

BOARD OF CONTROL  
SAGINAW VALLEY COLLEGE

REGULAR MONTHLY MEETING

SVC Board Room - Wickes Hall  
January 12, 1970

Present: Brown  
Curtiss  
Groening  
Kendall  
Runkel  
Vaupre  
Zahnow

Others

Present: Driver  
Gross  
Kearns  
Marble  
Press (2)  
Students (2)

Absent: Arbury, excused

I. CALL TO ORDER

The Chairman called the meeting to order at 8:12 p.m.

II. APPROVAL OF MINUTES OF PREVIOUS MEETING

The Chairman suggested deferring approval of the minutes of the January 5, 1970 Special Meeting in order to give the members of the Board an opportunity to read them.

III. AGREEMENT WITH ANN ARBOR TRUST COMPANY FOR ATHLETIC FACILITY

Mr. Driver reported that he met with Mr. William M. Broucek, Vice President of the Ann Arbor Trust Company, to confer on certain questions that had been raised at a previous Board Meeting. The following sections of the Trust Agreement were discussed:

Section 3.03. The Trustee can purchase bonds only in the order of priority shown. However, it will probably not have sufficient funds to purchase any bonds. The College can purchase bonds in any order of priority, and they can then be retired.

Section 4.01. The first words of the first sentence in the first paragraph will be changed to read "The Obligor covenants and agrees that all funds borrowed through the sale of bonds issued hereunder and paid to the Trustee pursuant to. . ."

Section 4.01, 2nd paragraph. Mr. William M. Broucek, Vice President of the Ann Arbor Trust Company, has agreed orally that the Trustee will endeavor to invest funds as authorized by the Trust Agreement in such a way as to achieve the maximum investment income. When the dates or amounts involved make it impracticable to achieve higher yields, funds will be invested in Savings Deposit Receipts in a commercial bank in Detroit or Ann Arbor. These pay interest on a daily basis; the current rate is 4%.

Section 4.01. The following will be added as the third paragraph:

\*"Interest earned from the investment and reinvestment of such monies shall be credited to said trust and used for construction purposes."

Section 8.01 (e). The present schedule of fees for acting as Corporate Trustee on revenue bond issues is as follows:

- A. Semi-annual Administration Fee  
(based upon bonds outstanding during the period)  
1/20th of 1% of the first \$1,000,000
- B. Redemption of Bonds  
\$1.00 per bond
- C. Paying Agent for Coupons  
10¢ per coupon

The Administration Fee covers services in connection with the check-up of indenture provisions; preparation of periodical reports; examination and analysis of audit and other earnings reports; investment of debt retirement funds and reserves; maintenance of adequate records regarding all transactions; recording of registered bonds; responsibility to the obligor and the bondholders; etc.

The fee for Redemption of Bonds and Paying Agent for Coupons covers all services in connection with maturing or called bonds; payment and cancellation of bonds and coupons; preparation of certificates and the cremation of cancelled bonds and coupons.

The above fee schedule would apply to the subject bond issue. This schedule of fees has been in effect for many years, and we have no plans at this time to make changes in the schedule. It is possible, however, that over the 25 year life of this bond issue we might wish to make changes in the fee schedule; and if such an occasion does arise, that change would only be made following an agreement being reached between ourselves and Saginaw Valley College.

RES-76 Rev. Runkel moved adoption of the following Resolution: WHEREAS, the Board of Control of Saginaw Valley College has heretofore by resolution duly adopted on December 8, 1969, authorized the issuance of bonds in the aggregate principal amount of \$1,000,000.00, designated in said resolution as Saginaw Valley College Athletic Facilities Bonds, for the purpose of providing funds to pay part of the cost of constructing and equipping an athletic facility on the campus of Saginaw Valley College at University Center, Michigan; and

WHEREAS, pursuant to said resolution a complete and detailed Trust Agreement between this Board as Obligor and Ann Arbor Trust Company, of Ann Arbor, Michigan, as Trustee, has been submitted to this Board for its consideration and approval, which Trust Agreement contains the detailed terms and provisions relating to said bonds, the covenants and obligations of the Board of Trustee necessary for the security of said bonds, and other necessary covenants and provisions deemed essential and proper relating to the project, the security for the bonds, and other matters customary and necessary in this type of financing; and

WHEREAS, said Trust Agreement provides in detail the necessary and pertinent covenants and provisions necessary to the financing and necessary to carry out and effectuate the basic provisions heretofore set forth in the Official Statement duly approved by this Board in the resolution of December 8, 1969;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF CONTROL OF SAGINAW VALLEY COLLEGE, as follows:

1. That the Trust Agreement between this Board and Ann Arbor Trust Company, as Trustee, to be dated as of December 15, 1969, pursuant to which said bonds may be issued and sold, be and the same is hereby approved as to content and form, substantially as set forth in the draft hereto attached and made a part of this resolution.

2. That said Trust Agreement, and the bonds therein specified, shall be executed for and in the name of this Board and as its corporate act and deed, by the officers specified in the previous resolution of this Board adopted December 8, 1969, relating to this issue of bonds. Said officers are hereby authorized to pledge and assign the Allocated College Fees as defined in the Trust Agreement for the purpose of securing and paying all payments to the Trustee provided in said Trust Agreement, and to perform all acts and deeds and execute all instruments and documents necessary, expedient and proper in connection with the borrowing of One Million (\$1,000,000.00) Dollars, the issuance of the bonds authorized and provided in the Trust Agreement, and the carrying out and effectuating the covenants and agreements in the Trust Agreement effecting and relating to the funds pledged as security for the bonds.

3. That said officers be and they are hereby authorized, empowered and directed, for and in the name of this Board and as its corporate act and deed, to make, consent to and agree to any changes in the terms and conditions of said Trust Agreement which they may deem necessary, expedient and proper, prior to or at the time of execution of said Trust Agreement, but no such amendments shall change the provisions thereto for the amount to be borrowed, the interest to be paid thereon, the payments to be made to the Trustee or the security pledged.

(NOTE: See attached pages)

TRUST AGREEMENT

THIS AGREEMENT, made and entered into as of the fifteenth day of December, A.D., 1969, between the BOARD OF CONTROL OF SAGINAW VALLEY COLLEGE, a body corporate, created by the Constitution and laws of the State of Michigan, party of the first part, hereinafter sometimes called "Obligor" or "Borrower," and ANN ARBOR TRUST COMPANY, a corporation organized under the laws of the State of Michigan and qualified to do a trust business, party of the second part, hereinafter sometimes called "Trustee,"

WITNESSETH:

WHEREAS, the Obligor has by resolution (hereinafter referred to as the "resolution"), determined that it is necessary and expedient to construct, furnish and equip a new athletic facility on the campus of Saginaw Valley College, University Center, Michigan, said building to be used by students as a physical education facility, an intramural activities facility and for intercollegiate sports, and to contain gymnasium, exercise areas, locker rooms, and other appurtenant facilities, all in accordance with plans and specifications prepared by Prine, Toshach and Spears, architects of Saginaw, Michigan; and

WHEREAS, the Obligor, by said resolution, has determined to issue and sell Saginaw Valley College Athletic Facilities Bonds, in the principal sum of One Million (\$1,000,000.00) Dollars to provide the funds to pay part of the cost of said project, including architects' fees, financing costs and other contingencies, and a debt service reserve fund in the principal amount of One Hundred Thousand (\$100,000.00) Dollars; the

balance of the funds necessary for said project to be provided by other funds of the Obligor available and set aside for said purpose; and

WHEREAS, the constructing, furnishing and equipping of the said athletic facility authorized herein and by said resolution, and the financing thereof as authorized by said resolution and under the terms, conditions and covenants provided in this Trust Agreement, is a proper and necessary College purpose in providing additional urgently needed facilities to meet needs developed by the current and anticipated increase in the number of students enrolled at the College, and the Obligor is fully empowered to acquire, construct, finance and operate said athletic facility for such purposes under the law, and particularly Section 6, Article VIII, of the Michigan Constitution of 1963, wherein the Obligor is created as a constitutional body corporate with general supervision of the College and control and direction of all expenditures from its funds; and

WHEREAS, the Obligor, by said resolution has authorized the execution of this Trust Agreement by the officers designated, for and on its behalf, and as the act and deed of the Obligor; and

WHEREAS, the Trustee is duly empowered and authorized, and is willing to execute this Trust Agreement and accept the obligations herein imposed;

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that in order to secure the payment of the principal of and interest on all bonds at any time issued and outstanding under this Trust Agreement, according to their tenor, and to secure the performance and observance of the conditions

and covenants therein and herein set forth, and to declare the terms and conditions upon and subject to which the bonds are to be issued and received, and for and in consideration of the premises and the mutual covenants herein contained and of the purchase and acceptance of the bonds by the holders thereof, and for other valuable considerations, the receipt whereof is hereby acknowledged, the Obligor covenants and agrees with the Trustee, for the equal and proportionate benefit of the respective holders from time to time of the bonds and coupons, as follows:

## ARTICLE I.

### DEFINITIONS.

Section 1.01. Unless the context otherwise requires, the terms defined in this Section 1.01 shall, for all purposes of this Trust Agreement, have the meanings herein specified:

(a) COLLEGE. The term "College" shall have reference to Saginaw Valley College, located at University Center, Michigan.

(b) YEAR or FISCAL YEAR. The term "year" or "fiscal year" shall have reference to the fiscal year of the College, beginning on July 1 and ending on June 30.

(c) BOND or BONDS. The term "bond" or "bonds" shall have reference to Saginaw Valley College Athletic Facilities Bonds issued pursuant to the terms hereof.

(d) SPECIAL ATHLETIC FEES. The term "Special Athletic Fees" shall have reference to and be construed to mean the special additional designated fees, known as "Athletic Fees," to be charged and collected from students

attending Saginaw Valley College at the time of registration as a separate item and as a part of College Fees (as hereinafter defined) so charged and collected.

(e) COLLEGE FEES. The term "College Fees" shall be construed to mean the general tuition and matriculation fees, the special athletic fees, and any other special fees included and collected as a part thereof, established from time to time by the Obligor, and collected or to be collected from students attending Saginaw Valley College at the time of registration.

(f) ALLOCATED COLLEGE FEES. The term "Allocated College Fees" shall be construed to mean and have reference to the fixed payments which the Obligor is required, under the provisions of Section 6.03 of this Trust Agreement, to pay to the Trustee out of College Fees, for the credit of the Debt Retirement Fund.

(g) PROJECT. The term "project" shall be construed to mean the new athletic facility to be constructed, furnished and equipped with the proceeds of this bond issue, and briefly described in the preamble hereto.

(h) INVESTMENT INCOME. The term "Investment Income" shall have reference to and mean and include all interest earned through the investment and reinvestment of moneys held in the Debt Service Reserve Fund and Debt Retirement Fund provided for herein.

(i) RESOLUTIONS. The term "resolutions" as used herein shall have reference to and mean the resolution adopted by the Obligor on December 8, 1969, authorizing the issuance



## ARTICLE II.

### ISSUANCE, AUTHENTICATION, NEGOTIATION AND REGISTRATION OF BONDS.

#### Section 2.01. BOND TERMS. Saginaw Valley College

Athletic Facilities Bonds, to be issued hereunder, shall be dated as of December 15, 1969, shall be in the aggregate principal amount of One Million (\$1,000,000.00) Dollars, all to be equally secured as hereinafter set forth, shall be issued in three series, as follows:

#### SERIAL BONDS.

SERIAL BONDS shall be in the principal amount of \$295,000.00, and shall consist of 59 coupon bonds of the denomination of \$5,000.00 each, numbered in direct order of maturity from 1 to 59, inclusive, bearing interest at the rate of six and three-quarters per cent (6-3/4%) per annum, payable as hereinafter provided, and maturing serially as follows:

\$20,000.00 December 15th of each of the years 1975 and 1976;  
\$25,000.00 December 15, 1977;  
\$30,000.00 December 15, 1978;  
\$25,000.00 December 15, 1979;  
\$30,000.00 December 15, 1980;  
\$35,000.00 December 15th of each of the years 1981, 1982 and 1983;  
\$40,000.00 December 15, 1984.

#### TERM BONDS, SERIES A

Principal Amount: \$250,000.00, consisting of 50 coupon bonds of the denomination of \$5,000.00 each, numbered 60 to 109, inclusive, bearing interest at the rate of seven per cent (7%) per annum, payable as hereinafter provided, and maturing on December 15, 1989.

TERM BONDS, SERIES B

Principal Amount: \$455,000.00, consisting of 91 coupon bonds of the denomination of \$5,000.00 each, numbered 110 to 200, inclusive, bearing interest at the rate of seven and one-quarter per cent (7-1/4%) per annum, payable as hereinafter provided, and maturing on December 15, 1994.

Interest on all of said bonds shall be payable on June 15, 1970, and semi-annually thereafter on December 15 and June 15 of each year, both principal and interest to be payable in lawful money of the United States of America at Ann Arbor Trust Company, Ann Arbor, Michigan, Trustee under the Trust Agreement hereinafter referred to.

Outstanding bonds of this issue shall be subject to redemption prior to maturity, as a whole or in part, at the option of the Board, on any interest payment date on or after June 15, 1980.

Bonds redeemed prior to maturity, either as a whole or in part, shall be redeemed at par and accrued interest to the date fixed for redemption, plus premiums (expressed in a percentage of par) in accordance with the following schedule:

- 3 % of the par value of each bond redeemed on or after June 15, 1980, but on or prior to December 15, 1982;
- 2 % of the par value of each bond redeemed on or after June 15, 1983, but on or prior to December 15, 1985;
- 1 % of the par value of each bond redeemed on or after June 15, 1986, but on or prior to December 15, 1988.
- No premium shall be paid on bonds redeemed on or after June 15, 1989.

Unless called as a whole, redemption of bonds prior to maturity shall be in the following order of priority: First, Term Bonds, Series A, by call by lot; Second, Term Bonds, Series B, by call by lot; and Third, Serial Bonds, in inverse numerical order.

Twenty days notice of the call of any bonds for redemption shall

be given by the Trustee under the Trust Agreement, herein referred to, by publication in a newspaper of general circulation in the City of Detroit, Michigan, and in case of registered bonds twenty days notice shall be given by mail to the registered owner at the registered address.

Section 2.02.    FORM OF ISSUANCE.    The bonds shall be issued in fully negotiable coupon form, payable to bearer and registrable as to principal only as provided in the resolutions and on the face of the bonds. The form of such bonds shall be substantially as follows:

STATE OF MICHIGAN

BOARD OF CONTROL OF SAGINAW VALLEY COLLEGE

SAGINAW VALLEY COLLEGE  
ATHLETIC FACILITIES BOND

No. \_\_\_\_\_

\$5,000.00

KNOW ALL MEN BY THESE PRESENTS that the Board of Control of Saginaw Valley College, a body corporate, created by and existing under the Constitution and laws of the State of Michigan (hereinafter sometimes called "Obligor"), for value received, promises to pay to the bearer hereof, or if this bond be registered, to the registered owner, the sum of

FIVE THOUSAND DOLLARS

on the fifteenth day of December, A. D., 19\_\_\_\_, with interest thereon from the date hereof until paid at the rate of \_\_\_\_\_ per cent ( \_\_\_\_\_ %) per annum, payable on June 15, 1970, and semi-annually thereafter on the fifteenth day of December and June of each year, upon presentation and surrender of the proper interest coupons hereto annexed as they severally become due. Both principal of and interest on this bond are payable in lawful money of the United States of America at Ann Arbor Trust Company, Ann Arbor, Michigan.

This bond is one of a duly authorized issue of two hundred (200) bonds of even date and like tenor, except as to rate of interest and date of maturity, aggregating the principal sum of \$1,000,000.00, issued in three series, to wit: \$295,000.00 Serial Bonds, numbered 1 to 59, inclusive; \$250,000.00 Term Bonds, Series A, numbered 60 to 109, inclusive; and \$455,000.00 Term Bonds, Series B, numbered 110 to 200, inclusive, all issued pursuant to a resolution duly adopted by the Obligor on December 8, 1969, and Trust Agreement executed between the Obligor and Ann Arbor Trust Company, of Ann Arbor, Michigan (hereinafter sometimes called "Trustee"), dated as of December 15, 1969, pursuant to the authority invested in the Obligor by the Constitution and laws of the State of Michigan, for the purpose of defraying the cost of constructing, furnishing and equipping a new athletic facility on the campus of Saginaw Valley College.

Said bonds are equally and ratably secured by an allocation and pledge of sufficient of the total fees collected from students enrolled at the College (defined in the Trust Agreement as "College"), to provide for the payment of the principal of and interest on the bonds when due in accordance with requirements therefor specified in the resolutions and Trust Agreement herein referred to. Said allocation and pledge of College Fees (defined in the Trust Agreement as "Allocated College Fees"), constitute a first lien or charge against the total of said fees which the Obligor is obligated to charge and collect from students enrolling in the College each year.

For a complete statement of the purposes for which this bond is issued, the fees from which and the conditions under which this bond is payable, a statement of the conditions and limitations under which additional

bonds secured by allocations or pledges of College Fees of equal standing may hereafter be issued, the general covenants and provisions pursuant to which this bond is issued, the rights of the holders of bonds of this issue, and the duties and obligations of the Trustee, reference is made to the above described Trust Agreement. An executed counterpart of the Trust Agreement is on file in the office of the Trustee.

The Obligor has covenanted and agreed, and does hereby covenant and agree, to charge and collect each fiscal year from students enrolling in Saginaw Valley College sufficient total College Fees to provide each year a sum in an amount equal to at least 200 per cent of the maximum amount of any annual future principal and interest requirements on bonds or other obligations secured by a pledge of such fees, or a portion or allocation thereof.

Outstanding bonds of this issue shall be subject to redemption prior to maturity, as a whole or in part, at the option of the Board, on any interest payment date on or after June 15, 1980.

Bonds redeemed prior to maturity, either as a whole or in part, shall be redeemed at par and accrued interest to the date fixed for redemption, plus a premium (expressed in a percentage of par) in accordance with the following schedule:

- 3 % of the par value of each bond redeemed on or after June 15, 1980, but on or prior to December 15, 1982;
- 2 % of the par value of each bond redeemed on or after June 15, 1983, but on or prior to December 15, 1985;
- 1 % of the par value of each bond redeemed on or after June 15, 1986, but on or prior to December 15, 1988.
- No premium shall be paid on bonds redeemed on or after June 15, 1989.

Unless called as a whole, redemption of bonds prior to maturity shall be in the following order of priority: First, Term Bonds, Series A, by call by lot; Second, Term Bonds, Series B, by call by lot; and Third, Serial Bonds, in inverse numerical order.

Twenty days notice of the call of any bonds for redemption shall be given by the Trustee under the Trust Agreement, herein referred to, by publication in a newspaper of general circulation in the City of Detroit, Michigan, and in case of registered bonds twenty days notice shall be given by mail to the registered owner at the registered address.

This bond is transferable by delivery unless registered as to principal in the owner's name upon books to be kept by the paying agent for such purpose, such registration to be noted hereon. After such registration no transfer of this bond shall be valid unless made on said books at the request of the registered owner hereof, or his duly authorized agent, and similarly noted hereon, but this bond may be discharged from registration by being in like manner transferred to bearer, whereupon transferability by delivery shall be restored; and this bond may again from time to time be registered or made payable to bearer as before. Such registration, however, shall not

affect the negotiability of the annexed coupons, which shall always be transferable by delivery and be payable to bearer, and payment to bearer thereof shall fully discharge the Board in respect to the interest thereon mentioned, whether or not this bond be registered as to principal and whether or not such coupons be overdue.

No recourse shall be had for the payment of principal or interest on this bond or any claim based thereon against the State of Michigan, the Obligor or any member of the Obligor, or any officer or agent thereof, as individuals, either directly or indirectly; nor shall these obligations become a lien on or secured by any property, real, personal or mixed, of the State or the Obligor, other than the special funds which are pledged to meet the payment of said obligations; and the liability of the Obligor, as a body corporate, shall be limited to said special funds, all other liability, except as expressed in said Trust Agreement, being by the acceptance hereof and as a part of the consideration for the issuance hereof expressly waived.

This bond shall not become valid or obligatory for any purpose until authenticated by the signature of the Trustee to the certificate hereon.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required to be done, to happen or to be performed precedent to and in the issuance of this bond, have been done, have happened and have been performed in due time, form and manner, as required by law.

IN WITNESS WHEREOF, the Board of Control of Saginaw Valley College has caused this bond to be signed for it and in its behalf by the President or Vice-President of Saginaw Valley College, its seal to be hereunto affixed and attested by its Secretary, and has caused the annexed interest coupons to be executed and authenticated by the facsimile signature of the Vice-President of Saginaw Valley College, all as of the fifteenth day of December, A.D., 1969.

BOARD OF CONTROL OF  
SAGINAW VALLEY COLLEGE

(SEAL)

Attest:

By \_\_\_\_\_  
President (or Vice-President)  
of Saginaw Valley College

\_\_\_\_\_  
Secretary

(Form of Coupon)

No. \_\_\_\_\_

\$ \_\_\_\_\_

On June (December) 15, 19\_\_\_\_, unless the Saginaw Valley College Athletic Facilities Bond, hereinafter mentioned, shall have been previously redeemed, the Board of Control of Saginaw Valley College, promises to pay to bearer, from Allocated College Fees, as defined in the Trust Agreement pursuant to which said bond is issued, the sum shown hereon, in lawful money of the United States of America, at Ann Arbor Trust Company, Ann Arbor, Michigan, being the interest due that date on Saginaw Valley College Athletic Facilities Bond, dated December 15, 1969, No. \_\_\_\_\_.

Board of Control of  
Saginaw Valley College

By \_\_\_\_\_  
Vice-President  
Saginaw Valley College

THIS IS TO CERTIFY that the within bond is one of the Saginaw Valley College Athletic Facilities Bonds, described in the Trust Agreement herein referred to.

ANN ARBOR TRUST COMPANY  
Ann Arbor, Michigan

By \_\_\_\_\_  
Authorized Agent

(Registration)

Date of  
Registration  
or Transfer

Name of  
Registered Owner

Signature of Trustee  
Ann Arbor Trust  
Company

\_\_\_\_\_

\_\_\_\_\_

By \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

By \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

By \_\_\_\_\_

The bonds issued hereunder shall be signed in the name of and on behalf of the Obligor by the President or Vice-President of Saginaw Valley College, and the Secretary of the Board of Control of Saginaw Valley College, shall have the corporate seal affixed thereto, and the coupons attached shall be authenticated by the facsimile signature of the Vice-President of Saginaw Valley College, printed, lithographed, or engraved thereon. After the execution of said bonds, the Trustee shall authenticate and deliver said bonds upon written order of the Obligor. The bonds shall only be valid when authenticated by the Trustee as herein provided.

Section 2.04. MUTILATED BONDS. In case a bond or any coupons belonging thereto shall be mutilated, lost, stolen or destroyed, then upon production of such mutilated bond or coupon or evidence satisfactory to the Trustee and the Obligor of the loss, theft or destruction of such bond and the coupons thereon, and receipt of indemnity satisfactory to the Obligor and Trustee, the Obligor, in its discretion, may execute, and the Trustee shall authenticate and deliver a substitute bond and coupons in exchange for and upon cancellation of the one which has been mutilated, or in lieu of the one which has been lost, stolen or destroyed. The Trustee and the Obligor may require payment by the owner of such bond or coupons of a sum sufficient to reimburse them for any expense incurred in the preparation, authentication and issuance of such substitute bond or coupons.

### ARTICLE III.

#### REDEMPTION OR PURCHASE OF BONDS.

Section 3.01. REDEMPTION OF BONDS. Certain of the



bonds issued pursuant to the authorization provided in this Trust Agreement may be redeemed, in whole or in part, prior to maturity in the order of priority, at the times, at the prices, upon the terms and conditions, and upon the notice specified in the resolutions and in the form of the bonds set forth in Section 2.02 of this Trust Agreement. Any such bonds called for redemption shall cease to bear interest on the date fixed for redemption, if sufficient funds have been deposited with the Trustee for the payment thereof.

Section 3.02. DUTY OF TRUSTEE AS TO REDEMPTION.

The Trustee shall not be obligated to redeem bonds in advance of maturity unless (a) specifically instructed to do so in writing by the Obligor, and (b) the Trustee shall have in its possession in the Debt Retirement Fund not less than thirty (30) days prior to the due date of any interest, or principal and interest, on the bonds, not less than Five Thousand (\$5,000.00) Dollars, which funds shall not be required to meet the next maturing interest, or principal and interest, or to restore any deficiency in the Debt Service Reserve Fund, or (c) the total of all moneys or securities held by the Trustee in the Debt Service Reserve Fund shall be fully sufficient to pay the principal of and interest on all outstanding bonds of this issue.

Section 3.03. PURCHASE OF BONDS BY TRUSTEE. Bonds

of this issue may be purchased by the Trustee at public or private sale prior to maturity at a price less than the call price, but only in the following order of priority: First, Serial Bonds; Second, Term Bonds, Series A; and Third, Term Bonds, Series B.

Section 3.04. CANCELLATION OF BONDS. Upon payment

in full of any bond, together with the interest thereon, such bond shall be cancelled by the Trustee and delivered to the Obligor.

DISPOSITION OF PROCEEDS OF LOAN.

Section 4.01. FUNDS TO BE HELD FOR PURPOSES

DESIGNATED. The Obligor covenants and agrees that all funds borrowed through the sale of bonds issued hereunder or paid to it by the Obligor pursuant to Section 5.02 of this Trust Agreement, shall be held by the Trustee, shall be impressed with a trust, and shall be used only (a) to pay costs incidental to the constructing, furnishing and equipping of the project (as hereinbefore defined), including architects' fees, insurance during construction, interest on the bonds during construction due June 15, 1970, and December 15, 1970, legal and financing costs and contingencies; and (b) to establish a Debt Service Reserve Fund in the initial amount of One Hundred Thousand (\$100,000.00) Dollars.

Pending the utilization of the moneys earmarked for construction, such moneys may be invested and reinvested by the Trustee in bonds, bills, notes, or certificates of the United States of America which shall mature, or which shall be subject to redemption by the holder, not later than the respective dates, as estimated by the Trustee, when such moneys will be required to pay costs of construction of the project, or said moneys, at the option of the Trustee, may be retained in interest bearing accounts in a bank or banks selected by the Trustee.

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Accrued interest received at the time of delivery of bonds shall be deposited in the Debt Retirement Fund. Any unexpended construction funds remaining after all of the costs of the project are paid in full shall be paid to the Obligor.

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\*Interest earned from the investment and reinvestment of such monies shall be credited to said trust and used for construction purposes.

PROVISIONS RELATIVE TO CONSTRUCTION.

Section 5.01.     DELIVERY OF ESTIMATES.     The Obligor covenants and agrees that simultaneously with the execution of this Trust Agreement it will deposit with the Trustee plans and specifications and estimates of the architects of the cost of constructing the project, and the Obligor's estimates of costs of furnishings and equipment for said project.

Section 5.02.     ADDITIONAL CONSTRUCTION FUNDS BY OBLIGOR.     Obligor covenants and agrees that prior to the commencement of construction of the project, it will deposit a sum representing the difference between the cost of the project, based upon construction bids received, and the principal amount of bonds earmarked for construction, said sum to be deposited being now estimated to be \$300,000.00, but being subject to change or revision based upon acceptance of construction bids and final determination of costs based thereon by the Trustee.

Section 5.03.     CONSTRUCTION CONTRACTS.     (a)     The Obligor covenants and agrees that it will deliver to the Trustee copies of all existing contracts entered into or hereafter entered into incidental to the construction of the project, which contracts shall be in such form and in such amounts as shall be approved by the Trustee.

The Obligor covenants and agrees that it will not enter into any further contracts incidental to the construction above referred to if in the judgment of the Trustee the funds available from the sale of bonds issued hereunder, together with funds deposited by the Obligor pursuant to Section 5.02 hereof, will be insufficient to pay all costs of the project, and

to create the initial Debt Service Reserve Fund provided for in Section 6.04 of this Trust Agreement, unless the Obligor shall first deposit with the Trustee a sufficient sum from other sources to assure that all costs can be paid and the initial Debt Service Reserve Fund established in its full required amount.

(b) Require and procure from the contractor or contractors and subcontractors undertaking the construction herein contemplated such bonds to guarantee performance of said contracts and subcontracts in such form and with such companies as the Trustee, in its discretion, may approve.

Section 5.04.    PROGRESS PAYMENTS.    Upon receipt by the Trustee of certificates of the architects, satisfactory to it and to Obligor, showing that the construction has so progressed in all respects that the funds of the Obligor in the possession of the Trustee are sufficient to complete the construction herein contemplated and to pay therefor in full, the Trustee may, from time to time, upon estimates of the architects, accompanied by sworn statements of the contractors, satisfying the provisions of the Mechanics' Lien Law and provisions for payment of subcontractors and material men satisfactory to the Trustee and the Obligor, pay to the contractor or contractors or subcontractors entitled to payment, or to the Obligor, such amounts as the architects shall, from time to time, estimate and certify.

The Trustee may rely entirely upon such certificates but shall not be required to do so to the exclusion of the Obligor and /or its own discretion. The Obligor agrees that it will, at any time, upon the request of the Trustee, procure and furnish to the Trustee such certificates of the architects and/or contractor or contractors or subcontractors, certifying

as to the amount required to complete the project and such other evidence as the Trustee may require to satisfy it that all construction can be paid for, as contemplated by this Trust Agreement, out of the funds available for such purpose. In the event it should appear to the Trustee that said funds in its possession will not be sufficient to complete the construction of said project, the Trustee shall then have the right to refuse to pay out any of the funds then in its possession until it shall have received assurance from the Obligor that sufficient funds to complete such construction have been provided for.

Section 5.05. INSURANCE DURING CONSTRUCTION. The Obligor shall carry, or cause to be carried, insurance during the construction of the project, of such type, in such form and in such amounts as shall be determined by the Trustee; such insurance to be payable to the Trustee as its interest shall appear.

#### ARTICLE VI.

DEBT RETIREMENT FUND,  
PAYMENTS TO TRUSTEE  
OUT OF COLLEGE FEES,  
COVENANTS RELATING TO COLLECTION  
AND ALLOCATION OF COLLEGE FEES,  
DEBT SERVICE RESERVE, SECURITY, ETC.

Section 6.01. DEBT RETIREMENT FUND. The Obligor covenants and agrees that it will, immediately upon the delivery and payment for the bonds, establish a special account with the Trustee to be designated DEBT RETIREMENT FUND, the moneys from time to time on deposit therein to be used by the Trustee solely and only for the purpose of paying the principal of and interest on the bonds, including call premiums, if any, and to maintain the Debt Service Reserve Fund in its required amount.

The moneys in said fund shall be held by the Trustee in trust for such purpose, and pending their application for such purpose, shall be subject to a lien or charge in favor of the holders of the bonds, for their further security. There shall be deposited into said fund:

- (a) Any accrued interest received at the time of delivery of the bonds, together with sufficient moneys to provide for payment of interest on the bonds during construction, being the interest due June 15, 1970, and December 15, 1970; which amounts are to be paid to the Trustee out of bond sale proceeds.
- (b) The Allocated College Fees and other moneys required to be paid to the Trustee at the times and in the amounts hereinafter provided in Section 6.03 of this Trust Agreement.
- (c) Income received from the investment and reinvestment of moneys in the Debt Service Reserve Fund and this Debt Retirement Fund (heretofore defined as "Investment Income").

Funds on deposit in this account from time to time may, pending their use, be invested by the Trustee in United States Government obligations, the income therefrom to be considered as a part of Investment Income, as herein defined.

#### Section 6.02. COVENANTS RE: SPECIAL ATHLETIC FEES.

Obligor covenants and agrees that commencing with the winter term of the 1970-1971 fiscal year, it will charge and collect from each student attending Saginaw Valley College as a separate item and as a part of the total of College Fees charged and collected at such time, a Special Athletic Fee, the collections from which shall be kept as a separate account on the books and records of the College and to be reported separately in the annual audits of the College and required reports to the State legislature. Obligor further covenants and agrees that during the period that any of the currently

authorized bonds, or any additional bonds of equal standing and similarly secured issued for the purpose of enlarging or improving the project, are outstanding and unpaid, it will charge and collect from each student attending Saginaw Valley College, a Special Athletic Fee, the total of which shall be in an amount fully sufficient to provide for the prompt payment, when due, of the principal of and interest on said bonds when due in accordance with the requirements specified in Section 6.03 of this Trust Agreement, or any Trust Agreement securing the additional bonds herein referred to. The payments to the Trustee out of Allocated College Fees, as specified in Section 6.03 hereof, shall be made out of said Special Athletic Fees collected to the extent available, and shall be shown and reported in the annual audits and reports of the College as a debit against the separate account established for such fees as herein provided. Nothing herein contained, however, shall be construed in any way to diminish or limit the obligations, duties, and covenants provided in Section 6.03 of this Trust Agreement.

Section 6.03.    ALLOCATED COLLEGE FEES.    PAYMENTS TO TRUSTEE.    Obligor covenants and agrees that out of the total collections of College Fees, commencing with the 1970-1971 fiscal year, and out of the collections of College Fees during each fiscal year thereafter, as herein set forth, it will allocate and pay to the Trustee for the credit of the Debt Retirement Fund, at the times hereinafter stated, sufficient moneys which will provide the following minimum payments to the Trustee, at the times herein specified, to wit:

1. Twenty (20) days prior to June 15, 1971, and December 15, 1971, and twenty (20) days prior to each June 15th and December 15th thereafter, to and including December 15, 1974, an amount sufficient to pay the interest due on said dates on the bonds shall be paid to the Trustee out of College Fees allocated from those collected during the then current fiscal year. Credit may be given on each December 15th payment for investment income earned in the preceding fiscal year and deposited in the Debt Retirement Fund as required in Section 6.01 of this Trust Agreement.
2. Twenty (20) days prior to June 15, 1975, and December 15, 1975, and twenty (20) days prior to each June 15th and December 15th thereafter, the sum of not less than Forty-Seven Thousand Five Hundred (\$47,500.00) Dollars shall be paid to the Trustee out of College Fees allocated from those collected during the then current fiscal year. Credit may be given on each December 15th payment for investment income earned in the preceding fiscal year and deposited in the Debt Retirement Fund as required in Section 6.01 of this Trust Agreement.

Interest on the bonds due June 15, 1970, and December 15, 1970, shall be paid from moneys deposited with the Trustee out of bond sale proceeds as required in Sections 4.01 and 6.01 (a) of this Trust Agreement.

Section 6.04.     USE OF MONEYS IN DEBT RETIREMENT FUND.

Moneys deposited to the credit of the Debt Retirement Fund shall be used and applied by the Trustee solely for the following purposes, and on the following order of priority, to wit:

- First: To pay the interest due semi-annually on the bonds of this issue.
- Second: To pay the principal due on the bonds of this issue when due.
- Third: To bring up to its required amount, and restore any deficiencies in the Debt Service Reserve Fund in accordance with the provisions and requirements specified in Section 6.08 of this Trust Agreement.
- Fourth: To redeem or purchase bonds of this issue as authorized by the provisions of this Trust Agreement and the resolution,



Section 6.05.

COVENANT RE: COLLEGE FEES. Obligor

covenants and agrees that it will, at all times, as long as any of the bonds herein authorized remain outstanding and unpaid, as to either principal or interest, charge, establish, maintain and collect total College Fees from students attending Saginaw Valley College in an amount sufficient to provide annually sums equal to at least two hundred per cent (200%) of the maximum future annual debt service requirements on all bonds or other obligations secured by pledges of said College Fees or special fees included and collected as a part thereof and allocated therefrom.

Section 6.06.

LIEN OR CHARGE ON COLLEGE FEES.

The Allocated College Fees, as specified in Section 6.03 of this Trust Agreement, shall be a first lien and charge on all College Fees charged and collected by Obligor, which lien is subject to the right reserved to issue additional bonds or obligations secured by pledges and allocations of College Fees of equal standing and parity of lien on said College Fees, within the limitations expressed in Section 6.07 of this Trust Agreement.

Section 6.07.

ADDITIONAL PARITY OF LIEN OBLIGATIONS.

Additional bonds may be issued, or other loan obligations incurred, by the Obligor for authorized purposes, secured by additional pledges and allocations of College Fees, or special fees included, collected, and segregated as a part thereof, having equal standing and parity of lien or charge against College Fees: Provided, However, that the total amount of said College Fees collected for each of the two preceding complete fiscal years (considered separately), as shown by audit reports of the College for said fiscal years, are equal to at least two hundred per cent (200%) of the

maximum annual amount of Allocated College Fees (as specified in Section 6.03 of this Trust Agreement), pledged to the payment of the bonds of this issue; plus the maximum annual amount of College Fees, or special fees included and collected as a part thereof, allocated and pledged for the payment of any other then outstanding bonds or other loan obligations; plus the maximum annual amount of College Fees, or special fees included and collected as a part thereof, allocated and pledged for the payment of the additional bonds or other loan obligation or obligations then being issued: Provided, However, that if such additional bonds are issued for the purpose of enlarging or improving the athletic facility herein referred to (project) the Obligor covenants and agrees that it will, prior to or at the time of the issuance of said bonds, establish, charge and collect from students attending Saginaw Valley College at the time of registration the Special Athletic Fee in increased amounts sufficient so that the collections therefrom will be fully sufficient to also pay the principal of and interest on such additional bonds when due in accordance with requirements of the resolutions and/or Trust Agreement securing said bonds.

Section 6.07. DEBT SERVICE RESERVE FUND. The Obligor covenants and agrees that it will deposit with the Trustee from the proceeds of sale of the bonds issued hereunder the sum of One Hundred Thousand (\$100,000.00) Dollars, to be held by the Trustee in a separate fund or account for the sole purpose of meeting any payments of principal and interest on the bonds which may be necessary by reason of deficiency on the part of the Obligor in meeting its obligations as provided in Section 6.03 of this Trust Agreement.

Withdrawals from the Debt Service Reserve Fund shall be replaced from Allocated College Fees in the order of priority (Third priority) specified in Section 6.04 of this Trust Agreement.

Moneys held in said Debt Service Reserve Fund may be invested by the Trustee in United States Government obligations, the income therefrom to be deposited, as received, into the Debt Retirement Fund as a part of Investment Income as hereinbefore defined.

The moneys in said Debt Service Reserve Fund shall finally be applied in payment of the bonds of this issue at such time as the balance in said fund shall complete payment in full of the bonds, including interest thereon or any call premium.

Section 6.09. OBLIGOR MAY USE OTHER FUNDS FOR RETIREMENT OF BONDS. In making any payments to the Trustee herein provided for, or for the purpose of retiring, by redemption or otherwise, the bonds issued hereunder, the Obligor reserves the right to use any funds in its possession which it may legally use for such purpose.

Section 6.10. INSURANCE. The Obligor covenants and agrees that it will procure and maintain fire and extended coverage insurance on the project, equal to the full insurable value thereof, including the furnishings and equipment therein. In the event of loss the Trustee shall have a first lien on the proceeds of insurance, to be used, in its discretion, for restoration of the project, or retirement of bonds. Rental value or business interruption insurance will also be carried in an amount sufficient to enable the Obligor to deposit into the Debt Retirement Fund out of the proceeds of such insurance an amount equal to the sum that would be deposited in such fund from Allocated College Fees during the time the project was not usable

as a result of the loss of use caused by perils covered by Fire and Extended Coverage Insurance.

Section 6. 11.     AUDITS AND ACCOUNTS.     Obligor covenants and agrees that it will keep and maintain accurate books and records relating to the collection of College Fees, the enrollment of students in the College, the payments to the Trustee of the Allocated College Fees as provided in this Trust Agreement, and the payments of other College Fees or other special fees included and collected as a part thereof, and allocated and pledged to the payment of outstanding bonds or other obligations, which said books and records shall be open for inspection by any bondholder at any reasonable time. Said books and records shall also reflect the separate accounting and records relating to Special Athletic Fees as required by Section 6.02 of this Trust Agreement. Said books and records shall be audited annually by a certified public accountant, and a copy of said audit sent to the Trustee not later than four (4) months after the end of each fiscal year.

Section 6. 12.     LIMITATION OF OBLIGATION.     No recourse under any obligation, covenants, stipulation or agreement contained in this Trust Agreement or in any bond or coupon issued hereunder or caused by the creation of any indebtedness hereby authorized, shall be had against the State of Michigan, or the Obligor or any member or officer of the Obligor; nor shall any such obligation ever be or become a charge against the State of Michigan, nor shall the same become a lien on or secured by any property, real, personal or mixed, of the State or the Obligor; it being expressly understood and agreed that the bonds issued hereunder and the coupons thereto attached and the obligations created hereunder

are secured by and payable only from Allocated College Fees, as herein defined, and that no other liability whatsoever shall attach to or be incurred by the State of Michigan, said College, or the Obligor, or any member or officer of the Obligor, or its successors; all other liability, except as herein provided, being expressly waived.

## ARTICLE VII.

### REMEDY ON DEFAULT AND PROCEEDS THEREFROM.

Section 7.01. REMEDY ON DEFAULT. In event default shall be made in the due and punctual payment of principal or interest on any bonds secured hereby, or in the due observance or performance of any covenant, condition or provision herein required to be kept or performed by the Obligor, and such default, other than payment of principal and interest, shall continue for a period of thirty (30) days after written notice thereof is given to the Obligor by the Trustee, which notice the Trustee must give upon the written request of the holders of twenty-five per cent (25%) in amount of bonds then outstanding, the Trustee may proceed to protect or enforce the rights of the Trustee and the holders of the bonds, either by mandamus to compel the Obligor to perform each and every covenant herein contained, or by injunction to prevent the Obligor from performing any action in violation of said covenants.

Such rights and remedies shall be cumulative, and any one or more thereof may be exercised by the Trustee successively from time to time.

The Obligor expressly authorizes the Trustee to bring any of the actions hereinbefore mentioned, and hereby waives any immunity to being proceeded against, as herein authorized, which may exist by reason

of its being a Department of Government of the State of Michigan.

Section 7.02. BONDHOLDERS MAY DIRECT ACTION ON DEFAULT. The holders of a majority in aggregate principal amount of bonds outstanding hereunder shall have the right to direct the method of conducting any and all proceedings hereunder for the enforcement of this agreement, but the Trustee shall not be obligated to take any action under this agreement and said direction unless it shall first be tendered indemnity sufficient to pay all necessary expenses incidental thereto, including court costs and attorneys' fees.

Section 7.03. EVIDENCE OF RIGHTS OF BONDHOLDERS. Any request or other instrument which this agreement may require or permit to be filed and executed by the bondholders may be in any number of concurrent instruments of similar tenor, and may be filed or executed by such bondholders in person or by attorney, in writing. Proof of the execution of any such request or other instrument, or of a writing appointing any such agent, or of the holding by any person of bonds, shall be sufficient for any purpose of this agreement if made in the following manner:

(a) The fact and date of the execution by any person of such request or other instrument in writing may be proved by the certificate of any Notary Public or other officer authorized to take acknowledgments of deeds to be recorded in any State that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness to such execution;

(b) The amount of bonds transferable by delivery held by any person executing such request or other instrument as a bondholder, and the issue numbers thereof, held by such person, and the date of his holding

them, may be proved by a certificate executed by any trust company, bank, bankers or other depository wherever situated, if such certificate shall be deemed by the Trustee to be satisfactory, showing that at the date therein mentioned such person had on deposit with such depository the bonds described in such certificate;

(c) The ownership of registered bonds shall be proved by the registry books.

The Trustee may, however, in its discretion, require further proof in cases where it deems further proof desirable.

The Trustee shall not be bound to recognize any person as a bondholder unless and until his title to the bonds held by him is proved in the manner provided in this Article.

Section 7.04.      LIMITATION ON RIGHT OF BONDHOLDERS TO ACT.      No holder of any bond or coupon secured hereby shall have any right to institute any suit, action, or proceedings for any remedy hereunder or relating thereto unless such holder previously shall have given to the Trustee written notice of such default and of the continuance thereof, as herein provided; nor unless also the holders of a majority in aggregate principal amount of bonds outstanding shall have made written request upon the Trustee and shall have afforded it a reasonable opportunity either to proceed to exercise the powers herein granted or to institute such action, suit or proceedings in its own name; nor unless also they shall have offered to the Trustee adequate security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and have or shall have agreed to deposit their bonds with the Trustee upon request; and such notifications, request and offers of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the

exercise of the powers and trusts of this agreement for the benefit of the bondholders, and to any action or cause of action, or for any other remedy hereunder or relating thereto; it being understood and intended that no one or more holders of bonds shall have any right in any manner whatever, by his or their action, to affect, disturb or prejudice the lien under this agreement, and to enforce any rights hereunder except in the manner herein provided, and that all proceedings shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all holders of such outstanding bonds. Nothing contained in this paragraph shall be construed as granting to the holder of any bond or coupon secured hereby the right to bring any action or proceeding which the Trustee is not expressly authorized to bring: Provided, However, if the holders of a majority in the aggregate principal amount of bonds issued hereunder shall have complied with all conditions prerequisite to the requiring of action on the part of the Trustee and said Trustee shall refuse to act, then one or more bondholders may have the right to bring any action or actions as the Trustee might have instituted for and in behalf of the owners of all outstanding bonds.

Section 7.05.    POWER TO WAIVE DEFAULT.    The Trustee may, and upon written request of the holders of a majority in amount of bonds outstanding hereunder shall, waive any default hereunder upon compliance by the Obligor with all of the covenants, conditions and provisions hereof, including payment in full of all amounts then due under the terms hereof and any expenses incurred by the Trustee. No such waiver shall extend to or affect any subsequent or other then existing default or impair any right consequent thereon.

Section 7.06.    PROCEEDS FROM ACTION OF TRUSTEE OR



BONDHOLDERS. Any proceeds received by the Trustee under the provisions of this Article VII shall be applied as follows:

(a) To the payment of all costs of any suit or suits undertaken to enforce the provisions hereof, together with reasonable fees and expenses, including reasonable attorneys' fees, and including repayment of any moneys advanced by the Trustee or by any of the holders of bonds, with interest at a rate of not to exceed five per cent (5%) per annum;

(b) To the payment, first of interest, and then of principal, with interest at the rate allowed by law on past due interest coupons, without preference of one bond over any other or of one installment of interest over any other installment of interest;

(c) The remainder, if any, shall be paid to the Obligor.

## ARTICLE VIII.

### CONCERNING THE TRUSTEE.

#### Section 8.01. ACCEPTANCE OF TRUST AND CONDITIONS.

THEREOF. The Trustee, for itself and its successors, hereby accepts the trust and assumes the duties herein created and imposed, but only upon the following terms and conditions, to wit:

(a) The recital of facts herein and in the bonds shall be taken as statements by the Obligor and shall not be construed as made by the Trustee;

(b) The Trustee, aside from authentication of the bonds, shall have no responsibility for the validity, execution or acknowledgment

hereof, of any bonds secured hereby, or for the failure, extent or amount of the security afforded hereby, or for any breach by the Obligor of any covenants herein contained;

(c) The Trustee, save for negligence or willful misconduct, shall not be liable for any loss or damage whatsoever arising out of any action or failure to act in connection with the obligations of this agreement, except those with respect to specific actions herein provided for; and shall not be liable for the exercise of any discretion or power hereunder, or mistakes or errors of judgment, or otherwise, except willful misconduct or negligence, except those with respect to specific actions herein provided for;

(d) The Trustee shall be protected in any action taken upon any notice, resolution, vote, request, consent, certificate, affidavit, statement or other paper believed by its officers to be genuine and to have been passed or signed by the proper party or parties. The Trustee shall not be bound to recognize any person as a holder of a bond unless and until the same is submitted to the Trustee for inspection and his title satisfactorily established, if disputed;

(e) The Trustee may select and employ suitable agents and attorneys. The reasonable compensation of the Trustee and such agents and attorneys shall be paid by the Obligor. The Trustee shall be under no obligation or duty to perform any act hereunder or defend any suit unless indemnified to its satisfaction.

Section 8.02. RIGHT OF TRUSTEE TO RESIGN. The Trustee may resign at any time by executing and filing with the Obligor an instrument specifying the date when such resignation shall take effect,

been filed, unless a successor Trustee shall have been previously appointed, in which event it shall take effect immediately upon such appointment and the acceptance of the trust hereunder. Upon proper and legal showing, the Obligor may demand and obtain the resignation of the Trustee and secure the appointment of a successor Trustee. Any successor to the Trustee shall be appointed by the Obligor and shall be a trust company or bank having trust powers, in good standing, located in the State of Michigan, having a confirmed capital and surplus of at least One Million (\$1,000,000.00) Dollars and subject to supervision by Federal or State authority.

Section 8.03. FUNDS TO BE HELD IN TRUST. All

funds deposited by the Obligor with the Trustee under the terms hereof shall be held by the Trustee as special trust funds for the benefit and security of the holders of bonds issued hereunder and from time to time outstanding, and the Trustee shall not be liable for interest on such sums, except to the extent of income actually earned from investments herein authorized, if the provisions of this agreement are carried out.

Section 8.04. TRUSTEE'S RIGHT TO RECOGNIZE

HOLDER OF BONDS, ETC. The Trustee and the Obligor shall be protected in treating the person in possession of any bond, if unregistered or registered to bearer, and likewise the registered owner thereof, and the bearer of any coupons, as the true owner thereof for all purposes, and shall not be charged with any notice to the contrary.

Section 8.05. SUCCESSOR TRUSTEE. Any corporation

into which the Trustee may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which the Trustee shall be a party, or any state or national bank or trust company in any manner succeeding to the corporate trust business of the Trustee or of any successor Trustee as a whole or substantially as a whole, shall be the successor of the Trustee hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything to the contrary contained herein notwithstanding. In case any such successor Trustee may adopt the certificate of the Trustee or of any successor Trustee which was its predecessor and deliver the same so authenticated; and in case any of such bonds shall not have been authenticated, any such successor Trustee may authenticate such bonds in the name of such successor Trustee.

#### ARTICLE IX.

##### IMMUNITY OF BOARD MEMBERS AND OFFICERS.

Section 9.01. It is mutually agreed that no recourse to any personal liability shall be had for any redress under any of the obligations, covenants or agreements of this instrument, or of the bonds or coupons secured hereby, upon, from or to any officer of the State of Michigan or the College or member of the Board of Control of Saginaw Valley College, either directly or through the College, by proceedings by virtue of any statute or otherwise; it being hereby expressly agreed that no personal liability whatever shall attach to or be incurred by said officers or board members, or any or either of them, under or by reason of any or either of the obligations, covenants or agreements herein contained, or in any of the bonds or coupons secured hereby, expressed and contained therein, or implied therefrom.

ARTICLE X.

MISCELLANEOUS.

Section 10.01. TRUST AGREEMENT MAY BE AMENDED.

Any provision of this instrument may be amended at any time by written agreement of the parties hereto, but no such amendment made after the issuance of bonds herein mentioned shall become effective until approved in writing by the holders of sixty-five per cent (65%) of the bonds issued hereunder then outstanding, other than those in the possession of Obligor or under its control: Provided, However, that the provisions contained in this Trust Agreement or the bonds issued hereunder relative to interest rates to be paid, maturity schedules, or dates, security, provisions relative to the order of bond retirement or redemption premiums may be altered and amended only with the approval of the holders of all outstanding bonds issued hereunder.

Section 10.02. TERMINATION OF TRUST AGREEMENT.

If and when the principal and interest of all bonds issued hereunder shall have been paid, or the Obligor shall have provided for such payment by depositing with the Trustee the amount of such principal and interest to maturity or to a date fixed for redemption, as herein provided, then this Trust Agreement shall be terminated and shall be of no further force and effect as to the Obligor, and upon the request of the Obligor, the Trustee shall execute an instrument specifically releasing the Obligor from the covenants herein; and it shall be the duty of the Trustee to hold such amount so deposited and pay said principal and interest at maturity or any date so fixed for redemption.

Section 10.03. INVALID PROVISIONS. Should any provisions,

sentence or section of this Trust Agreement be held invalid for any reason, such holding shall not be construed as affecting the validity of any remaining portion of said section or of this Trust Agreement.

PARTS. This Trust Agreement may be executed simultaneously in several counterparts, each of which shall be deemed to be an original, and such counterparts together shall and will constitute one and the same instrument.

IN WITNESS WHEREOF, the Board of Control of Saginaw Valley College has caused these presents to be signed by the President of Saginaw Valley College, or Vice-President of Saginaw Valley College, attested by the Secretary of the Board of Control of Saginaw Valley College, and sealed with its corporate seal; and Ann Arbor Trust Company, of Ann Arbor, Michigan, to evidence the acceptance of the trust, has caused these presents to be executed in its behalf by its President or Vice-President, attested by its Secretary or Assistant Secretary, and its corporate seal to be hereunto affixed, all as of the fifteenth day of December, A.D., 1969.

BOARD OF CONTROL OF  
SAGINAW VALLEY COLLEGE

By \_\_\_\_\_  
\_\_\_\_\_

(SEAL)

Attest \_\_\_\_\_  
Secretary of Board of Control  
of Saginaw Valley College

ANN ARBOR TRUST COMPANY

By \_\_\_\_\_  
\_\_\_\_\_ President

(SEAL)

Attest \_\_\_\_\_  
\_\_\_\_\_ Secretary

State of Michigan     )  
                              :   ss.  
County of Saginaw    )

On this \_\_\_\_\_ day of December, A.D., 1969, before me  
a Notary Public within and for said County, personally appeared,  
\_\_\_\_\_ and \_\_\_\_\_, to me  
personally known, who, being each by me duly sworn, each for himself  
did say that they are, respectively, the \_\_\_\_\_ of  
Saginaw Valley College and Secretary of the Board of Control of Saginaw  
Valley College, and that the seal affixed to the foregoing instrument is  
the corporate seal of the Board of Control of Saginaw Valley College,  
the corporation named in the foregoing instrument, and that said  
instrument was signed and sealed in behalf of said corporation by  
authority of the Board of Control of Saginaw Valley College; and said  
\_\_\_\_\_ and \_\_\_\_\_  
acknowledged said instrument to be their free act and deed and the free  
act and deed of said corporation.

\_\_\_\_\_  
Notary Public, Saginaw County,  
Michigan  
My Commission expires: \_\_\_\_\_

(NOTARIAL SEAL)

State of Michigan )  
 : ss.  
County of Washtenaw )

On this \_\_\_\_\_ day of December, A.D., 1969, before me,  
a Notary Public within and for said County, personally appeared  
\_\_\_\_\_ and \_\_\_\_\_, to me  
personally known, who, being each by me duly sworn, each for himself  
did say that they are, respectively, the \_\_\_\_\_ and  
\_\_\_\_\_ of Ann Arbor Trust Company, the corporation  
named in the foregoing instrument, and the seal affixed to said instrument  
is the corporate seal of said corporation, and that instrument was signed  
and sealed in behalf of said corporation by authority of its Board of  
Directors; and said \_\_\_\_\_ and \_\_\_\_\_  
acknowledged said instrument to be their free act and deed and the free act  
and deed of said corporation.

\_\_\_\_\_  
Notary Public, Washtenaw County,  
Michigan  
My Commission expires: \_\_\_\_\_

(NOTARIAL SEAL)



Mr. Vaupre seconded.

Mr. Curtiss commented that the fee would <sup>approximately</sup> amount to \$23,500 during the life of the bonds.

Ayes: Brown, Curtiss, Groening, Kendall, Runkel, Vaupre, Zahnow  
Absent: Arbury

Resolution adopted.

#### IV. FUTURE MEETING DATES

The following dates were scheduled for meetings of the Board:

Monday, Jan. 26 - 5:30 p.m. - Committee-of-the-Whole Supper Meeting  
Board of Fellows Room - Doan Center.

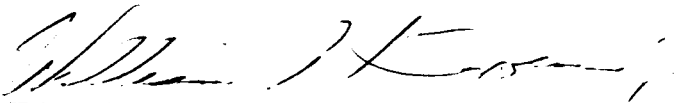
Monday, Feb. 9 - 5:30 p.m. - Committee-of-the-Whole Supper Meeting  
Board of Fellows Room - Doan Center.

7:30 p.m. - Regular Monthly Meeting - Board Room  
in Wickes Hall.


#### V. ADJOURNMENT

There being no further business to transact, the meeting adjourned at  
8:30 p.m.

Respectfully submitted,

  
William A. Groening, Jr. - Chairman

  
Charles B. Curtiss - Secretary

  
Gladys A. Kearns - Recording Secretary