

MINUTES

BOARD OF CONTROL
SAGINAW VALLEY COLLEGE

Notes on the Meeting
of the
COMMITTEE-OF-THE-WHOLE
Board Room - Wickes Hall
October 12, 1970

Present: Arbury
Brown
Curtiss
Kendall
Runkel
Zahnow

Others

Present: Driver
Gross
Kearns
Kendall, James
Kavanagh
Marble
Press (2)
Query

Absent: Groening, excused
Vaupre, excused

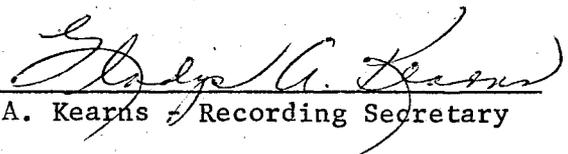
Mr. Brown convened the meeting at 7:05 p.m.

Dr. Driver presented a projection of additional needs of SVC for second and third phase development. After considering future building needs, the Board agreed a realistic approach to the State would be to ask for Academic Facility 2, a new library, heating plant, and an administration-classroom building.

It is hoped that the State of Michigan will approve for construction four new buildings within the next five years. SVC has not as yet received final clearance for planning money for Academic Facility 2.

The meeting adjourned at 7:30 p.m.

Respectfully submitted,



Gladys A. Kearns / Recording Secretary

A G E N D A
SAGINAW VALLEY COLLEGE
BOARD OF CONTROL
REGULAR MONTHLY MEETING

Monday, October 12, 1970 - 7:30 p.m.

Board Room in Wickes Hall

- 1.) Call to Order by Chairman
- 2.) Approval of Minutes of Regular Monthly Meeting
held September 14, 1970
- 3.) Administrative Reports
- 4.) Committee Reports
 - a) Building Committee
 - b) Finance Committee
 - 1) Resolution for Authority to Transfer Securities
 - c) Other Committees
- 5.) Communications
- 6.) Other Business
- 7.) Adjournment

MINUTES

BOARD OF CONTROL
SAGINAW VALLEY COLLEGE

REGULAR MONTHLY MEETING

SVC Board Room - Wickes Hall
October 12, 1970

Present: Arbury
Brown
Curtiss
Kendall
Runkel
Zahnow

Others

Present: Driver
Gross
Kearns
Kendall, James
Kavanagh
Marble
Press (2)
Query

Absent: Groening, excused
Vaupre, excused

I. CALL TO ORDER

Mr. Brown called the meeting to order at 7:35 p.m.

II. MINUTES OF PREVIOUS MEETING

BM-244 Rev. Runkel moved that the minutes of the Regular Monthly Meeting held September 14, 1970 be approved as submitted.
Mr. Curtiss seconded.

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

Motion carried.

III. ADMINISTRATIVE REPORTS

A. Library

The President reported a total of 63,739 volumes catalogued, received and

in the process of being catalogued, and on order as of September 30, 1970.

B. Enrollment

The President reported a total of 1,839 students for the fall semester. The breakdown is 916 students from Saginaw County; 479 from Bay County; 111 from Midland County; 322 from Out-state; 5 outside the State; and 6 from foreign countries. The President said it is strange that we have more foreign students than students from out-of-states but this is because of the high tuition charged non-state residents. Enrollment may have to be slowed because of building space. Absorption of so many students in a short time is difficult and counseling is taking more time than expected. More counselors are needed to visit high schools to inform students of opportunities at SVC.

C. TIAA-CREF Retirement

Dr. Driver said that the Faculty Senate has requested an amendment of the Policies Manual which would permit a participant to designate that more than 50% of monthly contribution to retirement fund be increased above 50%. In accord, he presented a resolution for Board consideration.

RES-87 Mr. Curtiss moved adoption of following Resolution:
WHEREAS, The Policies Manual for Saginaw Valley College,
as revised July 14, 1969, provides in section 9D(a) as
follows:
"(a) At the election of the participant, either 100 per
cent, 75 per cent, 66-2/3 per cent, or 50 per cent of such
combined sum will be forwarded to Teachers Insurance and
Annuity Association as a premium for a TIAA retirement
annuity contract on the participant's life." and
WHEREAS, the Faculty Senate has requested the Board of
Control to allow each TIAA/CREF participant to allocate
up to 75% of his premium to CREF if he so desires,
NOW, THEREFORE, BE IT RESOLVED That section 9D(a) of the
Policies Manual is hereby amended to read as follows:
"(a) At the election of the participant, 100 per cent,
75 per cent, 25 per cent, or any proportion within a 25

per cent to 75 per cent range of such combined sum will be forwarded to Teachers Insurance and Annuity Association as a premium for a TIAA retirement annuity contract on the participant's life."

Rev. Runkel supported.

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

Resolution adopted.

IV. COMMITTEE REPORTS

A. Building Committee

Mr. Brown reported that construction on the gymnasium is sixty days behind schedule. It is now expected that the facility will be partly ready for operation by December 1st, and the balance of the building about December 20th. The problem of a road or walkway to the building is unsolved; however, the construction road off Davis Road may be used in an emergency. Plans for a hard-surfaced road have been completed, but are waiting State approval.

The dormitory construction is on schedule.

B. Finance Committee

No report.

V. TRANSFER OF SECURITIES

RES-88 Rev. Runkel moved the adoption of following Resolution: RESOLVED, That W.A. Groening, Jr., as Chairman, Maurice E. Brown, as Vice Chairman, Melvin J. Zahnow, as Treasurer, Samuel D. Marble as President, and Russell B. Driver, as Vice President, or any of them, be and they are hereby authorized to sell, assign and indorse for transfer, certificates representing stocks, bonds, or other securities now registered or hereafter registered in the name of this corporation.

I, Charles B. Curtiss, Secretary of Saginaw Valley College, a State of Michigan institution of higher education, hereby certify that the foregoing is a true copy of a resolution duly adopted by the Board of Control of said corporation at a meeting duly held the 12th day of October, 1970, at which a quorum was present and voting, and that the same has not been repealed or amended and remains in full force and effect and does not conflict with the by-laws of said corporation.
Mr. Kendall supported.

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

Resolution adopted.

VI. BOND ISSUE FOR DORMITORY COMPLEX

RES-89 Mr. Zahnow moved the adoption of the following Resolution:

(SEE FOLLOWING PAGE)

RESOLUTION

OF BOARD OF CONTROL OF SAGINAW VALLEY COLLEGE PROVIDING FOR THE ACQUISITION AND CONSTRUCTION OF TWO NEW STUDENT DORMITORIES AT SAGINAW VALLEY COLLEGE; CREATING A SYSTEM OF HOUSING AND AUXILIARY FACILITIES AT SAID COLLEGE; PROVIDING FOR THE ISSUANCE OF REVENUE BONDS IN TWO SERIES TO REFUND BY EXCHANGE CERTAIN OUTSTANDING BONDS AND PROVIDE FUNDS TO PAY THE COST OF SAID NEW DORMITORIES SECURED BY THE NET REVENUES OF SAID SYSTEM OF HOUSING AND AUXILIARY FACILITIES; PROVIDING FOR THE ALLOCATION AND SEGREGATION OF THE REVENUES OF SAID SYSTEM OF HOUSING AND AUXILIARY FACILITIES; AND PROVIDING FOR OTHER MATTERS RELATING TO SAID BONDS AND THE SECURITY THEREFOR

PREAMBLE

- A-1. WHEREAS, in order to properly serve the needs of students attending Saginaw Valley College it is necessary and advisable that two new dormitories be constructed and equipped on lands owned by the College as a part of its campus, said new dormitories to provide housing and appurtenant facilities for approximately 140 students (sometimes hereinafter called the "Project"); and
- A-2. WHEREAS, the estimated cost of said Project has been determined to be Eight Hundred Thousand (\$800,000.00) Dollars; and
- A-3. WHEREAS, the Board of Control of Saginaw Valley College has heretofore issued its revenue bonds in the principal amount of \$900,000.00 to finance costs of certain existing dormitories on the campus of Saginaw Valley College known as Great Lakes Halls, which dormitories are in full operation; said bonds being designated "Saginaw Valley College Dormitory Revenue Bonds of 1968," dated as of July 1, 1968, said entire issue being held by the United States of America, Secretary of Housing and Urban Development, as a single registered bond No. R-1, payable in annual installments as provided in the bond and resolution and Trust Indenture securing same, said bonds being secured by and payable

solely out of the net revenues of the said dormitories constructed with the proceeds of sale of said bonds; and

A-4. WHEREAS, to provide the funds necessary to pay the costs of the Project the Board of Control of Saginaw Valley College deems it necessary and advisable to borrow money therefor and issue its revenue bonds for such purpose in the principal sum of Eight Hundred Thousand (\$800,000.00) Dollars; and

A-5. WHEREAS, to provide maximum security for its housing revenue bonds now outstanding, those to be issued to finance the Project, or those to be issued in the future, it is the judgment and determination of this Board of Control that existing college housing and dining facilities, as well as those acquired in the future, should be combined and operated as one system on a revenue or self-liquidating basis and the net revenues therefrom be pledged on a parity basis as security for all housing revenue bonds now or hereafter issued by the Board; and

A-6. WHEREAS, the Board has determined it necessary and advisable to accomplish the purpose set forth in paragraph A-5 of this preamble to issue its housing revenue bonds in two series as hereinafter provided in this resolution, the first series to be in the principal amount of \$900,000.00 to refund, by exchange, the bonds currently held by the United States of America, Secretary of Housing and Urban Development, as set forth in paragraph A-3 of this preamble; and the second series to be in the principal amount of \$800,000.00 to pay costs of the Project; all being secured by a parity lien on the net revenues of the combined system of housing and auxiliary facilities as hereinafter set forth in the body of this resolution; and - 6 -

A-7. WHEREAS, the Board of Control of Saginaw Valley College has full power under its constitutional authority (Section 6, Article VIII) of Michigan Constitution), and supervision of the College, and control of expenditures from the College funds to construct and equip the Project, to issue the proposed revenue bonds, and to pledge the net revenues of the combined system for their payment;

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

DEFINITIONS

Section 1. Wherever used in this resolution or in the bonds to be issued hereunder, except where otherwise indicated by the context:

(a) The term "Board" or "Board of Control" shall be construed to mean the Board of Control of Saginaw Valley College located at University Center, Michigan.

(b) The term "College" shall be construed to mean the Saginaw Valley College located at University Center, Michigan.

(c) The term "Project" shall be construed to mean the two new dormitories for 140 students to be acquired, constructed and equipped with the proceeds of sale of the Series B Bonds hereinafter defined and specified in this resolution.

(d) The term "Project Costs" shall be construed to mean the cost of the construction work at the site of the Project; the cost of architectural, engineering, legal, financial, administrative and clerical services rendered or performed in connection with the construction and financing of the Project; the cost of any land acquisition, including easements and rights in land necessary for the construction of the Project;

the cost of fixed movable equipment and furnishings and appurtenant facilities for the Project; and miscellaneous expenses necessary to the acquisition and construction and financing of the Project such as travel, inspection and auditing.

(e) The term "redeem" or "redemption" shall be construed to mean and include any prepayment of principal installments on the bonds authorized hereunder unless the context otherwise indicates.

(f) The term "1968 Trust Indenture" shall be construed to mean the Trust Indenture dated as of July 1, 1968, between the Board and Ann Arbor Trust Company, of Ann Arbor, Michigan, securing and providing the terms of issuance of the outstanding Saginaw Valley College Dormitory Revenue Bonds of 1968, in the aggregate principal amount of \$900,000.00 and presently held by the United States of America, Secretary of Housing and Urban Development, in the form of a single fully registered bond numbered R-1.

(g) The term "1968 Resolution" shall be construed to mean the resolution of the Board authorizing the issuance of the outstanding Saginaw Valley College Dormitory Revenue Bonds of 1968, and the execution of the 1968 Trust Indenture above defined.

(h) The term "Outstanding Bonds" shall be construed to mean the Saginaw Valley College Dormitory Revenue Bonds of 1968 issued pursuant to the 1968 Trust Indenture and 1968 Resolution, and presently held by the United States of America, Secretary of Housing and Urban Development, as one fully registered bond numbered R-1.

(i) The term "Housing and Auxiliary Facilities" shall be construed to mean and include the following:

1. The existing student dormitories on the campus of Saginaw Valley College known as Great Lakes Halls,

constructed with proceeds of sale of the Outstanding Bonds issued pursuant to the 1968 Trust Indenture and 1968 Resolution.

2. The existing dining hall on the campus of Saginaw Valley College known as Doan Hall.
3. The two new dormitories to provide housing and appurtenant facilities for approximately 140 students ("Project" as herein defined) to be constructed with the proceeds of sale of the second series (Series B) bonds herein authorized.
4. Any revenue producing housing, dining, or other facilities that are in the future acquired or constructed with the proceeds of sale of parity bonds within the limitations and conditions set forth in Section 16(G) of this resolution.

(j) The term "Gross Revenues" shall be construed to mean and include all revenues, income, receipts, profits, rates, rents, charges, fees and returns to be received from the continued use and operation of the Housing and Auxiliary Facilities.

(k) The term "Net Revenues" shall be construed to mean and include that portion of the Gross Revenues received from the continued operation, use and maintenance of the Housing and Auxiliary Facilities remaining after providing sufficient funds for the reasonable and necessary cost of currently maintaining, repairing, insuring and operating the same, including the Operating Reserve as hereinafter provided.

(l) The term "Debt Service Grants" shall be construed to mean the aggregate of the semi-annual payments to be paid pursuant to a Grant Agreement between the United States Government and the Secretary of Housing and Urban Development or his successor, to the College for deposit in the Revenue Fund Account commencing with the first interest payment date on an issue of bonds following the initial occupancy of the Project. Initially, the Debt Service Grants shall consist of the payments to be made to the College by the Department of

Housing and Urban Development pursuant to that certain Grant Agreement executed under date of _____, 1970, by and between the Board on behalf of the College and the United States Government, Secretary of Housing and Urban Development, for and in connection with the Series B Bonds herein authorized. The initial fund reservation for said Debt Service Grants is \$16,650.00 annually, but, as provided in said Grant Agreement, is subject to adjustment and modification pursuant to the Terms and Conditions as attached to and made a part of the Grant Agreement.

AUTHORIZATION FOR BONDS

Section 2. There is hereby authorized to be issued revenue

bonds of Saginaw Valley College in the aggregate principal amount of One Million Seven Hundred Thousand (\$1,700,000.00) Dollars, which issue shall consist of two series of bonds, to wit:

- (a) SAGINAW VALLEY COLLEGE HOUSING AND AUXILIARY FACILITIES REVENUE BONDS, SERIES A, in the aggregate principal amount of Nine Hundred Thousand (\$900,000.00) Dollars, on the terms and conditions hereinafter provided, said bonds to be issued to refund by exchange the full principal amount of the Outstanding Bonds. Said series is sometimes hereinafter referred to as the "Series A Bonds."
- (b) SAGINAW VALLEY COLLEGE HOUSING AND AUXILIARY FACILITIES REVENUE BONDS, SERIES B, in the aggregate principal amount of Eight Hundred Thousand (\$800,000.00) Dollars, on the terms and conditions hereinafter provided, said bonds to be issued and sold and the proceeds applied to the payment of Project Costs. Said series is sometimes hereinafter referred to as the "Series B Bonds."

SERIES A BOND TERMS AND FORM THEREOF

Section 3.

The Series A Bonds herein authorized shall be initially issued to the United States of America, Secretary of Housing and Urban Development, or his successor, as hereinafter provided in this resolution, in the form of a single fully registered bond without coupons, in the denomination of \$900,000.00, dated as of October 1, 1970, numbered AR-1, bearing interest at the rate of three per cent (3%) per annum, payable on January 1, 1971, and semi-annually thereafter on July 1 and January 1 of each year, and shall be payable in annual principal installments due on July 1 of each year as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
1971	\$ 8,000	1995	\$18,000
1972	8,000	1996	18,000
1973	10,000	1997	18,000
1974	10,000	1998	20,000
1975	10,000	1999	20,000
1976	10,000	2000	20,000
1977	10,000	2001	20,000
1978	10,000	2002	22,000
1979	10,000	2003	22,000
1980	12,000	2004	22,000
1981	12,000	2005	24,000
1982	12,000	2006	24,000
1983	12,000	2007	24,000
1984	12,000	2008	26,000
1985	14,000	2009	26,000
1986	14,000	2010	28,000
1987	14,000	2011	28,000
1988	14,000	2012	30,000
1989	14,000	2013	30,000
1990	16,000	2014	30,000
1991	16,000	2015	32,000
1992	16,000	2016	32,000
1993	16,000	2017	34,000
1994	18,000	2018	34,000

The form of such single fully registered bond to be exchanged as herein provided shall be substantially as follows:

Payments of principal and interest, including prepayment of installments of principal as hereinafter provided, shall be noted on the Payment Record made a part of this Bond, and if payment is made at the office of the Fiscal Agent or Alternate Paying Agent written notice of the making of such notations shall be promptly sent to the Board at the office of said _____

and such payment shall fully discharge the obligation of the Board hereon to the extent of the payments so made. Upon final payment of principal and interest, this Bond shall be submitted to the Board for cancellation and surrender.

This Bond is issued in lieu of serial coupon bonds to be of like tenor and effect, except as to number, redemption terms, maturity and interest rate constituting an original issue aggregating \$1,700,000.00, consisting of the following:

Series A	\$900,000.00
Series B	800,000.00.

Each series of the total issue is secured by a first lien on the Net Revenues of the Housing and Auxiliary Facilities at Saginaw Valley College, at University Center, Michigan. All of the bonds are equally and ratably secured by said pledge and lien without priority or preference one over the other by reason of series designation, denomination, number, maturity, date or terms or redemption prior to maturity, date of sale or delivery, or otherwise, and are coequal as to the pledge of and lien on all of the Net Revenues of the Housing and Auxiliary Facilities securing the payment thereof and share ratably, without preference, priority or distinction as to the source or method of payment and security therefor.

The installments of principal hereof due July 1, 1971 through July 1, 1979, inclusive, are not subject to payment before the due dates thereof. The installments of principal hereof due July 1, 1980 and thereafter, may be paid at the option of the Board prior to the due dates thereof, in whole or in part and in inverse chronological order of their due dates on any interest payment date after July 1, 1978, upon at least thirty (30) days prior notice. Any such prepayment of principal shall include accrued interest to the date of prepayment and a premium for each principal prepayment as follows:

3	% if redeemed on or before July 1, 1983;
2-1/2	% if redeemed January 1, 1984 through July 1, 1988, inclusive;
2	% if redeemed January 1, 1989 through July 1, 1993, inclusive;
1-1/2	% if redeemed January 1, 1994 through July 1, 2003, inclusive;
1	% if redeemed January 1, 2004 through July 1, 2013, inclusive.

Without premium if redeemed January 1, 2013 or thereafter.

As long as the registered payee is the registered owner of this Bond, the Board, upon giving at least thirty(30) days notice, shall have the option to prepay, on any interest payment date, the entire unpaid principal

*Insert name of Paying Agent Bank

amount hereof, or, from time to time, in inverse chronological order of the aforesaid principal installments, such lesser portion thereof in multiples of One Thousand (\$1,000.00) Dollars as the Board may determine, with interest thereon to the date of such prepayment.

The registered owner of this Bond, at his option, may surrender the same for cancellation and exchange for negotiable bearer coupon bonds, registrable as to principal only, in denominations of \$1,000.00, in an aggregate amount equal to the unpaid principal hereof having attached thereto all coupons maturing after the interest payment date on which interest was last paid hereon, corresponding as to dates and amounts with the unpaid installments and in the form of such coupon bonds as is provided in the Bond Resolution, and the Board covenants and agrees that within 90 days of receipt of written notice from the registered owner, it will issue at its own expense negotiable bearer coupon bonds, of type composition on paper of customary weight and strength, printed in accordance with the specifications set forth in the Bond Resolution.

The Board of Control of Saginaw Valley College hereby covenants with the registered owner of this Bond that it will keep and perform all the covenants and agreements in the Bond Resolution, and hereby irrevocably obligates itself to administer the said revenue, fees and receipts derived from the operation of said Housing and Auxiliary Facilities, as provided for in and by the Bond Resolution, and to establish from time to time parietal rules, rents, fees and charges for the use of said Housing and Auxiliary Facilities and to maintain and collect rents, charges and fees sufficient to pay the reasonable cost of operating, maintaining, insuring, and repairing of said Housing and Auxiliary Facilities, and pay the principal of and interest on all said revenue bonds which by their terms are payable from such revenues, until all of such bonds have been paid in full, both as to principal and interest.

The Resolution authorizing said bonds provides that additional parity bonds may be issued provided the facility to be constructed shall be a part of the Housing and Auxiliary Facilities System and the revenues derived from the operation thereof are pledged as additional security for the payment of all parity bonds outstanding, and further that the annual net revenues for the fiscal year preceding the issuance of such parity bonds, plus the estimated annual net revenues of the facilities to be constructed from the proceeds of the additional parity bonds, shall be equal to not less than 1.25 times the maximum amount of principal and interest due in any future fiscal year for the payment of bonds then outstanding and the additional parity bonds to be issued.

All of the bonds issued pursuant to the Bond Resolution are equally and ratably secured by the pledge of the net receipts, fees and revenues derived from the operation of the Housing and Auxiliary Facilities and the other terms and covenants and conditions thereof. Reference is hereby made to the Bond Resolution for a more complete description of the nature and extent of the security, the rights of the holders of the bonds and coupons and the terms and conditions upon which the bonds and coupons are, and are to be, issued and secured, to all the provisions of which Bond Resolution the registered owner by the acceptance hereof assents.

It is hereby certified that all acts, conditions and things required to exist, to have happened, and to have been performed, precedent to and in the issuance of this Bond do exist, have happened, or have been performed in regular form, time and manner. This Bond is not a general obligation of the Board of Control of Saginaw Valley College, or of the State of Michigan, and does not create an indebtedness, legal or moral, of the State of Michigan.

IN WITNESS WHEREOF, the Board of Control of Saginaw Valley College has caused this Bond to be signed by the Vice President of the College, its corporate seal to be hereunto affixed, and attested by its Secretary, all as of the first day of October, 1970.

BOARD OF CONTROL OF
SAGINAW VALLEY COLLEGE

(SEAL)

Attest:

By _____

Vice President
Saginaw Valley College

Secretary

ASSIGNMENT

The United States of America, Secretary of Housing and Urban Development, of the First Part, for and in consideration of the sum of _____ (\$ _____) Dollars, lawful money of the United States of America, to First Part in hand paid by _____ of _____, of the Second Part, receipt of which is hereby acknowledged, does by these presents bargain, sell and assign unto said Party of the Second Part and assigns the foregoing registered bond, bearing date October 1, 1970, and all sum or sums of money due or to become due thereon, and hereby covenants with the said Party of the Second Part that there is now due on said Bond on the date hereof, according to the condition thereof, for principal and interest, the sum of _____ (\$ _____) Dollars, lawful money of the United States of America.

Dated: _____

PAYMENT RECORD

<u>Due Date</u>	<u>Principal Amount</u>	<u>Principal Balance Due</u>	<u>Interest Payment</u> (%)	<u>Date Paid</u>	<u>Name of Paying Agent Authorized Official and Title</u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	(Enter Amounts)	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
(Enter Dates for Principal and Interest)		(Leave Blank)	(Leave Blank)	(Leave Blank)	

(Insert due dates to correspond to installment payment dates - leave one-half inch space for manual interlining, if necessary; also half a page at end for any explanation which might be required)

SCHEDULE "A"

(This should be separate sheet)

Principal Installments on which payments have been made prior to maturity

<u>Principal Due Date</u>	<u>Principal Amount</u>	<u>Principal Payment</u>	<u>Balance</u>	<u>Date Paid</u>	<u>Name of Paying Agent Authorized Official and Title</u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

If exchanged for coupon bonds, as provided in the fully registered bond form and this resolution, the form of said coupon bonds shall be substantially as follows:

UNITED STATES OF AMERICA

STATE OF MICHIGAN

BOARD OF CONTROL OF SAGINAW VALLEY COLLEGE

SAGINAW VALLEY COLLEGE
HOUSING AND AUXILIARY FACILITIES BOND
SERIES A

No. _____

\$1,000.00

THE BOARD OF CONTROL OF SAGINAW VALLEY COLLEGE (hereinafter called the "Board"), a body corporate created and established under the Constitution and laws of the State of Michigan, having control and general supervision of Saginaw Valley College at University Center, Michigan, promises to pay but only from the revenues mentioned below, to bearer, or if registered, to the registered holder hereof, the sum of

ONE THOUSAND DOLLARS

on the first day of July, _____, with interest thereon from the date hereof until payment of the principal amount at the rate of three per centum per annum, payable semiannually on the first day of January and the first day of July in each year commencing January 1, 1971, as evidenced by the coupons hereto attached, until the principal sum is paid. The principal sum and interest thereon are payable in any coin or currency which on the due dates of payment thereof is legal tender for payment of debts due the United States of America, at the principal office of * _____ Bank of _____, in _____, upon presentation and surrender of this Bond and the coupons attached as they severally mature.

This Bond is one of a duly authorized issue of Nine Hundred Thousand (\$900,000.00) Dollars principal amount of the bonds of the Board of Control of Saginaw Valley College, known as Saginaw Valley College Housing and Auxiliary Facilities Revenue Bonds, Series A, issued as part of a consolidation of a prior revenue bond issue, and in exchange for an original issue designated to finance the construction of three dormitories to provide housing and appurtenant facilities for approximately 212 students, known as Great Lakes Halls, at Saginaw Valley College at University Center, Michigan, pursuant to the authority of Section 6, Article VIII of the Michigan Constitution and a Resolution duly adopted by said Board of Control on the

*Insert name of Paying Agent Bank when determined

_____ day of _____, 1970 (hereinafter referred to as the "Bond Resolution") and is payable only from the Net Revenues, Fees and receipts to be derived from the operation of the said Housing and Auxiliary Facilities, and is not payable out of or enforceable against the State of Michigan or any fund created or maintained directly or indirectly by taxation.

This series is a part of a total original issue of Housing and Auxiliary Facilities Revenue Bonds, comprising an original sum aggregating \$1,700,000.00, consisting of the following:

Series A	\$900,000.00
Series B	800,000.00

Each series of the total issue is secured by all of the total income and revenues derived from the Housing and Auxiliary Facilities at Saginaw Valley College at University Center, Michigan. All of the bonds are equally and ratably secured by said pledge and lien without priority or preference one over the other by reason of series designation, denomination, number, maturity, date or terms or redemption prior to maturity, date of sale or delivery or otherwise, and are coequal as to the pledge of and lien on all of the Net Revenues of the Housing and Auxiliary Facilities securing the payment thereof and share ratably, without preference, priority or distinction as to the source or method of payment and security therefor.

The Resolution authorizing said bonds provides that additional parity bonds may be issued provided the facility to be constructed shall be a part of the Housing and Auxiliary Facilities System and the revenues derived from the operation thereof are pledged as additional security for the payment of all parity bonds outstanding, and further that the annual net revenues for the fiscal year preceding the issuance of such parity bonds, plus the estimated annual net revenues of the facilities to be constructed from the proceeds of the additional parity bonds, shall be equal to not less than 1.25 times the maximum amount of principal and interest due in any future fiscal year for the payment of bonds then outstanding and the additional parity bonds to be issued.

The coupon bonds of this issue maturing during the years 1971 through 1979, inclusive, are non-callable. Bonds maturing July 1, 1980 through July 1, 2013, inclusive, are callable at the option of the Board on any interest payment date on or after July 1, 1978, in whole, or in part, and in inverse numerical order at the principal amount thereof plus accrued interest to the date of redemption and a premium for each such bond as follows:

- 3 % if redeemed on or before July 1, 1983;
 - 2-1/2 % if redeemed January 1, 1983 through July 1, 1988, inclusive;
 - 2 % if redeemed January 1, 1989 through July 1, 1993, inclusive;
 - 1-1/2 % if redeemed January 1, 1994 through July 1, 2003, inclusive;
 - 1 % if redeemed January 1, 1994 through July 1, 2013, inclusive.
- Without premium if redeemed January 1, 2013 or thereafter.

Notice of any such redemption prior to maturity of such bonds shall be given at least thirty (30) days prior to the redemption date by one publication

in a financial newspaper published in the English language in the City and State of New York. A like notice shall be sent by registered mail to the holders of such coupon bonds as are then registered. Interest on the coupon bonds so called for redemption shall cease on the redemption date fixed in said notice, if funds are available at the place of redemption to redeem the bonds when presented. The bonds so redeemed prior to maturity shall be surrendered for cancellation together with unmatured interest coupons appurtenant thereto. The redemption notice shall be given by the Board and shall fix the redemption price, the redemption date and the serial numbers of the coupon bonds called for redemption, if less than all of the coupon bonds are to be redeemed, and shall state that interest on the coupon bonds to be redeemed will cease on the redemption date and that payment of the redemption price thereof, together with interest accrued thereon to the redemption date, will be made at the office of the *

_____, in _____, upon the surrender of such coupon bonds together with all unmatured coupons appertaining thereto.

The Board hereby covenants with the holder or registered holder of this Bond that it will keep and perform all of the covenants and agreements in the Bond Resolution and hereby irrevocably obligates itself to administer the said revenues, fees and receipts derived from the operation of said Housing and Auxiliary Facilities, as provided in and by the Bond Resolution, and to establish from time to time parietal rules, rents, fees and charges for the use of said Housing and Auxiliary Facilities and to maintain and collect such rents, charges and fees sufficient to pay the reasonable cost of operating, maintaining, insuring and repairing of said Housing and Auxiliary Facilities, and pay the principal of and interest on all said bonds, which by their terms are payable from such revenues and provide adequate reserves therefor, until all of such bonds have been paid in full, both as to principal and interest.

All the bonds issued pursuant to the Bond Resolution are and are to be equally and ratably secured by the pledge of the net receipts, fees and revenues derived from the operation of the Housing and Auxiliary Facilities and the other terms, covenants and conditions of the Bond Resolution. Reference is hereby made to the Bond Resolution for a more complete description of the nature and extent of the security, the rights of the holders of the bonds and coupons and the terms and conditions upon which the bonds and coupons are, and are to be, issued and secured, to all the provisions of which Bond Resolution, each holder by the acceptance hereof assents.

This Bond may be registered as to principal only by presenting the same to * _____, with a request for registration, which bank shall thereupon register the name of the registered owner in a book kept for such purpose and endorse the name and date of registration in the place provided for such purpose on the reverse side hereof. Any transfer thereafter shall be made by delivering such Bond with an order for transfer made by the registered owner to the registrar who

*Here insert name of Paying Agent Bank when determined.

shall thereupon register the same in the name of the transferee in the same manner as provided for original registration; 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 be made payable to bearer as before. Registration as to principal only shall not affect payment of interest on the interest coupons hereto attached, but the same shall continue to be payable on presentation thereof.

The Board and the Paying Agent Bank above named may deem and treat the bearer of the Bond, or, if this Bond be registered, the registered holder hereof, and the bearer of any coupon appurtenant hereto, as the absolute owner of the Bond or coupon for the purpose of receiving payment of, or on account of, the principal, redemption premium, if any, and interest due hereon and for all purposes.

It is hereby certified that all acts, conditions and things required to exist, to have happened, and to have been performed, precedent to and in the issuance of this Bond do exist, have happened, or have been performed in regular form, time and manner.

This Bond is not a general obligation of the Board of Control of Saginaw Valley College, or of the State of Michigan, and does not create an indebtedness, legal or moral, of the State of Michigan.

IN WITNESS WHEREOF, the Board of Control of Saginaw Valley College has caused this Bond to be signed by the Vice President of the College, its corporate seal to be hereunto affixed, and attested by its Secretary, and has caused the interest coupons attached hereto to be executed by the facsimile signatures of said Vice President and Secretary, which said officials by the execution of this Bond do adopt as and for their own proper signatures their respective facsimile signatures appearing on said coupons all as of the first day of October, 1970.

BOARD OF CONTROL OF
SAGINAW VALLEY COLLEGE

(SEAL)

Attest:

Secretary

By _____
Vice President
Saginaw Valley College

(Form of Coupon)

Coupon No. _____

On the first day of _____, _____, (unless the Bond hereinafter mentioned shall have been called previously for redemption and payment duly provided therefor) the Board of Control of Saginaw Valley College will pay to bearer, but only from the revenues, fees and receipts derived from the operation of the Housing and Auxiliary Facilities System of Saginaw Valley College referred to in the Bond to which this coupon is attached, after provision for operating and maintenance expenses thereof, and not from other property or the general or ordinary funds of the said Board or of the State of Michigan, on the surrender of this coupon at the principal office of * _____

the sum of _____ Dollars, for interest due on its Saginaw Valley College Housing and Auxiliary Facilities Revenue Bond, Series A, dated October 1, 1970, No. _____.

Secretary

Vice President

(FORM OF REGISTRATION)

Notice: There must be no writing in this form except by the Registrar.

<u>Date of Registry</u>	<u>Name and Address of Registered Holder</u>	<u>Signature of Authorized Officer of Registrar</u>
_____	_____	_____
_____	_____	_____

*Here insert name of Paying Agent Bank when determined.

SERIES B BOND TERMS AND FORM OF BOND

Section 4. The Series B Bonds herein authorized shall be in coupon form, shall be dated as of October 1, 1970, shall be in the denomination of Five Thousand (\$5,000.00) Dollars each, numbered in direct order of maturity B-1 to B-160, inclusive, and mature serially on July 1st of each year as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
1973	\$20,000	1987	\$15,000
1974	20,000	1988	15,000
1975	25,000	1989	20,000
1976	25,000	1990	20,000
1977	25,000	1991	20,000
1978	30,000	1992	25,000
1979	30,000	1993	25,000
1980	35,000	1994	25,000
1981	35,000	1995	30,000
1982	40,000	1996	30,000
1983	40,000	1997	30,000
1984	45,000	1998	35,000
1985	45,000	1999	40,000
1986	15,000	2000	40,000

Said Series B Bonds shall bear interest at a rate or rates to be determined on public sale thereof, but in no event to exceed eight per cent (8%) per annum, which interest shall be payable on January 1, 1971, and semiannually thereafter on July 1st and January 1st of each year.

The form of said Series B coupon bonds shall be substantially as follows:

UNITED STATES OF AMERICA

STATE OF MICHIGAN

BOARD OF CONTROL OF SAGINAW VALLEY COLLEGE

SAGINAW VALLEY COLLEGE
HOUSING AND AUXILIARY FACILITIES BOND
SERIES B

No. _____

\$5,000.00

THE BOARD OF CONTROL OF SAGINAW VALLEY COLLEGE (hereinafter called the "Board"), a body corporate created and established under the Constitution and laws of the State of Michigan, having control and general supervision of Saginaw Valley College at University Center, Michigan, promises to pay but only from the revenues mentioned below, to bearer, or if registered, to the registered holder hereof, the sum of

FIVE THOUSAND DOLLARS

on the first day of July, _____, with interest thereon from the date hereof until payment of the principal amount at the rate of _____ per centum per annum, payable semiannually on the first day of January and the first day of July in each year commencing January 1, 1971, as evidenced by the coupons hereto attached, until the principal sum is paid. The principal sum and interest thereon are payable in any coin or currency which on the due dates of payment thereof is legal tender for payment of debts due the United States of America, at the principal office of * _____

upon presentation and surrender of this Bond and the coupons attached as they severally mature.

This Bond is one of a duly authorized issue of Eight Hundred Thousand (\$800,000.00) Dollars, principal amount of the bonds of the Board of Control of Saginaw Valley College, known as Saginaw Valley College Housing and Auxiliary Facilities Revenue Bonds, Series B, issued as part of a consolidation of a prior revenue bond issue and to finance the construction of two new dormitory buildings to provide housing and appurtenant facilities for approximately 140 students (hereinafter called the "Project"), at Saginaw Valley College at University Center, Michigan, pursuant to the authority of Section 6, Article VIII of the Michigan Constitution, and a Resolution duly adopted by the said Board of Control on the _____ day of _____, 1970 (hereinafter referred to as the "Bond Resolution") and is payable only from the Net Revenues, fees and receipts to be derived from the operation of the said Housing and Auxiliary Facilities, and is not payable out of or enforceable against the State of Michigan or any fund created or maintained directly or indirectly by taxation.

*Designated paying agent bank inserted here.

This series is a part of a total original issue of Housing and Auxiliary Facilities Revenue Bonds, comprising an original sum aggregating \$1,700,000.00, consisting of the following:

Series A	\$900,000.00
Series B	800,000.00

Each series of the total issue is secured by all of the total income and revenues derived from the Housing and Auxiliary Facilities at Saginaw Valley College at University Center, Michigan. All of the bonds are equally and ratably secured by said pledge and lien without priority or preference one over the other by reason of series designation, denomination, number, maturity, date or terms or redemption prior to maturity, date of sale or delivery or otherwise, and are coequal as to the pledge of and lien on all of the Net Revenues of the Housing and Auxiliary Facilities securing the payment thereof and share ratably, without preference, priority or distinction as to the source or method of payment and security therefor.

The Resolution authorizing said bonds provides that additional parity bonds may be issued provided the facility to be constructed shall be a part of the Housing and Auxiliary Facilities System and the revenues derived from the operation thereof are pledged as additional security for the payment of all parity bonds outstanding, and further that the annual Net Revenues for the fiscal year preceding the issuance of such parity bonds, plus the estimated annual Net Revenues of the facilities to be constructed from the proceeds of the additional parity bonds shall be equal to not less than 1.25 times the maximum amount of principal and interest due in any future fiscal year for the payment of bonds then outstanding and the additional parity bonds to be issued.

The coupon bonds of this issue maturing during the years 1973 through 1985, inclusive, are non-callable. Bonds maturing July 1, 1986 through July 1, 2000, inclusive, are callable at the option of the Board on any interest payment date on or after July 1, 1985, in whole or in part and in inverse order of maturity, and by lot within a maturity, at the principal amount thereof plus accrued interest to the date of redemption and a premium for each such bond, expressed as a percentage of such principal amount, as follows:

- 3 % if redeemed July 1, 1985 through January 1, 1991, inclusive;
- 2 % if redeemed July 1, 1991 through January 1, 1996, inclusive;
- 1 % if redeemed July 1, 1996 and thereafter to maturity.

Notice of any such redemption prior to maturity of such bonds shall be given at least thirty (30) days prior to the redemption date by one publication in a financial newspaper published in the English language in the City and State of New York. A like notice shall be sent by registered mail to the holders of such coupon bonds as are then registered. Interest on the coupon bonds so called for redemption shall cease on the redemption date fixed in said notice, if funds are available at the place of redemption to redeem the bonds when presented. The bonds so redeemed prior to maturity

shall be surrendered for cancellation together with unmatured interest coupons appurtenant thereto. The redemption notice shall be given by the Board and shall fix the redemption price, the redemption date and the serial numbers of the coupon bonds called for redemption, if less than all of the coupon bonds are to be redeemed, and shall state that interest on the coupon bonds to be redeemed will cease on the redemption date and that payment of the redemption price thereof together with interest accrued thereon to the redemption date will be made at the office of the * _____

upon the surrender of such coupon bonds together with all unmatured coupons appertaining thereto.

The Board hereby covenants with the holder or registered holder of this Bond that it will keep and perform all of the covenants and agreements in the Bond Resolution and hereby irrevocably obligates itself to administer the said revenues, fees and receipts derived from the operation of said Housing and Auxiliary Facilities, as provided in and by the Bond Resolution, and to establish from time to time parietal rules, rents, fees and charges for the use of said Housing and Auxiliary Facilities and to maintain and collect such rents, charges and fees sufficient to pay the reasonable cost of operating, maintaining, insuring and repairing of said Housing and Auxiliary Facilities, and pay the principal of and interest on all said bonds, which by their terms are payable from such revenues and provide adequate reserves therefor, until all of such bonds have been paid in full, both as to principal and interest.

All the bonds issued pursuant to the Bond Resolution are and are to be equally and ratably secured by the pledge of the net receipts, fees and revenues derived from the operation of the Housing and Auxiliary Facilities and the other terms, covenants and conditions of the Bond Resolution. Reference is hereby made to the Bond Resolution for a more complete description of the nature and extent of the security, the rights of the holders of the bonds and coupons and the terms and conditions upon which the bonds and coupons are, and are to be, issued and secured, to all the provisions of which Bond Resolution, each holder by the acceptance hereof assents.

This Bond may be registered as to principal only by presenting the same to the * _____, with a request for registration which bank shall thereupon register the name of the registered owner in a book kept for such purpose and endorse the name and date of registration in the place provided for such purpose on the reverse side hereof. Any transfer thereafter shall be made by delivering such Bond with an order for transfer made by the registered owner to the Registrar, who shall thereupon register the same in the name of the transferee in the same manner as provided for original registration; 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 be made payable to bearer as before. Registration as to

*Insert name of designated paying agent bank.

principal only shall not affect payment of interest on the interest coupons hereto attached, but the same shall continue to be payable on presentation thereof.

The Board and the bank above named may deem and treat the bearer of the Bond, or, if this Bond be registered, the registered holder hereof, and the bearer of any coupon appurtenant hereto, as the absolute owner of the Bond or coupon for the purpose of receiving payment of, or on account of, the principal, redemption premium, if any, and interest due hereon and for all purposes.

It is hereby certified that all acts, conditions and things required to exist, to have happened, and to have been performed, precedent to and in the issuance of this Bond do exist, have happened or have been performed in regular form, time and manner.

This Bond is not a general obligation of the Board of Control of Saginaw Valley College, or of the State of Michigan, and does not create an indebtedness, legal or moral, of the State of Michigan.

IN WITNESS WHEREOF, the Board of Control of Saginaw Valley College has caused this Bond to be signed by the Vice President of the College, its corporate seal to be hereunto affixed, and attested by its Secretary, and has caused the interest coupons attached hereto to be executed by the facsimile signatures of said Vice President and Secretary, which said officials by the execution of this Bond do adopt as and for their own proper signatures their respective facsimile signatures appearing on said coupons, all as of the first day of October, 1970.

BOARD OF CONTROL OF
SAGINAW VALLEY COLLEGE

(SEAL)

Attest:

By _____
Vice President
Saginaw Valley College

Secretary

(Form of Coupon)

Coupon No. _____

On the first day of _____, _____, (unless the Bond hereinafter mentioned shall have been called previously for redemption and payment duly provided therefor) the Board of Control of Saginaw Valley College will pay to bearer, but only from the revenues, fees and receipts derived from the operation of the Housing and Auxiliary Facilities System of Saginaw Valley College referred to in the Bond to which this coupon is attached, after provision for operating and maintenance expenses thereof, and not from other property or the general or ordinary funds of the said Board or of the State of Michigan, on the surrender of this coupon at the principal office of * _____

the sum of _____ Dollars, for interest due on its Saginaw Valley College Housing and Auxiliary Facilities Revenue Bond, Series B, dated October 1, 1970, No. _____.

Secretary

Vice President

(FORM OF REGISTRATION)

Notice: There must be no writing in this form except by the Registrar.

<u>Date of Registry</u>	<u>Name and Address of Registered Holder</u>	<u>Signature of Authorized Office of Registrar</u>
_____	_____	_____
_____	_____	_____

*Here insert name of Paying Agent Bank when determined.

EXECUTION OF BONDS AND COUPONS

Section 5. All bonds issued hereunder shall be signed in the name and in behalf of the Board by the Vice President of Saginaw Valley College, and shall be attested and have the corporate seal affixed thereto by its Secretary, and the coupons shall be executed by the facsimile signatures of the Vice President and Secretary of Saginaw Valley College, printed, lithographed or engraved thereon. The bonds and coupons so executed may be issued even though the officers whose signatures appear thereon shall have ceased to be officers of the Board or the College at the time of the issuance thereof or shall have become officers subsequent to the date of said bonds.

BONDS PAYABLE TO BEARER OR REGISTERED OWNER

Section 6. All coupon bonds issued hereunder shall be payable to bearer and transferable by delivery unless and until the same shall have been registered by the holder thereof, or his attorney thereunto duly authorized, in writing, at the main office of the paying agent bank, which registration shall be endorsed by the paying agent bank on the bond so registered. The principal of any bond so registered shall thereafter be payable only to the registered owner thereof, and any payment so made shall be valid and effectual to satisfy and discharge the liability upon such bond to the extent of the sum or sums so paid: Provide, however, that the registration of any bond shall not in any way affect payment of interest thereon or the negotiability of the interest coupons thereto attached, which shall be payable to bearer in accordance with the terms of and on presentation of said coupons. Any bond so registered may be transferred on the books of the Board maintained at the office of the paying agent bank by the registered

owner thereof, or his attorney thereunto duly authorized, in writing, which transfer shall be endorsed thereon by the paying agent bank, and any bond registered to bearer shall thereupon again become payable to bearer and transferable by delivery in the same manner as before the registration thereof. The single bond representing the entire Series A Bond issue, issued in accordance with the provisions of Section 3 of this Resolution, shall be payable and exchangeable for coupon bonds, all as provided in the form of single fully registered bond hereinbefore set forth in Section 3 of this Resolution. REGISTRY OF COUPON BONDS

Section 7.

(a) The Board shall keep at the office of the

paying agent bank books for the registration and transfer of coupon bonds, and upon presentation for such purpose, at such office, the paying agent bank shall register thereon, as herein provided, and under such reasonable regulations as it may prescribe, any coupon bond or bonds issued hereunder. The paying agent bank shall be the agent of the Board of Control of Saginaw Valley College to keep such books and to make such registration and transfer.

The holder of any coupon bond issued hereunder may have the ownership thereof registered as to principal, as provided in this section, and such registration noted on the bond. After such registration, no transfer shall be valid unless made on said books at the request of the registered owner or by his duly authorized attorney and noted by the paying agent bank on the bond; but the bond may be discharged from registration by being in like manner transferred to bearer, and thereupon transferability by delivery shall be restored; and such coupon bond may again, from time to time, be registered or transferred to bearer as before. Such registration, however, shall not affect the negotiability of the coupons, but every such coupon shall

continue to be transferable by delivery and shall remain payable to bearer.

(b) The Board covenants and agrees that within ninety (90) days after the receipt by the Board of the written request of the registered owner of the fully registered bond, AR-1, it will, at its own expense, prepare and execute to bearer coupon bonds of the denomination of One Thousand (\$1,000.00) Dollars or any multiple or multiples thereof as the holder may determine, in the form hereinbefore set forth, of type composition printed on paper of customary weight and strength, in an aggregate principal amount equal to the unpaid principal amount of such registered bond, and having maturities corresponding to the principal installments of such registered bond then unpaid, with coupons annexed thereto maturing after the date to which interest on such fully registered bond has been paid. Such coupon bonds shall be delivered to the registered owner of such fully registered bond upon the surrender and cancellation of such fully registered bond. Any fully registered bond so surrendered shall be cancelled by the Board.

REPLACEMENT OF BONDS

Section 8. In case any bond and the coupons belonging thereto shall have been mutilated, lost, stolen or destroyed, then upon production of such mutilated bond or evidence satisfactory to the Board of the loss, theft or destruction of such bond and the coupons thereof, and receipt of indemnity satisfactory to the Board, the Board, in its discretion, may execute and deliver substitute bonds in exchange for and upon cancellation of the ones which have been lost, stolen or destroyed. The Board may require payment by the owners of such bonds of a sum sufficient to reimburse it for any expense incurred in the preparation, authentication and issuance of such substitute bonds.

PAYMENT AND PRIOR REDEMPTION OF BONDS

Section 9. Except as otherwise provided for in the form of the single fully registered bond No. AR-1, all bonds issued hereunder and the coupons attached thereto shall be payable at the principal office of the bank duly designated as the paying agent for the bonds, which designation shall be made in writing by the purchaser at public sale of the Series B Bonds, or in the event such designation is not made, by resolution of the Board. Said designated bank is referred to in this resolution, heretofore and hereafter, as the "Paying Agent Bank."

Certain bonds issued hereunder may be redeemed prior to their stated maturities, which includes the right to prepay corresponding principal installments of the single fully registered bond AR-1, upon the terms and conditions, upon the notice, and upon payment of the premiums applicable thereto, all as specified in the form of the bonds as set forth in Sections 2, 3 and 4 of this Resolution. All bonds called for redemption shall cease to bear interest on the date fixed for redemption if the Board shall have deposited with the Paying Agent Bank sufficient funds for the payment thereof, and the interest coupons thereto attached maturing thereafter shall be null and void. Any coupon bond so called for redemption, when presented, shall have attached thereto all unmatured coupons, but the Paying Agent Bank may, in its discretion, accept in lieu of any such coupons indemnity satisfactory to the Paying Agent Bank and the Board against liability or loss on account of any unmatured coupons not presented therewith. All bonds and interest coupons redeemed by the Board as herein provided shall be cancelled by the Board, or the Paying Agent Bank as the agent of the Board.

DESIGNATION OF HOUSING AND AUXILIARY FACILITIES
PLEDGE OF REVENUES AND INCOME

Section 10. The Project authorized by this Resolution, together with all improvements, repairs and extensions thereto, or replacements thereof hereafter constructed or acquired, are hereby designated a part of the Housing and Auxiliary Facilities. Upon exchange of the Series A Bonds for the Outstanding Bonds issued pursuant to the 1968 Resolution and 1968 Trust Indenture,

the dormitories known as Great Lakes Halls, together with all improvements, repairs and extensions thereto, or replacements thereof hereafter constructed or acquired, shall become and are hereby designated a part of the Housing and Auxiliary Facilities.

The Net Revenues of the Housing and Auxiliary Facilities, together with the proceeds of Debt Service Grants, are hereby pledged to the payment of the principal of and interest on the Bonds, and the Bonds shall be secured by a prior and paramount lien on and first pledge of said Net Revenues and Debt Service Grants.

All such income, revenues and Debt Service Grants are hereby irrevocably pledged for the prompt and punctual payment of the principal of and interest on the bonds according to their terms, and to create and maintain the Bond and Interest Sinking Fund Account, including the debt service reserve, and the Repair and Replacement Reserve Account, as hereinafter described in this Resolution. All of the bonds shall be equally and ratably secured by said pledge and lien without priority or preference one over the other by reason of series designation, denomination, number, maturity, date or terms or redemption prior to maturity, date of sale or delivery or otherwise; it being the intent hereof that all of the bonds, including the

\$1,700,000.00 aggregate principal amount of bonds authorized by this Resolution, are coequal as to the pledge of and lien on all of the Net Revenues of the Housing and Auxiliary Facilities securing the payment thereof and share ratably, without preference, priority or distinction as to the source or method of payment and security therefor.

TRANSFER OF FUNDS HELD UNDER
THE 1968 RESOLUTION AND 1968 TRUST INDENTURE

Section 11. Upon the exchange of the Series A Bonds for bonds issued pursuant to the 1968 Resolution and 1968 Trust Indenture, all moneys and investments held in funds and accounts established thereunder shall be transferred to funds and accounts under this Resolution as follows: All moneys and investments held in the 1968 Revenue Fund Account established pursuant to the 1968 Trust Indenture shall, at the time of such exchange, be transferred to the Revenue Fund Account established pursuant to Section 13(A) of this Resolution; all moneys and investments held in the 1968 Bond and Interest Sinking Fund Account established pursuant to the 1968 Trust Indenture shall, at the time of such exchange, be transferred to the Bond and Interest Sinking Fund Account established pursuant to Section 13(B) of this Resolution and so much of such moneys and investments as at the time of such exchange constitutes a debt service reserve under the 1968 Trust Indenture shall become a part of the debt service reserve under this Resolution; and all moneys and investments held in the 1968 Repair and Replacement Reserve Account established under the 1968 Trust Indenture shall, at the time of such exchange, be transferred to the Repair and Replacement Reserve Account established pursuant to Section 13(C) of this Resolution.

EXCHANGE OF SERIES A BONDS

Section 12. The Series A Bonds of this issue, initially issued as a single fully registered bond No. AR-1, as provided in Section 2 of this Resolution, upon execution thereof, shall be delivered to the United States of America, Secretary of Housing and Urban Development, or his successor, in exchange for the Outstanding Bonds issued pursuant to the 1968 Trust Indenture and 1968 Bond Resolution and represented by a single fully registered bond No. R-1, in the principal amount of \$900,000.00, and upon completion of said exchange, said Outstanding Bonds represented by said single fully registered bond No. R-1 shall be cancelled by the Trustee under the 1968 Trust Indenture and delivered to the Board.

APPLICATION OF REVENUES

Section 13. (A) Revenue Fund Account. The Board covenants that immediately after the delivery, payment and/or exchange of any bonds authorized by this Resolution all revenues, income, receipts, profits, rates, rents, charges, fees and returns derived from the operation of Housing and Auxiliary Facilities, which together with the Debt Service Grants received shall be paid to the Treasurer of the College for deposit monthly in a bank which is a member of the Federal Deposit Insurance Corporation designated by the Board, to be credited to a special account known as the Saginaw Valley College Housing and Auxiliary Facilities Revenue Fund Account (hereinafter referred to as the "Revenue Fund Account"). Said Revenue Fund Account shall be maintained in a bank which is a member of the Federal Deposit Insurance Corporation as a special account, separate and apart from all other funds of the College and shall be maintained so long as any of the Housing and Auxiliary Facilities Bonds

are outstanding. The moneys therein shall be used and expended by the Treasurer of the College only in the following manner and order:

To maintain within said account an Operating Reserve, such amount as is from time to time certified by the Treasurer of the College as adequate and necessary for working capital for operation and maintenance of the Housing and Auxiliary Facilities; provided, that such Operating Reserve shall not exceed one-fourth of the operating and maintenance expenses of the Housing and Auxiliary Facilities for the preceding 12 months. Funds on deposit in the Revenue Fund Account, including the Operating Reserve shall be applied to pay when due all necessary operating expenses, current maintenance charges, expenses of reasonable upkeep and repairs, properly allocated share of charges for insurance, and all other expenses incident to the operation of the Housing and Auxiliary Facilities, but shall exclude depreciation, all general administrative expenses of the College, and the payments required to be made into Saginaw Valley College Repair and Replacement Reserve Account hereinafter described.

(B) Bond and Interest Sinking Fund Account. The Board covenants and agrees that it will establish and maintain a separate account, Saginaw Valley College Bond and Interest Sinking Fund Account (hereinafter called the "Bond and Interest Sinking Fund Account"), to be created and established with the Paying Agent Bank into which will be deposited all funds transferred pursuant to Section 11, plus all accrued interest received from the sale of the \$800,000.00 Series B Bonds. On or before each June 15 and December 15, after retaining in the Revenue Fund Account the then current Operating Reserve and payment of said operation and maintenance expenses then due, shall transfer and deposit to the credit of the Bond and Interest Sinking Fund Account such amounts when added to the balance therein as will be sufficient

to equal the interest then due on the bonds and one-half of the principal due on the bonds within the next twelve (12) months, plus twenty-five per cent (25%) of such deposits to create a debt service reserve, until the amounts so accumulated shall be equal to the maximum amount of the principal of and interest on the bonds coming due in any future fiscal year. Thereafter, on or before each June 15 and December 15, said Treasurer of the College shall transfer from said source such sums as may be necessary to meet the interest due on the bonds then outstanding on the next interest payment date and one-half of the principal of said bonds maturing within the next succeeding twelve months and maintain the debt service reserve. All moneys credited to the Bond and Interest Sinking Fund Account shall be and are irrevocably pledged to and shall be used solely for the payment of the principal and interest on the bonds. The moneys in the Bond and Interest Sinking Fund Account held as a debt service reserve may be invested by the Paying Agent Bank, upon the request of the Board, in direct obligations of, or obligations the principal of and the interest on which are guaranteed by the United States Government.

(C) Repair and Replacement Reserve Account. The Board covenants and agrees that it will establish and maintain a separate account, Saginaw Valley College Repair and Replacement Reserve Account (hereinafter called the "Repair and Replacement Reserve Account") to be created and established with the Paying Agent Bank, into which will be deposited all funds transferred pursuant to Section 11. As soon as the required debt service reserve has been accumulated in the Bond and Interest Sinking Fund Account, there shall be transferred from the funds remaining in the Revenue Fund Account to the Repair and Replacement Reserve Account on or before the close of each fiscal year, an amount equal to three per cent

(3%) of: (i) the cost of construction of all Housing and Auxiliary Facilities; plus (ii) the cost of the furnishings and movable equipment of all Housing and Auxiliary Facilities. All moneys and investments so held in said Account shall be used and held for use to pay the cost of unusual or extraordinary maintenance or repairs, renewals and replacements, and renovating or replacement of the furniture and equipment not paid as part of the ordinary maintenance and operation of the Housing and Auxiliary Facilities.

In the event the funds in the Bond and Interest Sinking Fund Account should be reduced at any time below the amounts required to be on deposit therein, including the amount to be held as a debt service reserve, then the funds so credited to the Repair and Replacement Reserve Account shall be transferred for deposit in the Bond and Interest Sinking Fund Account to the extent required to eliminate the deficiency in the Account and to restore such sums as may be necessary for that purpose; and all moneys so transferred shall thereafter be replaced by a resumption of the specified deposits into the Repair and Replacement Reserve Account.

The moneys in the Repair and Replacement Reserve Account may be invested by the Paying Agent Bank, upon the request of the Board, in direct general obligations of, or obligations the principal of and interest on which are guaranteed by, the United States Government.

(D) Disposition of Residual Funds in the Revenue Fund Account.

At the close of each fiscal year and after all transfers and maximum deposits hereinabove described shall have been made, and after any deficiencies in any such transfers and deposits which may exist from any previous fiscal year shall have been remedied, the balance of any excess funds in the Revenue Fund Account then remaining may be used by the Board (i) to redeem, on the next interest payment date, the bonds of each series then outstanding

which are subject to redemption prior to maturity; or (ii) for any expenditures, including the payment of debt service in improving or restoring any existing housing and dining facilities, or providing for such additional facilities; or (iii) for any lawful purpose of the College.

PARIETAL RULES AND RATE COVENANT

Section 14. The Board of Control hereby covenants and agrees: that it will require and will adopt such parietal rules and regulations as are necessary to assure maximum occupancy and use of the Housing and Auxiliary Facilities; and that the rates, rents, charges and fees chargeable to the occupants of, and students, faculty members, and others using or being served by, or having the right to use or having the right to be served by, the Housing and Auxiliary Facilities, will be so fixed and revised from time to time and will be so collected that the proceeds thereof will be sufficient at all times to provide funds adequate (1) to pay the reasonable cost of maintaining, operating, repairing, and insuring the Housing and Auxiliary Facilities; (2) to meet the annual sinking fund requirements for each fiscal year for the payment of the principal of and interest on the bonds; (3) to create and maintain the debt service reserve; and (4) to create and maintain a Repair and Replacement Reserve Account as specified in Section 13.

INSURANCE

Section 15. The Board of Control covenants and agrees to keep the Housing and Auxiliary Facilities, including furnishings and equipment, in good usable condition and continuously insured against loss or damage by fire and lightning, the perils included under the extended coverage endorsement, boiler explosion on boilers servicing the Housing and Auxiliary Facilities in an amount not less than \$50,000.00, in a responsible insurance

company or companies authorized and qualified under the laws of the State of Michigan to assume such risks. Coverage by such insurance, other than the boiler insurance hereinabove referred to, shall be in amounts sufficient to provide for not less than full recovery whenever the loss from causes covered by such insurance does not exceed eighty per cent (80%) of the full insurable value of the Housing and Auxiliary Facilities so damaged. Immediately upon the use or occupancy of any portion of the

Housing and Auxiliary Facilities System and so long thereafter as the funds and/or fund investments of the Bond and Interest Sinking Fund Account are less than the maximum debt service reserve required by the provisions of this Resolution, it will procure and maintain use and occupancy insurance on the Housing and Auxiliary Facilities in an amount sufficient to enable it to deposit in the Bond and Interest Sinking Fund Account, out of the proceeds of such insurance an amount equal to the sum that would normally have been available for deposit in such Account from the revenues of the damaged building during the time the damaged building is non-revenue producing as a result of loss or use caused by the perils covered by fire and extended coverage insurance.

Each such insurance policy or policies shall be payable to the Board of Control of Saginaw Valley College. All moneys collected on account of loss or damage covered by any such policy of insurance shall be held in trust by the Board and shall be used only for reconstruction, replacement or repairs of damaged buildings and properties of the Housing and Auxiliary Facilities. In the event of any loss or damage to the Housing and Auxiliary Facilities, the Board shall forthwith reconstruct, replace or repair the damaged portion thereof promptly and without any delay. Any moneys received from such insurance remaining upon the completion of

such reconstruction, replacement or repair shall be deposited in the Bond and Interest Sinking Fund Account and held for the benefit of the holder or holders of the bonds as their interests may appear.

GENERAL COVENANTS

Section 16. The Board of Control further expressly covenants and agrees that:

(A) Title - Title to the sites upon which all Housing and Auxiliary Facilities are located shall be vested in indefeasible title in fee simple in the Board of Control of Saginaw Valley College, or the College, or the State of Michigan.

(B) Operation of the Housing and Auxiliary Facilities - It will at all times maintain, preserve and keep the Housing and Auxiliary Facilities System in good repair, working order and condition and will, when necessary and to the extent that funds are available therefor, make any and all needful and proper repairs, renewals, replacements, and additions thereto, and will continue to operate and maintain the Housing and Auxiliary Facilities System as income-producing facilities.

(C) Records and Audits - It will keep accurate financial records and proper books relating to the Housing and Auxiliary Facilities and its component buildings, and such records and books shall be open to inspection by the bondholders and other agents and representatives. It will not later than ninety (90) days after the close of each fiscal year furnish to the original purchaser of the bonds and to any bondholder who shall request same in writing, copies of audit reports prepared by an independent certified public accountant, reflecting in reasonable detail the financial condition and record of operation of the College and the Housing and Auxiliary Facilities and each of its component buildings.

(D) Pledge of Good Faith - It will faithfully and punctually perform or cause to be performed all of the acts and obligations relating to the Project as are required by the provisions of this Resolution, under which the bonds are issued, including the completion and equipping of the Project, and the operation and maintenance of the Housing and Auxiliary Facilities as herein provided, the making and collecting of sufficient rates, fees and charges for the use thereof, the segregation of the income and the revenues therefrom to the respective accounts created under the provisions of this Resolution and the proper application of said funds.

(E) Bondholders Remedies - In the event of (a) failure to pay any interest on any bond, when and as the same shall have become due and payable, or (b) failure to pay the principal on any bond, when and as the same shall have become due and payable, whether at maturity, by acceleration or call for redemption or prepayment, or (c) failure to perform or observe duly and punctually any other covenant, condition or agreement on the part of this Board, in the bonds or in this Resolution, and if any such failure shall continue for thirty (30) days after notice thereof in writing by any bondholder to the Secretary of the Board, it shall constitute a default hereunder. In the event of any such default the holder of twenty per cent (20%) or more of the bonds then outstanding may apply to any court of competent jurisdiction for such relief the court may grant as authorized by law, including but not limiting the generality of the foregoing: (1) the rendering of a judgment determining the amount then due the bondholders; (2) the appointment of a receiver and the issuance of a writ of mandamus to compel an accounting or the performance of any covenant or of a writ of injunction to restrain waste or other injury to any bondholder. In the event of any such default the holders of fifty-one per cent (51%) in principal amount of the

Outstanding Bonds may agree to a refunding which shall be binding upon the holders of all bonds issued hereunder.

(F) Contractual Obligations - (1) This Resolution shall constitute a contract between the Board and the holders of the bonds and shall remain in full force and effect so long as any of said bonds remain outstanding.

(2) That it will not voluntarily create or cause to be created any other debt, lien, charge or encumbrance on any of the revenues to be derived from the operation of the Housing and Auxiliary Facilities, and that it will not sell, mortgage, lease or otherwise dispose of or encumber said Housing and Auxiliary Facilities or any part thereof during the time when the bonds issued hereunder shall remain outstanding and unpaid.

(3) That as long as any of the bonds issued hereunder remain outstanding and unpaid either as to principal or interest or both, it will at all times exercise all of its lawful powers to preserve and protect the security of the bonds and the rights of the bondholders under this Resolution.

(4) It will furnish heat to the Housing and Auxiliary Facilities System, and any additions thereto or any replacements thereof, at not in excess of reasonable cost.

(G) Additional Bonds - The Board will not issue any other bonds or obligations payable from the Net Revenues of the Housing and Auxiliary Facilities, pledged under the terms of this Resolution, for the payment and redemption of the bonds, nor voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or any other charge against the same or against the Housing and Auxiliary Facilities having any preference or priority to the source of payment of the bonds; provided that additional bonds may be issued on a parity with the Series A Bonds and Series B Bonds subject to and only upon compliance with the following conditions at the time of issuance:

(1) The facility to be constructed shall be a part of the Housing and Auxiliary Facilities System and the revenues derived from the operation thereof are pledged as additional security for the payment of all parity bonds outstanding.

(2) The Board is current in all transfers and deposits to be made under the terms of Section 13(B) and 13(C).

(3) The annual Net Revenues (defined as Gross Revenues less current expenses of the Housing and Auxiliary Facilities) for the fiscal year immediately preceding the issuance of such parity bonds, plus the estimated annual Net Revenues of the facilities to be constructed from the proceeds of the additional parity bonds, shall be equal to not less than 1.25 times the maximum amount of principal and interest due in any future fiscal year for the payment of the bonds then outstanding and the additional parity bonds to be issued. Calculations of future Net Revenues from sources previously pledged (which have been revenue-producing for a full fiscal year) shall be based on actual Net Income for the fiscal year next preceding the issuance of such additional bonds, as adjusted, if necessary, to reflect the schedule of rates and charges and after giving recognition to any anticipated increases in current expenses of said sources. Computation of future Net Revenues of any facility which has not been revenue-producing for a full fiscal year shall be predicated upon an assumed utilization rate of not more than ninety-five per cent (95%). The computation of estimates shall be made by the chief financial officer of the College and approved by the Board.

No additional bonds may be issued unless the Treasurer of the

College shall have filed a certificate with the Board setting forth the facts and estimates required by this subsection, and the Board shall have approved such certificate.

(4) The additional parity bonds shall be authorized by a Resolution adopted by the Board and shall conform in certain formal respects and as to security with the terms and provisions of the Resolution authorizing the issuance and exchange of these bonds, including, but not limited to:

(a) additional bonds issued in consecutive series with reference to the series designation of the last issued series;

(b) provided that the interest payment dates of such additional bonds will be July 1 and January 1, and that the maturity date thereof will be July 1 of each year.

(H) Equal Use and Occupancy - It will not discriminate, nor permit discrimination, by its agents, lessees or others operating the Housing and Auxiliary Facilities at the College in the use of occupancy thereof because of race, color, creed or national origin.

SALE OF BONDS

Section 17. Said Series B Bonds shall be offered for public sale at not less than ^{98% of par value} and accrued interest to the date of delivery, on a date to be fixed by the Board. Notice thereof shall be given by one publication in the Daily Bond Buyer, a financial journal published in the City and State of New York. The form of such notice, as set forth in the Official Statement prepared under the direction of Russell Driver, Vice President of the College, and A. G. Becker & Company, of Chicago,

Illinois, as fiscal advisors to the Board, is hereby approved.

DELIVERY OF BONDS
AND
USE OF PROCEEDS OF SERIES B BONDS

Section 18. (A) Delivery. The Treasurer of the College is authorized and directed, upon execution of the Series A Bonds, to deliver the same to the United States of America, Secretary of Housing and Urban Development, in exchange for the single registered bond, R-1, representing the Outstanding Bonds issued pursuant to the 1968 Trust Indenture and 1968 Resolution, and upon receipt of said bond to destroy the same by cremation, and to prepare his certificate to such effect and file the same in his office, and to furnish the United States of America, Secretary of Housing and Urban Development, appropriate executed duplicates thereof.

The Treasurer of the College is authorized to deliver the Series B Bonds to the purchaser thereof, and to deliver the customary closing documents to the purchaser, including the requisite approving opinion of bond counsel.

(B) Proceeds of Series B Bonds. Upon the delivery of the Series B Bonds and receipt of the purchase price thereof, and as a part of the same transaction, the Treasurer of the College shall (1) transfer to and deposit in the Bond and Interest Sinking Fund Account all accrued interest received at the delivery of the Series B Bonds and (2) transfer and deposit the balance of the proceeds of the Series B Bonds in such bank or banks as may be from time to time designated by the Board in an account or accounts designated "Saginaw Valley College Housing and Auxiliary Facilities Revenue Bonds, Series B, Construction Fund Account." Such account or accounts shall constitute a trust fund (hereinafter referred to as the "Construction Account"),

to be used and held for use solely to pay the Project Cost. The beneficial interest in all moneys and investments held in the Construction Account shall be in the holder or holders of the Series B Bonds. Within ten (10) days from the date of the delivery and payment of the Series B Bonds, as hereinabove provided, the Treasurer of the College shall invest the moneys in the Construction Account that are not needed for expenditures therefrom within the next succeeding ninety (90) days in bonds, notes, or other direct or general obligations of the United States Government having a maturity date or becoming due at the option of the holder not more than eighteen (18) months subsequent to the date of investment, having due regard to the estimates of the supervising architects in charge of construction of the Project as to the times moneys in the Construction Account will be needed. Any interest accruing thereon or any profit or loss realized from such investments shall be deposited in or charged to the Construction Account. The Treasurer shall have continuing power to invest and reinvest such moneys in accordance with the provisions of this subparagraph (B) and shall be obligated to make such investments within ten (10) days from the date moneys are available for investment. The Treasurer shall supply the original purchasers of the Series B Bonds, as hereinabove named, a statement in writing of all investments so made and shall supply such purchasers with a monthly report setting forth the pertinent details covering such investments.

EXECUTION OF INSTRUMENTS

Section 19. The Vice President and Secretary of the College be and they are each of them hereby authorized and directed to execute all instruments, papers, documents and agreements necessary or convenience to accomplish the issue and delivery of the bonds to the purchasers thereof.

In the event that any of the officers who shall have signed any instrument, document, or paper, or any of the bonds or coupons shall cease to be officers of the Board of Control before the bonds or coupons signed or sealed shall have been issued by the Board of Control, such bonds or coupons may, nevertheless, be delivered and issued, and upon such delivery and issue, shall be binding upon the Board of Control as though those officers who signed and sealed the same had continued to be such officers of the Board of Control and, also, any bond or coupon may be signed and sealed on behalf of the Board of Control by such person who, at the actual date of execution of such bond or coupon, shall be the proper officer of the Board of Control, although at the date of such bond such person shall not have been such an officer of the Board of Control. The bonds, when so executed and upon payment, shall be delivered to the purchaser or purchasers. The purchaser of the bonds shall not have any obligation to determine the existence of any condition of delivery herein provided nor to see to the proper application of the purchase price.

EXCESS MONEYS IN CONSTRUCTION ACCOUNT

Section 20. Any moneys remaining in the Construction Account after all costs properly chargeable thereto have been paid shall be deposited in the Bond and Interest Sinking Fund Account and become a part of the debt service reserve.

MODIFICATION

Section 21. The holders of sixty-five per cent (65%) in principal amount of the bonds at any time outstanding (not including in any case any bonds which may then be held or owned by or for the account of the Board or the College), shall have the right from time to time to consent

to and approve the adoption by the Board of a resolution or resolutions modifying or amending any of the terms or provisions contained in this Resolution, providing however, that this Resolution may not be so modified or amended in such manner as to:

- (A) Make any change in the maturity of the bonds
- (B) Make any change in the rate of interest borne by any of the bonds.
- (C) Reduce the amount of the principal of, or redemption premium payable on, the bonds.
- (D) Modify the terms of payment of the principal of, or the interest or redemption premium on, the bonds, or any of them, or impose any conditions with respect to such payment.
- (E) Create any lien on or pledge of the income and revenues described in Section hereof ranking prior to the lien thereon and pledge thereof created by this Resolution.
- (F) Create any preference or priority of any bond or bonds, of the same or different series, over any other bond or bonds, of the same or different series, authorized under this Resolution.
- (G) Reduce the percentage of bonds herein required for the approval of any amendatory resolution.
- (H) Affect the rights of the holders of less than all of the bonds then outstanding.
Whenever the Board shall propose to amend or modify this

Resolution under the provisions of this Section, it shall cause notice of the proposed amendment to be published one time in a financial newspaper or journal published in the City of New York, New York, and on or before the date of such publication the Board shall cause to be mailed a copy of such notice to the registered holders of any of the bonds which are then registered as to principal or fully registered as to principal and interest. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy of the proposed amendatory resolution is on file in the office of

the Secretary of the Board of Control, and at each paying agent of the bonds for public inspection.

Whenever at any time within one year from the date of the publication of said notice there shall be filed in the office of said Secretary an instrument or instruments executed by the holders of at least sixty-five per cent (65%) in aggregate principal amount of the bonds then outstanding as in this section defined, which instrument or instruments shall refer to the proposed amendatory resolution described in the notice and shall specifically consent to and approve the adoption thereof, thereupon, but not otherwise, the Board may adopt such amendatory resolution and such resolution shall become effective.

If the holders of at least sixty-five per cent (65%) in aggregate principal amount of the bonds as in this section defined, at the time of the adoption of such amendatory resolution, or the predecessors in title of such holders, shall have consented to and approved the adoption thereof as herein provided, no holder of any bond, whether or not such holder shall have consented to or shall have revoked any consent as in this section provided, shall have any right or interest to object to the adoption of such amendatory resolution or to object to any of the terms or provisions therein contained or to the operation thereof or to enjoin or restrain the Board from taking any action pursuant to the provisions thereof.

Any consent given the holder of a bond pursuant to the provisions of this section shall be irrevocable for a period of six months from the date of the publication of the notice above provided for and shall be conclusive and binding upon all future holders of the same bond during such period. Such consent may be revoked at any time after six months from the date of the publication of such notice by the holder who gave consent or by a

successor in title by filing notice of such revocation with said Secretary, but such revocation shall not be effective if the holders of sixty-five per cent (65%) in aggregate principal amount of the bonds outstanding as in this section defined prior to the attempted revocation consented to and approved the amendatory resolution referred to in such revocation.

The fact and date of the execution of any instrument under the provisions of this section may be proved by the certificate of any officer in any jurisdiction who by the laws thereof is authorized to take acknowledgments of deeds within such jurisdiction, that the persons signing such instrument acknowledged before him the execution thereof, or may be proved by any affidavit of a witness to such execution sworn to before such officer. As to any bonds not so registered as to principal, or as to both principal and interest, the amount and numbers of the bonds held by any person executing such instrument and the date of his holding the same may be proved by a certificate executed by any responsible bank or trust company showing that on the date therein mentioned such person had on deposit with such bank or trust company the bonds described in such certificate.

EFFECT OF RESOLUTION

Section 22. All prior resolutions and other acts or proceedings of this Board which are in any way inconsistent with the terms of this Resolution are hereby amended to the extent necessary to give full force and effect to this Resolution.

SAVINGS CLAUSE

Section 23. If any section, paragraph, clause or provision of this Resolution shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Resolution.
Mrs. Arbury supported.

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

Resolution adopted.

RES-90 Rev. Runkel moved adoption of following Resolution:
WHEREAS, A.G. Becker & Company, Incorporated, prepared an Official Statement in connection with the Saginaw Valley College Housing and Auxiliary Facilities Revenue Bonds, Series B, and
WHEREAS, the Board of Control on September 14, 1970, authorized its release in advertising for bids,
NOW, THEREFORE, BE IT RESOLVED That the revised Official Statement in final form, a copy of which is attached, is hereby approved.
Mr. Curtiss supported.

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

Resolution adopted.

RES-91 Mrs. Arbury moved adoption of following Resolution:
WHEREAS, bids have been solicited on the \$800,000 Saginaw Valley College Housing and Auxiliary Facilities Revenue Bonds, Series B, and are scheduled to be opened on October 13, 1970, at 11:00 a.m.,
EST,
NOW, THEREFORE, BE IT RESOLVED That Finance Committee Chairman Melvin J. Zahnow, President Samuel D. Marble and Vice President Russell B. Driver, or any two of them, are hereby authorized for and on behalf of the Board of Control to receive the bids and to award the bonds to the bidder meeting the specifications contained in the published Notice of Sale and whose bid results in the lowest interest cost to the College.
Mr. Curtiss supported.

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

Resolution adopted.

VII. COMMUNICATIONS

None

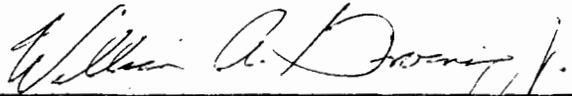
VIII. OTHER BUSINESS

None

IX. ADJOURNMENT

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

Respectfully submitted,



William A. Groening, Jr. - Chairman



Charles B. Curtiss - Secretary



Gladys A. Kearns - Recording Secretary

SDM
gak mrm

SAGINAW VALLEY COLLEGE



Notice of Sale and Official Statement

\$800,000 SAGINAW VALLEY COLLEGE

HOUSING AND AUXILIARY FACILITIES REVENUE BONDS

SERIES B

SELLING OCTOBER 13, 1970, 11:00 A.M. EST

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NOTICE OF SALE

Notice is hereby given that the Board of Control of Saginaw Valley College (hereinafter called the "Board") will receive sealed bids for the purchase of its \$800,000 Saginaw Valley College Housing and Auxiliary Facilities Revenue Bonds, Series B, at the Office of the President, Saginaw Valley College, University Center, Michigan 48710, up to 11:00 a.m., Eastern Standard Time, October 13, 1970, at which place and time the bids will be publicly opened and read. The bonds will be awarded or all bids will be rejected at a meeting of the Board held on the same day.

The \$800,000 Saginaw Valley College Housing and Auxiliary Facilities Revenue Bonds, Series B, dated October 1, 1970, interest evidenced by coupons attached and payable on July 1, 1971 and semi-annually thereafter on January 1 and July 1, of the denomination of \$5,000 each and maturing on July 1 of each of the years and in the principal amounts (subject to the right of prior redemption described below) as follows:

<u>Year of Maturity</u>	<u>Amount</u>	<u>Year of Maturity</u>	<u>Amount</u>
1973	\$20,000	1987	\$15,000
1974	20,000	1988	15,000
1975	25,000	1989	20,000
1976	25,000	1990	20,000
1977	25,000	1991	20,000
1978	30,000	1992	25,000
1979	30,000	1993	25,000
1980	35,000	1994	25,000
1981	35,000	1995	30,000
1982	40,000	1996	30,000
1983	40,000	1997	30,000
1984	45,000	1998	35,000
1985	45,000	1999	40,000
1986	15,000	2000	40,000

Bonds maturing July 1, 1973 through July 1, 1985 shall be non-callable prior to maturity. Bonds maturing July 1, 1986 through July 1, 2000 are callable as a whole, or in part, in inverse order of maturity, and by lot within a maturity, on any interest payment date on or after July 1, 1985, at the principal amount thereof, plus accrued interest to the date of redemption and a premium expressed as a percentage of such principal amount as follows:

- 3% if redeemed July 1, 1985 through January 1, 1991;
- 2% if redeemed July 1, 1991 through January 1, 1996
- 1% if redeemed July 1, 1996 and thereafter prior to maturity.

Both principal of and interest on the bonds will be payable at such bank or trust company in the State of Michigan, Chicago, Illinois, or New York, New York, as may be mutually agreed upon between the purchaser and the College provided that the College may name the paying agent if agreement is not reached. Bonds will be registered as to principal only at the designated place of payment.

The Bonds are being issued to pay the cost of constructing two new dormitories for 140 students on the campus of Saginaw Valley College at University Center, Michigan. The Bonds will be revenue bonds payable as to both principal and interest out of the Saginaw Valley College Bond and Interest Sinking Fund Account to which is pledged all revenues from the Housing and Auxiliary Facilities of the College.

The Bonds will be awarded to the bidder offering to purchase them at the lowest net interest cost to the College and at a price not less than 98% of their par value plus accrued interest to date of delivery. The College reserves the right to reject any and all bids and to waive irregularities therein. No bid for less than the entire series of bonds will be considered.

No bid will be considered which will result in a net interest cost over the life of the Series B Bonds of over 8% per annum. Each bidder shall name the rate or rates of interest which the bonds are to bear. Each rate must be a multiple of one-eighth ($\frac{1}{8}$) or one-tenth ($\frac{1}{10}$) of one per cent with no limit on the number of rates; however, the same rate shall apply to all bonds of the same maturity and shall be evidenced by a single coupon for each semi-annual interest payment date. The difference between the highest and lowest interest rates specified shall not exceed three percent (3%).

Bids must be on the Official Bid Form and must be enclosed in an envelope marked on the outside "Bid for Saginaw Valley College Housing and Auxiliary Facilities Revenue Bonds, Series B". Each bidder is required to submit a certified or cashiers check in the sum of \$16,000, payable to the Board of Control of Saginaw Valley College as evidence of good faith. The check of the successful bidder will be retained uncashed by the Board pending delivery of the bonds, all other checks will be returned promptly upon award. No interest will be allowed on any checks. Should the successful bidder fail to take up and pay for the bonds when tendered in accord with the bid and this notice, his check shall be cashed by the Board and the proceeds retained as full and liquidated damages to the Board caused by failure of the bidder to carry out his offer of purchase.

Delivery of the bonds is expected to be made on or before 30 days from the date of award at the office of the Paying Agent, Chicago, Illinois or Detroit, Michigan.

The Bonds will be delivered with the unqualified approving opinion of Miller, Canfield, Paddock & Stone, Detroit, Michigan, whose opinion, together with the printed bonds, will be furnished the purchaser without charge.

Further information regarding the College and the Bonds is contained in the Official Statement, which will be furnished upon request directed to Russell B. Driver, Vice President, Saginaw Valley College, University Center, Michigan, or A. G. Becker & Co., Municipal Bond Department, One First National Plaza, Chicago, Illinois 60670.

Dated this 21st day of September, 1970.

/s/ RUSSELL B. DRIVER, *Vice President*
Saginaw Valley College

OFFICIAL STATEMENT

The Board of Control of Saginaw Valley College will exchange \$900,000 of its Saginaw Valley College Dormitory Revenue Bonds of 1968 currently held by the Department of Housing and Urban Development, which represents all of said bonds currently outstanding for an equal amount of its Saginaw Valley College Housing and Auxiliary Facilities Revenue Bonds, Series A. Simultaneously with such exchange, the College is issuing \$800,000 of its Saginaw Valley College Housing and Auxiliary Facilities Revenue Bonds, Series B dated October 1, 1970 maturing serially in various amounts from July 1, 1973 through July 1, 2000, to finance the construction of two new dormitories for 140 students, including the installation of all necessary movable equipment and furnishings, and appurtenant facilities thereto and to pay all costs not otherwise provided, incidental to the construction and financing thereof.

SAGINAW VALLEY COLLEGE

Saginaw Valley College located near the population center of the tri-county area of Bay, Midland and Saginaw Counties, approximately five miles north of the City of Saginaw, nine miles southwest of Bay City and nineteen miles southeast of the City of Midland. Saginaw Valley College obtained its charter from the State of Michigan in the summer of 1963 to establish a private, four-year liberal arts institution, Saginaw Valley College.

Saginaw Valley College opened for classes in leased space in the fall of 1964, with a group of transfer students from other colleges and universities constituting its student body. The faculty was composed of distinguished representatives of the area's industry and professions, serving the college on a part-time basis. By the fall of 1965, a small full-time faculty had joined the college, and the first freshman class was enrolled.

The spring and summer of 1965 were marked by two significant and related events: In May, the Board of Directors of Saginaw Valley College, working through a corps of volunteers, launched the first major fund drive which encompassed the entire Tri-County area. At the conclusion of the drive, the goal of \$4 million for the construction of buildings and for operation of the school had been slightly exceeded.

At the same time, a new and successful effort was made to establish a public institution of higher learning. Representative William A. Boos of Saginaw introduced in the Michigan Legislature a bill to create a new state college in the Saginaw Valley; and on June 23, 1965, the act was unanimously adopted by the Legislature. The bill which created the new state college stipulated area support as a condition of its implementation. The condition was fulfilled in November, 1965 when the Board of Directors of the private Saginaw Valley College turned over assets of \$4 million to the Board of Control of the state college. The new Board of Control had been appointed in September by Governor Romney.

At its first meeting, the Board appointed Dr. Samuel D. Marble to be president of the new institution. A former president of Wilmington College in Ohio, Dr. Marble also served as the first president of Delta College and private Saginaw Valley College.

State financial support was voted by the Legislature in June, 1966.

Saginaw Valley College received the accreditation of the Michigan Council on College Accreditation on May 26, 1966. This action made SVC credit fully transferable to all accredited four-year colleges and universities, both public and private, in the State of Michigan. The orderly growth of Saginaw Valley College has resulted in the North Central Association granting accreditation on April 8, 1970.

An undergraduate program in teacher education has been added to the liberal arts program. Graduate programs will be considered as the need and sources of support become evident.

Saginaw Valley College is governed by a Board of Control, consisting of eight members with two appointments expiring at two-year intervals. The members are appointed by the Governor with the ad-

vice and consent of the Senate of the Michigan Legislature. The President of the College is ex officio a member of the Board without vote. The Board elects a Chairman, a Vice Chairman, a Secretary, and a Treasurer from its membership.

The Board of Control of Saginaw Valley College is a body corporate under the constitution and statutes of the State of Michigan. The Board is responsible for the conduct of the affairs of the College and the Control of its property, and has authority to borrow money to acquire land or to acquire or erect buildings, or to alter or equip or maintain them, to be used as dormitories, student centers, stadiums, athletic fields, gymnasiums, auditoriums and other related activities and to pledge rentals or special fees and charges for the repayment of such loans.

Operating support of the College comes from several sources; state appropriations, tuition, student fees, and federal aid for certain special programs. For the operating period ending June 30, 1970 approximately 20 percent of the funds received were from tuition and student fee income. As enrollment at the College increases, the percentage of income derived from student fees and income will rise.

The College plant and endowment fund is valued at more than \$9.8 million. Total receipts for the fiscal year ended June 30, 1970, amounted to \$2,352,104, and was realized from the following sources:

State Appropriations	\$1,469,403
Student Fees	427,330
Federal Funds	69,318
Housing and Auxiliary Facilities (gross) ..	274,955
Income from Investments	102,995
Miscellaneous	8,103
	<u>\$2,352,104</u>

ENROLLMENT

Giving recognition to the fact that permanent facilities on the present campus have been available for less than two-years, enrollment at Saginaw Valley College has increased at a rate higher than original estimates.

Based on current projections, Saginaw Valley College is expected to experience substantial growth in the next ten years. An analysis of the College's growth pattern is presented below:

<u>Academic Year</u>	<u>Total Enrollment</u>
1967-68	389 (actual)
1968-69	804 (actual)
1969-70	1,317 (actual)
1970-71	1,850 (estimated)
1971-72	2,300
1972-73	2,900
1973-74	3,600
1974-75	4,400

The co-educational student body is drawn primarily from Bay, Midland and Saginaw counties. As the college grows, enrollment from other counties in Michigan and other states is expected to increase. The enrollment projections set forth above are predicated upon the availability of academic, housing and dining facilities for the enrollments indicated.

PURPOSE AND AUTHORITY FOR BOND ISSUE

Series B Bonds in the aggregate principal amount of \$800,000, are being issued by the Saginaw Valley College Board of Control under its authority and powers relative to supervision and control of the college and expenditure of its funds given by Section 6, Article VIII of the Michigan Constitution, to construct, equip and furnish two residence halls to accommodate approximately 140 students at a total project cost not to exceed \$800,000.

EXCHANGE OF BONDS

Saginaw Valley College has heretofore issued \$900,000 Saginaw Valley College Dormitory Revenue Bonds of 1968, all purchased and currently held by the Department of Housing and Urban Development (HUD). The Saginaw Valley College Dormitory Revenue Bonds of 1968, dated July 1, 1968, have an unpaid principal balance of \$900,000, with the consent of the Department of Housing and Urban Development, shall be exchanged for a like amount of its Saginaw Valley College Housing and Auxiliary Facilities Revenue Bonds, Series A. The Trust Indenture providing for the issue of original bonds made no provision for the issuance of additional bonds. In order to broaden the security base for self supporting debt, simplify the accounting procedure, and to facilitate the establishment of uniform rates and charges for similar facilities, the College will ask HUD to exchange bonds of the original issue for those bearing the same interest rate and maturity dates. At the time of the exchange the various fund balances established pursuant to the 1968 Trust Indenture will be transferred forthwith to similarly designated accounts established under the Resolution authorizing the Saginaw Valley College Housing and Auxiliary Facilities Revenue Bonds, Series A and Series B.

OUTSTANDING BONDS OF THE COLLEGE

Saginaw Valley College Athletic Facility Bonds, dated December 15, 1969 in the original amount of \$1,000,000 maturing serially December 15, 1975 through December 15, 1984 with \$250,000 maturing December 15, 1989 and \$455,000 maturing December 15, 1994. Said bonds were issued to construct, furnish and equip a new athletic facility and are payable from College Fees (general tuition fees and any special fees to be collected from students of the College at the time of registration).

DISPOSITION OF BOND PROCEEDS

Construction Account: The Bond Resolution provides that accrued interest received from the sale of the Series B Bonds shall be deposited to the Bond and Interest Sinking Fund Account and all other bond proceeds not required to pay expenses incident to the issuance of the bonds, shall be deposited in a special bank account and designated the Saginaw Valley College Housing and Auxiliary Facilities Revenue Bonds, Series B, Construction Fund Account (hereinafter referred to as the "Construction Fund Account"). The account shall constitute a trust fund to be used only for the purposes for which the bonds are issued. Earnings from any investment of moneys in the Construction Account shall be credited and retained in said Construction Account.

Project Budget:

General Construction	\$663,600
Architectural & Engineering Fees	34,800
Legal & Administrative Fees	6,000
Capitalized Interest & Bond Discount	40,900
Moveable Equipment	40,000
Project Contingency	14,700
Total Bond Issue	<u>\$800,000</u>

SECURITY FOR BONDS

Bonds of the Series B are being issued under the authority vested in the Board of Control of Saginaw Valley College under Section 6, Article VIII, of the Michigan Constitution. The bonds will be issued and secured pursuant to the provisions of a Resolution to be adopted by the Board of Control of Saginaw Valley College. The Resolution will also provide for the exchange and issuance of parity bonds and pledge the revenue, and place a lien on, the income and student fees of facilities pledged to secure the Saginaw Valley College Housing and Auxiliary Facilities Revenue Bonds Series A in the aggregate principal amount of \$900,000. Each of the said aggregate principal amount of bonds is payable from a pledge of, and secured by a first lien on, the net revenues, fees and receipts, to be derived from the operation and ownership of the Housing and Auxiliary Facilities. The foregoing liens and pledges will be irrevocably made for the prompt and punctual payment of the principal of and interest on said bonds according to their terms and to create and maintain the Bond and Interest Sinking Fund Account, as provided in the Resolution. None of said bonds shall be entitled to priority or distinction, one over the other, in the application of the revenues and income irrevocably pledged to the payment thereof, regardless of the fact that said bonds are issued in series and that some of said bonds may be delivered prior to the delivery of other bonds of the same or different Series.

The term Housing and Auxiliary Facilities as used in the Official Statement means and includes all of the following:

- (1) The existing residence halls on the campus of Saginaw Valley College, completed in part with the proceeds of \$900,000 Saginaw Valley College Dormitory Revenue Bonds of 1968, known as the Great Lakes Halls.
- (2) The existing dining hall on the campus of Saginaw Valley College known as Doan Hall.
- (3) Two residence halls to provide housing and appurtenant facilities for approximately 140 students constructed with the proceeds of the Series B Bonds.
- (4) Any revenue producing facilities that are in the future constructed with the proceeds of parity bonds as permitted in the Resolution.

DEBT SERVICE GRANT

The Government has set aside funds in the amount of \$16,650. When a grant agreement is executed it will provide that the Department of Housing and Urban Development through the College Housing Program will provide an annual debt service grant to reduce the cost of borrowing funds for the construction of residence halls for 140 students in an approximate amount of \$16,650 annually. The grant payments will be made to the College semiannually for deposit to the Saginaw Valley College Housing and Auxiliary Facilities Revenue Fund Account commencing with the first interest payment date of the bonds following the date of initial occupancy of the facilities described above.

The amount of the debt service grant is subject to change. The \$16,650 grant request to aid Saginaw Valley College in defraying the interest cost of financing the residence halls to house 140 students is based on an approved project development cost of \$505,000 at an annual interest subsidy of 4¼% (the difference between 7¼% and 3%), subject to change provided any of the following occurs:

1. A change downward in the total amount of the approved construction cost, an effective net interest rate on the Bonds of less than 7¼%, and a repayment schedule of less than 35 years will reduce the amount of the annual grant.
2. If the actual net interest cost or the approved eligible development cost exceeds the amounts mentioned above, an increase in the grant amount shall be requested from the Department of Housing and Urban Development.

APPLICATION OF REVENUES

Upon the delivery, payment and/or exchange of Bonds of the Series A and/or Series B, the gross revenues, fees and receipts of the Housing and Auxiliary Facilities shall be paid to the Treasurer of the College for deposit to a bank which is a member of the Federal Deposit Insurance Corporation, to be credited to a special account known as the Saginaw Valley College Housing and Auxiliary Facilities Revenue Fund Account (hereinafter referred to as the "Revenue Fund Account"). Said Revenue Fund Account shall be a special account, separate and apart from all other funds of the College and shall be maintained so long as any of the Housing and Auxiliary Facilities Bonds are outstanding. The moneys therein shall be used and expended by the Treasurer, only in the following manner and order:

The Board of Control covenants that all revenues, income, receipts, profits, rates, rents, charges, fees and returns derived from the operation of the Housing and Auxiliary Facilities shall be deposited at least once each month in the Revenue Fund Account and shall be used only in the following manner and order:

FIRST: To maintain within said account an Operating Reserve, such amount as is from time to time certified by the Treasurer of the College as adequate and necessary for working capital for operation and maintenance of the Housing and Auxiliary Facilities; provided, that such Operating Reserve shall not exceed one-fourth of the operating and maintenance expenses of the Housing and Auxiliary Facilities for the preceding 12 months. Funds on deposit in the Revenue Fund Account, including the Operating Reserve shall be applied to pay when due all necessary operating expenses, current maintenance charges, expenses of reasonable upkeep and repairs, properly allocated share of charges for insurance, and all other expenses incident to the operation of the Housing and Auxiliary Facilities, but shall exclude depreciation, all general administrative expenses of the College, and the payments required to be made into the Saginaw Valley College Repair and Replacement Reserve Account hereinafter described.

SECOND: Into the Saginaw Valley College Bond and Interest Sinking Fund Account (hereinafter called the "Bond and Interest Sinking Fund Account") to be created and established with the Paying Agent named in the Original Resolution into which shall be deposited all accrued interest received from the sale of the Series B Bonds. On or before each June 15 and December 15, after retaining in the Revenue Fund Account the then current Operating Reserve and payment of said operation and maintenance expenses then due, the Treasurer shall transfer and deposit to the credit of the Bond and Interest Sinking Fund Account such amounts when added to the balance therein as will be sufficient to equal the interest then due on the Bonds and one-half of the principal due on the Bonds within the next twelve (12) months, plus 25% of such semi-annual deposits to create a debt service reserve, until the amounts so accumulated shall be equal to the maximum amount of the principal of and interest on the Bonds coming due in any future Fiscal Year. Thereafter, on or before each June 15 and December 15, said Treasurer shall transfer from said source such sums as may be necessary to meet the interest due on the Bonds then outstanding on the next interest payment date and one-half of the principal of said Bonds maturing within the next succeeding 12 months and maintain the debt service reserve. All moneys credited to the Bond and Interest Sinking Fund Account shall be and are irrevocably pledged to and shall be used solely for the payment of the principal and interest on the Bonds. The moneys in the Bond and Interest Sinking Fund Account held as a debt service reserve may be invested by the Paying Agent, upon the request of the Board, in direct obligations of, or obligations the principal of and the interest on which are guaranteed by the United States Government.

THIRD: Into the Saginaw Valley College Repair and Replacement Reserve Account (hereinafter called the "Repair and Replacement Reserve Account") to be created and established with the Paying Agent named in the Original Resolution. As soon as the required debt

service reserve has been accumulated in the Bond and Interest Sinking Fund Account, there shall be transferred from the funds remaining in the Revenue Fund Account to the Repair and Replacement Reserve Account on or before the close of each Fiscal Year, an amount equal to 3% of (i) the cost of construction of all Housing and Auxiliary Facilities; (ii) the cost of the furnishings and movable equipment of all Housing and Auxiliary Facilities. All money and investments so held in said Account shall be used and held for use to pay the cost of unusual or extraordinary maintenance or repairs, renewals and replacements, and renovating or replacement of the furniture and equipment not paid as part of the ordinary maintenance and operation of the Housing and Auxiliary Facilities.

In the event the funds in the Bond and Interest Sinking Fund Account should be reduced at any time below the amounts required to be on deposit therein, including the amount to be held as a debt service reserve, then the funds so credited to the Repair and Replacement Reserve Account shall be transferred for deposit in the Bond and Interest Sinking Fund Account, to the extent required to eliminate the deficiency in the Account and to restore such sums as may be necessary for that purpose, and all moneys so transferred shall thereafter be replaced by a resumption of the specified deposits into the Repair and Replacement Reserve Account.

The moneys in the Repair and Replacement Reserve Account may be invested by the Paying Agent upon the request of the Board, in direct general obligations of, or obligations the principal of and interest on which are guaranteed by the United States Government.

FOURTH: At the close of each Fiscal Year and after all transfers and maximum deposits hereinabove described shall have been made, after reserving therein the then current Operating Reserve, and after any deficiencies in any such transfers and deposits which may exist from any previous Fiscal Year shall have been remedied, the balance of any excess funds in the Revenue Fund Account then remaining may be used by the Board (i) to redeem, on the next interest payment date, the Bonds of each Series then outstanding which are subject to redemption prior to maturity; (ii) for any expenditures, including the payment of debt service in improving or restoring any existing housing and dining facilities, or providing for such additional facilities, or (iii) for any lawful purpose of the College.

RATE COVENANT

The Board of Control of Saginaw Valley College will covenant and agree under the Resolution that the rates, rents, charges and fees chargeable to the occupants of, and students, faculty members, and others using or being served by, or having the right to use or having the right to be served by, the Housing and Auxiliary Facilities, will be so fixed and revised from time to time and will be so collected (1) to pay the reasonable cost of maintaining, operating, repairing, and insuring the Housing and Auxiliary Facilities; (2) to meet the annual sinking fund requirements for each fiscal year for the payment of the principal of and interest on the Bonds; (3) to create and maintain the debt service reserve; and (4) to create and maintain a Repair and Replacement Reserve Account as specified in the Resolution.

OTHER COVENANTS OF THE BOARD OF CONTROL

The Board of Control of Saginaw Valley College, by the issuance of these Bonds, covenants and agrees with the holders of such Bonds, among other things, the following:

1. that it will adopt such parietal rules and regulations as are necessary to assure maximum occupancy and use of the Housing and Auxiliary Facilities, until all of the Bonds have been paid fully as to both principal and interest.

2. that it will keep the Housing and Auxiliary Facilities, including furnishings and equipment, in good usable condition and continuously insured against loss or damage by fire and lightning, the perils included under the extended coverage endorsement, steam boiler explosion of steam boilers servicing the Housing and Auxiliary Facilities in an amount of not less than \$50,000, in a responsible insurance or companies authorized and qualified under the laws of the State of Michigan to assume such risks so long as any of the Bonds are outstanding. Coverage by such insurance other than the steam boiler insurance shall be in amounts sufficient to provide for not less than full recovery whenever the loss from causes covered by such insurance does not exceed eighty percent (80%) of the full insurable value of the Housing and Auxiliary Facilities so damaged.
3. that so long as the funds and investments in the Bond and Interest Sinking Fund Account are inadequate to meet the then current year's debt service requirements on the Bonds outstanding and to maintain the debt service reserve, it will procure and maintain use and occupancy insurance on the Housing and Auxiliary Facilities in an amount sufficient to enable said Board to deposit in such Account from the revenues of any damaged Housing and Auxiliary Facilities during the time the damaged Housing and Auxiliary Facilities are non-revenue producing as a result of loss of use caused by fire and lightning, the perils covered by said fire and extended coverage insurance, and steam boiler explosion if steam boilers are servicing the Housing and Auxiliary Facilities.
4. that it will maintain and preserve and keep the Housing and Auxiliary Facilities in good repair, working order, and condition so that the Housing and Auxiliary Facilities will at all times be available for maximum use and occupancy; and that it will furnish heat to the Housing and Auxiliary Facilities, or any replacement thereof, at not in excess of reasonable cost.
5. that it will keep proper books of records and accounts (separate from all other records and accounts of said College) in which complete and correct entries shall be made of all transactions relating to the acquisition, development, construction, equipment, operation, and maintenance of the Housing and Auxiliary Facilities, and there shall be furnished to any holder of the Bonds, upon written request, nor more than ninety (90) days after the close of each fiscal year copies of the audit reports prepared by an independent public accountant reflecting in reasonable detail the financial condition of the Board and the operation of the Housing and Auxiliary Facilities in accordance with the covenants of the Resolution and particularly including a schedule of all insurance then in force, the enrollment of the College the occupancy of the rates charged for the use of the Housing Auxiliary Facilities, and the status of each Account described therein.
6. that a good and indefeasible title in fee simple to the land forming the sites for the Housing and Auxiliary Facilities is vested in the State of Michigan.

ADDITIONAL BONDS

The Board of Control reserves the right to issue additional parity bonds payable from the net revenues of the Housing and Auxiliary Facilities on a parity with the Bonds authorized and issued under the Resolution, but only upon compliance with the following conditions at the time of issuance.

1. The Facility to be constructed shall be a part of the Housing and Auxiliary Facilities System and the revenues derived from the operation thereof are pledged as additional security for the payment of all parity bonds outstanding.
2. The Board is current in all transfers and deposits to be made under the terms of the Resolution.
3. The annual net revenues (defined as gross revenues less current expenses of the Housing and Auxiliary Facilities) for the fiscal year immediately preceding the issuance of such parity bonds, plus the estimated annual net revenues of the facilities to be constructed from the pro-

ceeds of the additional parity bonds shall be equal to not less than 1.25 times the maximum amount of principal and interest due in any future fiscal year for the payment of the Bonds then outstanding and the additional parity bonds to be issued.

4. The additional parity bonds shall be authorized by a Resolution adopted by the Board and shall conform in certain formal respects and as to security with the terms and provisions of the Resolution authorizing the issuance and exchange of these Bonds.

ESTIMATED INCOME

Rates established by the Board of Control for Saginaw Valley College are based on current costs with an effort to keep these costs at a minimum. By action and approval of the Board the following regulations on student housing are currently in effect:

- A. Any student who is over 21, has served in the armed forces, or is married, may live in privately owned housing of his choice.
- B. Any sophomore, junior, or senior who is under 21 may live in privately owned housing of his choice if his parent or legal guardian has submitted a signed Parental Permission Form to the College Housing Office.
- C. Freshmen, unless commuting from their parents' homes or exempt under A above, are required to live in college residence halls.

The following rates will be established and be in force upon completion of the dormitory units financed by the Series B bonds:

\$475 per year per student (room)
\$525 per year per student (board)

Estimated Pledged Revenues and Expenses:

Based upon the rates set forth above, the estimate of revenues and expenses, the following amount will be available for Debt Services:

Estimated Income	
*Housing Facilities	\$205,200
Dining Facilities	<u>226,800</u>
Total Pledged Income	\$432,000
Estimated Expenses	
Housing Facilities	\$109,200
Dining Facilities	<u>185,980</u>
Total Estimated Expenses	\$295,180
Total Estimated Pledged Revenues	
Available for Debt Service	\$136,820
Debt Service Grant	<u>16,650</u>
Total Funds Available for Debt Service	\$153,470
Estimated Maximum Debt Service (1980)	\$116,732
Debt Service Coverage	1.32

* Based on first full year of occupancy of the project dormitory, estimated at 90% for the academic year of two semesters.

SAGINAW VALLEY COLLEGE
HOUSING AND AUXILIARY FACILITIES REVENUE BONDS
COMBINED DEBT SERVICE SCHEDULE

Due July 1	Debt Service of Outstanding Series	Series B 7¼% (*)		Total Estimated Debt Service
		Principal	Interest	
1971	\$35,000	\$	\$58,000	\$ 93,000
1972	34,760		58,000	92,760
1973	36,520	20,000	58,000	114,520
1974	36,220	20,000	56,550	112,770
1975	35,920	25,000	55,100	116,020
1976	35,620	25,000	53,287	113,907
1977	35,320	25,000	51,475	111,795
1978	35,020	30,000	49,662	114,682
1979	34,720	30,000	47,487	112,207
1980	36,420	35,000	45,312	116,732
1981	36,060	35,000	42,775	113,835
1982	35,700	40,000	40,237	115,937
1983	35,340	40,000	37,337	112,677
1984	34,980	45,000	34,437	114,417
1985	36,620	45,000	31,175	112,795
1986	36,200	15,000	27,912	79,112
1987	35,780	15,000	26,825	77,605
1988	35,360	15,000	25,737	76,097
1989	34,940	20,000	24,650	79,590
1990	36,520	20,000	23,200	79,720
1991	36,040	20,000	21,750	77,790
1992	35,560	25,000	20,300	80,860
1993	35,080	25,000	18,487	78,567
1994	36,600	25,000	16,675	78,275
1995	36,060	30,000	14,862	80,922
1996	35,520	30,000	12,687	78,207
1997	34,980	30,000	10,512	75,492
1998	36,440	35,000	8,337	79,777
1999	35,840	40,000	5,800	81,640
2000	35,240	40,000	2,900	78,140
2001	34,640			34,640
2002	36,040			36,040
2003	35,380			35,380
2004	34,720			34,720
2005	36,060			36,060
2006	35,340			35,340
2007	34,620			34,620
2008	35,900			35,900
2009	35,120			35,120
2010	36,340			36,340
2011	35,500			35,500
2012	36,660			36,660
2013	35,760			35,760
2014	34,860			34,860
2015	35,960			35,960
2016	35,000			35,000
2017	36,040			36,040
2018	35,020			35,020

* Estimated Rate

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\$800,000.00

**SAGINAW VALLEY COLLEGE HOUSING AND
AUXILIARY FACILITIES REVENUE BONDS,
SERIES B**

**TABLE OF BOND YEARS
(For Computation Purposes, Not Part of Bid)**

<u>Year</u>	<u>Maturity July 1</u>	<u>Bond Years</u>	
		<u>Annual</u>	<u>Cumulative</u>
1973	\$20,000	55.00	55.00
1974	20,000	75.00	130.00
1975	25,000	118.75	248.75
1976	25,000	143.75	392.50
1977	25,000	168.75	561.25
1978	30,000	232.50	793.75
1979	30,000	262.50	1,056.25
1980	35,000	341.25	1,397.50
1981	35,000	376.25	1,773.75
1982	40,000	470.00	2,243.75
1983	40,000	510.00	2,753.75
1984	45,000	618.75	3,372.50
1985	45,000	663.75	4,036.25
1986	15,000	236.25	4,272.50
1987	15,000	251.25	4,523.75
1988	15,000	266.25	4,790.00
1989	20,000	375.00	5,165.00
1990	20,000	395.00	5,560.00
1991	20,000	415.00	5,975.00
1992	25,000	543.75	6,518.75
1993	25,000	568.75	7,087.50
1994	25,000	593.75	7,681.25
1995	30,000	742.50	8,423.75
1996	30,000	772.50	9,196.25
1997	30,000	802.50	9,998.75
1998	35,000	971.25	10,970.00
1999	40,000	1,150.00	12,120.00
2000	40,000	1,190.00	13,310.00

OFFICIAL BID FORM

Saginaw Valley College
 c/o Board of Control
 Office of the President
 University Center, Michigan 48710

Gentlemen:

Reference is made to your "Official Notice of Bond Sale" dated the 21st of September, 1970, and your Official Statement pertaining thereto, both of which constitute a part thereof, concerning the Saginaw Valley College Housing and Auxiliary Facilities Revenue Bonds, Series B, in the amount of \$800,000 dated as of the first day of October, 1970.

We offer to pay you Dollars (\$.....), plus accrued interest thereon from the date of the bonds to the date of delivery. The bonds are to bear interest at the following respective coupon rates (each a multiple of 1/8 or 1/10 of 1%) for bonds of each designated maturity:

MATURITIES—JULY 1

\$20,000 1973 _____%	\$40,000 1982 _____%	\$25,000 1992 _____%
20,000 1974 _____%	40,000 1983 _____%	25,000 1993 _____%
25,000 1975 _____%	45,000 1984 _____%	25,000 1994 _____%
25,000 1976 _____%	45,000 1985 _____%	30,000 1995 _____%
25,000 1977 _____%	15,000 1986 _____%	30,000 1996 _____%
30,000 1978 _____%	15,000 1987 _____%	30,000 1997 _____%
30,000 1979 _____%	15,000 1988 _____%	35,000 1998 _____%
35,000 1980 _____%	20,000 1989 _____%	40,000 1999 _____%
35,000 1981 _____%	20,000 1990 _____%	40,000 2000 _____%
	20,000 1991 _____%	

Our calculation (which is not a part of this bid) of the interest cost and net effective interest rate from the above is:

Gross Interest Cost	\$ _____
Less Premium or	_____
Plus Discount	_____
Net Interest Cost	\$ _____
Average Interest Rate	_____ %

Enclosed is a (certified/cashier's) check in the amount of \$16,000 payable to Board of Control of Saginaw Valley College, as evidence of our good faith in the above offer, which shall be held in accordance with the terms of the Official Notice of Sale. Attached hereto is a list of the members of our account on whose behalf this bid is made.

Dated this day of, 1970.

NAME:

ADDRESS:

By _____
 Authorized Representative

The return of the bid deposit is hereby acknowledged.

By _____

The foregoing proposal accepted this day of, 1970.

BOARD OF CONTROL OF SAGINAW VALLEY COLLEGE

(SEAL)

By _____
 President

Attest:

 Secretary