

**WEST PIKELAND TOWNSHIP
CHESTER COUNTY, PENNSYLVANIA**

ORDINANCE NO. 2009-02

**ORDINANCE AUTHORIZING THE PARTICIPATION OF WEST
PIKELAND TOWNSHIP IN THE DELAWARE VALLEY HEALTH
INSURANCE TRUST PURSUANT TO THE PENNSYLVANIA
INTERGOVERNMENTAL COOPERATION LAW.**

The Board of Supervisors of West Pikeland Township, Chester County, Pennsylvania does hereby **ENACT** and **ORDAIN**:

Section 1. That the Chairman of the Board of Supervisors and Secretary of West Pikeland Township are hereby authorized to execute the Trust Agreement and any other agreements necessary for the Township's participation in the Delaware Valley Health Insurance Trust. The Delaware Valley Health Insurance Trust Agreement is attached hereto as Exhibit "A" and incorporated herein by reference.

The Trust Agreement attached hereto is also on file for inspection and review at the Municipal offices of West Pikeland Township, Chester County, Pennsylvania. This Trust Agreement may be subsequently modified or amended but in no event shall such amendments or modifications materially adversely affect the right of the West Pikeland Township to participate in the Delaware Valley Health Insurance Trust, West Pikeland Township may withdraw from the Trust Agreement if its Board of Supervisors determines the amendments or modifications are not in the best interests of the Township.

Section 2. That the participation of West Pikeland Township in the Delaware Valley Health Insurance Trust is authorized for the purpose of obtaining high quality health benefits at the most reasonable cost to the West Pikeland Township and its employees.

Section 3. As set forth in the Trust Agreement and as otherwise stated herein, the following conditions apply to the participation of the West Pikeland Township in the Delaware Valley Health Insurance Trust:

1. That each participating municipality must meet the admission and eligibility requirements set forth therein;
2. That each participating municipality agrees to pay all contributions when due as provided in the Trust Agreement and any by-laws thereafter adopted by the Trust;
3. That each participating municipality uses its best efforts to provide appropriations for the payment of any contributions required to achieve the purposes and objectives of the Trust;

4. That each participating municipality cooperate fully in achieving the purposes and objectives of the Trust;
5. That each participating municipality complies with all other conditions of the Agreement.

Section 4. That West Pikeland Township agrees to participate in the Delaware Valley Health Insurance Trust for a minimum of two years and thereafter may withdraw for any reason and any time whatsoever provided that it has fulfilled all its financial obligations to the Trust upon withdrawal.

Section 5. The effective date of the participation of the West Pikeland Township in the Delaware Valley Health Insurance Trust will be September 21, 2009.

Section 6. Each participating municipality delegates to the board of Trustees of the Delaware Valley Health Insurance Trust the powers enumerated in the Trust Agreement.

Section 7. All contributions paid by West Pikeland Township shall be made with funds appropriated by West Pikeland Township for that purpose.

Section 8. The organizational structure of the Trust shall consist of a Board of Trustees and Executive Committee selected by the Board of Trustees in accordance with the Trust Agreement.

Section 9. The funds required for the operation of the Trust shall be provided by the participating municipalities through annual appropriations.

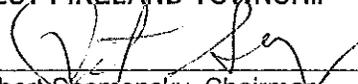
Section 10. The Delaware Valley Health Insurance Trust is empowered to enter into contracts for policies of group insurance and employee benefits, including social security for any of its employees.

Section 11. As a condition of participating in the Delaware Valley Health Insurance Trust, West Pikeland Township agrees to comply with all the terms and conditions in the attached Trust Agreement.

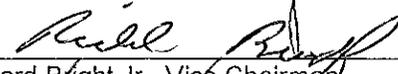
Section 12. This Ordinance is being enacted pursuant to the provisions of Intergovernmental Cooperation Law, Act of July 12, 1972, No. 180, as amended, 53 Pa. C.S.A., Sections 2301, et seq.

ENACTED and ORDAINED this 21st day of September, 2009.

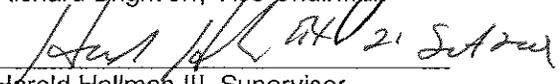
**BOARD OF SUPERVISORS
WEST PIKELAND TOWNSHIP**



Robert Shemonsky, Chairman



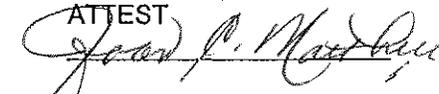
Richard Bright Jr., Vice Chairman



Harold Hallman III, Supervisor

William Cracas, Supervisor

ATTEST



Joan C. Matthews
Township Secretary

DELAWARE VALLEY MUNICIPAL
HEALTH INSURANCE
TRUST AGREEMENT

4/1/99
(As amended as
of 1/1/08)

DELAWARE VALLEY MUNICIPAL HEALTH INSURANCE
TRUST AGREEMENT

TABLE OF CONTENTS

Section
Page

Parties 1
Preamble 1

ARTICLE I
DEFINITIONS

1.01 Definitions 3
1.02 Interpretation 6

ARTICLE II
TRUSTEES

2.01 Qualifications of a Trustee 6
2.02 Composition of Board of Trustees 6
2.03 Election of Trustees 7
2.04 Resignation of a Trustee 7
2.05 Removal of Trustee 7
2.06 New Trustees 7
2.07 Board Chairman and Executive Committee 7

ARTICLE III

PARTICIPANTS

3.01 Eligibility Requirements 8
3.02 Approval of Participants 8
3.03 Contributions 9
3.04 Obligations, Duties and Liabilities of Participants 9
3.05 Expulsion and Withdrawal of Participants 10-11

ARTICLE IV
ACCEPTANCE OF TRUST

4.01 Acceptance 14

4.02 Future Trustees	14
4.03 Trustees' Duties and Obligations	14
4.04 Liability of Trustees	15

ARTICLE V
OPERATION OF THE TRUSTEES

5.01 Office	15
5.02 Meetings	15
5.03 Extraordinary Votes	16
5.04 Indemnification	16

ARTICLE VI
PURPOSE OF THE TRUST;
POWERS OF TRUSTEES

6.01 Purposes of Trust	18
6.02 Powers of Trustees	18
6.03 Payment of Claims and Claims Disputes	23

ARTICLE VII
OPERATION OF THE TRUST FUNDS; REVENUES

7.01 Payment of Contributions and Assessments	24
7.02 Establishment of Bank Accounts	24
7.03 Dividends and Rate Stabilization Fund	25
7.04 Deficits	25
7.05 Bonds	25

ARTICLE VIII
AMENDMENTS

8.01 Consent of Trustees	26
8.02 Limitation on Amendments	26

ARTICLE IX
TERMINATION

9.01 Term of Trust 26
9.02 Termination of Trust 26

ARTICLE X
MISCELLANEOUS

10.01 Title to the Trust 27
10.02 Execution of Documents 27
10.03 Notice 27
10.04 Construction 27
10.05 Counterparts 27
10.06 Subrogation 28
10.07 Limitation of Liability 28
10.08 Arbitration 28
10.09 General Representations of Participant 29
10.10 Severability of Invalid Provisions 29

DELAWARE VALLEY MUNICIPAL HEALTH INSURANCE

TRUST AGREEMENT

This is the Intergovernmental Agreement, hereafter known as the Delaware Valley Municipal Health Insurance Trust Agreement, dated as of April 1, 1999, by and among the participating local governments of the Commonwealth of Pennsylvania which are now and hereafter parties signatory to this Agreement and listed in Appendix "A" hereof, as may be amended from time to time, and those Trustees (as hereinafter defined) listed in Appendix "B" hereof, as may be amended from time to time.

WITNESSETH:

WHEREAS, certain municipalities and authorities in the Commonwealth of Pennsylvania desire to enter into and create a multiple employer welfare arrangement pursuant to all applicable federal and state laws, including the Pennsylvania Intergovernmental Cooperation Law, 53 Pa. C.S.A. §§2301 et seq.; the Municipality Authorities Act of 1945, 53 Pa. C.S.A. §5601, et seq.; and the Pa. Political Subdivision Tort Claims Act, 42 Pa. C.S.A. §8541, et seq.

WHEREAS, the purpose of the multiple employer welfare arrangement created by this Agreement is to provide comprehensive, high quality health benefits for the employees and their dependents, and retirees of the municipalities and authorities who are parties to this Agreement, while allowing them to better control the cost and availability of those health benefits;

WHEREAS, the municipalities and authorities who are parties to this Agreement (hereinafter referred to as the "Participants") have hereby created the Delaware Valley Municipal Health Insurance Trust for the purpose of implementing the multiple employer welfare arrangement set forth in this Agreement and in the Health Benefit Plans describing the benefits provided by the Trust, which Plans are incorporated by reference as though fully set forth herein;

WHEREAS, the Delaware Valley Municipal Health Insurance Trust shall administer the Health Benefit Plans that will provide benefits to all Participants' employees, or any class or classes thereof, their dependents and eligible classes of the Participants' retirees, for health, hospitalization, medical, surgical, dental and other health care services;

WHEREAS, monies will be paid initially by all Participants and continue to be paid from time to time by Participants to a

Board of Trustees (the "Trustees"), which funds will constitute trust funds to be held for the exclusive benefit of the Participants;

WHEREAS, all initial Participants wish to enter into this Trust Agreement with a promise to make an initial capitalization contribution and monthly contribution payment by no later than January 1, 1999, or at some other date to be determined by the Board of Trustees;

WHEREAS, the Participants desire the Trustees to collect, receive, hold, invest, reinvest, manage, dispose of, distribute, and otherwise to administer the Trust funds, and the Trustees have indicated their willingness to do so, all pursuant to terms of this Agreement; and

WHEREAS, the Trustees and the Participants desire to establish the terms and conditions under which the Trust will be operated.

NOW, THEREFORE, in consideration of the promises and the mutual covenants contained herein, and for other good and valuable consideration, the receipt of which is hereby acknowledged by each party, one to the other, the Participants do hereby give and assign in trust the initial sums described in the attached Schedule 1 and all income and profits therefrom, and such other sums, income and profits as hereinafter may be made part of the Trust, to the Trustees, and the Trustees hereby accept the trusts herein contained and the funds described in the attached Schedule 1 and declare that they will administer, manage, collect, receive, dispose of, and distribute such trust property for the benefit of the Participants as hereinafter provided, all parties agreeing to abide by the terms and covenants contained in this Agreement, as follows:

ARTICLE I

DEFINITIONS

1.01 Definitions. The terms defined in this Section 1.01 and in the preambles hereto (except as herein otherwise expressly provided or unless the context otherwise requires) for all purposes of this Agreement and of any amendment or supplement hereto shall have the respective meanings specified in this Section 1.01 and said Preamble.

Actuary - The actuarial firm selected by the Trustees, whose duties shall include, but not be limited to, the evaluation of underwriting or loss data submitted by eligible municipalities and the rendering of opinions and certifications as required by the Board of Trustees in accordance with the Trust Agreement and By-Laws.

Adjustments - A decrease or increase of a Participant's annual contribution as determined by the Board of Trustees in accordance with the Trust Agreement and By-Laws.

Administrator or Trust Administrator - The individual or entity responsible for the day to day operations of the Trust.

Agreement or Trust Agreement - The Delaware Valley Municipal Health Insurance Trust Agreement, as set forth herein and as amended from time to time.

Application - The documents which must be submitted by all eligible local governments for admission to the Trust, including, but not limited to, any claims and census data, or any other information which an eligible applicant may be required to provide for admission to the Trust.

Assessments - Any additional payment(s) to the Trust which a Participant may be required to make as determined by the Board of Trustees in accordance with the Trust Agreement and By-Laws.

Board of Trustees - The governing body of the Delaware Valley Municipal Health Insurance Trust whose members are selected in accordance with the Trust Agreement and By-Laws.

By-Laws - The By-Laws governing the operation of the Trust as adopted and amended by the Board of Trustees in accordance with this Agreement.

Capitalization Contribution - Payments made by the initial Participants to create the Trust.

Contact Person - An individual designated by each Participant as a liaison between that municipality and the Board of Trustees, and the Trust's officers, employees or agents.

Contribution or Premium - The amount of money determined by the Board of Trustees and charged to each Participant during the Trust Year in exchange for the benefits as adjusted on a monthly basis under the Health Benefit Plans.

Coverage Period - The one year period in which each Participant will be provided coverage under the Health Insurance Plans in exchange for an annual contribution payment for that coverage period.

Dividends - Monies paid to Participants as determined by the Board of Trustees which are in excess of those funds required for the payment of claims and administrative expenses.

Effective Date - A date determined by the Trustees on which a Participant will be provided health benefits as set forth in the Health Benefits Plans.

Executive Committee - The committee appointed by the Board of Trustees in accordance with this Agreement and the By-Laws.

Expulsion - The involuntary removal or termination of a Participant from the Trust by action of the Trustees as provided in this Agreement and any applicable By-Laws.

Fiscal Agent(s) - Financial institutions selected by the Board of Trustees to handle and invest the monies held in the various funds administered by the Trust in accordance with this Agreement and any applicable By-Laws.

Fund - A fund established by the Board of Trustees in accordance with the Trust Agreement and By-Laws for the purpose of paying all claims and administrative expenses of the Trust.

Group Master Health Benefits Contracts - The contracts or agreements between the Trust and the company selected by the Board of Trustees to administer the Health Benefit Plans.

Health Benefits - Various forms of health insurance benefits provided by the Trust, including hospitalization, medical, surgical, dental and other health care services.

Health Benefit Plans - The documents containing a description of the health benefits provided by the Trust and the terms and conditions applicable thereto.

Initial Participants - Those municipalities who are initial signatories to this Agreement and become Participants in the Trust on or before January 1, 1999.

Local Government - Any political subdivision or local agency of the Commonwealth of Pennsylvania as defined in the Pennsylvania Intergovernmental Cooperation Law, the Pennsylvania Political Subdivision Tort Claims Act and the Municipality Authorities Act of 1945. This definition includes any townships, boroughs and authorities eligible for participation in the Delaware Valley Municipal Health Insurance Trust.

Participant - Any township, borough or authority eligible to participate in the Trust which becomes a party to this Agreement and whose participation in the Trust has not been terminated in accordance with this Agreement and any applicable By-Laws.

Rate Stabilization Fund - A fund established by the Trust which can be used by Participants to reduce the cost of their annual premiums or contributions.

Service Agents - One or more service companies or consultants employed by the Trustees to be responsible for underwriting matters, claims administration, loss control, accounting and such other duties as determined by the Board of Trustees and specified by contract.

Service Contract - Any contract for service between the Trust and a Service Agent.

Surplus - Net worth of the Trust since its inception.

Termination or Terminated - The voluntary withdrawal of a Participant from the Trust in accordance with this Agreement and any applicable By-Laws.

Third Party Administrator - The company retained by the Trust to administer the payment of benefits under the Health Benefits Plans and in accordance with the Group Master Health Benefits Contracts.

Trust - The Delaware Valley Municipal Health Insurance Trust, a/k/a the Delaware Valley Health Insurance Trust.

Trust Year - The first fiscal year of the Trust shall commence on January 1, 1999 and end on December 31, 1999. Thereafter, the Trust fiscal year shall run from January 1 to December 31 of all subsequent years.

Trustee - Each person serving as a member of the Board of Trustees referred to from time to time, collectively as the "Trustees" or "Board of Trustees" or "Board".

Underwriting Consultant - Advisor or firm selected to assist the Trust with underwriting and rating requirements for current Participants and new applicants.

1.02 Interpretation. The words "hereof", "herein", "hereunder", and other words of similar import refer to this Agreement as a whole. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words importing the singular number shall include the plural number and vice versa unless the context shall otherwise indicate. Headings or titles to Articles, Sections, and other subdivisions of this Agreement are for convenience only and shall be given no effect, meaning, or construction whatsoever and shall not define or limit any provision of this Agreement.

ARTICLE II

TRUSTEES

2.01 Qualifications of a Trustee.

(a) A Trustee shall be either (1) an elected or appointed official of a Participant, including any Township or Borough Managers, or (2) an employee of a Participant with expertise in finance or health benefits.

(b) A Trustee shall not be employed by or have any direct or indirect financial interest in any Service Agent or other organization providing service to the Trust.

2.02 Composition of Board of Trustees.

The Trust shall be governed by a Board of Trustees. No Participant shall be represented by more than one Trustee on the Board of Trustees. However, a Participant may authorize its Trustee to appoint an Alternate for a scheduled meeting or event of the Board. An Alternate shall have the full voting rights and powers granted to the Trustee. All members of the initial Board of Trustees shall be appointed to serve a term commencing upon January 1, 1999 and expiring on December 31, 1999.

2.03 Election of Trustees.

The initial Board of Trustees shall provide in the By-Laws for the form and method of election of subsequent Trustees.

2.04 Resignation of a Trustee.

A Trustee may resign by giving at least thirty (30) days prior notice in writing sent by registered mail to the Chairman of the Trustees. Such notice shall state the date said resignation shall take effect, and such resignation shall take effect on such date.

2.05 Removal of Trustees.

A Trustee may be removed from office in accordance with the By-Laws if he fails, or subsequently ceases, to meet the qualifications of Section 2.01 hereof; and may be removed if he fails to attend three (3) consecutive meetings of the Board or is terminated for cause by a 2/3 vote of the Trustees. Upon removal of a Trustee, the position shall be filled pursuant to Section 2.06 hereof.

2.06 New Trustees.

(a) In the event a Trustee resigns, is removed or is otherwise unable to serve, the Participant represented by that Trustee shall appoint a replacement to complete the original Trustee's term of office.

(b) Any Trustee, upon leaving office, shall forthwith turn over and deliver to the principal office of the Trust, any and all records, books, documents or other property in his possession or under his control which belong to the Trust.

2.07 Board Chairman and Executive Committee.

The Trustees shall elect a Chairman of the Board by simple majority vote whose duties shall be set forth in the By-Laws. The Trustees shall also appoint an Executive Committee by majority vote consisting of not less than five (5) Trustees, two of whom will be the Chairman and Vice Chairman of the Board of Trustees. The Trustees may delegate, in writing to the Executive Committee such powers and duties as the Trustees deem appropriate and desirable except the exercise of those powers for which a two-thirds majority vote of the Trustees is required. The Executive Committee shall meet as determined by the Chairman of the Board of Trustees.

ARTICLE III

PARTICIPANTS

3.01 Eligibility Requirements.

(a) Participation in the Trust shall be limited to municipalities and authorities of the Commonwealth of Pennsylvania.

(b) Each Participant shall meet the underwriting standards and other requirements established by the Board of Trustees.

(c) Each Participant shall have a loss or claims history which does not present an undue risk to the actuarial soundness of the Trust.

(d) Each Participant must receive a positive recommendation from the Underwriting Consultant or manager prior to acceptance. This recommendation will be based upon an analysis conducted by the underwriting consultant which may include an evaluation of the applicant's loss or claims history, if such data is available.

(e) Each Participant must be professionally managed, utilizing International City Management Association ("ICMA") Recognition Criteria.

(f) Each Participant must agree to make a commitment to participate in the Trust for a minimum period of at least two (2) years, which period is necessary to assure the fiscal and actuarial soundness of the Trust.

(g) The Board of Trustees may establish additional requirements for participation in the Trust by majority vote.

3.02 Approval of Participants.

(a) Initial Participants who are signatories to this Agreement as of April 1, 1999 must have submitted all required underwriting information to the Delaware Valley Municipal Health Insurance Cooperative ("DVHIC"); such application must be approved by majority vote of the DVHIC Executive Committee. The effective date for admission of all initial Participants shall be April 1, 1999. The coverage period for all initial Participants under the Health Benefits Plans shall commence on April 1, 1999 upon payment of the initial contribution.

(b) All subsequent applicants must be approved by two-thirds (2/3) majority vote of the Board of Trustees. The Administrator must certify in writing that the successful applicant has met all the requirements for admission to the Trust.

(c) All subsequent applicants who are not members of

the Delaware Valley Municipal Health Insurance Cooperative must pay an application fee as determined by the Executive Committee.

(d) Subsequent applicants must provide all underwriting information requested by the Executive Committee, including any census and claims data as may be available.

(e) Each Participant shall submit evidence satisfactory to the Trustees of approval for participation by its governing body, including any ordinances which may be required under state law.

(f) Upon approval of all subsequent Participants by the Board of Trustees, the Board shall establish the effective date for the benefits provided to that Participant under the Health Benefits Plans.

(g) Upon execution of this Agreement the applicant shall become a Participant in the Trust and shall be bound by all terms and conditions hereof, including the payment of all contributions when due.

3.03 Contributions.

(a) Contributions shall be established by the Executive Committee in consultation with the underwriting consultant, the Trust Actuary and the Third Party Administrator. The rates upon which the monthly Contribution is based shall be established at least thirty (30) days before commencement of the Trust Year.

(b) Contributions shall be due and payable as determined by the Executive Committee, in accordance with this Agreement and the Trust By-Laws.

3.04 Obligations, Duties and Liabilities of Participants.

(a) Each Participant agrees to fulfill all obligations and duties set forth in this Agreement. The withdrawal or expulsion of any Participant pursuant to this Article III shall not affect this Agreement nor the Trust created herein, except where otherwise expressly provided.

(b) Each Participant is liable under this Agreement for the payment of contributions.

(c) Each Participant will use its best efforts to provide appropriations for the payment of any contributions and assessments required by the Trust.

(d) Each Participant agrees to institute any and all reasonable procedures that may be required by the Trustees for the purpose of minimizing or eliminating health hazards or risks that could contribute to losses, subject to any collective bargaining agreements.

(e) Each Participant agrees that it will cooperate fully with the Trust's Service Agent(s), attorneys, Third Party Administrator and any other agent or employee of the Trust in relation to the purposes and powers of the Trust, including, but not limited to, the evaluation and payment of claims.

(f) Each Participant agrees to designate a Contact Person to be responsible for all contacts with the Trust. The Trustees, the Administrator and the service agent(s) shall not be required to contact any other individual except the Contact Person in dealing with the Participant. Any notice to or any agreements with the Contact Person shall be binding upon the Participant. Each Participant reserves the right to change the Contact Person from time to time by giving written notice to the Administrator.

(g) The Participants will furnish to the Trustees such underwriting information as may be required by the Executive Committee prior to the end of the Trust Year, and any other information which may be requested by the Board or the Executive Committee.

(h) Participants hereby acknowledge and agree that this Agreement may be amended, altered or modified pursuant to Article VIII hereof. Any amendment adopted pursuant to the provisions of Article VIII hereof shall be considered by each Participant to be a reasonable and proper amendment to the Agreement.

(i) All grievances and complaints by enrollees must be initially submitted in accordance with the terms and conditions of the grievance and complaint procedure adopted by the Third Party Administrator in the Group Master Health Benefit Contracts and Health Benefit Plans. Any disputes not resolved by the process may be submitted to the Trust Benefits Appeals Board whose members will not be directly affiliated with the Trust and/or its Participants. Members of the Trust Benefit Appeals Board shall be selected in accordance with the Pa. Quality Health Care Accountability and Protection Act, 40 P.S. §§2141-2163. Any decision rendered by the Trust Benefits Appeals Board is final and binding on the enrollee and the Trust.

(j) The Participants further agree that once a decision is rendered by the Board in a dispute regarding the expulsion or withdrawal of a Participant, the Board's decision shall be final and legally binding on the Participant and the Trust. Neither the Trust nor the Participant shall have any right

to challenge the Board's decision in any arbitration proceeding or in any action before any court of competent jurisdiction. That notwithstanding, the Participants and the Trust only reserve the right to file an action in such a court solely to enforce the decision by the Board.

3.05 Expulsion and withdrawal of Participants.

(a) Expulsion. The Trustees shall have the authority by an affirmative vote of two-thirds (2/3) of all Trustees to expel any Participant from the Trust for cause, including but not limited to, the following:

- (1) Failure to pay any contributions or assessments when due;
- (2) Failure to implement any reasonable measures or guidelines established by the Executive Committee;
- (3) Failure to cooperate with any claims personnel or agents of the Trust;
- (4) Failure to provide any information requested by the Administrator, Board of Trustees or any agent or representative of the Trust as required for the evaluation and payment of any claims covered under the Health Benefits Plans;
- (5) Knowing and willful failure to observe and perform any covenants, conditions or agreements on its part to be observed or performed in the Trust Agreement and any related documents or agreements, including the Health Benefits Plans;
- (6) The filing of a petition in bankruptcy, or the subjection of any right or interest of a Participant under the Health Benefits Plans to any execution, garnishment, attachment, adjudication of such Participant as a bankrupt, assignment by such Participant for the benefit of creditors, or the approval by a court of competent jurisdiction of a petition applicable to that Participant in any proceedings instituted under the provisions of the federal bankruptcy code, as amended, or under any similar state or federal statute which may thereafter be enacted;
- (7) The assignment by a Participant of any right,

interest or obligation in this Trust Agreement without first obtaining the approval of a two-thirds majority of the Board of Trustees.

- (8) Knowingly taking any action detrimental to the fiscal and/or actuarial soundness of the Trust.

Expulsion shall become effective after sixty (60) days written notice to the Participant, or ten (10) days written notice for non-payment of Contribution, and no liability shall accrue to the Trust after the effective date of expulsion except as provided in Section 3.05(c) hereof.

All decisions by the Board expelling a Participant shall be final with no right for a further appeal or arbitration of that decision. The Participant whose expulsion is sought shall have a full and fair opportunity to appear before the Board and/or the arbitration panel and present any evidence on its behalf before the Board or the arbitration panel renders its decision.

The Participant, upon notification of expulsion, understands coverage will terminate and the Participant will be responsible to secure adequate health benefits coverages so that such coverages are in effect on the effective date of the Participant's expulsion.

Upon expulsion, a Participant shall forfeit any and all of its rights to any dividends and Rate Stabilization Fund monies to which it may otherwise be entitled during the last year of the Participant's membership in the Trust and all times thereafter.

Upon expulsion, a Participant may be required to pay additional assessments as determined by the Board of Trustees. A Participant may be required to pay assessments after the effective date of its expulsion caused by deficits which occurred because of claims which were paid while that Participant was afforded coverage by the Trust.

(b) Withdrawal by a Participant. As provided herein, each Participant hereby agrees that it shall not withdraw from the Trust for a period of two (2) years from the date upon which it was first admitted as a Participant. In addition, it is also agreed that each Participant may withdraw from the Trust after giving one hundred twenty (120) days prior written notice to the Board of Trustees at any time after the expiration of the two year period unless:

(1) An opinion is rendered by the Trust's Actuary or underwriting consultant that such withdrawal will not result in the number of Participants falling below the minimum required to assure the fiscal and actuarial soundness of the Trust itself;

(2) The withdrawing Participant is not then in default of its obligation to pay contributions or assessments.

The above conditions notwithstanding, the Executive Committee may allow a Participant to withdraw from the Trust even if condition (2) has not been met, without waiving the Trust's right to recover any outstanding contributions or assessments from that Participant.

Upon the effective date of withdrawal, or at any time thereafter, a Participant may be required to pay additional assessments as required by the Board of Trustees in accordance with this Agreement and the By-Laws based upon any deficits which were caused by any claims paid while that Participant was provided coverage under the Health Benefits Plan. Upon withdrawal, a Participant shall forfeit any of its rights to dividends and any Rate Stabilization Fund monies to which the Participant may otherwise be entitled during the last year of the Participant's membership in the Trust and all times thereafter.

If there is a dispute over the withdrawal of a Participant, that Participant will have a full and fair opportunity to present any relevant evidence or information to the Board of Trustees who shall decide the dispute by majority vote. All decisions by the Board of Trustees regarding the withdrawal of a Participant shall be final, with no right for a further appeal or arbitration of that decision.

(c) Liability of Trust after Withdrawal or Expulsion of a Participant.

(1) For those claims for benefits covered and payable under the Health Benefits Plans, the Trust shall continue to service and otherwise be responsible for any covered claims incurred prior to expulsion or withdrawal of a Participant.

(2) In addition to forfeiture as provided in subsections 3.05 (a) and (b) above, no dividends or Rate Stabilization Fund monies shall be paid to a Participant who has been expelled or has voluntarily withdrawn after the effective date of withdrawal or expulsion.

ARTICLE IV

ACCEPTANCE OF TRUST

4.01 Acceptance. Trustees hereby accept the trusts imposed upon them by this Agreement and agree to perform said trust in accordance with the terms and conditions of this Agreement. Trustees shall hold legal title to all property of the Trust and shall have absolute and exclusive power and control over the management and conduct of the business of the Trust.

4.02 Future Trustees. Whenever any change shall occur in the Board of Trustees, the legal title to the property hereby created by this Trust shall pass to those duly appointed Trustees. Each future Trustee appointed in accordance with this Agreement shall accept the Office of Trustee and the terms and conditions of this Agreement in writing.

4.03 Trustees' Duties and Obligations. The Trustees shall discharge their duties and obligations under this Agreement solely in the interests of the Participants 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 a like character and with like aims.

The Trustees shall adopt By-Laws for the management and control of the Trust, so long as such By-Laws are not inconsistent or in conflict with the terms and provisions of this Agreement. Said By-Laws may be amended by the Trustees as they shall provide.

4.04 Liability of Trustees.

(a) The Trustees shall not be liable for errors of judgment either in holding property originally conveyed to them, in acquiring and afterwards holding additional property, in the performance of their duties hereunder, nor for any act or omission to act, performed or omitted by them, in the execution of the trusts created hereunder.

(b) Every act done, power exercised or obligation assumed by the Trustees, pursuant to the provisions of this Agreement, or in carrying out the trusts herein contained, shall be held to be done, exercised or assumed by them as Trustees and not as individuals, and any person or corporation contracting with the Trustees, shall look only to the Trust and property of the Trust available for payment under such contract, or for the

payment of any debt, mortgage, judgment or decree or the payment of any money that may otherwise become due or payable on account of the trusts herein provided for, and any other obligation arising out of this Agreement in whole or in part, and neither the Trustees nor the Participants, present or future, shall be personally liable therefore.

(c) Notwithstanding the provisions of (a) and (b) above, a Trustee shall be personally liable in connection with the performance of his duties hereunder for his own willful misconduct or gross negligence.

(d) The Board of Trustees shall use their best efforts to purchase so-called directors and officers liability insurance.

ARTICLE V

OPERATION OF THE TRUSTEES

5.01 Office. The Trustees shall designate a principal office of the Trust. Such principal office shall be in the County of Montgomery in the Commonwealth of Pennsylvania. At such principal office there shall be maintained the books, reports and records pertaining to the Trust and its administration.

5.02 Meetings. There shall be an annual meeting of the Trustees on a day and at a place designated by the Trustees. At the annual meeting the Trustees shall elect a Chairman and such other officers as provided in the By-Laws and transact such other business as may come before them. The Trustees shall hold such other meetings and shall establish such procedures for the conduct of those meetings as they shall provide in the By-Laws.

5.03 Extraordinary Votes. Unless otherwise specifically stated in this Agreement, an affirmative vote of two-thirds (2/3) of all Trustees shall be required to expel or admit a Participant, and amend this Agreement.

5.04 Indemnification.

(a) The Trust shall indemnify and defend: (i) each member of the Board of Trustees and the estate, executor, administrator, personal representatives, heirs, legatees and devisees of any such person; and (ii) every officer and employee of the Trust and the estate, executor, administrator, personal representatives, heirs, legatees or devisees of such person; against all claims, suits or judgments including interest, fines, amounts paid or agreed upon in settlement, reasonable costs and expenses including

attorneys, fees and any other liability that may be incurred as a result of any claim, action, suit or proceeding, whether civil, criminal, administrative, or other, prosecuted or threatened to be prosecuted, for or on account of any act performed or omitted or obligation entered into, if done or omitted in good faith without intent to defraud and within what he reasonably believed to be the scope of his employment or authority and for a purpose which he reasonably believed to be in the best interest of and in connection with the administration, management, conduct or affairs of the Trust, and with respect to any criminal actions or proceedings, in addition, had no reasonable cause to believe that his or its conduct was unlawful. Provided, however, that if any such claim, action, suit, or proceeding is compromised or settled, it must be done with the prior and express approval of the Board of Trustees or such other persons as may be authorized to make determinations with respect to indemnification pursuant to subparagraph (d) of this Section.

(b) Such indemnification and defense shall not depend upon whether or not such person is a member of the Board of Trustees at the time such claim, action, suitor proceeding is begun, prosecuted or threatened.

(c) The right of indemnification and defense hereunder shall not be exclusive of other rights such person or Board may have as a matter of law or otherwise.

(d) In each instance in which a question of defense and/or indemnification hereunder arises, determination to indemnify hereunder, and the time, manner and amount of payment thereof, shall be made by a majority vote of a quorum of the Board of Trustees provided, however, that no member of the Board of Trustees seeking indemnification hereunder as a result of the same occurrence shall participate in the determination. In the event that a majority of the members of the Board of Trustees are seeking indemnification hereunder as a result of the same occurrence or the number of Board of Trustees members eligible to vote does not constitute a quorum, such determination in the first instance shall be made by independent legal counsel retained by the Trust for the purpose of making the determination. Nothing in this paragraph is intended to make an adverse determination finally binding upon the person seeking indemnity under this Section, or to preclude any such person from appealing an adverse determination against him or it, or from instituting legal proceedings to enforce a right of indemnification under this Section.

(e) The indemnification and defense provided for in this Section shall be deemed to be an expense of the Trust which may be paid from the operating funds.

(f) The indemnification and defense provided by this Section shall be secondary to any benefits which the person may be entitled to receive from any applicable insurance policy providing Directors and officers, Errors and Omissions or other applicable insurance coverages which have been procured by the Trust or for which the Trust paid the required premium. The indemnification provided by this Section shall be primary over any indemnification provided by a trustee at his or her own expense.

(g) (1). Notwithstanding any other provision of this Section to the contrary, a person may seek, and the Trust may pay, advance indemnification prior to the rendering of a final determination of entitlement to indemnification pursuant to the provisions of subparagraph (d) of this Section. Any award of such advance indemnification by the Trust shall be discretionary and subject to the provisions of this Section.

(2). In each instance where a question of advance indemnification hereunder arises, determination of the right to indemnification and of any conditions or restrictions attached thereto shall be made by a majority vote of a quorum of the Board of Trustees provided, however, that no member of the Board of Trustees seeking indemnification hereunder as a result of the same occurrence shall participate in the determination. In the event that a majority of the members of the Board of Trustees are seeking indemnification as a result of the same occurrence or the number of members of the Board of Trustees eligible to vote does not constitute a quorum, such determination shall be made by independent legal counsel retained by the Trust for the purpose of making the determination.

(3). Any determination of advance indemnification shall be discretionary and may provide for the time, manner and amounts advanced hereunder and shall include such limitations as may be deemed appropriate in the particular circumstances on rate of payment, the total amount to be advanced and the security, if required, for repayment of such advances.

(4). Any advance authorized hereunder shall be repaid to the Trust if the person on whose behalf the advance was made is not entitled to indemnification of his costs and expenses under the provisions and in accordance with the standards for indemnification provided in this Section.

ARTICLE VI

PURPOSE OF THE TRUST; POWERS OF TRUSTEES

6.01 Purposes of Trust. The purposes and objectives of the Trust are as follows:

(a) To provide high quality health benefits for each Participant at the lowest possible cost;

(b) To minimize and better control claims handling and administrative expenses;

(c) To protect each Participant from the volatility and high premiums of the commercial health insurance markets; and

(d) To take whatever other action which may be necessary to preserve and protect the fiscal and actuarial integrity of the Trust, as provided in the Trust Agreement and By-Laws.

The association being formed hereunder is intended to be a trust under the laws of the Commonwealth of Pennsylvania.

It is the express intent of the Participants entering into this Trust Agreement that they do not intend to waive, and are not waiving, any of the immunities which they or their commissioners, supervisors, council persons, officers or employees have now, and may have in the future, under the Pennsylvania Political Subdivision Tort Claims Act, any other applicable statutes or under the common law.

6.02 Powers of Trustees. The Trustees shall have the power to control and manage the Trust and to perform such acts, enter into such contracts, engage in such proceedings, and generally to exercise any and all rights and privileges, although not specifically mentioned herein, as the Trustees may deem necessary or advisable to administer the Trust or to carry out the purposes of this Agreement. Any determination made by the Trustees in the exercise of these powers shall be binding upon all Participants. In addition to the powers set forth elsewhere in this Agreement, the powers and duties of the Trustees in connection with their managing and controlling the Trust shall include, but shall not be limited to, the following:

(a) To see that the Trust is safely and prudently administered to insure its financial stability and to be responsible for the investment of Trust monies at the best return possible in accordance with all applicable state and federal law.

(b) To receive, hold, manage, invest, reinvest, and control all monies at any time forming part of the Trust.

(c) To purchase contracts of insurance or reinsurance

through such broker or brokers as the Trustees may choose and to pay premiums on such policies.

(d) To borrow or raise money for the purpose of financing any self-insurance reserves of the Trust to the extent authorized under state and federal law. However, no municipal debt shall be incurred by the Trust, its participating municipalities or any entity created for that purpose without the consent of all participating municipalities and compliance with all state and federal law.

(e) To hold cash, uninvested, for such length of time as the Trustees may determine without liability for interest thereon.

(f) To make, execute, acknowledge and deliver any and all documents of transfer and conveyance, including, but not limited to, deeds, leases, mortgages, conveyances, contracts, waivers and releases, and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted.

(g) To employ suitable agents, advisors and other persons as the Trustees may deem necessary and advisable for the efficient operation and administration of the Trust, to delegate duties and powers hereunder to such agents, advisors and employees and to charge the expense thereof to the Trust. Trustees are entitled to rely upon and may act upon the opinion or advice of any attorney or Service Agent approved by the Trustees in the exercise of reasonable care. Trustees shall not be responsible for any loss or damage resulting from any action or non-action made in good faith reliance upon such opinion or advice. All delegated authority shall be specifically defined in the By-Laws or the written minutes of the Trustees' meetings.

(h) To continue to have and to exercise, after the termination of the Trust and until final distribution, all of the title, powers, discretion, rights and duties conferred or imposed upon the Trustees hereunder, or by law.

(i) To construe and interpret this Trust Agreement and any related documents, including the Participation Agreement, By-Laws, and the Trust Coverage Document.

(j) To receive from Participants and other relevant sources, such information as shall be necessary for the proper administration of the Trust.

(k) To maintain bank accounts for the administration of the Trust and to authorize certain Trustees, the Trust Administrator, Service Agent or other appropriate persons to make

payments from any such account for purposes of the Trust.

(l) To receive and review reports of the financial condition and of the receipts and disbursements of the Trust.

(m) To adopt By-Laws, rules, regulations, formulas, actuarial tables, forms, and procedures by resolution from to time as they deem advisable and appropriate for the proper administration of the Trust, including membership criteria, provided the same are consistent with the terms of this Agreement.

(n) To have a judicial settlement of their accounts and judicial determination of any questions in connection with their duties and obligations hereunder, or in connection with the administration or distribution thereof. The costs and expenses, including accounting and legal fees, for such judicial settlement of accounts or other judicial determination shall be paid by the Trust as a general administrative expense to the extent permitted by applicable law.

(o) To purchase as a general administrative expense of the Trust so-called directors and officers liability insurance and any other types insurance for the benefit of the Trust, the Trustees, Trust employees, or agents, including group insurance, employee benefits and social security.

(p) To enter into any and all contracts and agreements for carrying out the terms of this Agreement and for the administration and operation of the Trust and to do all acts as they, in their discretion, may deem necessary or advisable, and such contracts and agreements and acts shall be binding and conclusive on Participants and Participants, employees. All such contracts and agreements, or other legal documents herein authorized, shall be approved by the Trustees and shall be executed by individuals authorized by the Trustees. This paragraph does not apply to the issuance of municipal debt for the funding of any self-insurance reserves.

(q) To write off as uncollectible any Participant's Premium or any other indebtedness or other obligation as the Trustee may deem appropriate. A decision to write off as uncollectible shall be deemed appropriate if the Trustees determine that the unlikelihood of collection or the anticipated expense of collecting justifies such action. This paragraph does not apply to the issuance of municipal debt for the funding of any self-insurance reserves.

(r) To receive premiums, premiums or assessments from any source whatsoever but such premiums, contributions or payments may not be utilized for any purpose unrelated to the purposes herein provided.

(s) To pay or contest any claim or to settle a claim by or against the Trust or any of its Participants by negotiation, compromise, arbitration, or otherwise.

(t) To pay taxes, assessments, and other expenses incurred in the collection, care, administration, and protection of the Trust.

(u) To review Applications for memberships in the Trust submitted to them and to approve or disapprove such Applications.

(v) To expel or cancel the coverage of any Participant in accordance with the terms of this Agreement.

(w) To amend the Health Benefits Plans and Group Master Health Benefits Contracts.

(x) To make provision for proper accounting and reporting procedures for each of the Participants so that the Participants shall be informed at all times of the nature of the claims arising within their jurisdiction, the manner in which these claims are being handled, and the impact of those claims upon the Trust.

(y) To purchase an employee fidelity bond covering the Trustees, the Administrator and such others as the Trustees may determine.

(z) To require assessments from each Participant in an amount equal to the ratio of that Participant's annual contribution to the total annual contributions paid by all Participants in the year in which a deficit occurred. Such payment shall not exceed two (2) times the Participant's total contribution for the year in which the assessment must be paid. Such amounts shall be certified by the Board as necessary for that purpose to the Participants.

(aa) To hold all property received by the Trustees, which together with the income and gains therefrom and additions thereto, shall constitute the corpus of the Trust.

(bb) To appoint for a fee or otherwise, a Trust Administrator who shall act at the direction of the Trustees to implement the decisions of the Trustees and to have direct responsibility for the operation and supervision of the Trust. The Trust Administrator shall not be an owner, officer or employee of the Service Agent or broker of the Trust.

(cc) To employ and oversee one or more independent

service companies and/or consultants to act as Service Agent(s). The services of a Service Agent shall be performed pursuant to a written agreement between the Service Agent and the Trust, and the Service Agent(s) shall be compensated from the Trust for such services. The Trustees may delegate to a Service Agent responsibility for underwriting matters, claims administration and disbursement, collection of Premiums, and other duties as are specified in the Service contract. The Trustees shall require any Service Agent who handles monies of the Trust to furnish an employee fidelity bond indemnifying the Trust. The proper limit of liability to be set for such bond shall be as determined by the Trustees, but not less than a fifty thousand (\$50,000) dollar limit per loss should be established.

(dd) To employ counsel to advise and represent the Trustees on legal matters relating to the operation and administration of the Trust, and represent Participants in the defense of claims or suits.

(ee) To employ an independent certified public accountant to conduct an annual audit of the financial statements of the Trust at the close of the Trust Year, such audit report to be submitted to the Participants no more than six (6) months after the close of the Trust Year.

(ff) To employ a Fiscal Agent and delegate to it the duties to hold the moneys of the Trust and to invest and reinvest all or part of the principal and interest of the Health Insurance Fund in accordance with the requirements of an investment policy adopted by a majority of the Board of Trustees.

(gg) To appoint any subcommittees of the Board as may be necessary for the operation of the Trust.

(hh) To employ an actuarial firm to review, at least annually, the expected losses and recommend reserve requirements for the Trust.

(ii) To provide for the resolution of all disputes between Participants and the Trust; and

(jj) To do all acts, whether or not expressly authorized herein, which the Trustees may deem necessary in the best interests of the Trust.

6.03 Payment of Claims and Claims Disputes. The Executive Committee shall be responsible for adopting guidelines for the handling and payment of claims as set forth in the Group Master Health Benefits Contracts and Health Benefits Plans. The decision of whether to pay any disputed claims shall be made in

the first instance by the Third Party Administrator responsible for claims handling. Any denial of a claim for HMO and QPOS health benefits shall first be submitted for resolution in accordance with the procedures set forth in the Group Master Health Benefits Contracts and Health Insurance Plans, which procedures have been approved by the Pennsylvania Department of Health. All unresolved HMO claims disputes, and any claim disputes arising under the PPO and Indemnity Health Benefits Plan may be submitted to the Trust Benefits Appeals Board in accordance with procedures and guidelines adopted by Executive Committee and approved by a majority of the Board of Trustees. The Members of the Trust Benefits Appeals Board will not be directly affiliated with the Trust and/or its participants and shall be selected in accordance with the Pa. Quality Health Care Accountability and Protection Act, 40 P.S. §§2141-2163. Any decision by the Trust Benefits Appeals Board shall be final and binding on the enrollee and the Trust.

ARTICLE VII

OPERATION OF THE TRUST FUNDS; REVENUES

7.01 Payment of Contributions and Assessments. Each Participant hereby agrees to be jointly and severally obligated with all other Participants for the payments to the various funds established under the Trust as set forth below:

(a) Contributions - Contributions must be paid by each Participant as a condition for obtaining coverage for a single coverage period. Rates upon which those contributions are based shall be established, and may be adjusted upward or downward, on an annual basis, by the Executive Committee. Contributions shall include:

- (1) An amount for the payment of all Trust administrative expenses;
- (2) An amount for the payment of health benefits and related expenses; and
- (3) An amount paid as a risk margin payable to the Trust, from which all dividends will be paid.

(c) Assessments - Any additional payments to the Trust which a Participant may be required to make upon a finding by the Board of Trustees and the underwriting consultant that such assessments are required to preserve the fiscal and actuarial soundness of the Trust and its ability to pay claims and otherwise

satisfy any outstanding indebtedness.

After the withdrawal or expulsion of a Participant, that Participant shall remain liable for any additional payments, including any assessments for any periods during which that Participant was provided coverage.

All assessments shall be made in an amount equal to the ratio of the Participant's annual contribution to the total annual contributions paid by all Participants in the Trust year in which a deficit occurred. No Participant shall be required to make any assessments in any single Trust year greater than two (2) times the annual contribution paid by that Participant for the Trust year in which the assessment is to be made.

7.02 Establishment of Bank Accounts. The Trust Administrator shall establish one or more checking accounts, which may be interest or non-interest bearing accounts, with the Fiscal Agent in the name of the Trust.

7.03 Dividends and Rate Stabilization Funds

(a) Dividends. Any funds in Surplus as the Trustees may deem necessary or prudent may be returned to the Participants as dividends by the Board of Trustees. Dividends to each Participant will be based upon the loss experience of the Trust as a whole, the size of each Participant's Contributions, and the loss experience of the individual Participant. No dividends shall be paid to any Participant unless the Trust underwriting consultant certifies in writing to the Executive Committee that said dividends shall not adversely affect the fiscal or actuarial soundness of the Trust and its ability to satisfy any indebtedness incurred by the Trust, any Participant or any other entity on behalf of the Trust in furtherance of its purposes and objectives.

(b) Rate Stabilization Fund ("RSF"). A fund established by the Board of Trustees as a way of returning surplus funds to Participants to be used as credits toward the payment of their annual contributions or premiums upon renewal. The total amount appropriated for the RSF is determined by the Executive Committee. Each Participant receives a share of that appropriation based on their proportion of the total annual premiums or contributions paid to the Trust and the losses incurred by the Trust.

7.04 Deficits. In the event of a deficit for any Trust Year, the deficit shall be made up from any of the following:

- (1) Any contributions paid by Participants in the Trust;
- (2) Unencumbered funds, including monies from the Surplus; and
- (3) Any assessments paid by Participants as required by the Board of Trustees.

7.05 Bonds. The Trustees shall require that a fidelity bond be furnished as to all persons handling money for or on behalf of the Trustees, including but not limited to, individual Trustees, the Administrator and the Service Agent.

ARTICLE VIII

AMENDMENTS

8.01 Consent of Trustees. The terms and provisions of this Agreement may be amended at any time by a two-thirds (2/3) vote of the Trustees for one (1) or more of the following purposes:

(a) To cure any ambiguity, defect or omission in this Agreement;

(b) To change or modify any provision of this Agreement so as to comply with any applicable law, regulation or administrative ruling which may be in effect; or

(c) For any other purpose consistent with the purposes of the Trust.

8.02 Limitation on Amendments. No amendment shall be adopted which alters the basic purpose of the Trust or alters the rights of Participants to receive dividends as provided in Section 7.03 hereof or alters the obligation of Participants to pay any assessments which may be established under Section 7.01 hereof, which amendments would jeopardize the actuarial and fiscal soundness of the Trust.

ARTICLE IX

TERMINATION

9.01 Term of Trust. The Trust shall continue unless and until terminated pursuant to law or by an instrument in writing signed by two-thirds (2/3) of the entire Board of Trustees.

9.02 Termination of the Trust. In the event of termination of the Trust, the Participants covenant and agree to make any provision for the payment of any outstanding municipal indebtedness and for the payment of claims against the Trust or its Participants as may be required by the Board of Trustees, including the deposit with the Trustees of funds, surety bonds, or such other guarantees of payment as deemed required and sufficient by the Trustees. Upon termination, the Trustees shall continue to serve as Trustees to wind up the affairs of the Trust, including providing for all outstanding obligations, and each Participant shall be entitled to receive distribution of its pro rata share of any remaining funds; the calculation of such distribution to be determined by the Trustees.

ARTICLE X

MISCELLANEOUS

10.01 Title to the Trust. Title to the Trust shall be vested in and remain exclusively in the Trustees to carry out the purposes hereunder and no Participant or any official, employee or agent of any Participant nor any individual shall have any right, title or interest in the Trust nor any right to Premiums made or to be made thereto, nor any claim against any Participant on account thereof, except to the extent of the right of Participants to receive their pro rata share of any excess funds as provided hereunder.

No Participant may assign any right, claim or interest it may have under this Agreement.

10.02 Execution of Documents. The Trustees may authorize any Trustee or the Administrator to execute any notice, certificate or other written instrument relating to the Trust (except an instrument of amendment or termination) and all persons, partnerships, corporations, or associations may rely upon such notice or instrument so executed as having been duly authorized and as binding on the Trust and the Trustees.

10.03 Notice. All notices, requests, demands and other communications related to this Agreement, unless otherwise so

provided herein, shall be in writing and shall be deemed to be duly given when sent by first-class, registered or certified mail postage paid, return receipt requested, when personally delivered by hand, or when transmitted by electronic means, at such addresses as have been last provided to the Trust. The initial address for such notices, requests, demands or other communications to the Trustees and each Participant shall be provided to the Administrator.

The parties shall notify the Administrator as to any change in address.

10.04 Construction. This Agreement shall be governed by the laws of the Commonwealth of Pennsylvania.

10.05 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, by the Trustees and the Chief Executive officer or Manager of the local agency or municipality, of a counterpart signature page in the forms attached hereto, which together with this Agreement and all other duly executed signature pages shall constitute the complete Agreement among all the parties hereto.

10.06 Subrogation. Each Participant agrees that in the event of the payment of any loss by the Trust under this Agreement, the Trust shall be subrogated to the extent of such payment to all the rights of the Participant against any person or other entity legally responsible for damages for said loss, and in such event the Participant hereby agrees to render all reasonable assistance, other than pecuniary, to effect recovery.

10.07 Limitation of Liability. Liability of the Trust to any Participant is specifically limited to the payment of benefits payable in accordance with the Health Benefits Plans, the terms of this Agreement and any contracts or agreements entered into by the Trust. Nothing contained in this Agreement or in the By-laws thereto or the Health Benefits Plans shall be deemed to create any relationship of surety, indemnification or responsibility between Participants for the debts of or claims against any other Participant. The Trust, Participants and Trustees all hereby disclaim and deny any liability to any individuals for the failure to provide, or the quality of, any health care services covered under the Health Benefits Plans in accordance with all applicable federal and state laws and regulations.

10.08 Arbitration. Except for disputes regarding the expulsion or withdrawal of a Participant from the Trust and coverage disputes decided by the Trust Benefits Appeals Board, all other disputes arising under this Agreement must be resolved by an arbitration panel or some other alternative dispute resolution

entity selected by the parties in accordance with guidelines and procedures adopted by the Board of Trustees. All decisions by the Board of Trustees regarding the expulsion or withdrawal of a Participant shall be final and not subject to arbitration or other alternative dispute resolution procedure. Decisions by the Trust Benefits Appeals Board shall be final and binding upon the enrollee and the Trust, and not subject to any further arbitration or alternative dispute resolution procedure. As to all disputes arising under this Agreement, neither the Trust nor the Participant may file suit in any court of law except to enforce a decision by the Board of Trustees or to obtain injunctive or other equitable relief.

10.9 General Representations of Participants.

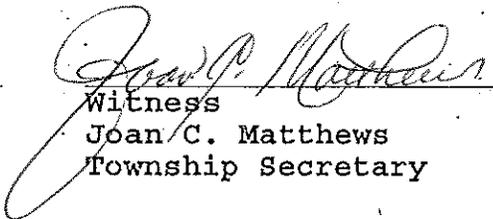
(a) The Participant is a body corporate and politic, a political subdivision of the Commonwealth of Pennsylvania, and a local agency or municipality as defined under Pennsylvania law. The Participant has the power to enter into this Agreement and any other documents in connection herewith and the transactions contemplated hereunder and thereunder. The party executing this Agreement on behalf of the Participant has full power and authority to execute same and any documents executed in connection herewith.

(b) This Agreement has been duly and validly executed and is a valid and binding agreement on the Participant under the laws of the Commonwealth of Pennsylvania, enforceable in accordance with its terms, subject to bankruptcy, insolvency and other laws affecting creditors' rights generally and such principles of equity as the court, in its discretion, may impose with respect to remedies which may require enforcement by a court of equity.

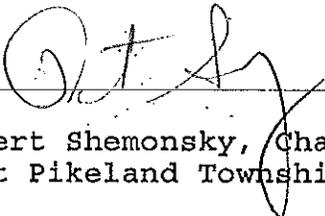
10.10 Severability of Invalid Provisions. If any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Agreement and such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, and the remaining parts of this Agreement shall be construed so as to give practical realization to the purposes intended to be achieved by the parties as if such invalid or illegal or unenforceable provision had never been contained herein.

IN WITNESS WHEREOF, the undersigned, acting on behalf of [Name of Municipality], has caused this signature page to be executed this 21st day of September, 2009 and West Pikeland Township hereby becomes a party to the Delaware Valley Health Insurance Trust Intergovernmental Agreement among the Municipalities and Trustees which are parties hereto.

Attest:



Witness
Joan C. Matthews
Township Secretary

By: 

Robert Shemonsky, Chairman
West Pikeland Township

CERTIFICATE OF AUTHORITY

I, Stephen J. Ross, Manager of West Pikeland Township certify that the above signature has been fully authorized by the West Pikeland Township Ordinance 2009-02 (attach copy of ordinance)

Date: September 29, 2009 Signed: 