indicating the amount contributed by the University, by Plan, and the amount and type of benefits paid by the Trust. All accounts, books and records relating thereto shall be open to inspection and audit at all reasonable times, with prior notice to the Trustees, by any persons designated by the University.

4.17.2 Within 90 days next following (i) the close of each fiscal year of this Trust, which shall be the 12-month period ending on June 30 of each year, (ii) the removal or resignation of a Trustee as provided in Section 9.3 hereof, (iii) the

effective date of termination of the Trust, (iv) the withdrawal and transfer of a substantial portion of the Fund to another trust in accordance with the terms of the Trust, and (v) at such other times as shall be requested by the University, the Trustees shall file with the University and the State of Idaho Department of Insurance a written accounting setting forth all investments, receipts, disbursements, earnings on contributions with respect to the Plans funded, and in the aggregate, for each year in which the Trust is effective and all other transactions effected by the Trustees or reported to it by such investment managers as may be appointed hereunder during each fiscal year or during the period from the close of the last such fiscal year to the date of such removal or resignation. The accounting shall be certified by the accountant by whom such information was prepared or audited. In addition, the Trustees shall file quarterly unaudited financial reports in a form and at the time prescribed by the State of Idaho Department of Insurance, with copies to the University. Within 30 days from the date of filing such annual or other accounting, the Trustees also will serve copies of such accounting upon any persons designated by the University as having administrative responsibility with respect to any Plan if requested by the University.

4.18 BONDING.

As required by Idaho state law, the Trustees shall cause all individuals handling receipts and disbursements for the Fund to be bonded or comparably covered by a crime policy at all times under a fidelity bond or other surety issued by a surety or other insurer authorized to transact such insurance in the State of Idaho. The bond or crime policy shall be in favor of the Fund and shall be in an amount equal to the greater of ten percent (10%) of the Contributions received by the Plan or ten percent (10%) of the benefits paid during the preceding year. For the first year, without operating information from the preceding year, the bond or crime policy shall be in an amount equal to ten percent (10%) of the contributions projected to be received by the Plan during its first year of operation. The amount of any bond or crime policy shall be not less than twenty-five thousand dollars (\$25,000) or more than five hundred thousand dollars (\$500,000). The bond or policy shall be non-cancellable except upon not less than thirty (30) days in advance notice in writing to the Trustees and the Department of Insurance. The cost of the bond or comparable crime policy shall be borne by the Fund.

5.0 AMENDMENTS.

5.1 ENTIRE AGREEMENT.

This Trust Agreement constitutes the entire agreement between University and the Trustees and shall not be deemed to be varied, altered or amended by any other statement representation or agreement by or between any person or persons whomsoever, whether written, oral or implied in any way, except as provided in this Agreement.

5.2 AMENDMENT.

The parties to this Agreement may, at any time and from time to time, by instrument in writing executed pursuant to appropriate authorizations amend in whole or in part any or all of the provisions of this Agreement, provided, however, that no amendment or modification may be made that would permit any part of the corpus or income of the Fund to be used for, or diverted to, purposes other than for the exclusive benefit of the Plan Participants, and/or for the payment of administrative expenses, to the extent permitted by applicable law. Any such amendment shall become effective upon receipt by the Trustees of the instrument of amendment and endorsement thereon by the Trustees of its consent thereto, if such consent is required.

5.3 NOTICE.

The Trustees shall (i) immediately notify University, the Claims Administrators and other interested parties of any amendment to this Agreement, and (ii) execute any instrument or instruments in connection with the amendment.

6.0 TERMINATION OR DISCONTINUANCE OF THE PLAN.

6.1 APPLICATION OF FUNDS.

In the event of termination or discontinuance of the Plan, the Trustees shall apply the Fund to the continuation of providing benefits and to provide for payment of reasonable and necessary expenses incurred in termination of the Fund, until the Fund is exhausted. In the event of termination or discontinuance, University and Participant contributions shall be used to carry out purposes of the Trust as provided in this Agreement.

6.2 DISSOLUTION.

Upon termination or discontinuance of the Plan, or termination of registration pursuant to Idaho Code section 41-4018, the University shall immediately notify Trustees, who shall continue as Trustees for the purposes of dissolution and liquidation and may take any action that may be appropriate or required.

6.2.1 If the Plan or registration thereof is terminated, or if the Plan is discontinued, then there shall be a plan of liquidation for the Trust, in writing, and filed with and approved by the State of Idaho Department of Insurance as required by state law. Any balance remaining in the Fund after payment or adequate provision for all claims and charges against the Fund shall be disposed of in such manner as is provided for in the plan of liquidation. Unless under the plan of liquidation, liability for all unpaid claims and obligations of the Fund has been assumed by other financially responsible person or persons, the existence of surplus funds for such disposition shall not be determined prior to expiration of two (2) years after termination or discontinuance. The plan of liquidation, after such plan has been approved by the Department of Insurance, if applicable, shall

be binding upon all persons with pecuniary interest in the Fund. Pending the effectuation of the plan of liquidation, the Trustees may impose such prohibitions or restrictions upon disbursement or use of Trust assets as it deems advisable for the protection of all interested persons.

6.2.2 In the event of termination or discontinuance of the Plan, the assets of the Trust, to the extent not required to be addressed or covered under an approved plan of liquidation pursuant to Idaho Code section 41-4019, shall be held by the Trustees, in trust, and shall be directed to the payment of unpaid benefits, insurance premiums and/or administrative expenses under the Plan, and other duly incurred obligations of the Trust, in accordance with the provisions of this Agreement relating to such payments until such assets have been exhausted. In no event shall the assets of the Trust be returned to the University upon dissolution of the Trust unless permitted by applicable law. Upon termination of the Plan and satisfaction of all liabilities to existing Plan Participants, any assets remaining in the Trust may be applied to provide other permissible benefits or as otherwise permitted by applicable law.

7.0 MISCELLANEOUS PROVISIONS.

7.1 PAYROLL INFORMATION.

University shall promptly furnish to the Trustees, on demand, such payroll information and data with respect to the individual employees benefiting from this Agreement that the Trustees may require in connection with the administration of the Trust and the Plan. Payroll information and data shall be limited in nature to matters such as name, classification, social security number, hours worked or other information necessary to affirm eligibility for benefits. The Trustees, or their authorized representatives, may examine the pertinent payroll records of the employer with respect to the individual employees benefiting from this Agreement whenever an examination is deemed necessary or advisable by the Trustees in connection with the proper administration of the Trust and the Plan. Such information shall be kept confidential to the extent required by the Idaho Public Records Law I.C. § 9-340C and 9-348, and any other applicable law.

7.2 THIRD PARTY INTEREST.

No Participant, nor any person claiming by or through a Participant, employer, person, partnership, corporation or association, nor any person entity claiming by or through any one of them by reason or assignment, bequest or any other means shall have any right, title or interest in the Fund or any part of the Fund. However, any Participant who is actually covered by the Plan is entitled, subject to the terms and condition of the Plan, to the benefits provided under the Plan in the amount and to the extent provided in the Plan.

7.3 THIRD PARTY RELIANCE.

No person, partnership, corporation or association dealing with the Trustees shall be required (i) to see to the application of any funds or property of the Trust, (ii) to see that the terms of the Trust have been complied with, or (iii) to inquire into the necessity or expediency of any act of the Trustees. Every instrument effected by the Trustees shall be conclusive in favor of any person, partnership, or corporation relying on such instrument that:

7.3.1 At the time of the delivery of the instrument the Trust was in full force and effect;

7.3.2 The instrument was effected in accordance with the terms and conditions of this Agreement; and

7.3.3 The Trustees were duly authorized and empowered to execute the instrument.

7.4 PARTIES TO AGREEMENT.

No person or entity other than the Trustees or their lawful successors and University shall be considered a party to this Trust Agreement.

7.5 CONFLICTS OF LAW.

Whenever conflicts between Idaho Code Title 41, Chapter 40, and any other statute occur as to the interpretation of this Agreement, Title 41, Chapter 40 shall control.

7.6 SEGREGATION OF ASSETS.

The University may, if it so determines, at any time and from time to time, designate any group or groups of the eligible Plan Participants a separate class and may direct the Trustees to segregate in a separate fund, to be held for the benefit of such class, the part of the Fund allocable to such class as determined by the University or by an actuary appointed by the University, or of some lesser amount than such allocable part if the University or such actuary shall determine that other equitable provision is made for the difference. The University shall cause the Trustees to effect such segregation by delivering to the Trustees a certified copy of the University's or such actuary's determination, together with a certified copy of an approved motion of the Board of Regents of the University directing such segregation. The Trustees may rely conclusively and without investigation upon any such certified copy of such determination and such resolution and shall segregate such assets as the University may direct. The Trustees' valuation of such assets for that purpose shall be conclusive. The Trustees shall hold all of the assets so segregated under this provision, together with such payments as shall thereafter be made to the Trust in behalf of such class, and the income therefrom, as a subpart of the Fund and subject to the terms of this Agreement, or shall dispose of the same as directed by the University pursuant to the terms of this Agreement. In the event that the Trust or any subpart thereof created by this Agreement shall be

terminated as to such class, the University shall direct the disposition of the assets held by the for such class through transfer to a successor trust, the payment of insurance premiums, or other means permitted by applicable law, as the University shall determine, and thereafter such Plan Participants shall not have any rights in the Fund, or against the Trustees. University or any applicable insurance carrier shall defend and indemnify Trustees for any actions, claims, demands or lawsuits brought against Trustees for actions taken pursuant to this paragraph. University or any applicable insurance carrier shall also supply counsel, and pay all attorney fees incurred by Trustees in said defense.

7.7 NONDIVERSION OF THE FUND.

Except as may otherwise be expressly provided herein, at no time shall any part of the Fund be used for, or diverted to, any purposes other than the purpose of providing health care benefits under the Plan, or other permissible benefits allowed under applicable law, to those eligible Plan Participants entitled to benefits under this Trust, and for defraying the reasonable expenses of the Plan and Trust in the manner and to the extent provided in this Agreement; provided, however, that to the extent permitted by applicable law, contributions to the Trust may be returned to the University or Plan Participants under circumstances where: (i) the Trust does not qualify under applicable law such as Code Section 115(1) and the contribution is returned within one year after the Trust is found to not so qualify; (ii) a reversion of Trust assets after the payment of all obligations under the Plan is determined to be required to comply with Code Section 115(1); or (iii) the contribution was made due to a mistake of fact and the contribution is returned within one year of the mistaken payment. In the case of a mistake of fact, the return of contributions is limited to that portion of the contribution as to which there actually was a mistake of fact. A returned contribution does not include the earnings attributable to the contribution but it is reduced by any losses attributable thereto.

7.8 PROHIBITION ON ASSIGNMENT OR ALIENATION OF EQUITABLE INTERESTS.

The interests of the Plan in the assets, earnings and profits of the Trust shall not be subject to garnishment, assignment, attachment, levy or execution of any kind for the debts, defaults, bankruptcies or escheats of any person, natural or legal, having, or claiming to have, an interest in the Trust or in the Plan. In accordance with Section 41-4008 of the Idaho Code, this Section shall not prohibit levy upon the Fund by any provider (or assignee) for health care services rendered to a beneficiary if the Fund has theretofore agreed in writing to pay the same directly to such provider.

7.9 TAX EXEMPTION.

The Trust, including contributions into the Fund, the accumulation of interest or other earnings in the Fund, and payments from the Trust for qualified expenses, is intended to be exempt from all United States and State taxation, including income taxes, except for the franchise tax as applicable in Idaho Code § 41-4012, as provided in Idaho State Law and under applicable federal laws and regulations.

8.0 SITUS AND CONSTRUCTION OF TRUST.

8.1 SITUS.

The Trust Fund is situated in the State of Idaho.

8.2 GOVERNING LAW, JURISDICTION, AND VENUE.

This Agreement shall be construed and interpreted in accordance with the laws of the State of Idaho and the United States Internal Revenue Code. The parties agree that the state courts of Idaho shall have exclusive jurisdiction and agree that Latah County is the proper venue.

8.3 SEVERABILITY.

The invalidity of any portion of this Agreement, as determined by a court of competent jurisdiction, shall not affect the validity of any other portion of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date indicated below.

DATED this 26 day of June, 2007.

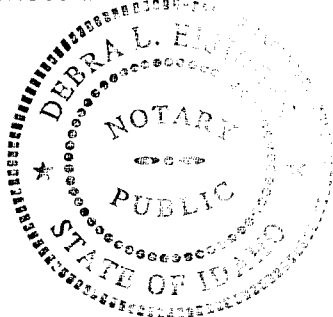
UNIVERSITY OF IDAHO:

by: *Lloyd E. Mues*
Lloyd E. Mues, Vice President of Finance
and Administration

State of Idaho

County of Latah

Subscribed and sworn/affirmed to before me this 26 day of June, 2007.



Debra L. Emery
Notary Public

My Commission Expires: 7/21/2010

TRUSTEES:

Bruce Pitman
Bruce Pitman

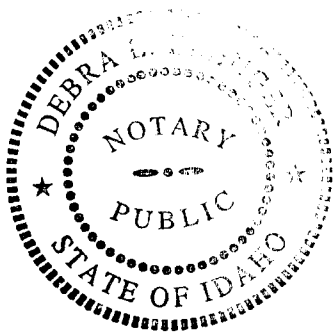
State of Idaho

County of Latah

Subscribed and sworn/affirmed to before me this 26 day of June, 2007.

Debra L. Young
Notary Public

My Commission Expires: 7/21/2010



Jeff Young
Jeff Young

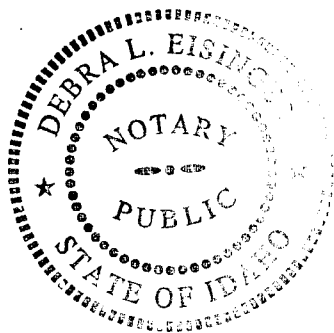
State of Idaho

County of Latah

Subscribed and sworn/affirmed to before me this 26 day of June, 2007.

Debra L. Young
Notary Public

My Commission Expires: 7/21/2010



John Keats III

John Keats

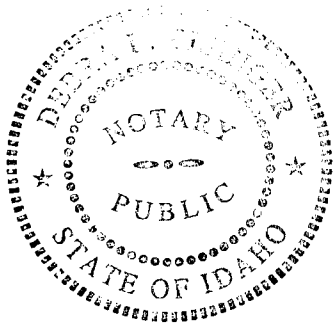
State of Idaho

County of Latah

Subscribed and sworn/affirmed to before me this 26 day of June, 2007.

Debra L. Fisher
Notary Public

My Commission Expires: 7/21/2010



Joy S. Fisher
Joy S. Fisher

State of Idaho

County of Latah

Subscribed and sworn/affirmed to before me this 26 day of June, 2007.

Debra L. Fisher
Notary Public

My Commission Expires: 7/21/2010

