

RESOLUTION

RESOLVED, That the Lane Transit District hereby adopt the Administrative Employee Benefits Trust, a copy of which is attached hereto and incorporated herein by this reference and the General Manager is hereby authorized and empowered to execute the same on behalf of the Lane Transit District.

RESOLVED FURTHER, That the following individuals are hereby appointed as Trustees of said Trust:

Phyllis Loobey  
Tim Dallas  
David Harrison  
Mark Pangborn

General Manager  
Director of Operations  
Personnel Administrator  
Director of Administrative Services

7-17-84

Date

  
Board Secretary

CERTIFICATION

The undersigned duly qualified and acting Executive Secretary of the Lane Transit District certifies that the foregoing is a true and correct copy of a resolution adopted at a legally convened meeting of the Board of Directors held on July 17, 1984.

\_\_\_\_\_  
Signature of Recording Officer

\_\_\_\_\_  
Title of Recording Officer

\_\_\_\_\_  
Date

LANE TRANSIT DISTRICT  
ADMINISTRATIVE EMPLOYEE BENEFITS TRUST

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EMPLOYEE BENEFITS TRUST  
AGREEMENT AND DECLARATION OF TRUST

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LANE TRANSIT DISTRICT  
ADMINISTRATIVE EMPLOYEE BENEFITS TRUST  
AGREEMENT AND DECLARATION OF TRUST

THIS AGREEMENT made this 2nd day of July 1984, by and between LANE TRANSIT DISTRICT, organized and existing under laws of the State of Oregon, located at Eugene, Oregon (hereinafter referred to as the "Employer"), and Tim Dallas, Phyllis Loobey, David Harrison and Mark Pangborn (hereinafter referred to as the "Trustee" or "Trustees").

WITNESSETH:

WHEREAS, the Employer has duly authorized the establishment of an employee welfare plan for the sole and exclusive benefit of the eligible employees or their dependents who qualify as participants and their beneficiaries; and

WHEREAS, to accomplish such purposes the Employer has formulated the welfare plan and trust embodied herein, designed to conform to the pertinent provisions of the Internal Revenue Code; and

WHEREAS, this Agreement and Declaration of Trust provides for contributions by the Employer to a trust fund in order to maintain such plan; and

WHEREAS, the Employer intends that such Trust Agreement is intended to qualify as a voluntary employees' beneficiary association described in Section 501(c)(9) of the Internal Revenue Code and the regulations thereunder; and

WHEREAS, the Employer intends that the welfare plan embodied herein qualify as an employee welfare plan as defined in Section 3(1) of the Employee Retirement Income Security Act of 1974; and

WHEREAS, the Employer has requested the Trustee to accept and administer said trust fund, all in accordance with the terms of the plan and trust;

NOW, THEREFORE, in consideration of the mutual promises, undertakings, and agreements herein contained, the parties hereto agree as follows:

ARTICLE I

Establishment of Employee Benefits Trust

1.1 The Trust Fund maintained hereunder shall be known as the LANE TRANSIT DISTRICT ADMINISTRATIVE EMPLOYEE BENEFITS TRUST (hereinafter referred to as the "Trust" or "Trust Fund").

1.2 The Trust shall be used for the purpose of providing life, sick, accident and other welfare benefits for Employees and their respective Dependents, as may be determined by the Employer, and as described in Article III.

1.3 The effective date of this Trust shall be the 1st day of July, 1984.

1.4 The Trustee, by signature hereto, hereby accepts the Trust established and agrees to hold all property and assets received or tendered to the Trust, together with all earnings thereon, solely for the uses and purposes provided for herein and established hereby, and in accordance with the terms and subject to the conditions and restrictions set forth herein.

## ARTICLE II

### Definition of Terms

Unless the context or subject matter otherwise requires, the following definitions shall govern in the Trust Agreement:

2.1 "Administrator" or "Plan Administrator" shall mean the committee or the person(s) designated by the Board of Directors of the Employer as Administrator of the Plan, but if there is no committee or no other Administrator is specifically designated, the Employer shall be considered the Administrator.

2.2 "Age" shall mean the Employee's age as computed (to his nearest birthday) on the effective date or the first day of each succeeding Plan Year.

2.3 "Agreement and Declaration of Trust" or "Trust Agreement" shall mean this instrument, including any amendment hereto.

2.4 The "Anniversary Date" shall be the 1st day of July each year.

2.5 "Beneficiary" shall mean any person or entity designated by any Participant or by the terms of the Plan who is or may become entitled to receive any Benefits which may be payable under the provisions of the Plan.

2.6 "Benefits" shall mean life, sick, accident and other welfare Benefits payable to a Participant or his Beneficiaries.

2.7 "Board of Directors" shall mean the Employer's Board of Directors.



2.8 "Code" shall mean the Internal Revenue Code of 1954, as amended. Reference to a section of the Code shall include that section and any comparable section or sections of any future legislation that amends, supplements or supercedes said section.

2.9 "Dependent" shall mean a minor or student child of the Employee or the Employee's spouse or any other minor child residing with the Employee and any individual for whom the Employee is entitled to take a deduction on his federal income tax return, as defined in Section 152 of the Internal Revenue Code.

2.10 The "Employee" shall mean any employee of any Employer who shall be able to participate in the Benefits of the Plan under the eligibility and participation requirements of the Plan.

2.11 The "Employer" shall include any successor Employer assuming the obligations created herein; or any firm or corporation designated by the Board of Directors of the settlor corporations to become a member of this Plan who may execute an application, transmit same to the Trustee and upon acceptance by the Trustee, shall be deemed to be an Employer with all the rights, duties, powers and obligation, with respect to its Employees, normally ascribable to the original signatory hereto.

2.12 "ERISA" shall mean the Employee Retirement Income Security Act of 1974.

2.13 "Fiduciary" shall mean the Employer and such individual named by the Employer and such other individuals or entities which are considered to be a fiduciary as that term is defined in ERISA.

2.14 "Fund" or "Trust Fund" shall mean all cash, securities, property and assets of whatever kind and nature, together with all earnings thereon, deposited with, and owned, held or otherwise acquired, through or by the Trustee pursuant to the provisions of the Trust Agreement.

2.15 "Funding Policy" shall mean the method designated by the Plan Administrator to accumulate assets hereunder for the purpose of providing Benefits to Participants in its Plan.

2.16 "Insurer" means any legal reserve insurance company.

2.17 "Participant" shall mean an individual who is determined to be or to have been an Employee or Dependent as defined herein.

2.18 "Plan" shall mean any plan or program of life, sick, accident or other welfare benefits established by the Administrator and approved by the Employer pursuant to this Agreement and Declaration of Trust. In the event that insurance contracts are part of the Trust, a description of these benefits may be embodied in the provisions of one or more insurance contracts procured by the Trustee in accordance with instructions issued by the Plan Administrator.

2.19 The "Plan Year" shall mean a full consecutive twelve (12) month period of time ending on the Anniversary Date of each year.

2.20 The "Trustee" or "Trustees" shall mean the person(s) herein named or any successor Trustee(s).

## ARTICLE III

### Eligibility

3.1 Each Employee of the Employer who is employed for at least twenty (20) hours per week and five (5) months in each Plan Year shall be eligible to become a member of this voluntary employees' beneficiary association. Dependents of Employees, former Employees and Dependents of former Employees are eligible to become members of this voluntary employees' beneficiary association.

All questions of eligibility shall be determined by the Plan Administrator, whose decisions shall be final.

3.2 Eligibility for Benefits shall be determined by the provisions of the Plan(s) adopted by the Employer and attached as exhibits to this Trust Agreement. Each Employee or Dependent will be required to supply such information as may be necessary, including such information as required by any Insurer, to provide the Benefits under the Plan(s).

3.3 Participation as a member is voluntary and may require contributions as a requirement for membership so long as participation in the Plan is not a condition of employment with the Employer.

## ARTICLE IV

### Benefits

4.1 The Plan Administrator shall have full authority to determine all questions of the nature, amount and duration of Benefits to be provided based upon the Plan(s) and the Funding Policy established by the Plan Administrator. In this connection, the Plan Administrator shall have cause to have made such periodic valuations of the Plan and the Trust Fund as shall be deemed advisable by the Plan Administrator or as shall be required by law. The Benefits shall be provided and maintained by such means as the Plan Administrator shall, in its sole discretion, determine. The detailed terms of the Plan and the basis on which payment of Benefits is to be made pursuant to this Trust Agreement shall be specified in writing by appropriate action of the Plan Administrator, subject, however, to such changes or modifications by the Plan Administrator from time to time as it, in its discretion, may determine. All such changes or modifications shall similarly be specified in writing by appropriate action of the Plan Administrator.

## ARTICLE V

### Plan Administrator

5.1 The Board of Directors of the Employer shall have the power to designate a Plan Administrator. If no Plan Administrator has been designated, then the Employer shall serve as the Plan Administrator. The Plan Administrator shall be the "administrator" and "named fiduciary" as such terms are used in the ERISA with respect to the Trust Fund and any Plan maintained thereunder.

5.2 The Plan Administrator shall have the power to construe the provisions of this Agreement and Declaration of Trust and the Plan(s) established hereunder and the terms used herein and therein.

5.3 The Plan Administrator shall supervise and control the operation of the Plan and shall have all powers necessary to accomplish that purpose, including the power to make rules and regulations pertaining to the administration of the Plan. The Plan Administrator shall establish a funding method and policy consistent with the objectives of the Plan and shall determine the Plan's short and long term financial needs and communicate these requirements to the Trustee.

5.4 Subject to the approval of the Employer, the Plan Administrator shall have the following powers:

- (a) To establish and administer a Plan(s) to provide life, sick, accident and other welfare Benefits; to determine the Benefits to be provided under any Plan; to establish different Plans for different categories of Employees or with respect to differing amounts of contributions; and to amend any Plan at any time increasing or reducing Benefits payable under any Plan as the Plan Administrator in his discretion shall determine.

- (b) To promulgate and establish rules and regulations for the administration and operation of any Plan, in order to implement the purposes of the Plan; and (without limitation on the powers of the Plan Administrator by reason of such enumeration), to formulate and establish conditions of eligibility with respect to coverage and qualification for Benefits, the method of providing Benefits, and the method of payment of premiums on any insurance contract issued to the Trustee.
- (c) To apply to an Insurer for such policies as it deems proper. Any insurance coverage issued under this Trust shall be for the purpose of providing some or all of the Benefits described in this Trust. The policies and their coverages may be amended by the Plan Administrator from time to time in accordance with the Plan Administrator's power to establish and amend Benefits. Insurers may be changed from time to time as the Plan Administrator deems necessary.

5.5 The Plan Administrator shall file such reports and Plan descriptions with the Department of Labor and the Department of Treasury as may be required by law.

5.6 The Plan Administrator shall notify the Internal Revenue Service of the termination of this Trust, any change in the name of the Trust or the name and address of the Plan Administrator, and any merger or division of this Trust.

5.7 The Plan Administrator shall provide each Employee with a summary of the latest annual report and Summary Plan Description in the form and within the time limits as may be required by law.

5.8 The Plan Administrator shall make available to each Employee during the business hours at the principal office copies of the Plan and this Trust Agreement, the Plan description, the latest annual report, and any other documents pertaining to the establishment and operation of the

Plan. Upon an Employee's request, he shall be furnished copies of any of such documents, provided he shall be required to pay any expense incurred in duplicating such documents.

5.9 The Plan Administrator shall have the power to designate the agent for service of legal process for this Agreement and Declaration of Trust. The President of the Employer shall be the agent for service unless the Plan Administrator designates in writing to the contrary.

5.10 The Employer shall pay all expenses of the Plan Administrator, including fees paid to investment managers, agents or counsel hired by the Plan Administrator to assist him.

5.11 The Employer may at any time inspect the books of the Plan Administrator and may at any time demand an accounting from the Plan Administrator.

ARTICLE VI

Trustee - General

6.1 The Trustee shall conduct the business of the Trust and execute all instruments in the name of the Trust.

6.2 The Trustee may resign and become and remain fully discharged from all further duty or responsibility hereunder upon giving thirty (30) days notice in writing to the Employer. Such notice shall state a date when such resignation shall take effect; and such resignation shall take effect on the date specified in said notice unless a successor Trustee shall have been designated at an earlier date, in which event such resignation shall take effect immediately upon the designation of, and acceptance of this Trust by, such successor Trustee.

6.3 At any time, a Trustee may be removed and a successor Trustee appointed by the Employer. In the event that any Trustee shall die, become permanently incapable of acting hereunder, or resign, a successor Trustee shall be appointed by the Employer.

6.4 Any successor Trustee shall immediately, upon its designation as Trustee and its acceptance of the trusteeship in writing, become vested with all the rights, powers, duties and obligations of a Trustee hereunder with like effect as if originally named as a Trustee.

6.5 No vacancy or vacancies in the office of Trustee shall impair the power of the remaining Trustee, if any, in the manner herein provided, to administer the affairs of this Trust.



6.6 The Trustee shall appoint a person to have charge of and supervise the keeping of minutes and records of all meetings, proceedings and acts of the Trustee, which shall be kept on file and available for inspection.

6.7 The Trustee shall receive such fees as may be agreed upon from time to time by the Employer (except that a Trustee who is an Employee shall not receive a fee) and shall be reimbursed for all expenses properly and actually incurred in the performance of its duties.

6.8 If more than one individual is serving as Trustee hereunder, such individuals may enter into a written agreement, signed by each individual, allocating among themselves, or any one or more of them, any of the specific responsibilities, obligations or duties imposed upon the Trustee under any of the provisions of this Agreement and Declaration of Trust. Notwithstanding any other provisions of this Agreement and Declaration of Trust and subject to the requirements of applicable law, a Trustee to whom certain responsibilities, obligations or duties have not been allocated under such written agreement shall not be liable either individually or as a Trustee for any loss resulting to the Trust Fund arising out of the acts or omissions on the part of another individual serving as Trustee, to whom such responsibilities, obligations or duties have been allocated under such written agreement, provided that the Trustee has acted prudently and in the interests of the Employees and Dependents in establishing and maintaining such allocation of responsibilities, obligations and duties.

6.9 If more than one individual is serving as Trustee hereunder, the vote of the Trustee may be cast by the individuals in person at a meeting, or without a meeting if there is unanimous written concurrence by all of the individuals then in office to such action.

6.10 If more than one individual is serving as Trustee hereunder, such individuals shall meet periodically as they determine necessary for administration of the business of the Trust Fund. A majority of the individuals serving at any time present in person at a meeting shall constitute a quorum for the transaction of business at the meeting and the affirmative vote of a majority shall be required for any action to be taken.

## ARTICLE VII

### Powers and Duties of the Trustees

7.1 The Trustees and any successor Trustees shall have all powers necessary for the performance of their duties and in addition to those vested in them elsewhere in this Agreement and Declaration of Trust or by law the Trustees shall have the following powers:

1. To retain legal counsel (who may be counsel for the Employer) with respect to the construction of the Trust Agreement, or with respect to any legal proceeding or question of law, and to retain an enrolled actuary at such times as they deem it advisable to furnish all necessary actuarial computations. The Trustees may employ any other suitable agents or custodians and may delegate any of their powers and duties to them;
2. To hold the funds received from the Employer and any policies delivered to them by the Insurer, if any, subject to the terms and conditions of this Agreement and Declaration of Trust, and to pay any necessary payments as they shall become due and payable from time to time;
3. To invest and reinvest the Trust Fund without distinction between income and principal, in units of participation in any common trust fund or mutual funds, or in such bonds, notes, debentures, mortgages, investment trust certificates, preferred or common stocks, insurance and annuity contracts, or in such other property, real or personal, as the Trustees may deem advisable. The Trustees are authorized to buy and sell securities on margin and execute required margin agreements, sell securities "short" and buy and sell regulated and non-regulated commodities and execute required agreements. Trustees may hold a reasonable portion of the Trust Fund in cash to provide for the payment of current expenses and of Benefits under this Trust, and otherwise as permitted by law;

4. To manage, sell, contract to sell, grant options to purchase, convey, exchange, transfer, abandon, improve, repair, insure, lease for any term even though commencing in the future or extending beyond the term of the Trust, and otherwise deal with all property, real or personal, in such manner, for such considerations and on such terms and conditions as the Trustees may decide; and no person dealing with the Trustees shall be required to see to the application of any money or property delivered to the Trustees or to inquire into the validity or propriety of any transaction with the Trustees;
5. To borrow such sum or sums from time to time as the Trustees consider necessary or desirable and in the best interest of the Trust Fund, and for that purpose to mortgage or pledge any part of the Trust Fund; provided that the consent of the Employer has first been obtained;
6. To compromise, contest, arbitrate or abandon claims or demands by or against the Trust Fund;
7. To have, with respect to the Trust Fund, all of the rights of an individual owner, including the power to vote stock, to give proxies, to participate in voting trusts, mergers, consolidations, foreclosures, recapitalization, reorganizations or liquidations, and to exercise or sell stock subscription or conversion rights;
8. To hold any securities or other property in the name of the Trustees or their nominee, or in such other form as they deem best, with or without disclosing the Trust relationship, providing that the books of the Trust reflect actual ownership and the Trustees shall be liable for the acts of their nominee;
9. To begin, maintain or defend any litigation necessary in connection with the administration of the Plan or this Trust, except that the Trustees shall not be obligated or required to do so unless they have been indemnified to their satisfaction against all expenses and liabilities sustained or anticipated by them by reason thereof;

10. To pay out of any Benefit distributable from the Fund, any estate, inheritance, income or other tax, charge or assessment attributable thereto, but the Trustees shall give the Employer notice of their intention to make such payments as far in advance as may be practicable, and shall defer such payments if the Employer so requests and indemnifies the Trustees to their satisfaction. The Employer and the Trustees, or either, before making payment of any Benefit, may require such release or other documents from any lawful taxing authority and such indemnity from the intended payee as they respectively consider necessary for their protection;
11. To retain any funds or property subject to any dispute without liability for payment of interest, and to withhold payment or delivery thereof until final adjudication of the dispute by a court of competent jurisdiction;
12. To make, execute, acknowledge and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;
13. To perform any and all other acts in their judgment necessary or appropriate for the proper and advantageous management, investment and distribution of the assets held hereunder.

7.2 The Trustees shall use ordinary care and reasonable diligence in the exercise of their powers and the performance of their duties. The Employer and the Administrator shall periodically review cash flow projections for purposes of the Trust and shall supply them to the Trustee so that an

appropriate investment policy may be maintained. The Employer or Administrator shall notify the Trustee of any anticipated significant changes in the number or composition of Plan Participants or any other matter (including a change in the contribution level) which would have a significant impact on the expected cash flow requirements.

7.3 A Trustee may be removed at any time by the Board of Directors, and a Trustee may, by adequate written notice, resign at any time. In the event of any vacancy, however caused, in the office of a Trustee, the Employer may appoint a successor Trustee and such successor Trustee shall become vested with all the rights, powers, duties, and obligations as Trustee hereunder as if originally designated as Trustee in this Trust Agreement, and the replaced Trustee shall transfer and deliver to the successor Trustee all of the assets of the Trust then held by it and such records as may reasonably be required in order to administer the Trust hereunder. The successor Trustee shall not be liable or responsible for any acts or defaults of the replaced Trustee, nor for any loss or expense occasioned by anything done or omitted to be done by such replaced Trustee, and with the consent of the Employer, the successor Trustee may accept the accounting reports and records of the replaced Trustee without incurring any liability or responsibility for so doing. Within sixty (60) days after the effective date of such removal or resignation, the replaced Trustee shall file with the Employer an accounting report to such effective date. Upon the expiration of six (6) months from the date of filing such accounting report, the replaced Trustee shall be forever released and discharged from any liability or accountability

to the Employer as respects the propriety of its acts or transactions shown in such report except with respect to any such acts or transactions as to which the Employer shall within such six month period file its written disapproval setting forth its exceptions or objections. Thereafter, except in connection with any such written exceptions or objections filed within the prescribed time, the Employer shall not have the right to demand or be entitled to any further or different accounting by the replaced Trustee. The replaced Trustee shall not be precluded from having its accounts judicially settled by a court of competent jurisdiction.

7.4 The Trustees shall keep accurate and detailed records of their administration of the Trust, which shall be open to inspection at all reasonable times by any person designated in writing by the Employer. Within sixty (60) days following the close of each year, or such other date as may be agreed upon, the Trustees shall file with the Employer a written accounting report setting forth all receipts and disbursements and other transactions effected by said Trustees during each year, and containing an exact description of all securities purchased and sold, and the cost of purchase or proceeds of sale, and showing the securities and investments held at the end of such year or other period. Upon the expiration of six (6) months from the date of filing such accounting report, the Trustees shall be forever released and discharged from any liability or accountability to the Employer as respects the propriety of the acts or transactions shown in such report, except within any such six (6) month period, the Employer may file its written

setting forth its exceptions or objections. Thereafter, except in connection with any such written exceptions or objections filed within the prescribed time, the Employer shall not have the right to demand or be entitled to any further or different accounting by the Trustees. The Trustees shall not be precluded from having their accounts judicially settled by a court of competent jurisdiction.

7.5 In the event the Trustees find it necessary to borrow on the insurance contracts to keep the contracts in force, the borrowing shall be repaid before payment of benefits thereunder.

7.6 It shall be the duty of the Administrator to make written representations to the Trustees of all facts which are necessary for the Trustees to determine the amount and time of distributions to which each Participant, or his Beneficiaries, may be entitled hereunder.

The Trustees shall not be liable for the payment of any monies or the doing of any act in reliance upon any such written representation by the Administrator. Such facts which are to be represented to the Trustees by the Administrator shall include the date of death, retirement age, termination of employment, and all other facts which are necessary for the Trustees in order to administer the Trust in accordance with the terms of this Trust Agreement. The Trustees shall not be under any duty to ascertain whether the Employer's contributions comply with the terms of this Trust Agreement, or whether such Employees and the Employer have performed from time to time any other duties imposed upon them by this Trust Agreement, but the sole duty of the Trustees shall be to receive and administer the same in accordance with the provisions of this Trust Agreement. Any representations made by an Employee to the Administrator or the Employer concerning any fact which the Administrator is under a duty hereunder to represent to the Trustees shall



conclusively estop such Employee from denying the truth thereof, and the Employer, the Administrator and Trustees shall not be liable for any act in reliance upon any representation of such Employee.

## ARTICLE VIII

### Contributions

8.1 The Employer shall make the necessary contributions pursuant to the Funding Policy to provide the Benefits expected to become payable under this Trust to Participants or Beneficiaries under the Plan; provided, however, nothing contained herein shall be deemed to prohibit or otherwise prevent the Employer from requiring Participants to contribute, or otherwise reimburse it for all, or any portion of the costs of providing Benefits under the Plan so long as participation in the Plan is not a condition of employment with the Employer. Nothing in the Trust Agreement shall be construed to require the Employer to make any contributions to the Trust Fund. The Benefits payable hereunder shall be limited to those payable from the assets of the Trust Fund; and neither the Trustee, any Participant, nor any Beneficiary shall have any recourse against the Employer with respect to the sufficiency of the contributions made by the Employer.

8.2 All contributions hereunder and all assets and earnings of the Trust are solely and irrevocably dedicated to the payment of Benefits of the kind and type described herein; provided, however that nothing contained herein shall be deemed to prohibit application of any actuarial gain against the obligations of the Employer to make contributions in accordance with the Plan. In the event that the Trustee determines that the Employer has made a contribution to the Trust Fund as a result of a mistake of fact, the Trustee may, in its absolute discretion, return such contribution to the Employer within one year after payment of the contribution.

## ARTICLE IX

### Approval By Internal Revenue Service

9.1 The Employer and the Trustees shall promptly submit this Trust and all necessary supporting documents to the Internal Revenue Service with a request for a determination letter that the Trust as embodied in this agreement meets the qualification requirements of Section 501(c)(9) of the Internal Revenue Code. Pending the issuance of the determination letter, a Participant upon terminating his employment shall have no right to receive any of the assets in the fund until such time as a favorable determination letter is obtained, but any death Benefits which may become payable shall be paid in accordance with the terms of any policy in force on his life. To implement this aspect of the Trust, the Employer and the Trustees may enter into appropriate agreements with the Insurer covering the surrender and cancellation of policies and the following procedures may be followed if the Internal Revenue Service shall determine that the Trust as it may have been amended does not initially qualify.

1. The Employer at its option, within one (1) year, may terminate the Trust and withdraw all contributions theretofore made and earnings thereon, in which event no Participant or Beneficiary shall have right or claim to any asset or Benefit of the Trust.
2. Incident to such termination of Trust, the Employer shall direct the Trustees to make such arrangements as may be feasible to recover such amounts as may be available upon a complete liquidation of all investments. The amounts so recovered, plus any other amounts held by them, shall be paid by the Trustees to the Employer.
3. The Trustees shall be entitled to deduct from amounts to be paid over to the Employer any amounts which may be due from the Employer for expenses, or otherwise.

## ARTICLE X

### Amendment or Termination of Trust Agreement

10.1 The Employer may amend this Trust at any time, provided, however, (a) that no amendment shall change the duties or liabilities of the Trustees without their consent and (b) that no amendment shall ever cause any part of the Trust to revert to the Employer. The Employer expects to continue contributions to this Trust indefinitely; however, such continuance is not assumed as a contractual obligation.

10.2 This Agreement and Declaration of Trust may be terminated at any time by the Employer, with appropriate notice to the Trustee.

10.3 In the event of the termination of this Agreement and Declaration of Trust, the Trustee shall apply the Trust Fund to pay or to provide for the payment of any and all obligations of the Trust Fund and shall distribute and apply any remaining surplus in such manner as will, in its opinion, best effectuate the purpose of the Trust Fund, including the continuance of one or more of the Benefits provided hereunder for the then Employees if there shall be any excess funds available; provided, however, that no part of the corpus or income of said Fund shall be used for or diverted to purposes other than for the exclusive benefit of the Employees and their Dependents, or the reasonable administrative expenses of the Trust Fund or for other payments in accordance with the provisions of this Trust Agreement. Under no circumstances shall any portion of the corpus or income of the Trust Fund, directly or indirectly, revert or accrue to the benefit of the Employer.

10.4 Upon termination of the Trust Fund in accordance with this Article, the Trustee shall continue as Trustee for the purpose of winding up the affairs of the Trust. Upon the disbursement of the entire Trust Fund, this Trust shall terminate.

## ARTICLE XI

### Title to Assets of Trust

11.1 All rights, title and interest in and to the assets of the Trust shall be vested in and reside exclusively in the Trustees, subject to the right of the Trustees to register title to such assets in the name of its nominee or nominees. Neither the Employer nor a Participant shall have any right, title or interest in or to the assets of the Trust except to have the same held, invested, vested and applied in accordance with the provisions of this Trust Agreement. Except to the extent required by law, no interest, rights or claim in or to any part of the Trust or any payment therefrom shall be assignable, transferable or subject to sale, mortgage, pledge, hypothecation, alienation, commutation, anticipation, garnishment, attachment, execution, or levy of any kind, and the Trustee shall not issue any certificate or other documentation representing any interest, right or claim in or to any part of the Trust; provided, however, that nothing contained herein shall prohibit or otherwise restrict the right of any Participant to assign any or all of his rights under any group life insurance policy purchased hereunder, or to assign any of his rights to receive payment for Benefits to which he is entitled hereunder to any doctor, dentist, medical group, dental group, hospital, clinic or other qualified person or persons which provide hospitalization, medical and/or dental services and benefits to such Participants.

## ARTICLE XII

### Miscellaneous

12.1 All the powers and authority herein conferred upon the Trustee shall be exercised by it without the necessity of applying to any court for leave or confirmation.

12.2 No person dealing with the Trustee shall be required to see to the application of any money paid or property delivered to the Trustee, or to determine whether or not the Trustee is acting pursuant to any authority granted to it under the Trust Agreement. Every such person may rely solely upon the deed, transfer or assurance of the Trustee.

12.3 The Employer hereby agrees to indemnify the Trustee for and to hold it 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 the Trustee at any time by reason of the Trustee's service under this Trust Agreement unless the Trustee acted dishonestly or in willful or negligent violation of the law or regulation under which such liability, loss, cost or expense arose.

12.4 The Trustee shall not be required to determine or make any investigation to determine the identity or mailing address of any Beneficiary entitled to Benefits hereunder, and shall have discharged its obligation in that respect when it shall have sent checks and other papers by first class mail to such Beneficiaries at their respective residences as provided by the Employer.

12.5 This Trust shall not, except to an insubstantial degree, engage in any activities that are not in furtherance of the primary purposes of this Trust. No amendment shall change or alter the primary purpose of this Trust as described herein.

12.6 Any discretionary acts to be taken by the Trustee under the terms and provisions of this Trust Agreement shall be uniform in their nature and application to all those similarly situated.

12.7 Any dividends, retrospective rate credits or other benefits based on experience shall be applied by the Trustee for the benefit of Participants.

12.8 No Insurer shall, for any purpose, be deemed a party to this Trust, or to be responsible for its validity or sufficiency. The obligations of the Insurer shall be measured and determined solely by the terms and conditions of the policy or contract it may issue, and there shall be no obligation to any person whatsoever other than that stated in such policy or contract. The Insurer shall not be required to take cognizance of the provisions of this Trust, or to question the authority of the Trustee or any successor Trustee. The Insurer may take, allow, or fail to take any action solely upon any application, waiver, request, direction or other instrument, without exceptions, executed by the Trustee. The Trustee shall not incur any liability or responsibility for the failure of, or the refusal of, any Insurer to take any action requested by the Trustee, or to issue any contract which shall be requested by the Trustee.



12.9 Evidence required of anyone under this Trust Agreement may be made by certificate, affidavit, document or other instrument which the person acting in reliance thereon considers pertinent, reliable, signed and made or presented by the proper party.

12.10 Any notice required under this Trust Agreement may be waived by the person entitled thereto.

12.11 This Trust Agreement may be executed in any number of counterparts, each of which shall be deemed an original and no other counterpart need be produced.

12.12 This Trust Agreement shall be construed and administered according to the laws of Oregon to the extent that such laws are not preempted by the laws of the United States of America. The invalidity or illegality of any provision of this Trust Agreement shall not affect the legality or validity of any other part thereof.

12.13 This Trust Agreement shall be binding on the Employer, the Trustee and its successor and on all persons entitled to Benefits under the Plan and their respective heirs and legal representatives. If a successor to the Employer or a purchaser of all or substantially all of the Employer's assets, elects to continue the Plan, such successor or purchaser shall be substituted for the Employer under this Trust Agreement; provided, a supplemental agreement is executed with the Trustee.

12.14 Whenever used in this Trust Agreement, the neuter gender shall include both the feminine and masculine, and the masculine shall include the feminine. Whenever appropriate, the singular shall include the plural or the plural shall also be read as the singular.

12.15 All titles used in this Trust Agreement are for purposes of identification only and shall have no bearing on the meaning, construction or interpretation of the articles to which they refer.

12.16 Except as otherwise specifically provided, no action taken in accordance with this Trust Agreement by the Employer, Trustee or Plan Administrator shall be construed or relied upon as a precedent for similar action under similar circumstances.

12.17 If any provisions of this Trust or any step in the management and investment of the Trust are held to be illegal or invalid for any reason, such illegality shall not affect the remaining portions of this Trust unless such illegality prevents accomplishment of the primary purpose of this Trust.

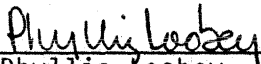
12.18 Nothing contained herein shall be construed as a commitment by the Employer to continue the employment or rate of compensation of any Participant, nor to continue the Trust or provision of any Benefit under the Trust for any period.

12.19 Subject to the terms of any insurance contract constituting part of this Trust, if the Plan Administrator determines that any Participant or Beneficiary is unable to care for his affairs because of physical or mental incapacity, the Plan Administrator or its agents may pay benefits due such Participant or Beneficiary to his legal guardian or conservator or to any relative by blood or by marriage to be used and applied for the benefit of such Participant or Beneficiary. Payment by the Trustee at the direction of the Plan Administrator to such legal representative or relative shall discharge the Employer, the Trustee and the Plan Administrator from all

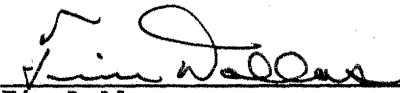
liability to such Participant or Beneficiary or anyone representing him or his interest, and the Employer, the Trustee and the Plan Administrator shall have no duty or obligation to see that the funds are used or applied for the benefit of such Participant or Beneficiary.

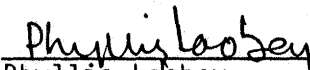
IN WITNESS WHEREOF, the Employer has caused this Agreement and Declaration of Trust to be signed by its duly authorized officers, and the Trustees having agreed to perform their duties as listed herein, have signed this Agreement and Declaration of Trust as of the day and year first above written.


LANE TRANSIT DISTRICT

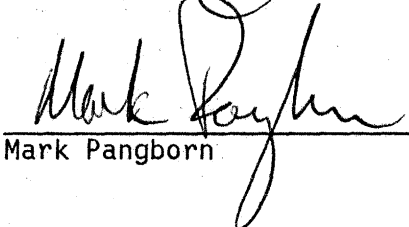
  
\_\_\_\_\_  
Phyllis Loobey General Manager

LANE TRANSIT DISTRICT ADMINISTRATIVE  
EMPLOYEE BENEFITS TRUST

  
\_\_\_\_\_  
Tim Dallas Trustee

  
\_\_\_\_\_  
Phyllis Loobey Trustee

  
\_\_\_\_\_  
David Harrison Trustee

  
\_\_\_\_\_  
Mark Pangborn Trustee

WITNESS:

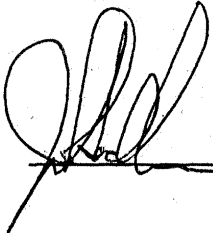
  
\_\_\_\_\_

EXHIBIT A  
of  
LANE TRANSIT DISTRICT  
ADMINISTRATIVE EMPLOYEE BENEFITS TRUST

ARTICLE I  
Establishment of Plan

1.1 LANE TRANSIT DISTRICT, the Employer, hereby establishes a group death benefits and severance pay plan for its eligible employees. It is the intent of the Employer to maintain the Plan in accordance with this written instrument. The name of the Plan is LANE TRANSIT DISTRICT GROUP DEATH BENEFITS AND SEVERANCE PAY PLAN.

The Employer is the Plan Administrator and its address is 815 Garfield Street, Eugene, Oregon 97402.

1.2 The Effective Date of this Plan is July 1, 1984.

1.3 Records shall be kept on a Plan Year basis.

ARTICLE II  
Description of Plan

2.1 The Plan is a plan of life benefits as defined in Internal Revenue Code Section 501(c)(9) and the regulations thereunder. The Plan provides benefits for eligible employees including retired employees.

2.2 The Plan is also a severance pay plan within the meaning of 29 CFR Section 2510.3-2(b) and provides benefits for eligible employees.

### ARTICLE III

#### Funding

3.1 All costs of the Plan will be paid by the Employer.

3.2 The benefits provided under the Plan are to be funded pursuant to the terms of the LANE TRANSIT DISTRICT ADMINISTRATIVE EMPLOYEE BENEFITS TRUST which may include insurance underwritten by any legal reserve life insurance company.

### ARTICLE IV

#### Eligibility for Benefits

4.1 All full-time administrative employees employed at the Effective Date shall be Participants of this Plan. All full-time employees hired after the Effective Date shall become Participants on the Anniversary Date next following their date of employment. A full-time employee is an employee who is employed for at least twenty (20) hours per week and five (5) months in each Plan Year. A Year of Service shall be credited on each Anniversary Date to each full-time employee who was employed on the previous Anniversary Date.

4.2 A Participant who is an active Employee shall be eligible for life benefits provided herein subject to the Participant's completion of all requirements of the Insurer to underwrite all or a portion of the death benefit.

4.3 The normal retirement date for a Participant shall be the Anniversary Date which is nearest the Participant's 62nd birthday, or after the second

anniversary of the date the participant commenced participation in the Plan, whichever is later.

4.4 A Participant who terminates employment with the Employer for reasons other than death shall be eligible for a severance pay benefit.

4.5 Notwithstanding the above, eligibility for benefits under the Plan is conditioned upon the Employee completing any applications or other forms including those required as evidence of the Employee's insurability as required by the Insurer and the issuance of a policy or certificate on the life of the Employee.

Coverage under the Plan will cease:

- a) upon termination of employment for whatever cause (except if the Participant is eligible for post-retirement benefits those benefits shall continue after retirement),
- b) if a Participant is no longer a member of a job classification that is eligible for benefits under the Plan,
- c) if a Participant takes a leave of absence for more than three months, or
- d) if the Participant is discharged from the service of the Employer for chronic insubordination, disloyalty, dishonesty, conviction of a high misdemeanor or felony.

ARTICLE V

Schedule of Benefits

5.1 The life benefit provided for an active employee of the Employer who is a Participant of this Plan shall be equal to two times the Participant's total compensation for the Plan Year immediately preceding the current year; subject, however, that the benefit provided herein shall be limited to the sum of all life insurance proceeds and that portion of the assets of the Trust reserved and actuarially projected for this benefit.

5.2 The severance pay benefit payable upon termination of employment shall be equal to the sum of the following:

	<u>Weeks of Pay Per Year of Service</u>	<u>Years of Service</u>
a)	0	0 - 2
b)	1	3 - 8
c)	3	9 - 13
d)	4	14 - 17
e)	5	18 and thereafter

Maximum benefit is 52 weeks of pay. Years of Service means full years of Service as of the Anniversary Date prior to his termination of employment. A Week of Pay means the Participant's total compensation for the Plan Year immediately preceding the current year divided by 52.



## ARTICLE VI

### Payment of Benefits

6.1 Only the Insurer, and not the Employer or any fiduciary, shall be liable for payment of any insurance benefits under this Plan; provided, however, that premiums for the applicable insurance policy or policies have been paid and/or remitted to the Insurer. The Insurer, however, is not a party to this Plan and its responsibility shall be limited to the terms of the policy or policies issued by it. The Administrator shall make all determinations as to the right of any person to a benefit.

6.2 Each Participant may, from time to time, select one or more beneficiaries to receive benefits pursuant to this Article in the event of the death of such Participant. Such selection shall be made in writing upon a form provided by the Administrator and shall be filed with the Trustee. The last such selection filed with the Trustee shall control. If the only beneficiary designation form provided by the Administrator is the beneficiary form of the insurance company, such designation of beneficiary on that form shall be deemed the effective designation for all death benefits due under this Plan. If a married Participant selects a beneficiary other than or in addition to his spouse, the Administrator may require said spouse's approval or consent to such selection, including cases where the Participant's marriage occurs subsequent to said selection. The Administrator may, by written notice to the Participant, refuse to accept a designation which the Administrator determines to be unduly complex, vague or ambiguous, or to contain contingencies which the Administrator believes would impose a burden upon

the Administrator, the Trustee or the Trust. If a Participant dies without having designated a beneficiary or if no designated beneficiary shall survive him or all his beneficiaries die before receiving the full payment to which they are entitled, the benefits provided hereunder shall be paid, as soon as practicable after such death in the same proportions and to the same persons as provided by the law of intestacy of the state in which the Participant was domiciled at the time of his death. The method of payment of death benefits hereunder shall be at the sole discretion of the Administrator.

6.3 Normally, whenever a Participant or former Participant or Beneficiary becomes entitled to any benefits under the Plan, the Employer or Administrator will automatically initiate procedures to provide for the payment of such benefits. If a Participant or former Participant or Beneficiary is of the opinion that he is entitled to the payment of any benefits under the Plan and no action is forthcoming, then the Participant or former Participant or Beneficiary, as the case may be, may file a written claim with the Administrator for the benefits to which such person believes himself to be entitled. If any Participant or former Participant or Beneficiary files a claim for benefits under this Plan and such claim is denied in whole or in part by the Administrator, the Administrator shall give written notice of such decision to the Participant or former Participant or Beneficiary setting forth the specific reasons for such denial and explain the procedures for review of the claim. The Participant or former Participant or Beneficiary

so notified shall have sixty (60) days after receipt of such notification to request in writing a full and fair hearing by one or more persons appointed by the Board of Directors to review the Administrator's decision denying the claim. At such hearing, such Participant or former Participant or Beneficiary shall have the right to be represented and to present written or oral evidence in his behalf. The claimant or his duly authorized representative shall have an opportunity to review all pertinent documents with respect to the claim and to submit issues and comments that they may have with respect to the claim. The notice of the decision on review shall be in writing and shall include specific reasons with respect to the decision.

6.4 All payments to a terminated Participant of a severance pay benefit must be completed within 24 months after termination of employment.

6.5 The continuation of a Participant's benefit under this Plan after he has terminated from active service with the Employer is expressly contingent upon the full and complete compliance with the following obligations and covenants:

Trade Secrets - The terminated Participant shall not divulge any privileged or confidential information regarding the Employer's business or the Employer's clients to anyone other than the authorized officers and employees of the Employer.

Non-Compete - During a period of five years after termination, a Participant engaged in executive, supervisory, sales, experimental, and/or research operations of the Employer without prior written consent of the Board of Directors, shall not become engaged or employed in operations, or services located within a 50-mile radius of the principal offices of the Employer, which, in the sole discretion of the Board of Directors, are directly

or indirectly competitive with the Employer or products in which it then deals or proposes to deal. Ownership of shares in such a business or endeavor as minority share-holders shall not be deemed grounds for forfeiture.

Consulting Services - During the period of ten (10) years after his retirement, the Participant will render to the Employer such services of an advisory or consultative nature as the Employer may reasonably request, so that the Employer may continue to have the benefit of his experience and knowledge of the affairs of the Employer and of his reputation and contacts in the industry, and he will be available for advice and counsel to the officers and directors of the Employer at all reasonable times by telephone, letter, or in person.

The Board of Directors shall, in their sole discretion, determine if a terminated Participant has not fully and completely complied with any of the above obligations and covenants and shall direct the Administrator to take the steps necessary to cease providing the benefit to such Participant subject to the claim procedure contained in this Article VI.

## ARTICLE VII

### Termination and Amendment

7.1 The Employer adopted this Plan to provide current protection to Participants for a period not to exceed one year. Neither before, on, or after the Normal Retirement Date, does a Participant have a right to a benefit that extends for more than one year. Further, the Employer reserves the right to alter, amend, modify, or terminate this Plan, however, no such amendment may affect any benefits which are currently payable.

7.2 Nothing contained herein shall be construed as a commitment by the Employer to continue the employment or rate of compensation of any Participant, nor to continue the Plan or provision of any benefit under the Plan for any period.