

AGC HEALTH BENEFIT TRUST

POLICY ON DOLLAR BANKS

(As Amended Through Amendment No. 5)

The AGC Health Benefit Trust ("Trust") offers its participating employers ("Employers") the opportunity to make contributions to the Trust for their employees ("Employees") in addition to those necessary to provide the Employees' current insurance coverage. Such contributions for each Employee are held in an account, known as a "Dollar Bank" and are used to provide continuing coverage under the Trust when the Employee's hours counted for eligibility to receive coverage ("Compensable Hours") fall below the level required for coverage paid for with current Employer contributions.

In order to clarify and formalize the rules and procedures for operation of the Dollar Banks, the Trust adopts the following policy.

1. Employer Election

1.01 Each Employer participating in the Trust may elect to establish Dollar Banks for its Employees as of any calendar month. The election shall be made on the annual Employer Participation Agreement or an amendment thereto. If the election will take effect after the beginning of a calendar year, such effective date shall be stated on the Employer Participation Agreement. The election also shall state the limit on the Dollar Bank for any Employee of the Employer in the form of months of continuing coverage purchasable with the Dollar Bank balance from among the following: 3, 6, 9, 12, 15, or 18 months. The election may state a longer waiting period for Employees of the Employer to become eligible for Dollar Bank contributions than the waiting period for coverage by Trust benefits, but such longer waiting period can be no longer than the maximum waiting period allowed for such coverage. An Employer electing to establish Dollar Banks shall give written notice of the election to its Employees, including the limit on months purchasable from the Dollar Bank.

1.02 An Employer may elect to terminate further contributions to its Dollar Banks as of the end of any calendar month. No contribution to the Dollar Banks shall be required for months beginning after such calendar month end. An election to terminate shall be by amendment to the Employer Participation Agreement. Upon making such an election, the Employer shall give written notice of the termination to its Employees. The effective date of the election shall not be before the date the election is made and notice is given to the Employees. The Dollar Banks in existence at the time of termination shall continue to be held for the Employer's Employees until fully withdrawn pursuant to Section 4.

2. Contributions

2.01 Each Employee of an Employer with a Dollar Bank election in effect shall have an "Hourly Contribution Rate" calculated by dividing the Employer's Monthly Contribution by 130 hours. "Employer's Monthly Contribution" means the total amount payable by the Employer in the current month for Trust coverage of the Employee and dependents, including dental, vision, and life coverage. Any contribution payable by the Employee for coverage under the Trust shall not be included in the Employer's Monthly Contribution.

2.02 For each calendar month during which an Employee of an Employer with a Dollar Bank election in effect has more than 130 Compensable Hours, the Employer shall contribute to the Employee's Dollar Bank, subject to the limit in 2.03. The contribution shall be equal to the Employee's Compensable Hours in excess of 130 times the Employee's Hourly Contribution Rate for that month. The contribution shall be due in cash by the 10th day of the following calendar month. An Employer may, at Employer's discretion, elect to contribute to an Employee's Dollar Bank amounts in excess of the amount provided in this 2.02, subject to the limit in 2.03.

2.03 An Employee's Dollar Bank shall be limited to a dollar amount equal to the Employer's Monthly Contribution times the number of months elected by the Employer in the limit described in 1.01. If a contribution determined under 2.02 would cause an Employee's Dollar Bank to exceed such limit, the amount of the excess shall not be contributed, nor shall it be credited in or carried over to the future. If the Employer's Monthly Contribution Rate for an Employee is reduced due to a change in the Employee's coverage, a balance in the Dollar Bank in excess of the limit shall not be affected, but no further contribution shall be made to the Dollar Bank until the balance declines below the new limit. If the Employer's contributions to the Dollar Bank are counted to satisfy prevailing wage obligations at the time such contributions cease because of the limit described in 1.01, the Employer shall be responsible for replacing them with other payments or contributions.

2.04 For each calendar month during which an Employee of an Employer with a Dollar Bank election in effect has fewer than 130 Compensable Hours, the Employer's contribution due in the following calendar month shall be the Employee's Compensable Hours times the Employee's Hourly Contribution Rate. On such due date, a withdrawal from the Employee's Dollar Bank shall be made equal to the difference between the Employer's contribution as calculated under the preceding sentence and the Employer's Monthly Contribution for the month in which the contribution is due.

3. Account

3.01 The contributions for an Employee under 2.02 shall be credited to an account in the Trust in the Employee's name, referred to as the Employee's "Dollar Bank". The contributions shall be invested along with the reserves of the Trust. The Dollar Bank shall be increased by subsequent contributions under 2.02 and reduced by withdrawals under Section 4. No interest or other earnings shall be credited to Dollar Banks.

3.02 The Dollar Banks shall constitute general assets of the Trust. Neither the Employer nor the Employee for which it is held shall have any ownership in, or claim to, the Employee's Dollar Bank except for payment by the Trust of premiums for coverage as provided in this Policy.

3.03 If the balance of an Employee's Dollar Bank is less than the Employer's Monthly Contribution for the Employee, the balance shall be forfeited as of a March 31 or September 30 if no contributions or withdrawals have been made to or from the Dollar Bank for the preceding six months. Such a forfeiture shall be added to the general reserves of the Trust and shall not be restored even if contributions for the Employee resume after the forfeiture.

4. Withdrawals for Coverage

4.01 If an Employee with a Dollar Bank has a month with no Compensable Hours, the full Employer's Monthly Contribution due in the following calendar month shall be withdrawn from the Employee's Dollar Bank account. If an Employee with a Dollar Bank has a month with fewer than 130 Compensable Hours and the Employer has a Dollar Bank election in effect, the difference between the full Employer's Monthly Contribution due in the following calendar month and the amount contributed by the Employer that month under 2.04 shall be withdrawn from the Dollar Bank. If an Employee with a Dollar Bank is employed by an Employer that does not have a Dollar Bank election in effect and the Employee has fewer than 130 Compensable Hours in a month, no contribution shall be made by the Employer in the following calendar month and the full Employer's Monthly Contribution shall be withdrawn from the Employee's Dollar Bank.

4.02 If the balance of an Employee's Dollar Bank in a month is less than the amount to be withdrawn under 4.01 during that month and the Employee elects COBRA health care continuation, the full balance of the Dollar Bank shall be withdrawn and the Employee shall be required to pay the difference between such balance and the cost of coverage for such month. If the balance of an Employee's Dollar Bank in a month is less than the amount to be withdrawn under 4.01 during that month and the Employee does not elect COBRA health care continuation, no amount shall be withdrawn from the Dollar Bank and the Employee shall have no coverage under the Trust for such month.

4.03 If an Employee with a Dollar Bank dies and the Employee's surviving spouse or dependent child elects COBRA health care continuation coverage, the cost of such coverage shall be withdrawn from the Dollar Bank each month until the Dollar Bank is exhausted. In the final month in which the balance in the Dollar Bank is less than the monthly charge for coverage, the surviving spouse or dependent child shall be required to pay the difference between such balance and the cost of coverage for such month. Except as provided in this 4.03, the Dollar Bank shall not be used to pay for any continuation coverage elected by a spouse or dependent child of an Employee.

5. Termination of an Employer's Trust Participation

5.01 If an Employer with one or more Employees who have Dollar Banks terminates its participation in the Trust, Compensable Hours shall cease being counted for the Employees of

the Employer as of the effective date of such termination. In succeeding months withdrawals shall be made from each Employee's Dollar Bank to provide continuing coverage under the Trust to the Employee in accordance with Section 4, except as provided in 5.02 and 5.03. Such continuing coverage shall be provided regardless of whether the Employer provides other group health coverage to the Employee. If an Employee has coverage under the Trust and other group health coverage in effect, benefits shall be paid in accordance with coordination of benefits rules of the insurers or other health coverage providers involved.

5.02 An Employer described in 5.01 may give a written instruction to the Trust that either (a) or (b) below shall apply to the Dollar Banks of its Employees:

(a) An Employee's Dollar Bank balance may be used to pay premiums for health insurance coverage of the Employee and dependents provided by a new insurer designated by the Employer in the written instruction. The Trust shall make payment directly to the insurer for the exclusive purpose of providing such coverage.

(b) The Trust may delay withdrawals from each Employee's Dollar Bank for a period of time stated in the written instruction, not to exceed six months following the effective date of the Employer's termination of participation in the Trust, to permit establishment of a trust described in 5.03. If the transfer has not been made within six months following such date, the provisions of 5.01 on withdrawals from the Dollar Banks to provide continuing coverage under the Trust shall apply.

5.03 An Employer that has a Dollar Bank election in effect and terminates participation in the Trust may elect to have the Dollar Banks of its Employees transferred to another health benefit trust that is tax exempt under Section 501(c)(9) of the Internal Revenue Code to provide health benefits to its Employees. The transfer shall be made when the Employer has provided the Trust with the following:

(a) A copy of the trust document for the transferee trust; and

(b) A copy of an Internal Revenue Service letter establishing that the transferee trust is tax exempt under Section 501(c)(9) or a copy of an application submitted to the IRS for such a letter together with an agreement in a form determined by counsel for the Trust under which the Employer agrees to indemnify the Trust and its trustees and agents from any claim, loss, liability, or expense arising from making the transfer prior to the IRS' issuance of such a letter.

Until the Employer has provided the items described in (a) and (b) to the Trust, withdrawals from the Dollar Banks of its Employees shall be made in accordance with Section 4, subject to the delay allowed by 5.02(b).

6. Applicability

This Policy shall apply retroactively to all prior operations of the Dollar Banks, except as follows. Section 5 shall apply to Employers whose participation in the Trust terminates after February 9, 1999.