

**MINUTES OF A SPECIAL MEETING
THE UNIVERSITY OF OKLAHOMA
JULY 27, 2010**

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A special meeting of the Board of Regents governing The University of Oklahoma, Cameron University, and Rogers State University was called to order at the Oklahoma Memorial Union in Norman, Oklahoma, at 1:39 p.m. on July 27, 2010.

The following Regents were present: Larry R. Wade, Chairman of the Board, presiding; Regents John M. Bell, Richard R. Dunning, Tom Clark, and Jon R. Stuart.

Others attending all or a part of the meeting included Mr. David L. Boren, President of The University of Oklahoma; Dr. Nancy L. Mergler, Senior Vice President and Provost – Norman Campus; Vice Presidents Catherine Bishop, Kelvin Droegemeier, Daniel Pullin, and Clarke Stroud; General Counsel, Anil Gollahalli; and Executive Secretary of the Board of Regents, Dr. Chris A. Purcell.

Notice of the time, date and place of this meeting were submitted to the Secretary of State, and the agenda was posted in the Office of the Board of Regents on or before 1:00 p.m. on July 23, 2010, both as required by 25 O.S. 1981, Section 301-314.

UTILITY SYSTEMS – NC

In May 2007, the University launched an effort to determine whether a commercial entity could deliver utilities services to the University at a better value than internal operation. Since that time, the University has conducted the following efforts:

April 2008: University Administration engaged the services of C.H. Guernsey & Co. of Oklahoma City (Guernsey) to conduct a feasibility study to examine whether the University's utility assets could be migrated to commercial operation.

June 2008: Guernsey recommended that such migration could be feasible and that conducting a competitive solicitation for a detailed review could further validate these initial findings.

November 2008: The University conducted a competitive solicitation for an experienced consulting firm that would assist in all phases of a bidding process intended to identify the commercial entity representing best value for a potential facilities migration. Guernsey was the consulting firm selected to assist in this effort. After analysis, Guernsey recommended the University issue a competitive solicitation for commercial entities interested in operation and management of the University's utility facilities.

May 2009: The University issued the competitive solicitation for interested commercial entities.

August 2009: The University received multiple responses and a detailed review of each was conducted. Upon analysis, Corix Utilities, Inc. of Vancouver, British Columbia (Corix) was identified as a bidder representing potential value to the University.

November 2009: Preliminary discussions with Corix were undertaken resulting in a "best-and-final" proposal in early December 2009, with the University reserving the right to conduct additional inquiries and engage in further negotiations.

January 2010: The Board of Regents authorized University Administration, in conjunction with University Legal Counsel, to engage outside legal counsel and to enter into substantive negotiations with Corix, with the goal of developing an advantageous agreement for the operation and maintenance of the above-referenced utility systems.

April 2010: University Administration, with the assistance of its outside consultants, reached substantial agreement with Corix regarding the structure and essential financial elements of an operations and management agreement.

May 2010: The Board of Regents authorized the University Administration, in conjunction with University Legal Counsel, to negotiate and finalize agreements (the "Transaction Documents") related to the utilities transaction. Summaries of the then-existing essential deal terms and structure were provided to the Board at that time.

Since May 2010, the University administration has been diligently working towards creation and completion of the Transaction Documents. Certain structural changes from the terms presented to the Board of Regents in May have been necessitated in order to satisfy the business and legal requirements of both parties. Those modifications are reflected in the substantially complete drafts of the Transaction Documents, which have been provided to the Regents under separate cover. The final, executed Transaction Documents will be provided to the Regents upon completion.

Regents' authorization is requested to (1) finalize, execute and deliver the substantially complete Transaction Documents, with such modifications thereto as University Administration and University Legal Counsel deem necessary or advisable, with such determination being evidenced by the execution and delivery of the Transaction Documents, along with authority to take necessary steps to (2) defease certain currently-existing University debt associated with those utilities assets, (3) allow amendments which provide exceptions to University benefits and retirement plans in order to conform with the obligations contractually required by the Transaction Documents, (4) secure professional services required to support the completion of all such actions, and (5) execute all documents and take any additional actions necessary or advisable to consummate the transactions contemplated by the Transaction Documents.

President Boren recommended the Board of Regents authorize University Administration, with review of University Legal Counsel, to:

- I. Finalize negotiations and to execute and deliver the resulting Transaction Documents with Corix Utilities (Oklahoma), Inc., a subsidiary of Corix Infrastructure (US) Inc. of Vancouver, British Columbia, to operate and maintain the following Norman campus utility systems over an initial 50-year term: steam, electrical, natural gas, chilled water, potable water, and waste water;
- II. Authorize amendments which provide exceptions to the University benefits programs, including but not limited to University retirement and retiree medical plans to conform with the contractual requirements of the Transaction Documents;
- III. Defease up to \$20,825,000 in Board of Regents for the University of Oklahoma General Obligation Bonds, Series 2009A;
- IV. Defease up to \$6,510,000 in Board of Regents for the University of Oklahoma General Obligation Bonds, Series 2009B;
- V. Defease \$19,965,000 in Board of Regents for the University of Oklahoma General Obligation Refunding Bonds, Series 2009C;

- VI. Secure professional services required to support the finalization, execution and delivery of the Transaction Documents, the defeasance of debt, and the amendment of University benefits programs; and
- VII. Execute all documents and take any additional actions necessary or advisable to consummate the transactions contemplated by the Transaction Documents.

Regent Clark moved approval of the recommendation. The following voted yes on the motion: Regents Bell, Dunning, Clark and Stuart. The Chair declared the motion unanimously approved.

MULTI-TENANT OFFICE FACILITY NO. 5 AT UNIVERSITY RESEARCH CAMPUS (FIVE PARTNERS PLACE) – NC

The proposed Multi-Tenant Office Facility No. 5 (“Five Partners Place”) will provide approximately 100,000 square feet of space, including general office space for University research programs and space which may be leased to entities wishing to locate at the University Research Campus. Five Partners Place will be located in the vicinity of Stephenson Research and Technology Center, Stephenson Life Sciences Research Center, and the previously completed multi-tenant buildings. Necessary infrastructure and parking facilities associated with the new building will also be constructed as part of the project.

Development of multi-tenant facilities at the University Research Campus has proven to be a highly successful and beneficial endeavor. Three multi-tenant facilities have been completed, and project design and construction documents for the 78,000-gross-square-foot Four Partners Place building are currently underway. Demand for space in Four Partners Place has been overwhelming, exceeding that which will be available. In order to take advantage of the opportunity to attract businesses to locate at the Research Campus near research initiatives and other technology resources, it is crucial that expansion space for University programs and additional rental space be developed. To make this space available at the earliest possible time, planning and design of Five Partners Place by the administration and the project architects, The McKinney Partnership Architects, P.C., should begin now.

It is anticipated that funding for the Multi-Tenant Office Facility No. 5 project will be provided from general revenue bonds. The total project budget and the project schedule will be determined as a part of the programming and planning process.

President Boren recommended the Board of Regents:

- I. Approve the Multi-Tenant Office Facility No. 5 project and the addition of the project to the Campus Master Plan of Capital Improvement Projects for the Norman Campus;
- II. Authorize the administration to commence early architectural programming and design for the project; and
- III. Recognize and acknowledge that the University may incur certain costs relative to the above project prior to receipt of bond proceeds and, to the extent the University utilizes its own funds for said costs, it is intended that bond proceeds will be utilized to reimburse the University.

Regent Stuart moved approval of the recommendation. The following voted yes on the motion: Regents Bell, Dunning, Clark and Stuart. The Chair declared the motion unanimously approved.

FACULTY AND STAFF MEMBERSHIPS AT THE SJ SARKEYS COMPLEX, HUSTON HUFFMAN FITNESS CENTER AND MURRAY CASE SELLS SWIM COMPLEX - NC

Through the SJ Sarkeys Complex, the Huston Huffman Fitness Center, and Murray Case Sells Swim Complex, the University offers attractive, high quality and effective recreational services to students, faculty and staff.

In sincere appreciation to faculty and staff, President Boren recommends the requested rate revision. This action compliments University wellness initiatives and will further encourage faculty and staff to adopt healthy lifestyles to include routine exercise. Wellness programs have proven to be effective in lowering health care costs.

President Boren recommended the Board of Regents approve a revision in the rate for faculty and staff memberships at the SJ Sarkeys Complex, Huston Huffman Fitness Center and Murray Case Sells Swim Complex, from \$20 per month to \$10 per month effective August 1, 2010.

Regent Bell moved approval of the recommendation. The following voted yes on the motion: Regents Bell, Dunning and Stuart. The Chair declared the motion unanimously approved.

There being no further business, the meeting adjourned at 1:54 p.m.

Chris A. Purcell, Ph.D.
Executive Secretary of the Board of Regents