

AGENDA

UNIVERSITY OF SOUTHERN INDIANA BOARD OF TRUSTEES

September 7, 2017

SECTION I – GENERAL AND ACADEMIC MATTERS

A. APPROVAL OF MINUTES OF JULY 13, 2017, MEETING

B. ESTABLISHMENT OF NEXT MEETING DATE, TIME, LOCATION

C. REPORT OF THE ACADEMIC AFFAIRS AND ENROLLMENT MANAGEMENT COMMITTEE

The Academic Affairs and Enrollment Management Committee will meet prior to the Board of Trustees meeting on September 7, 2017. A report will be presented.

D. PRESIDENT'S REPORT

E. REVIEW AND ACCEPTANCE OF 2017 CONFLICT OF INTEREST DISCLOSURE STATEMENTS

Indiana Code 35-41-1-3 describes conflict of interest on the part of a public servant and provides for the filing of a disclosure statement regarding possible conflicts of interest. The statement must be reviewed by the Board of Trustees and forwarded to the State Board of Accounts.

The University requires statements of trustees and senior staff, including those with no potential conflicts of interest to disclose. A list of individuals who have submitted a *Possible Conflict of Interest Disclosure Statement* for calendar year 2017 is in Exhibit I-A.

Approval to certify the Board of Trustees has reviewed and accepted the disclosure statements in Exhibit I-A is recommended.

F. RECOMMENDATION OF AMENDMENT TO BOARD OF TRUSTEES BYLAWS

Article V Section 2 of the Bylaws of the University of Southern Indiana Board of Trustees ("Board") states "These bylaws may be altered, amended, or repealed at any meeting of the Board of Trustees by a majority vote of the members of the Board of Trustees, provided that the Amendment was presented in writing at the previous meeting of the Board of Trustees." The following amendment will be presented to the Board for approval at its next meeting on November 2, 2017.

BE IT RESOLVED, that it is proposed that Article IV Section 1 of the Bylaws of the University of Southern Indiana Board of Trustees be amended to read:

Article IV Section 1. Officers of the University. The officers of the University shall be the Chair, one or more Vice Chairs, a Secretary, Assistant Secretary, and Treasurer of the Board of Trustees, the President and one or more Vice Presidents.

Terms

In order to afford each Trustee the opportunity to become Chairperson, the following succession plan is required. The Chair shall serve a term of two consecutive years only, subject to their individual gubernatorial appointment term. However, a previous Chair may be re-elected, after a minimum of a one-year absence as Chair. In the event they are not reappointed, the Board of Trustees shall elect a qualified replacement to complete the remaining term. The elected officer shall then serve the remaining term in addition to their two-year term of office. The President and Vice Presidents shall serve such terms as may be determined by the Board of Trustees at the time of their appointment or

election. The one or more Vice Presidents shall be appointed by the President with approval of the Board of Trustees.

BE IT FURTHER RESOLVED, that it is proposed that Article IV Section 2 of the Bylaws of the University of Southern Indiana Board of Trustees be amended to read:

Article IV Section 2. Election. At its annual meeting and subject to the required term limits noted above, the Board of Trustees shall elect from among its membership a Chair, one or more Vice Chairs (to be designated as First Vice Chair, Second Vice Chair, and so on), and a Secretary and shall also appoint qualified persons, not members of the Board of Trustees, to serve as Assistant Secretary and as Treasurer. Each officer shall be elected for a term of one year or until his/her successor shall be elected and qualified.

BE IT FURTHER RESOLVED, that these proposed amendments be voted upon for adoption at the next meeting of the University of Southern Indiana Board of Trustees.

SECTION II – FINANCIAL MATTERS

A. REPORT OF THE FINANCE/AUDIT COMMITTEE

The Finance/Audit Committee will meet prior to the Board of Trustees meeting on September 7, 2017. A report will be presented.

B. APPROVAL OF 2018-2019 HOUSING RATES

Approval of the following 2018-2019 housing rates is recommended.

<u>FALL OR SPRING SEMESTER</u>	<u>CURRENT RATE</u>	<u>PROPOSED RATE</u>	<u>EFFECTIVE DATE</u>
<u>McDONALD or O'DANIEL APARTMENT</u>			
Two Bedroom: Two students per bedroom	\$2,284	\$2,353	7-01-18
One student per bedroom	4,081	4,203	7-01-18
One Bedroom: Two students	2,755	2,838	7-01-18
One student	5,118	5,272	7-01-18
<u>GOVERNORS, NEWMAN, O'BANNON, or RUSTON HALL</u>			
One and Two Bedroom: Two students per bedroom	\$2,284	\$2,353	7-01-18

Students who live in housing will have \$50 in Munch Money added to the proposed housing rates above for use in any venue on campus.

SUMMER SESSIONS

Summer session rates are pro-rated to fall and spring semester rates.

C. APPROVAL OF 2018-2019 MEAL PLAN RATES

Students who live in the residence halls (Governors, Newman, O'Bannon, and Ruston) are required to purchase a resident meal plan. Three plans (Red, White, and Blue Eagle) offer different combinations of meals in The Loft and discretionary spending at other dining venues on campus. The proposed rate allows for normal increases in food and labor costs.

<u>FALL OR SPRING SEMESTER</u>	<u>CURRENT RATE</u>	<u>PROPOSED RATE</u>	<u>EFFECTIVE DATE</u>
Red, White, or Blue Eagle Meal Plan	\$2,085	\$2,148	7-01-18

Approval of the proposed meal plan rates for 2018-2019 is recommended.

D. APPROVAL OF VEBA TRUST AGREEMENT

Exhibit II-A is the proposed revised VEBA Trust Agreement. Mr. Bridges will review the proposed changes.

Approval of the revised VEBA Trust Agreement is recommended.

E. APPROVAL OF RESOLUTION TO PROCEED WITH PHASE II OF PHYSICAL ACTIVITIES CENTER PROJECT

Approval of the following resolution is recommended.

WHEREAS, the University of Southern Indiana Board of Trustees wishes to proceed with the planning and construction of the Classroom Expansion and Renovation Phase II – Physical Activities Center Phase II project as authorized by the 2017 Indiana General Assembly; and

WHEREAS, the project, which is eligible for fee replacement, therefore received bonding authorization in the amount of \$41 million from the General Assembly; and

WHEREAS, approvals may be required between the regular meetings of the Board of Trustees;

NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees authorizes the Construction Committee to approve design plans, cost estimates, and construction schedules; to review construction bids; to award contracts or reject any or all construction bids for the project; and to report the progress of the project to the Board of Trustees;

FURTHER RESOLVED that the Treasurer is authorized to issue a Request for Proposal to solicit investment banking firms interested in providing service to the University in financing the Classroom Expansion and Renovation Phase II – Physical Activities Center Phase II Project;

FURTHER RESOLVED that the Finance/Audit Committee is authorized to evaluate the results of investment banking proposals; accept a proposal or reject all proposals; approve all financing plans on behalf of the Board of Trustees; and report its actions to the Board;

FURTHER RESOLVED that the President is authorized to request the Indiana Commission for Higher Education, the Indiana State Budget Committee, and the Governor of the State of Indiana to approve the Classroom Expansion and Renovation Phase II – Physical Activities Center Phase II Project.

F. UPDATE ON CURRENT CONSTRUCTION PROJECTS

A report will be presented on current construction projects. Exhibit II-B includes a summary of the cost and funding sources for each project.

SECTION III - PERSONNEL MATTERS

There are no personnel matters for Board discussion or approval on September 7, 2017.

**Possible Conflict of Interest Disclosure Statements
Filed for 2017**

DATE	NAME/ TITLE	VENDOR/ CONTRACTOR	DESCRIPTION OF FINANCIAL INTEREST
08-29-17	Anjali Patel Trustee	None	N/A

• DRAFT

AUGUST 14, 2017

**TRUST AGREEMENT
FOR THE
VOLUNTARY EMPLOYEES' BENEFIT ASSOCIATION
FOR EMPLOYEES AND RETIRED EMPLOYEES OF
UNIVERSITY OF SOUTHERN INDIANA**

**Effective Date
November 14, 1995**

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TRUST AGREEMENT

This Trust Agreement, made and entered into this 14th day of November, 1995, by and between University of Southern Indiana located in Evansville, Indiana (hereinafter referred to as "USI") and Old National Trust Company located in Evansville, Indiana (hereinafter referred to as the "Trustee");

WITNESETH:

WHEREAS, USI established one or more employee welfare benefit plans which are named in Exhibit A attached hereto (the "Plan") the purpose of which is to provide welfare benefits for USI retired employees, ~~active employees~~ and eligible dependents ~~and COBRA participants~~ covered by the Plan;

WHEREAS, by the combination of the Plan and this Trust Agreement, USI desires to establish the Voluntary Employees' Benefit Association for ~~Employees and~~ Retired Employees of University of Southern Indiana (hereinafter referred to as the "Association") which will hold separate accounts for the purpose of providing retiree medical, dental and/or life insurance benefits for retired employees of USI (excluding any retired "key employees" as that term is defined in §416 of the Internal Revenue Code of 1986, as amended (the "Code")) and their dependents ~~and for the purpose of providing medical benefits, dental benefits, life insurance benefits, and other forms of permitted welfare benefits for employees of USI (excluding any "key employees" as that term is defined in Code §416) and their dependents and beneficiaries and COBRA participants;~~ and

WHEREAS, USI intends that the Trust established under this Trust Agreement, when taken together with the Plan, shall constitute a "voluntary employees' beneficiary association" under §501(c)(9) of the Code; and

WHEREAS, Old National Trust Company desires to serve as Trustee under this Trust Agreement and to establish a master trust to hold the assets and subaccounts in conjunction with Old National Trust Company, NBD Bank NA or such other bank or trust company through which a subaccount may be established.

NOW, THEREFORE, USI and the Trustee do hereby declare and agree as follows:

ARTICLE I

CONTRIBUTIONS

- 1.01. Contributions by USI. The Trust established with the Trustee shall initially consist of a contribution of \$750,000 delivered to the Trustee by USI; and shall also include such other sums of money including contributions to any Plan, plans or programs covered by this Trust, such other property acceptable to the Trustee, including any type of insurance policy (other than an ordinary life insurance policy on the life of an employee or retired employee), and the earnings and profits thereon. All such money, insurance policies, and other property, including dividends payable pursuant to any insurance policy provisions, all investments made therewith and proceeds thereon, less the payments which at the time of reference shall have been made by the Trustee in accordance with this Trust Agreement are hereinafter referred to as the "Fund" or "Trust Fund". The Fund shall be held by the Trustee in trust and dealt with in accordance with the provisions of this Trust Agreement. The Trustee shall not be responsible for the calculation or collection of any contribution under the Plan, but shall be responsible only for property received by it pursuant to this Trust Agreement.
- 1.02. Compliance. The Plan, this Trust Agreement and the Trust Fund are intended to meet all applicable requirements of Code § 501(a) and 501(c)(9).

1.03. Designation of Contributions. The parties agree that USI shall designate which portion of any contribution made to the Trust will be designated for the purpose of providing retiree medical benefits, dental benefits and such other welfare benefits authorized by the Board and permitted under this Trust Agreement. Such amounts shall be held exclusively for the purposes of providing such retiree medical and dental benefits and/or life insurance or other authorized welfare benefits under the Association ~~and the remaining portion of the Trust will be held exclusively for purposes of providing benefits for active employees, their dependents and beneficiaries and COBRA participants~~. Such amounts shall remain segregated unless or until a segregated portion of the Trust is deemed to be overfunded. For purposes of this Section, a segregated portion of the Trust will be deemed to be overfunded if the fair market value of its assets equal more than one hundred ten percent (110%) of the present value of its accumulated plan benefits. The present value of accumulated plan benefits will be determined by an actuary selected by USI. In such event, the amounts by which the segregated portion of the Trust is deemed to be overfunded may be applied to the remaining portion of the Trust to provide benefits thereunder.

ARTICLE II

PAYMENTS FROM THE FUND

2.01. Trustee Duties. It shall be the duty of the Trustee (a) to hold, to invest, and to reinvest the Fund and (b) to make payments from the Fund to individuals, service providers, and other entities for benefits covered under the Plan, or any insurance company on the order of the Plan Administrator authorized in accordance with the Plan, plans or programs covered by this Trust. The Trustee may also make payments from the Trust to reimburse USI for any properly substantiated expenses incurred by USI on behalf of the Trust for benefits covered

under the Plan to the extent such payments do not violate the provisions of 26 U.S.C. § 1.501(c)(9)-4 and Section 10.05. Such orders need not specify the purpose of the payments so ordered, and the Trustee shall not be responsible in any way respecting the purpose or propriety of such payments or for the administration of the Plan, plans or programs covered by this Trust. The Trustee shall be under no duty to enforce the payment of any contribution and shall not be responsible for the adequacy of the Fund to meet and discharge any liabilities under the Plan, plans or programs covered by this Trust. It is expressly understood that the duties and obligations of the Trustee shall be only those expressly stated in this Trust Agreement without reference to the provisions in any Plan, plans or programs. If a dispute arises as to who is entitled to or should receive any benefit or payment, the Trustee may withhold or cause to be withheld such payment until the dispute has been resolved.

In the event that any payment ordered by the Plan Administrator shall be mailed by the Trustee by registered mail directed to the person or service provider specified in such order at the latest address of such person or service provider, and shall be returned to the Trustee because such person or service provider cannot be located at such address, the Trustee shall promptly notify the Plan Administrator of such return. Upon the expiration of sixty (60) days after such notification such order shall become void, and unless and until a further order is received by the Trustee with respect to such payment, the Trustee shall thereafter continue to administer the Fund as if such order had not been made. The Trustee shall not be obligated to search for or ascertain the whereabouts of any such person (or his duly appointed representative) or service provider.

- 2.02. Impossibility of Diversion. It shall be impossible at any time for any part of the Trust Fund to be used for, or diverted to, purposes other than to provide the benefits contemplated under the Plan for the exclusive benefit of covered retired employees, ~~covered employees~~ and their dependents, ~~and COBRA participants~~, except that any taxes and administrative expenses for which the Trust is liable may be made from the Trust Fund as provided for herein.
- 2.03. Payment of Benefits on Behalf of Legally Incompetent Person. If any benefit under the Plan is payable to a legally incompetent person, the Trustee shall not be required to seek the appointment of a guardian, but shall be authorized to pay the same to any person having custody of such incompetent person, to such incompetent person without the intervention of a guardian, or to a legal guardian of such incompetent person, if one has already been appointed.

ARTICLE III

INVESTMENTS

- 3.01. General. The Trustee shall have the discretion to invest and reinvest the Fund and keep the Fund invested, without distinction between principal and income, in any mutual funds and common trust funds, any and all annuity contracts and insurance policies issued by insurance companies licensed to do business in the State of Indiana of such kind and in such amounts as the Trustee deems proper for the purposes of this Trust and to use funds of the Trust to maintain any such contracts and policies in force, and in all common stocks, preferred stocks, bonds, debentures, mortgages on real or personal property wherever situated, equipment, trust certificates, savings deposits, notes or other evidences of indebtedness, or any other securities, and in any other property or joint or other part interest in property (including without limitation, part interest in bonds and mortgages or notes and

mortgages), real or personal, foreign (including non-United States) or domestic, wherever situated, and of any kind, class or character, which the Trustee may in its discretion deem suitable for the Fund, and irrespective in any case of whether the Trustee, individually or as trustee, is acting as participator of any part interest in property that may be acquired and receiving remuneration therefor; such investment and reinvestment shall not be restricted to property authorized for investment by trustees under any present or future law. Such investment and reinvestment is authorized whether or not the property acquired is productive of income, is marketable, or constitutes a wasting asset. The Trustee in its discretion may keep such portion of the Fund in cash or cash balances as the Trustee may from time to time deem to be in the best interests of the Fund without liability for the payment of interest thereon.

- 3.02. Funding Policy. USI shall establish and carry out a funding policy consistent with the purposes of the Plan and the requirements of applicable law, as may be appropriate from time to time. As part of such funding policy, USI shall direct the Trustee to exercise its investment discretion so as to provide sufficient cash assets as is necessary to meet the liquidity requirements of the Plan.
- 3.03. Adherence to Funding Policy. The Trustee's discretion in investing and reinvesting the principal and income of the Trust Fund shall be subject to the funding policy, as such policy may be adjusted by USI from time to time. Any such changes in the funding policy will be communicated to the Trustee in writing. The Trustee shall have the duty to act strictly in accordance with such funding policy, including any changes of which it has been advised.

ARTICLE IV

TRUSTEE POWERS

4.01. Powers. The Trustee is authorized and empowered in its discretion to do all acts, whether expressly authorized, that the Trustee may deem necessary or proper for the protection of the Trust or to control the management and administration of the Trust. In addition, but not by way of limitation, the Trustee is authorized and empowered in its discretion:

- (a) to sell, exchange, convey, transfer or otherwise dispose of any property, real or personal, at any time held by it, by private contract or at public auction, for cash or on credit, upon such conditions, at such prices and in such manner as the Trustee shall deem advisable, and no person dealing with the Trustee shall be bound to see to the application of the purchase money or to inquire into the validity, expediency or propriety of any such sale or other disposition;
- (b) to vote upon any stocks, bonds or other securities; to give general or special proxies or powers of attorney with or without power of substitution, to sell or exercise any conversion privileges, subscription rights or other options and to make any payments incidental thereto; to consent to or otherwise participate in corporate reorganizations, mergers, consolidations or other changes affecting corporate securities and to delegate discretionary powers and to pay any assessments or charges in connection therewith; and generally to exercise any of the powers of any owner with respect to stocks, bonds, securities or other property held in the Fund;
- (c) to form corporations and to create trusts under the laws of any state for the purpose of acquiring and holding title to any securities or other property, all upon such terms and conditions as it deems advisable;

- (d) to make, execute, acknowledge and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;
- (e) to hold property in the Fund in its own name or in the name of a nominee and to hold any investment in bearer form, but the books and records of the Trustee shall at all times show that all such investments are part of the Fund;
- (f) to manage, administer, operate, lease for any number of years, regardless of any restrictions on leases made by Fiduciaries, develop, improve, repair, alter, demolish, mortgage, pledge, grant options with respect to or otherwise deal with any real property or interest therein at any time held by it;
- (g) to make temporary advances to the Fund, on a cash or overdraft basis;
- (h) to compromise, compound, settle or arbitrate any claim, debt or obligation due to or from it as Trustee and to reduce the rate of interest on, extend or otherwise modify, or to foreclose upon default or otherwise enforce any such obligation; to bid in property on foreclosure or to take a deed in lieu of foreclosure with or without paying consideration therefor and in connection therewith to release the obligation, on the bond secured by the mortgage;
- (i) to purchase from legal life insurance companies, licensed to do business in the State of Indiana, annuity contracts and insurance policies (other than an ordinary life policy on the life of an employee or retired employee); and
- (j) to invest the funds of the Trust in the secured obligations of USI, subject to 26 C.F.R. § 1.501(c)(9)-4 and Sections 10.04 and 10.05.

4.02. Fees and Expenses. The Trustee may employ suitable agents, auditors, actuaries and legal counsel and pay their reasonable expenses and compensation. The expenses incurred by the Trustee in the performance of its duties, including fees for legal services rendered to the Trustee, such compensation to the Trustee as may be agreed upon in writing from time to time between USI and the Trustee, and all other proper charges and disbursements of the Trustee, and expenses incurred incident to administration of the Plan, plans or programs covered by the Trust and the termination of any such Plan, plans or programs may be paid by the Employer, as directed by USI, or may be paid from the Fund to the extent such expenses are permitted to be charged against the Fund. The determination of whether such expenses may be charged against the Fund shall be made by USI. All taxes of any and all kinds whatsoever that may be levied or assessed under existing or future laws upon or in respect to the Fund or the income thereof shall be paid from the Fund.

ARTICLE V

TRUSTEE DUTIES

5.01. General. The Trustee and any fiduciary shall discharge its duties under this Trust Agreement solely in the interest of the retired employees, ~~employees~~ and dependents, ~~and COBRA participants~~ covered under this Plan and for the exclusive purpose of providing benefits to such persons and defraying reasonable expenses of administering the Trust, with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims, and by diversifying the investments of the Trust so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so, all in accordance with the provisions of this

Trust Agreement, as this Trust Agreement may be from time to time amended; but the duties and obligations of the Trustee as such shall be limited to those expressly imposed upon it by this Trust Agreement notwithstanding any reference herein to the Plan, or the provisions thereof, it being expressly agreed that the Trustee is not a party to the Plan.

5.02. Liability of Trustee. The Trustee shall not be liable for the making, retention, or sale of any investment or reinvestment made or received by it as herein provided or for any loss to or diminution of the Fund, except due to its own negligence, willful misconduct or lack of good faith or except as provided in Section 5.01. The Trustee may from time to time consult with legal counsel, who may be counsel to USI, and shall be fully protected in acting upon the advice of counsel.

5.03. Retention of Records. The Trustee shall keep accurate and detailed accounts of all investments, receipts, disbursements and other transactions hereunder, and all accounts, books and records relating thereto shall be open to inspection and audit at all reasonable times by any person designated by USI. Within ninety (90) days after the last day of each calendar quarter (or such other date as may be agreed upon in writing between USI and the Trustee), and within ninety (90) days after the effective date of the removal or resignation of the Trustee as provided in Section 7.01, the Trustee shall file with USI a written account setting forth all investments, receipts, disbursements and other transactions effected by it during the year ending on such date (but not including any part of such year for which an account has previously been filed), which account so filed shall be open to inspection during business hours by any person designated by USI for a period of ninety (90) days immediately following the date on which the account is filed with USI. If, for any reason, an account required of the Trustee hereunder shall not be filed within the applicable time

specified in the preceding sentence, such an account may be filed by the Trustee after the expiration of such time, provided such account otherwise complies with the requirements of this Trust Agreement, and such account so filed shall be open to inspection during business hours by any person designated by USI for a period of ninety (90) days immediately following the date on which the account is filed with USI. Upon the expiration of such ninety (90) day period, the Trustee shall be forever released and discharged from all liability and accountability to anyone with respect to its acts or transactions except such acts or transactions to which USI shall have filed written objections with the Trustee within such ninety (90) day period. Nothing herein contained shall impair the right of the Trustee to a judicial settlement of any account of proceedings rendered by it. In any proceeding for such judicial settlement, the only necessary parties shall be the Trustee and USI, and any judgment, decree or final order entered therein shall be conclusive on all persons having or claiming an interest in the Fund or under any Plan, plans or programs covered by the Trust.

USI, its successor or assign, shall have the sole authority to enforce this Trust Agreement on behalf of any Employer which has at any time adopted any Plan, plans or programs covered by the Trust, and the Trustee shall in no event be required to deal with any such Employer except by dealing with USI, its successor or assign, as agent of such Employer. USI shall have the sole authority to enforce this Trust Agreement on behalf of the Association and any and all persons having or claiming any interest in the Fund by virtue of this Trust Agreement or any Plan, plans or programs covered by the Trust.

ARTICLE VI

USI DUTIES

6.01. Generally. USI shall be responsible for keeping necessary records so that appropriate determinations may be made by the Plan Administrator. USI, its successor or assign, shall be responsible for the appointment and retention of the Trustee and the Plan Administrator and for developing an overall investment policy. The Trustee shall have exclusive responsibility for the management and control of the assets of the Fund except that USI (who shall be the named fiduciary for all Employers in regard to this appointment) may, in its discretion, employ at any time and from time to time an investment manager to direct the Trustee with respect to all or a designated portion of the assets comprising the Fund. The Plan Administrator shall have exclusive responsibility for all other matters dealing with the Plan and Fund. Each fiduciary shall be responsible only for the specific duties assigned above and shall not be directly or indirectly responsible for the duties assigned to another fiduciary. USI shall be deemed the Plan Administrator.

ARTICLE VII

RESIGNATION

7.01. Resignation. The Trustee may resign at any time upon sixty (60) ~~days notice~~ days' notice in writing to USI. The Trustee may be removed by USI at any time upon sixty (60) days' notice in writing to the Trustee. Within sixty (60) days after notice of such resignation or removal of the Trustee, USI shall appoint a successor trustee. If, within sixty (60) days after notice of resignation or removal of the Trustee has been given under the provisions of this Section, a successor to the Trustee has not been appointed, the resigning Trustee or Trustee being removed may apply to any court of competent jurisdiction for the appointment of a successor Trustee. Any successor Trustee shall have the same powers

and duties as those conferred upon the Trustee hereunder and, subject to receipt by the Trustee of written acceptance of such appointment by the successor trustee, the Trustee shall assign, transfer and pay over to such successor trustee the funds and properties then constituting the Fund. Subject to the provisions of Section 5.01, the Trustee may, however, reserve such sum of money as it may deem advisable for payment of its fees and expenses in connection with the settlement of its account or otherwise and any balance of such reserve remaining after the payment of such fees and expenses shall be paid over to the successor trustee.

7.02. Non-Liability of Successor of Trustee. Each successor Trustee may accept as complete and correct and may rely upon any accounting which shall have been made by or on behalf of any Trustee hereunder prior to the date upon which such successor Trustee shall have qualified as a Trustee and may rely upon any statement or representation made by any Trustee then acting under this Trust as to the assets comprising the Trust or as to any other fact bearing upon the prior administration of the Trust. No such successor Trustee shall be subject to any liability by reason of having accepted and relied upon such accounting, statement, or representation in case it is subsequently established that the same was incomplete, inaccurate, or untrue. No successor Trustee hereunder shall be subject to any liability or responsibility with respect to any act or omission of any other Trustee nor shall any successor Trustee have any duty to enforce or to seek to enforce any claims of any kind against any predecessor Trustee on account of or in connection with any act or omission of any Trustee hereunder.

ARTICLE VIII

AUTHORIZATIONS, AMENDMENT AND TERMINATION

- 8.01. Authorizations. Any action by USI pursuant to any of the provisions of this Trust Agreement shall be evidenced by a resolution of its Board, certified under the corporate seal, to the Trustee over the signature of the Secretary or of any duly authorized officer of USI, and the Trustee shall be fully protected in acting in accordance with the resolution so certified to it, provided, however that all orders, requests and instructions to the Trustee with respect to the payment of moneys from the Fund shall be valid only if in writing and signed by the Plan Administrator or the person or persons duly authorized by the Plan Administrator to make or give such orders, requests or instructions, and the Trustee shall act and shall be protected in acting in accordance with any resolution, order, request or instruction which it believes to be genuine and which purports to have been signed in accordance with this Section.
- 8.02. Termination of Plan. In the event that USI terminates any Plan, plans or programs covered by the Trust in whole or in part, with respect to all or any group of ~~employees~~, retired employees or their dependents or beneficiaries under such Plan, plans or programs, the Fund, or the portion thereof with respect to which such Plan, plans or programs is terminated, shall, subject to the provisions of Section 5.01, be held by the Trustee for the benefit of ~~employees~~, retired employees or their dependents or beneficiaries in any remaining plans participating in the Association or, if no plans remain in the Association, disposed of by the Trustee in accordance with the written order of USI. Such order shall require that the Fund be disposed of in a manner which benefits solely those persons then entitled to benefits under the Plan and to those retired employees who are participating in

the Plan at the time of the said termination of the Plan. Any remaining assets are to be used to provide life, sickness and accident and similar benefits for retired employees covered under the Plan. USI reserves the right to determine the application of funds for the benefit of such persons ~~and employees~~ in whatever manner it deems fair and equitable.

USI shall direct the Trustee to segregate and set apart a portion of the Fund as a separate trust fund for the exclusive benefit of any group of ~~employees or~~ retired employees and their beneficiaries to be held in a segregated account under this Trust or under a separate agreement of trust substantially identical with this Trust Agreement. The selection of the particular assets to be segregated shall be made by USI and the Trustee shall segregate such assets in accordance with the written order of USI.

Unless otherwise directed by USI pursuant to the preceding paragraph, the Trustee shall hold, invest and administer the Fund as a single fund without identification of any part of the Fund with or allocation of any part of the Fund to USI or to any subsidiary or Affiliate of USI designated by it as a participating Employer under any Plan, plans or programs covered by the Trust or to any group of ~~employees or~~ retired employees of USI or of any such Employer or their dependents or beneficiaries.

- 8.03. Amendment. USI reserves the right at any time and from time to time by action of the Board or officer(s) duly authorized by its Board to modify, amend or terminate, in whole or in part, any or all of the provisions of this Trust Agreement provided that no such modification or amendment which affects the rights, duties, or responsibilities of the Trustee may be made without its consent in writing. A modification, amendment or termination hereunder shall be inclusive of a change to cover or delete other employee

benefit plans or programs under this Trust Agreement which USI may desire to be included or deleted.

USI further reserves the right at any time and from time to time, and retroactively if deemed necessary or appropriate to conform with governmental regulations or other policies, to modify or amend in whole or in part any or all of the provisions of any Plan, plans or programs covered by this Trust Agreement; provided that no such modification or amendment shall make it possible for any part of the Fund to be used for, or diverted to, purposes other than for the exclusive benefit of ~~employees,~~ retired employees and their dependents or their beneficiaries.

USI, by action of its Board, may terminate the Association, any Plan, plans or programs covered by the Trust or the Trust for any reason at any time. In case of termination, the Fund shall be used for the exclusive benefit of ~~employees,~~ retired employees and their dependents ~~and beneficiaries and COBRA participants~~ as of the date of such termination.

In no event shall USI incur any liability to any employee or retired employee in any Plan, plans or programs covered by the Trust or any dependents or beneficiaries of the employee or retired employee in the event the Trust defaults in the payment of any benefit due under any such Plan, plans or programs.

The parties agree that they may amend this Trust Agreement from time to time to cover additional employee benefit plans or programs under this Trust Agreement which USI, both in its corporate capacity and as agent for the Association hereby established, may desire to be included.

ARTICLE IX

ADDITIONAL EMPLOYERS

9.01. Adding Additional Employers. With the approval of the Board, any organization which is a member of the same controlled group of organizations (as defined in IRC §§ 414(b), (c), (m) and (0)) as USI may, by taking appropriate action, become a party to the Plan, plans or programs covered under this Trust by adopting the Plan, plans or programs applicable to this Trust for its employees and consenting to become a party hereunder. Any such organization which becomes a party hereunder shall promptly deliver to the Trustee a certified copy of the resolutions or other documents evidencing its adoption of the Plan, plans or programs and a written instrument evidencing the Board's approval of such organization becoming a party to the Plan, plans or programs and this Trust.

Any organization which becomes a participating Employer hereunder shall supply such full and timely information for all matters relating to the Plan, plans or programs and this Trust as (a) the Plan Administrator, (b) the Trustee and (c) USI may require for the effective discharge of their respective duties.

9.02. Withdrawal of Employer. Any one or more of the Employers participating hereunder may withdraw at any time by giving six (6) months' advance notice in writing of its or their intention to withdraw to USI and the Plan Administrator (unless a shorter notice shall be agreed to by USI).

Upon receipt of notice of any such withdrawal, the Plan Administrator shall certify to the Trustee the equitable share of such withdrawing Employer or Employers in the Fund, and the Trustee shall thereupon set aside from the Fund then held by it such securities and other property as it shall, in its sole discretion, deem to be equal in value to such equitable share.

Neither the segregation of the Fund assets upon the withdrawal of an Employer, nor the execution of a new agreement and declaration of trust, shall operate to permit any part of the corpus or income of the Fund to be used for or diverted to purposes other than for the exclusive benefit of ~~employees or~~ retired employees or their dependents or beneficiaries.

ARTICLE X

MISCELLANEOUS PROVISIONS

- 10.01. Contractual Obligations. USI does not assume any contractual obligation as to the continuance of the Association or the making of future contributions with respect thereto.
- 10.02. Legal Rights. The establishment of the Association shall not be construed as conferring any legal rights upon any employee, retired employee or other person for a continuation of employment, nor shall it interfere with the rights of USI to discharge any employee and to treat him without regard to the effect which such treatment might have upon him as a member of the Association.
- 10.03. Alienation, Assignment. No benefit payable at any time from this Trust Fund shall be subject in any manner to alienation, sale, transfer, assignment, pledge, attachment, or encumbrance of any kind.
- 10.04. Fiduciaries. USI, the Trustee, and the Plan Administrator shall each be fiduciaries. All actions by fiduciaries shall be in accordance with the terms of the Plan and of this Trust Agreement.
- 10.05. Inurement. No part of the net earnings of the Association or Fund shall inure, other than by payment of the benefit or benefits provided under the Plan, plans or programs covered by the Trust, to the benefit of any private shareholder or individual.

- 10.06. Liability. In no event shall USI incur any liability to any employee or retired employee in any Plan, plans or programs covered by the Trust or any dependents or beneficiaries of such employee or retired employee in the event the Trust or Association defaults in the payment of any benefit due under any such Plan, plans or programs.
- 10.07. Acceptance by Trustee. The Trustee hereby accepts the Trust created by this Trust Agreement on the terms and conditions herein set forth.
- 10.08. Choice of Law. This Trust Agreement shall be administered and construed according to the laws of the State of Indiana.
- 10.09. Conditioned Upon Tax Status. Notwithstanding any other provisions herein to the contrary, in the event the Commissioner of the Internal Revenue Service or his delegate initially rules that the Trust is not eligible for favorable tax treatment pursuant to IRC Section 501(c)(9), USI shall recover the funds contributed to the Trust.
- 10.10. Limitation of Rights and Obligations. Neither the establishment nor maintenance of the Plan or Trust nor any amendment thereof, nor the purchase of any benefit contract or insurance policy, nor any act or omission under the Plan or Trust or resulting from the operation of the Plan or Trust shall be construed:
- (a) As conferring upon any person any right or claim against USI, the Plan Administrator, Trust, or Trustee except to the extent that such rights or claims shall be specifically expressed and provided in the law;
 - (b) As creating any responsibility or liability of USI or the Plan Administrator for the validity or effect of the Plan or Trust;
 - (c) As a contract or agreement between USI or the Plan Administrator and any other person;

- (d) As being consideration for, or an inducement or condition of, employment of any person, or as affecting or restricting in any manner or to any extent whatsoever the rights or obligations of USI or any person to continue or terminate the employment relationship at any time;
- (e) As giving any person the right to be retained in the service of USI or to interfere with the right of USI to discharge any person at any time; or
- (f) As affecting or restricting in any manner or to any extent whatsoever the rights of USI or other person to amend, terminate, suspend, or modify the terms of the Plan or Trust or any other employee benefit plan maintained by USI.

10.11. Necessary Parties to Disputes. Necessary parties to any accounting, litigation, or other proceedings relating to the Trust shall include only the Trustee. The settlement or judgment in any such case in which the Trustee is duly served shall be binding upon all participants in the Plan, their dependents, estates, and upon all persons claiming by, ~~through~~ through, or under them.

10.12. Protective Clause. Neither the Plan Administrator nor the Trustee shall be responsible for the validity of any contract of insurance or other benefit contract or policy by any benefit provider issued under the Plan or for the failure on the part of any insurance company or other benefit provider to make payments thereunder.

10.13. Receipt and Release. Any payments to a participant in the Plan shall, to the extent thereof, be in full satisfaction of the claim of such participant, and the Plan Administrator may condition payment thereof on the delivery by such person of a duly executed receipt and release in such form as may be determined by the Plan Administrator.

10.14. Severability. If any provisions of the Plan or Trust shall be held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions of the Plan and Trust shall continue to be fully effective.

10.15. Parties Bound. This Plan and Trust shall be binding upon the parties hereto, all participants in the Plan, and, as the case may be, the dependents, heirs, executors, administrators, successors, and assigns of each of them.

10.16. Counterparts. The Trust may be executed in any number of counterparts, each of which shall be deemed to be an original. All counterparts shall constitute but one and the same instrument and shall be evidenced by any one counterpart.

10.17. Entire Plan and Trust. The Trust document and the documents incorporated by reference herein shall constitute the only legally governing documents for the Trust. No oral statement or other communication shall amend or modify any provision of the Plan and Trust as set forth herein.

~~10.18.~~

IN WITNESS WHEREOF, USI and the Trustee have caused this Trust Agreement to be executed by their officers thereunto duly authorized, and their corporate seals to be hereunder affixed and attested, as of the day and year first above written.

ATTEST:

University of Southern Indiana

By: _____

By: _____

ATTEST:

Old National Trust Company, Trustee

By: _____

By: _____

Exhibit A

Welfare Benefit Plans Covered Under The Trust Agreement for the Voluntary Employees' Benefit Association for Employees and Retired Employees of University of Southern Indiana

- Medical
 - Anthem PPO Core Coverage Plan (00084234 FIN14-MB GRGR AYPI3890)
 - Anthem PPO Buy Up Coverage Plan (00084234 FIN14-MB GRGR AYPI3889)
- Dental - Health Resources, Inc. Dental Health Options 6 with Adult and Children's Orthodontic Benefit Rider
- Life insurance benefits covered based upon carrier selected by the University

**Summary
Construction Projects**

September 7, 2017

Completed Projects

Student Housing Apartments: Interior Upgrades (5 buildings)

Project Cost \$ 700,000

Funding Source: Housing Reserves

O'Daniel North Apartments: Simplex Fire Alarm System Installation (10 buildings)

Project Cost \$ 600,000

Funding Source: Housing Reserves

Residence Halls: Access Controls Installation

Project Cost \$ 600,000

Funding Source: Housing Reserves

Orr Center Registrar and Admissions Office Renovation

Project Cost \$ 525,000

Funding Source: Special Projects

Hendricks East Interior Renovation

Project Cost \$ 340,000

Funding Source: Housing Reserves

Governor's Hall Flooring Replacement

Project Cost \$ 150,000

Funding Source: Housing Reserves

Projects Under Construction

Physical Activities Center (PAC) Renovation

Project Cost **\$ 27,060,000**

Funding Sources:

Legislative Appropriation - 2013	\$	16,000,000
Special Projects - General	\$	3,000,000
Campus Store Reserve	\$	1,992,100
State Rehabilitation and Repair Funding	\$	1,622,500
Food Service Reserve	\$	1,500,000
Special Projects - Kinesiology	\$	1,500,000
Debt Service Funds	\$	1,445,400

Health Professions Center: Classroom Renovation/Expansion

Project Cost **\$ 8,000,000**

Funding Source: Legislative Appropriation - 2015

Multi-Institutional Academic Health and Science Research Center

Project Cost **\$ 6,000,000**

Funding Source: Legislative Appropriation - 2015

Fuquay Welcome Center

Project Cost **\$ 3,200,000**

Funding Sources:

Private Gifts	\$	2,000,000
Special Projects Reserves	\$	1,200,000

Door Hardware with ADA Interior Locks Replacement

Project Cost **\$ 450,000**

Funding Source: Special Projects

Arc Flash OSHA Code Requirements for Electrical Panels

Project Cost **\$ 260,000**

Funding Source: Special Projects

Children's Learning Center Safety Improvements

Project Cost **\$ 180,000**

Funding Source: Auxiliary Repair and Rehabilitation

**Health Professions Center, Science and Education Center:
Energy Management System Upgrade**

Project Cost \$ 180,000

Funding Source: General Repair and Rehabilitation Appropriation

Carter Hall LED Lighting Fixture and Control Replacement

Project Cost \$ 172,500

Funding Source: Energy Management Reserves

Rice Library HVAC Energy Use Improvements

Project Cost \$ 160,000

Funding Source: Energy Management Reserves

Parking Lots A, B, and C High Lighting Replacement

Project Cost \$ 130,000

Funding Source: Parking Reserves

Projects in Design

Physical Activities Center (PAC) Phase II

Project Cost \$ 38,500,000

Funding Source: Legislative Appropriation - 2017

Liberal Arts Classroom Improvements

Project Cost \$ 150,000

Funding Source: Special Projects