

**STILLWATER PUBLIC LIBRARY TRUST
OF
STILLWATER CITY COUNCIL
AND
STILLWATER LIBRARY BOARD
AND
FRIENDS OF THE STILLWATER PUBLIC LIBRARY**

THIS SECOND AMENDED TRUST AGREEMENT dated 16th day Of February, 2009, by and between CITY COUNCIL OF THE CITY OF STILLWATER (herein "Trustor" or "Council"); and STILLWATER PUBLIC LIBRARY BOARD (herein "Library Board"); and FRIENDS OF THE STILLWATER PUBLIC LIBRARY (herein "Friends"); and the persons designated in the manner hereinafter provided as TRUSTEES (herein "Trustees" or "Trust board").

WITNESSETH:

WHEREAS, Council is a body created by law which governs the City of Stillwater; and Council desires to establish this Trust which shall be called the "Stillwater Public Library Trust" to form a vehicle for the reception and administration of contributions for the benefit of the Stillwater Public Library.

WHEREAS, Library Board is a body created by law to supervise and control the public library, subject to ordinances which the Council may enact. Library Board desires the establishment of the Stillwater Public Library trust; and

WHEREAS, Friends is an organization which has been organized for the purpose of providing a means whereby individuals can join together to collectively support the Stillwater Public Library. Friends desires that the Stillwater Public Library Trust be created under the terms and conditions of this Stillwater Public Library Trust agreement.

THEREFORE, Council, Library Board, Friends and Trustees in consideration of the premises and of the agreement hereinafter set forth agree as follows:

ARTICLE I.

The undersigned Trustor creates and establishes a trust for the use and benefit of the Beneficiary, to operate and administer the trust estate as hereinafter set forth. The name of the Trust shall be, and the Trustees in their representative fiduciary capacity shall be designated as the Stillwater Public Library Trust (hereinafter referred to as "Trust"). Under that name they shall, so far as practicable, conduct all business, and execute all instruments in writing, and otherwise perform their duties and functions in the execution of this Trust.

ARTICLE II.

The sole custody and management of the Stillwater Public library Trust, including also all property of every nature contributed thereto shall be vested in a Board of five (5) Trustees (herein the "Board"). The Board shall be constituted and go into operation as of the day of _____, and shall at all times consist of:

Two (2) persons appointed by Council;

Two (2) persons appointed by Library Board, and

One (1) person appointed by Friends.

The first Board shall draw lots to determine one member who shall have a one-year term; two members who shall have a two-year term, and two members who shall have a three-year term, and after the expiration of the term of each of them, thereafter their appointments shall be for three-year terms. The Board is authorized to adopt its own by-laws or rules of procedure which are not inconsistent with the terms of this

Trust. When funds in the Stillwater Public Library Trust shall equal a value of not less than \$10,000.00, the Board may select a single bank for the purpose of administration and investment of the funds in the future under this Trust, subject, however, to the direction and control of the Board.

ARTICLE III.

The Trust may directly receive gifts, bequests, legacies and/or donations of any kind. A donor may direct that the principal of any gift, bequest, legacy and/or donation shall be retained in the Trust not less than (10) years, or, if such gift consists of tangible property, that it shall remain intact for a reasonable period of time as specified by the donor. It shall be sufficient for inclusion under the terms and conditions of this Trust for a party desiring to transfer property to this Trust to state in a duly executed and acknowledged instrument before a Notary Public, or in a duly executed instrument before two witnesses, that certain described property is granted, transferred, assigned, conveyed and delivered to the Trustees herein, and that said property shall be held, administered, and disposed of under the terms of this indenture.

ARTICLE IV.

This Trust, as amended, is created for the benefit of the Stillwater Public Library. Trust funds may be used by the Trustees for any lawful purpose conferring a direct benefit to the Library. Within that general purpose the income from and corpus of the Trust shall be used in the manner determined by the Board from time to time. The funds generated by the Stillwater Public Library Trust are not to be used by the Trustees for the purpose of eliminating or defraying the annual allotments provided by the local, state or national government.

ARTICLE V.

The Beneficiary of the Stillwater Public Library Trust shall be the City of Stillwater, Oklahoma.

ARTICLE VI.

6.1 With respect to the management of this Trust, the character and manner of making investments and reinvestments of trust funds, the sale, conveyance or transfer of trust property, and the powers and duties of the Trustees, the provisions of the statutes of the State of Oklahoma in force on the date hereof, including, but not limited to, 60 Okla. Stat., Sections 151, 162, 163 and 175.1, et seq., shall govern, except as they may be modified or limited by the provisions herein contained. No repeal or amendment of said statutes shall change the powers and duties of the Trustees hereunder, and the provisions of said statutes, existing on the date this Trust is executed, except as herein modified or limited, shall continue in effect with respect to all property which may come into the hands of the Trustees, whether such property has a situs within or outside the State of Oklahoma. In addition to the foregoing powers, the Trustees shall have the following rights, powers and privileges:

- a) In the exercise of their sole discretion, to manage and contract with respect to the trust property now held and subsequently acquired as provided herein, and to collect the rents, royalties, incomes, dividends, interest and profits therefrom;
- b) To retain any and all property transferred, granted, assigned, conveyed or otherwise acquired by Trustees hereunder at any time, or received at any time in substitution therefore, whether or not the same be authorized by law for the investment of trust funds;

- c) The Trustees shall be under no duty or obligation to diversify the assets held under this Trust;
- d) To hold such part of the trust estate in cash as Trustees deem advisable in the light of the then existing conditions for investment without any liability for failure to invest;
- e) To compromise, contest, arbitrate or settle any and all claims by or against the Trust estate or Trustees as such;
- f) To abandon property, deemed by Trustees to be burdensome or valueless;
- g) To sell any part of the trust estate deemed by Trustees necessary or appropriate for the distribution of the principal of the trust estate in cash, or for any other purpose; and the choice of Trustees as to the assets to be sold for this purpose shall be final and binding;
- h) With respect to any lands or mineral or royalty interests acquired in trust hereunder, Trustees shall have full power and authority to execute oil and gas leases, assignments, division orders, pooling agreements, unitization agreements, operating agreements and all lands, mineral interests and royalty interests to joint or unitized operations with properties of others and to terms extending beyond agreements of every nature that are considered by Trustees necessary or appropriate in the administration and management of said property, which powers shall include the right to commit said the term of this Trust;
- i) To sell and convert to cash at any time and from time to time any and all lands, mineral interests, royalty interests and interests in real property and to convey the same with such covenants of title as Trustees may deem necessary or

desirable in affecting the sale;

- j) To execute leases for agricultural purposes or for any and all other purposes on any part of the real estate owned by the Trust for such terms and on such terms and conditions as Trustees may consider desirable even though the same may extend beyond the term of this Trust;
- k) To continue to operate solely or in connection with others any business or enterprise which may be granted to Trustees hereunder until the same can be disposed of for cash or securities acceptable to Trustees.
- l) All cash contributions to this Trust shall initially be deposited in the Department of Finance of the City of Stillwater. In accordance with the following paragraph, the Trustees shall direct the Director of Finance of the City of Stillwater regarding the investment, reinvestment or changes in investment of all monies received by the Trustees under this Trust.

6.2 Subject to the foregoing, the Trustees are authorized, directed and empowered to invest, reinvest, and change investments from time to time and as often as in their discretion shall seem proper, in such securities and other property as will return a fair rate of income, giving due consideration to safety of principal. Investments made by Trustees shall be of the type authorized by the Oklahoma Trust Act as now in force, or in United States Government obligations, or obligations guaranteed by the United States Government or an Agency thereof, or in municipal obligations. Trustees never shall purchase from or sell to themselves or any other trust estate for which they are then acting, and all purchases and sales made by Trustees shall be made, so far as practicable, through reputable, established and recognized brokers. Trustees are

authorized to consult such brokers or such other investment counselors it considers reliable in reaching a judgment with respect to the securities to be held, acquired or disposed of.

6.3 Trustees shall have the right to exercise any option or rights with respect to any stocks, bonds or other securities held, and may join in and take any action it considers necessary or proper in connection with any plan of operation, lease, mortgage, merger, consolidation, exchange, reorganization or foreclosure as to any corporation in which Trustees hold stocks, bonds or other securities; and, when deemed advisable, may execute a proxy to such a person or persons as they may select to act for them in the exercise of these powers. Trustees are authorized to vote any and all shares of stock held in trust hereunder through execution of proxies hereunder.

6.4 Trustees are authorized to hold any and all securities or other property in bearer form or in their own or in the name of a nominee or nominees, without disclosing the fiduciary relation; Trustees, however, shall be responsible for all acts and omissions of such nominee or nominees relating to such property.

6.5 Trustees may sell real and personal property of trust estate of the Trust from time to time free from and discharged of the Trust, and shall deliver good and sufficient title thereto as provided herein, and no purchaser at any such sale shall be obligated to see to the application of the purchase money.

6.6 Trustees shall have the right in their sole discretion to determine the manner in which each receipt is to be allocated as between principal and income, and to determine the manner in which each expense and loss and other deduction is to be allocated as between principal and income, and the determination of Trustees shall be

conclusive and binding upon all parties hereto.

6.7 Trustees may consult with counsel and shall be fully protected in any action or nonaction taken, permitted or suffered by them in good faith, in accordance with the opinion of such counsel.

6.8 The parties are prohibited from participating, encumbering, assigning or in any other manner alienating their interest in either principal or income and are without the power so to do; nor shall such interest be subject to their liabilities or obligations, or to attachment, execution or other legal process, or claims of creditors or others.

6.9 In distributing the principal of the trust estate, Trustees are authorized and empowered at their discretion to make such sales of such property belonging to the trust estate as they deem appropriate so that distributions of principal hereunder may be made in cash as provided herein, and the judgment of Trustees concerning such sales be binding and conclusive upon all parties interested therein.

6.10 Trustees shall keep books of account showing all transactions relating to the trust property held hereunder, and within ninety (90) days after the end of each fiscal year shall furnish, in writing to Council, Library Board and Friends, a statement showing all of the property in the trust estate, how all funds are invested and all transactions relating thereto subsequent to the last preceding account rendered, together with a report of the activities of the Trustees for the period from July 1 - June 30. Trustees shall render on or before June 30 of each calendar year an estimate of the amount of income available for distribution hereunder, and also an estimate of the value of the principal of the trust estate held hereunder.

The Trustees shall cause an independent audit of the funds, accounts and fiscal

affairs of the Trust to be made as of the end of every fiscal year, which audit may be included in the independent annual audit of the accounts and fiscal affairs of the City of Stillwater.

6.11 The powers, duties and responsibilities herein set out shall not be deemed to exclude other implied powers, duties or responsibilities not inconsistent therewith.

ARTICLE VII.

The fiscal year of the Trust shall commence on July 1 of each year.

ARTICLE VIII.

8.1 This Trust is irrevocable, provided, however, that the Council, Library Board, and Friends by a jointly executed written instrument, concurred in by a majority of the Trustees at the time, may from time to time amend this Trust in any respect, except that no amendment shall in any way affect the uses or purposes of any gift or endowment made to this Trust prior to the date of any such amendment nor shall any such amendment directly or indirectly operate to impose or remove any conditions upon which any gift or endowment has been made prior to such amendment.

8.2 Subject to the provisions of Paragraph 8.1 of this Article, this Trust shall have perpetual existence but if, for any reason, including but not limited to any order of a court of competent jurisdiction or other legal requirement, this Trust shall terminate, the assets thereof shall be distributed, in the discretion of the Trustees, to a Successor Trust or Charitable NonProfit corporation having substantially the same purposes as this Trust; to the Friends, to the Council, or to any other public or governmental body then in existence having the same purposes and objectives of the Trust or of the Council: provided, however, that in such event any distribution so made shall be subject to any

valid restrictions, conditions or limitations then in existence established by the donor of any property so distributed. In all events, distribution of any property or assets of this Trust, as provided in this Trust, shall be made to an organization which is an exempt organization, contributions to which are then deductible for Federal income and estate tax purposes and shall qualify for exempt status under the provisions of Section 501 [c] (3) of the Internal Revenue Code or comparable sections of the Internal Revenue Code then in effect.

ARTICLE IX.

No part of the net earnings of this Trust shall inure or be payable to or for the benefit of any private individual and no part of the activities of this Trust shall be the carrying on of propaganda or otherwise attempting to influence legislation. No part of the activities of this Trust shall be participation in or intervention in (including the publishing or distributing of statements) any political campaign on behalf of any candidate for public office.

IN TESTIMONY WHEREOF this instrument is executed by the parties hereto by their duly authorized officers the date first above written.

ATTEST:

FRIENDS OF THE STILLWATER PUBLIC LIBRARY

Holly Hartman
Secretary

Cindy Inkle
President

ATTEST:

STILLWATER LIBRARY BOARD

Jessica Chaufy
Secretary

Sherril Irving
Chairman

ATTEST:

STILLWATER CITY COUNCIL

Carole Welch, Deputy
City Clerk

Kathleen Bates
Mayor

TRUSTEES:

Suzanne Thompson

Herbuth Pissack

Logan C. Murrain

Greg P. Lyden

James H. Lyden

Mark Depper
Vice Mayor