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TOWN OF STONINGTON
SPECIAL TOWN MEETING
November 3, 2010

A Special Town Meeting of the Town of Stonington was called to order at 7:05 p.m. on November 3, 2010 at the Stonington High School cafeteria, 176 South Broad St., Pawcatuck, CT, by First Selectman Ed Haberek, Jr. Also, in attendance were Selectmen George Crouse and Glee McAnanly.

Mr. Rick Olisky nominated Mr. Ted Ladwig for Moderator being properly seconded and was unanimously elected Moderator of the meeting. Town Clerk, Cynthia Ladwig served as Clerk.

There being no objection the Moderator dispensed with the reading of the Call of the meeting, recorded immediately preceding these minutes.

The Moderator asked for a motion to waive the reading of the first item on the Call. A motion was made and seconded and passed on a voice vote.

The Moderator asked for a motion on the first item on the Call. First Selectman Haberek presented and read the following resolution:

BE IT HEREBY RESOLVED BY THE LEGAL VOTERS OF THE TOWN OF STONINGTON IN LAWFUL MEETING DULY ASSEMBLED:

To consider and vote on a resolution authorizing the establishment of a Town of Stonington GASB 45 Retirement Health Care Trust.

**TOWN OF STONINGTON
GASB 45 RETIREMENT HEALTH CARE TRUST**

Effective _____, 2010

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THIS TRUST AGREEMENT is entered into effective _____, 2010 by the Town of Stonington, a Connecticut municipality (hereinafter called the "Town"), and Washington Trust Company (hereinafter called the "Trustee").

WITNESSETH:

WHEREAS, the Town offers is eligible employees the opportunity to continue to participate in the Town's health care plan (hereinafter called the "Plan") after retirement; and

WHEREAS, the Town has adopted the Town of Stonington GASB 45 Retirement Health Care Trust effective _____, 2010 (hereinafter called the "Trust"); and

WHEREAS, the Town desires to fund the current and future healthcare benefits offered to retirees under the Plan (the implicit rate subsidy); and

WHEREAS, the Plan provides for a Trustee to receive and hold monies contributed by the Town, whether or not paid by the Plan participants, thereunder; and

WHEREAS, the Town desires the Trustee to hold and administer such funds and the Trustee is willing to hold and administer such funds pursuant to the terms of this Trust Agreement; and

WHEREAS, the principal of the Trust, and any earnings thereon, shall be held separate and apart from other funds of the Town and shall be used exclusively for the uses and purposes of Plan participants; and

WHEREAS, the Trust is intended to qualify under Section 115 of the Code as constituting an essential governmental function; and

WHEREAS, the Trust is intended to constitute a funding vehicle for purposes of GASB 43 and GASB 45; and

WHEREAS, the Town desires to appoint the Trustee as the trustee under the Trust.

NOW, THEREFORE, in consideration of the promises and mutual covenants herein contained, the parties do hereby mutually declare and agree as follows:

First: Establishment of Trust. In order to carry out the purposes of the Plan, the Town shall establish an irrevocable grantor trust, as described in this Trust Agreement, called the Town of Stonington Retiree Health Care Trust (hereinafter called the "Trust"). The Trustee accepts this Trust and agrees to act as Trustee hereunder, but only on the terms and conditions herein set forth. Subject to the terms of this Trust Agreement, all right, title and interest in and to the estate of the Trust Fund shall be vested exclusively in the Trustee.

The Trustee shall receive all amounts contributed to the Trust in cash or in other property acceptable to it. All amounts so received, together with the income therefrom and any other increment thereon (hereinafter called the "Trust Fund"), shall be held, managed and administered by the Trustee pursuant to the terms of this Trust Agreement without distinction between principal and income and without liability for the payment of interest

thereon. Such amounts and earnings thereon shall remain in the Trust until paid to Plan participants and their beneficiaries in such manner and at such times as specified in the Plan.

It is intended that there shall be one Trust, with the capability of receiving contributions and assets from more than one funding source, including, but not limited to, employer and employee contributions. If funding for the Trust is received from more than one source, the Trustee may be directed to establish a separate account for one or more of the contributing sources. At such time, the Trust shall operate as a group trust maintained exclusively for the commingling and collective investment of funds from the separate accounts it holds. Notwithstanding the above, whenever funds of one or more accounts are commingled and aggregated for purposes under the Trust, including, but not limited to, investing, reinvesting, and disbursement of benefits, the undivided interest of the accounts therein shall be debited or credited accordingly. All contributions to, and withdrawals from, and any other transactions regarding the Trust shall be conducted in such a way that the proportionate interest in the trust of each account established and the fair market value of that interest may be determined at any time.

Second: General Duties of the Town. The Trust Fund shall be used for the purpose of funding current and future healthcare benefits for Plan participants and their beneficiaries in such amounts as determined by the Town. Except to the extent paid by the Town, the Trust Fund shall further provide the means for financing the expenses of the Trustee and all costs incurred in connection with the establishment, operation and administration of the Trust Fund, in accordance with this Trust Agreement.

All certifications, notices and directions by the Town to the Trustee shall be in writing and signed by such person or persons as designated by the Town and the Trustee may rely on any such certification, notice or direction purporting to have been signed by or on behalf of such person or persons.

The Town shall indemnify and save harmless the Trustee from and against any and all claims, loss, damages, expenses (including reasonable counsel fees) and liability to which the Trustee may be subjected by reason of any act done or omitted to be done except where the same is finally adjudicated to be due to the gross negligence or willful misconduct of the Trustee.

Third: General Duties of Trustee. It shall be the duty of the Trustee to receive, hold, manage, invest and reinvest the Trust Fund and to make payments from the Trust Fund pursuant to the provisions hereinafter set forth and written directions of the Town. Unless an Investment Manager is appointed, the Retirement Board of the Town shall have the same powers as an Investment Manager, as set forth in Article Fifth. The Trustee shall be responsible for such sums as are actually received by it as Trustee hereunder. The Trustee shall have no duty or authority to ascertain whether any contributions should be made to it pursuant to the Plan or to bring any action to enforce any obligation to make any such contribution. The duties and obligations of the Trustee hereunder shall be limited to those expressly imposed upon it by this Trust Agreement notwithstanding any reference herein to the Plan. The Trustee shall not be liable in discharging its duties hereunder if it acts in good faith and in accordance with the terms of this Trust Agreement and in accordance with applicable Federal or state laws, rules and regulations.

Fourth: Power and Duties of Trustee with Respect to Trust Fund. Except as provided in Article Fifth, the Trustee shall have the power to invest and reinvest the Trust Fund in its sole discretion, except to the extent that the Trust Fund, or a portion thereof, is subject to any applicable limitations on investment set forth in Sections 7-403a(c) and 7-450 of the Connecticut General Statutes or any future statutory restrictions that apply to trusts of this type, in which case the Trustee shall be bound by such statutory restrictions on investment. If only a portion of the Trust Fund is subject to such limitations, the Trustee shall retain complete discretion with respect to the investment of the portion of the Trust Fund that is not subject to Sections 7-403a(c) and 7-450.

Subject to any applicable limitations, the Trustee shall have the power:

(a) To receive the funds to which the Trustee shall be entitled, and to take such steps, including the institution and prosecution of or the intervention in any proceeding at law or in equity or in bankruptcy, as may be necessary or desirable to effectuate the collection of such funds to which said Trustee shall be entitled. All suits and proceedings may be instituted by or in the name of the Trustee;

(b) To invest and reinvest in any kind of property, real or personal, including, without limitation, stocks of any class, bonds, notes, debentures (including convertible stocks and securities), mortgages, certificates of deposit, demand or time deposits, shares of investment companies and mutual funds, or guaranteed insurance contracts, irrespective of any laws or rules of court of any state governing the investment of trust funds or diversification of trust funds and without regard to the proportion any such property may bear to the entire amount of the Trust Fund; provided, however, that the Trust Fund shall be diversified so as to minimize the risk of large losses unless under the circumstances, in the sole discretion of the Trustee, it is clearly prudent not to do so;

(c) To sell, exchange, grant options to buy, redeem, or otherwise dispose of any securities or other property at any time held by it;

(d) To retain any property at any time received by it as Trustee;

(e) To settle, compromise, submit to arbitration, sue upon or abandon any claims or demands in favor of or against the Trust; provided, however, that the Trustee shall not be required to take any such action unless it shall have been indemnified by the Town to its reasonable satisfaction against liability or expenses it might incur therefrom;

(f) To join in, dissent from or oppose any plan of reorganization, consolidation, sale, merger, liquidation or other plan relating to any corporation or other entity, the securities of which may be held by it;

(g) To exercise any conversion privilege and/or subscription right available in connection with any securities or other property at any time held by it, to oppose or to consent to the reorganization, consolidation, merger, or readjustment of the finances of any corporation, company or association or to the sale, mortgage, pledge or lease of the property of any corporation, company or association any of the securities of which may at any time be held by it, and to do any act with reference thereto, including the exercise of options, the making of agreements or subscriptions and the payment of expenses, assessments or subscriptions, which may be deemed necessary or

advisable in connection therewith, and to hold and retain any securities or other property which it may so acquire;

(h) To extend the time of payment of any obligation held by it;

(i) To hold uninvested any monies received by it, without liability for interest thereon, until such monies shall be invested, reinvested or disbursed;

(j) To exercise any right, including the right to vote in person or by proxy, appurtenant to any securities or other property held by it at any time;

(k) Solely at the direction of the Town, to borrow money for the purposes of this Trust in such amounts and upon such terms and conditions as shall be deemed advisable or proper to carry out the purposes of the Trust and to issue its promissory note as Trustee and to secure the payment thereof by pledging securities or any other property held by the Trust Fund;

(l) To manage, administer, operate, insure, repair, lease for any number of years, develop, improve, repair, alter, demolish, mortgage, pledge, grant options with respect to, or otherwise deal with any real property or interest therein at any time held by it, and to cause to be formed a corporation or trust to hold title to any such real property with the aforesaid powers, all upon such terms and conditions as may be deemed advisable;

(m) To renew or extend or participate in the renewal or extension of any mortgage, upon such terms as may be deemed advisable, and to agree to a reduction in the rate of interest on any mortgage or to any other modification or change in the terms of any mortgage or of any guarantee pertaining thereto, in any manner and to any extent that may be deemed advisable for the protection of the Trust Fund or the preservation of the value of the investment; to waive any default whether in the performance of any covenant or condition of any mortgage or in the performance of any guarantee, or to enforce any such default in such manner and to such extent as may be deemed advisable; to exercise and enforce any and all rights of foreclosure; to take a deed in lieu of foreclosure with or without paying a consideration therefor and in connection therewith to release the obligation on the bond secured by such mortgage;

(n) To employ suitable agents and counsel, who may be counsel for the Town, and to act in accordance with their advice and to pay their reasonable expenses and compensation;

(o) To cause any property or securities at any time held in the Trust Fund to be registered in the name of one or more nominees, with or without disclosure of the Trust, or to hold any securities at any time held in trust in bearer form so that they will pass by delivery;

(p) To make, execute and deliver, as Trustee, any and all deeds, leases, mortgages, conveyances, contracts, waivers, releases or other instruments in writing necessary or proper for the accomplishment of any of the foregoing powers;

(q) To invest and reinvest (or withdraw from investment) all or any portion of the funds hereunder with funds of other Town trusts in units of participation in one or more common trust funds. The Trustee's authority to invest in such units of participation shall not be limited by any statute, other rule of law, or custom prohibiting or

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restricting the commingling of trust assets. The instrument or instruments establishing such trust funds, as amended, are hereby incorporated into this Trust Agreement and made a part hereof, as long as any of the funds hereunder are invested therein, as fully as if the same had been set out herein at length, and shall apply to all assets transferred to the investment funds;

(r) To do all acts, whether or not expressly authorized, that the Trustee may deem necessary or desirable for the protection of the Trust Fund and to accomplish any action provided for in the Plan;

(s) If any dispute shall arise as to the persons to whom payments are due or the delivery of any monies by the Trustee, or the amounts thereof, the Trustee shall retain such payments and/or postpone such delivery until actual adjudication of such dispute shall have been made in a court of competent jurisdiction, or the parties concerned have agreed to a settlement, or the Trustee has been indemnified against loss to its satisfaction;

(t) To pay or provide for the payment of any benefits to Plan participants and their beneficiaries who shall be eligible in accordance with the rules and regulations of the Plan in accordance with instructions from the Town directly from the Trust Fund;

(u) To do all acts, whether or not expressly authorized herein, which the Trustee may deem necessary or proper to carry out the terms of this Trust Agreement, and for the protection of the property held hereunder.

The words "security or other property" as used in this Trust Agreement shall be deemed to refer to such stocks, bonds, notes or other evidences of indebtedness or ownership, in which trustees are authorized to invest under the laws of the State of Connecticut as such laws exist from time to time. Such phrase shall also be deemed to refer to any property, real or personal or part interest therein, wherever situated, including but without being limited to governmental, corporate or personal obligations, trust and participation certificates, leaseholds, fee titles, mortgages and other interests in realty, preferred and common stocks, and any other evidences of indebtedness or ownership, even though the same may not be legal investments for trustees under the law applicable thereto.

Fifth: Investment Manager. If (i) a registered investment adviser under the Investment Advisers Act of 1940 ("the Act"), (ii) a bank, as defined in the Act, or (iii) an insurance company qualified to perform investment management services under the laws of more than one state is duly appointed an "Investment Manager" with respect to the Plan with the power to direct the investment and reinvestment of all or part of the Trust Fund, the Investment Manager shall, unless its appointment provides otherwise, have the power to direct the Trustee in the exercise of the powers described in Article Fourth above, other than subparagraphs (e), (n), (o), (p), and (r) thereof, with respect to all or part of the Trust Fund, as the case may be, and the Trustee shall, upon receipt of a copy of the Investment Manager's appointment and written acknowledgement of such appointment, satisfactory in form to the Trustee, exercise such powers as directed in writing by the Investment Manager, unless it knows that such direction is a breach of the Investment Manager's duty to act with care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man 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 Trustee shall not be liable for any diminution in the

value of the Trust Fund as a result of following any such direction or as a result of not exercising any such powers in the absence of any such direction.

If no Investment Manager is duly appointed and if the Retirement Board does not direct the Trustee, the Trustee shall have full authority to invest and reinvest the Trust Fund and shall not be required to follow the directions of any other person notwithstanding any provision in the Plan to the contrary.

Sixth: Payment of Taxes. The Trustee shall pay out of the Trust Fund all real and personal property taxes, income taxes and other taxes of any and all kinds levied or assessed under existing or future laws against the Trust Fund.

Seventh: Disbursement of Trust Funds. The Trustee, from time to time upon receipt of written direction of the Town, shall make payments in cash or property from the Trust Fund to such persons, including a paying agent or agents designated by the Town (or the Town as paying agent), in such manner and in such amounts as the Town shall direct in writing, and any cash or property so distributed to any paying agent shall be held in trust by such payee until disbursed in accordance with the provisions of the Plan. Any cash or property so distributed to any paying agent shall be held in trust by such payee until disbursed in accordance with the Plan.

In directing the Trustee to make any payments from the Trust, the Town shall follow the provisions of the Plan and, except as provided in this Article Seventh, in no event may the Town direct that any payments be made, either during the existence or upon discontinuance of the Plan, that would cause any part of the Trust Fund to be used for or diverted to purposes other than the exclusive benefit of Plan participants or beneficiaries, pursuant to the provisions of the Plan, and defraying reasonable expenses of administering the Plan. The Trustee, unless it knows that the direction constitutes a breach of the Town's fiduciary responsibility with respect to the Plan, shall not be liable in any way for any payment made pursuant to any such direction of the Town and, in the absence of knowledge that the direction constitutes such a breach, the Trustee shall have no duty to make any inquiry or investigation before acting upon any such direction of the Town. Any written direction of the Town shall constitute a certification that the distribution so directed is one that the Town is authorized to direct, and the Trustee need not make any further investigation. The Trustee shall not be responsible for the adequacy of the Trust Fund to meet and discharge any and all distributions and liabilities under the Plan.

Eighth: Subtrusts and Accounts. The Trustee, at the direction of the Town, may establish one or more subtrusts or accounts for purposes of accounting for the assets contributed to the Trust Fund and earnings thereon. At such time, the Trust Fund shall operate as a group trust maintained exclusively for the commingling and collective investment of funds from the separate subtrusts or accounts it holds. Notwithstanding the above, whenever funds of one or more subtrusts or accounts is commingled and aggregated for purposes under the Trust Fund, including, but not limited to, investing, reinvesting, and disbursement of benefits, the undivided interest of the accounts therein shall be debited or credited accordingly. All contributions to, and withdrawals from, and any other transactions regarding the Trust Fund shall be conducted in such a way that the proportionate interest in the Trust Fund of each account established and the fair market value of that interest may be determined at any time.

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Ninth: Exclusive Benefit of Plan Participants, etc. At no time prior to the satisfaction of all liabilities with respect to Plan participants of the Town and their beneficiaries under this Trust shall any part of the corpus or income of the Trust Fund be used for, or diverted to, purposes other than for the exclusive benefit of such Plan participants or their beneficiaries. Except in the case of a contribution that is made by the Town under a mistake of fact, the assets of the Trust Fund shall never inure to the benefit of the Town and shall be held for the exclusive purposes of providing benefits to participants in the Plan and their dependents and defraying reasonable expenses of administering the Plan. This Article Ninth shall not prohibit the return to the Town at the written direction of the Town of a contribution made under a mistake of fact within one year after the payment of the contribution.

Tenth: Expenses and Compensation of Trustee. The Trustee shall be paid its reasonable expenses for the management and administration of the Trust Fund, including, without limitation, reasonable expenses of counsel and other agents employed by the Trustee, and reasonable compensation for its services as Trustee hereunder; provided, however, that no person who already receives full-time pay from the Town shall be entitled to receive compensation from the Trust, except for reimbursement of expenses properly and actually incurred. Such expenses and compensation shall be paid by the Town, but if they are not so paid, they shall be paid by the Trustee from the Trust Fund. If the Trustee is not an employee of the Town it shall have a lien on the Trust Fund for its compensation thereunder until it has been paid and, if not paid within a reasonable time, the same may be withdrawn by the Trustee from the Trust Fund.

Eleventh: Expenses of the Plan and Trust Fund. The Town shall pay, or if not paid by the Town, the Trustee shall pay from the Trust Fund, upon the direction of the Town, the reasonable expenses relating to the Plan and Trust Fund payable to third parties including, without limitation, actuarial, investment management, accounting and legal expenses.

Twelfth: Accounts of the Trustee. The Trustee shall keep full accounts of all of its receipts and disbursements. The Trustee's books and records with respect to the Trust Fund shall be open to inspection by the Town at all reasonable times during business hours of the Trustee. The Trustee shall render from time to time, and not less frequently than once per year, accounts of its transactions to the Town and certify to the accuracy thereof. The Town may approve such accounts by an instrument in writing delivered to the Trustee. In the absence of the filing in writing with the Trustee by the Town of exceptions or objections to any such account within sixty (60) days after an accounting has been rendered, the Town shall be deemed to have approved such account; and in such case, or upon the written approval of the Town of any such account, the Trustee shall be released, relieved and discharged with respect to all matters and things set forth in such account as though such account had been settled by the decree of a court of competent jurisdiction. No person other than the Town may require an accounting or bring any action against the Trustee with respect to the Trust or its action as Trustee. The Trustee shall have the right to apply at any time to a court of competent jurisdiction for judicial settlement of any account of the Trustee not previously settled as herein provided or for the determination of any question of construction or for instructions. In any such action or

proceeding it shall be necessary to join as parties only the Trustee and the Town (although the Trustee may also join such other parties as it may deem appropriate), and any judgment or decree entered therein shall be conclusive.

In the case of the termination of this Trust, or in case of the resignation or removal of the Trustee, the Town and the Trustee shall have the right to a settlement of the Trustee's accounts, which accounting may be made either (a) by agreement of settlement between the Trustee and the Town, or either of them, or (b) by judicial settlement in an action, suit or proceeding instituted by the Town or the Trustee in a court of competent jurisdiction. In the absence of the filing in writing with the Trustee by the Town of exceptions or objections to any such account within sixty (60) days after an accounting has been rendered, the Town shall be deemed to have approved such account, and in such case, or upon agreement of settlement, the Trustee shall be released, relieved and discharged with respect to all matters and things set forth in such account as though such account had been settled by the decree of a court of competent jurisdiction.

Thirteenth: Resignation, Removal and Substitution of Trustee. Any party acting as Trustee hereunder may resign at any time by giving written notice to the Town. Such resignation shall not take effect until sixty (60) days after the delivery thereof to the Town (unless notice of a shorter duration shall be accepted as adequate). The Town may remove any party acting as Trustee at any time upon sixty (60) days' notice to the Trustee (unless notice of a shorter duration shall be accepted as adequate). No such removal of the party acting as Trustee shall become effective, however, until all sums due hereunder to the Trustee for its compensation and expenses shall have been paid to it, nor, if there is only one party acting as such Trustee, until the appointment by the Board of Selectmen of the Town and qualification of a successor Trustee to which the Trustee may make transfer and delivery of the Trust Fund.

Any successor Trustee hereunder may be either a corporation authorized and empowered to exercise trust powers or may be one or more individuals. In either event, the appointment of a successor Trustee shall not be effective until such successor Trustee delivers its written acceptance of trust to the Trustee. All of the provisions set forth herein with respect to the Trustee shall relate to each successor Trustee so appointed with the same force and effect as if such successor Trustee had been originally named herein as the Trustee hereunder. In the event of the resignation or the removal of the Trustee, if no successor Trustee is appointed within thirty (30) days of the Trustee's notice of resignation or the Town's notice of removal, the Trustee may apply to a court of competent jurisdiction for appointment of a successor Trustee.

In the case of the resignation or removal of the Trustee, the Town or the Trustee shall have the right to a settlement of the Trustee's accounts, as provided in Article Twelfth hereof. Upon the completion of such accounting and upon the appointment of a successor Trustee, the resigning or removed Trustee shall transfer and deliver the Trust Fund to such successor Trustee, after reserving such reasonable amount as it shall deem necessary to provide for its expenses in the settlement of its account, the amount of any compensation due to it, if any, and any sums chargeable against the Trust Fund for which it may be liable but if the sums so reserved are not sufficient for such purposes, the resigning or removed Trustee shall be entitled to reimbursement for any deficiency from the successor Trustee or the Town. Also upon the completion of such accounting and upon the appointment of a successor trustee,

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the resigning and removed Trustee shall thereupon be discharged from further accountability for the Trust Fund by reason of any matter embraced in such accounting, and shall be under no further duty, obligation or responsibility for the disposition by such successor Trustee of the Trust Fund or any part thereof, but the Trustee shall, in any event, properly account for any such sums reserved by it.

Fourteenth: Amendment and Termination of Trust. The Town expressly reserves the right at any time to amend this Trust Agreement and the Trust created hereby to any extent that it may deem advisable. No such amendment shall be made that affects the duties or responsibilities of the Trustee without its consent thereto in writing. Such amendment shall become effective upon delivery to the Trustee of a written instrument of amendment, duly executed and acknowledged by the Town, and accompanied by a resolution of the Board of Selectmen of the Town authorizing such amendment.

The Town expressly reserves the right to terminate the Trust created by this Trust Agreement, provided that such termination shall not take place until all benefits to Plan participants and beneficiaries have been paid. Such termination shall become effective when and as the Trustee shall have received a written instrument of such termination executed on behalf of the Town by duly authorized officers and accompanied by a copy of a resolution of the Board of Selectmen of the Town, authorizing such termination. Upon such termination, the Trustee shall, after acceptance and approval of the Trustee's account and after the payment of all benefits to Plan participants and beneficiaries, pay any expenses properly chargeable against the Trust and return the remaining assets of the Trust fund to the Town.

Fifteenth: Multiple Trustees. If there is more than one party acting as Trustee, whenever possible there shall be an odd number of parties acting as Trustee and the decision of a majority shall control, but even if there shall be an even number of parties acting as Trustee and a tie vote shall occur no action shall be taken and the previous action shall continue. The parties acting as Trustee may designate anyone or more of them or one or more agents of anyone or more of them to sign checks or other documents on behalf of the Trust.

Sixteenth: Miscellaneous Provisions.

(a) This Trust Agreement and the trust hereby created shall be governed, construed, administered and regulated in all respects under the law of the United States and of the State of Connecticut.

(b) The titles to the Article in this Trust Agreement are placed herein for convenience of reference only and in case of any conflict the text of this instrument, rather than such titles, shall control.

(c) In the event that any dispute shall arise as to the persons to whom payment of any funds and/or delivery of any property shall be made by the Trustee, the Trustee may withhold such payment and/or delivery until such dispute shall have been determined by a court of competent jurisdiction or shall have been settled by the parties concerned.

(d) In case any provisions of this Trust Agreement shall be held illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts of this Trust Agreement, but this Trust Agreement shall be construed and enforced as if said illegal and invalid provisions had never been inserted herein or therein.

(e) No right or claim to any of the monies or other assets of the Trust Fund shall be assignable, nor shall such rights or claims be subject to garnishment, attachment or execution or levy of any kind and any attempt to transfer, assign or pledge the same will not be recognized by the Trustee.

(f) This Trust Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and said counterparts shall constitute but one and the same instrument and may be sufficiently evidenced by any one counterpart.

(g) This Trust Agreement shall be binding upon the respective successors and assigns of the Town and the Trustee.

(h) Neither the gender nor the number (singular or plural) of any word shall be construed to exclude another gender or number when a different gender or number would be appropriate.

(i) In the event of any conflict between provisions of the Plan and those of this Trust Agreement, this Trust Agreement shall prevail.

(j) Communications to the Trustee shall be sent to the Trustee's principal offices or to such other address as the Trustee may specify in writing. No communication shall be binding upon the Trustee until it is received by the Trustee. Communications to the Town shall be sent to the Town at the Town's principal offices, or to such other address as the Town may specify in writing.

IN WITNESS WHEREOF, this Trust Agreement has been executed as of the day and year first above written.

Attest:

TOWN OF STONINGTON

By _____

Its

TRUSTEE

Being properly seconded, the Moderator opened the floor to discussion. Commenting on the resolution was Mrs. Maryanna Stevens, Director of Finance.

With no further discussion, the motion was passed by voice vote.

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The Moderator asked for a motion to waive the reading of the second item on the Call. A motion was made and seconded and passed on a voice vote.

The Moderator asked for a motion on the second item on the Call. First Selectman Haberek presented and read the following resolution:

BE IT HEREBY RESOLVED BY THE LEGAL VOTERS OF THE TOWN OF STONINGTON IN LAWFUL MEETING DULY ASSEMBLED:

To consider and vote on a resolution appropriating \$18,325,000.00 for Wastewater Treatment Facilities improvements and authorizing the issuance of \$18,325,000.00 in bonds and notes to finance the appropriation. A copy of the complete text of the proposed Resolution is on file in the Town Clerk's office during normal business hours.

BE IT RESOLVED BY THE LEGAL VOTERS OF THE TOWN OF STONINGTON IN LAWFUL TOWN MEETING DULY ASSEMBLED THAT

1. That the Town of Stonington appropriate Eighteen Million Three Hundred Twenty-Five Thousand Dollars (\$18,325,000) for improvements to the Town's wastewater treatment facilities, to the extent of available funds. The project shall consist of repairs, improvements, replacements and upgrades of and to buildings, structures, equipment and machinery at the Town's wastewater treatment facilities in Mystic, Pawcatuck and the Borough of Stonington, as well as at various sewer pump stations, including, but not limited to: all equipment necessary to implement biological treatment of wastewater; influent pumps, controls, and comminution; grit, grease, and scum removal systems; clarifiers and related equipment; aeration blowers and diffusers; disinfection systems; process piping, valves, pumps and controls; retrofit digester tanks for sludge management; sludge thickening; odor control systems; biological nitrogen removal equipment, including mixers pumps and ballast distribution and removal equipment; and various improvements, upgrades, repairs, and replacements to the sites, buildings, tanks, electrical systems including emergency supply; HVAC, plumbing and fire protection; and instrumentation and controls. The appropriation may be spent for design and construction costs, equipment, materials, site improvements, legal fees, net interest on borrowings and other financing costs, and other expenses related to the project or its financing. The Water Pollution Control Authority is authorized to determine the scope and particulars of the project. The foregoing descriptions and components of the project are not intended as limitations and the project shall include all work, services and materials necessary to complete the project with all changes, overruns and unforeseen conditions that have occurred or may occur during the course of the project. The Water Pollution Control Authority may reduce or modify the scope of the project, and the entire appropriation may be spent on the project as so reduced or modified.

2. That the Town issue bonds or notes or obligations in an amount not to exceed Eighteen Million Three Hundred Twenty-Five Thousand Dollars (\$18,325,000) to finance the appropriation for the project. The bonds or notes or obligations shall be issued pursuant to Section 7-259 of the General Statutes of Connecticut, Revision of 1958, as amended, and any other enabling acts. The bonds or notes or obligations shall be general obligations of the Town secured by the irrevocable pledge of the full faith and credit of the Town.

3. That the Town issue and renew temporary notes or interim funding obligations from time to time in anticipation of the receipt of the proceeds from the sale of the bonds or notes or obligations for the project or the receipt of Federal or state grants and/or loans for the project. The amount of the notes or obligations outstanding at any time shall not exceed Eighteen Million Three Hundred Twenty-Five Thousand Dollars (\$18,325,000). The notes or obligations shall be issued pursuant to Sections 7-264 and 7-378 of the General Statutes of Connecticut, Revision of 1958, as amended. The notes or obligations shall be general obligations of the Town and shall be secured by the irrevocable pledge of the full faith and credit of the Town. The Town shall comply with the provisions of Sections 7-378a and 7-378b of the General Statutes with respect to any notes that or obligations do not mature within the time permitted by said Sections 7-264 or 7-378.

4. That the First Selectman, or in the absence of the First Selectman any other Selectman, and any two (2) of the Town Treasurer, Director of Finance and Director of Administrative Services, shall sign any bonds or notes or obligations by their manual or facsimile signatures.

The law firm of Tobin, Carberry, O'Malley, Riley & Selinger, P.C. is designated as bond counsel to approve the legality of the bonds or notes or obligations. The First Selectman, or in the absence of the First Selectman any other Selectman, and any two (2) of the Town Treasurer, Director of Finance and Director of Administrative Services, are authorized to determine the amounts, dates, interest rates, maturities, redemption provisions, form and other details of the bonds or notes or obligations; whether the bonds, notes or other obligations shall be issued on a taxable or tax-exempt basis; denomination, discount or premium; to designate one or more banks or trust companies to be certifying bank, registrar, transfer agent and paying agent for the bonds or notes or obligations; to provide for the keeping of a record of the bonds or notes or obligations; to designate a financial advisor to the Town in connection with the sale of the bonds or notes; to sell the bonds or notes or obligations at public or private sale; to determine all other terms, details and particulars relative to the issuance, sale and delivery of the bonds, notes or other obligations; to deliver the bonds or notes or obligations; and to perform all other acts which are necessary or appropriate to issue the bonds or notes or obligations.

5. That the Town hereby declares its official intent under Federal Income Tax Regulation Section 1.150-2 that project costs may be paid from temporary advances of available funds and that (except to the extent reimbursed from grant monies) the Town reasonably expects to reimburse any such advances from the proceeds of borrowings in an aggregate principal amount not in excess of the amount of borrowing authorized above for the project. The First Selectman, or in the absence of the First Selectman any other Selectman, and any two (2) of the Town Treasurer, Director of Finance and Director of Administrative Services, are authorized to amend such declaration of official intent as they deem necessary or advisable and to bind the Town pursuant to such representations and covenants as they deem necessary or advisable in order to maintain the continued exemption from federal income taxation of interest on the bonds or notes or obligations authorized by this resolution, if issued on a tax-exempt basis, including covenants to pay rebates of investment earnings to the United States in future years.

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6. That the First Selectman, or in the absence of the First Selectman any other Selectman, and any two (2) of the Town Treasurer, Director of Finance and Director of Administrative Services, are authorized to make representations and enter into written agreements for the benefit of holders of the bonds or notes or obligations to provide secondary market disclosure information, which agreements may include such terms as they deem advisable or appropriate in order to comply with applicable laws or rules pertaining to the sale or purchase of such bonds or notes or obligations.

7. That the Water Pollution Control Authority is authorized to construct the sewer project; to approve design and construction expenditures and any land acquisition costs incurred for the sewer project; and to contract with engineers, contractors and others on behalf of the Town for said sewer project.

8. That the First Selectman, any other Selectman, the Town Treasurer, Director of Finance and Director of Administrative Services, the Water Pollution Control Authority and other proper officers of the Town are authorized to take all other action which is necessary or desirable to complete the project and to issue bonds, notes or other obligations to finance the aforesaid appropriation.

The Moderator recognized Town Clerk Cynthia Ladwig who read the following letter:

October 27, 2010

Ms. Cynthia Ladwig, Town Clerk
Stonington Town Hall
Stonington, CT 06378

Dear Ms. Ladwig:

The Board of Selectmen at its meeting held on October 13, 2010, voted to set the date for the Special Town Meeting for Wednesday, November 3, 2010 at 7:00 p.m. at the Stonington High School, 176 South Broad St., Pawcatuck, CT.

The Board also voted to send the second item on the call of the Special Town Meeting called for November 3, 2010 to referendum. The Board set Tuesday, November 16, 2010 for the date of the Referendum to be held in the following voting places between the hours of 12:00 noon and 8 p.m.

| | |
|--------------------------|--|
| First & Third Districts | Stonington Fire Station, 100 Main St., Stonington |
| Second District | Pawcatuck Fire Station, 33 Liberty St., Pawcatuck |
| Fourth & Fifth Districts | B.F. Hoxie- Mystic Fire Dept., 34 Broadway, Mystic |

The wording for the question will be as follows:

"SHALL THE TOWN OF STONINGTON APPROPRIATE AND BOND \$18,325,000.00 FOR MAKING IMPROVEMENTS TO THE TOWN'S WASTEWATER TREATMENT FACILITIES?"

The Adjourned Special Town Meeting will reconvene at 8:30 p.m. at the Stonington Town Hall, 152 Elm St., Stonington on Tuesday, November 16, 2010.

Thank you for your assistance and cooperation. If you have any questions, please feel free to contact this office.

Sincerely,
/s/ Edward Haberek, Jr.
First Selectman

Cc: Registrars of Voters

The Moderator explained that since the Resolution has been sent to referendum by the Board of Selectmen, that there would be no vote on the resolution and opened the floor to discussion. Commenting on the Resolution were Anna Lou Aldrich, WPCA Chairman James Sisk, Kevin Gross, Director of Finance Maryanna Stevens, Rick Olisky and WPCA member Jim Petrowski. Hearing no more discussion, the Moderator recognized First Selectman Haberek to read the following resolution:

BE IT HEREBY RESOLVED BY THE LEGAL VOTERS OF THE TOWN OF STONINGTON IN LAWFUL TOWN MEETING DULY ASSEMBLED, THAT:

"IN ACCORDANCE WITH THE PROVISIONS OF SECTION 7-7 OF THE GENERAL STATUTES OF CONNECTICUT THE SECOND ITEM ON THE CALL OF THE SPECIAL TOWN MEETING CALLED FOR NOVEMBER 3, 2010 BE SUBMITTED TO PERSONS QUALIFIED TO VOTE IN TOWN MEETINGS OF THE TOWN OF STONINGTON FOR A VOTE UPON THE VOTING MACHINES IN THE SEVERAL VOTING DISTRICTS OF SAID TOWN ON NOVEMBER 16, 2010 BETWEEN THE HOURS OF 12:00 NOON AND 8:00PM AND THAT AT THE CONCLUSION OF THIS MEETING, SUCH MEETING SHALL STAND ADJOURNED TO RECONVENE ON NOVEMBER 16, 2010 AT 8:30 P.M. AT THE STONINGTON TOWN HALL TO RECEIVE SUCH VOTE AND THAT SAID ITEM SHALL BE PLACED UPON THE VOTING MACHINES UNDER THE FOLLOWING HEADING:

"SHALL THE TOWN OF STONINGTON APPROPRIATE AND BOND \$18,325,000.00 FOR MAKING IMPROVEMENTS TO THE TOWN'S WASTEWATER TREATMENT FACILITIES?"

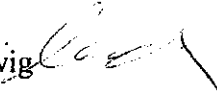
The motion being properly made by Mr. George Sylvestre, seconded and hearing no objection, the Moderator declared since there was no further business on the Call of the meeting,

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the meeting adjourned at 7:30 p.m. to reconvene on November 16, 2010 at the Stonington Town Hall at 8:30 p.m.

Cynthia Ladwig
Clerk of the meeting

Received for record this 8th day of November, 2010.

/s/ Cynthia Ladwig 
Town Clerk