

**MINUTES OF A SPECIAL MEETING
THE UNIVERSITY OF OKLAHOMA
DECEMBER 12, 2016**

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**MINUTES OF A SPECIAL MEETING
THE UNIVERSITY OF OKLAHOMA BOARD OF REGENTS
DECEMBER 12, 2016**

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 Bird Library on the Health Sciences Center Campus in Oklahoma City, Oklahoma, at 2:36 p.m. on December 12, 2016.

The following Regents were present: Max Weitzenhoffer, Chairman of the Board, presiding; Regents Clayton I. Bennett, Kirk Humphreys and Leslie J. Rainbolt-Forbes, M.D.

Others attending all or a part of the meeting included Mr. David L. Boren, President of The University of Oklahoma; Vice President Nicholas Hathaway; Chief Legal 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 was submitted to the Secretary of State, and the agenda was posted in the Office of the Board of Regents on or before 2:30 p.m. on December 8, 2016, both as required by 25 O.S. 1981, Section 301-314.

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The approval of the minutes of the regular meeting held December 1, 2016 as printed and distributed prior to the special meeting were included in the item below.

RATIFICATION OF THE BOARD OF REGENTS AGENDA FOR DECEMBER 2016

The Oklahoma Open Meeting Act states that “[a]ll public bodies shall give notice in writing by December 15 of each calendar year of the schedule showing the date, time and place of the regularly scheduled meetings of such public bodies for the following calendar year.” The Board complied with that requirement, listing as 8 a.m. the start time for the listed meetings. The Board gave subsequent public notice, both through a voluntary 48-hour courtesy distribution and through the required 24-hour agenda posting requirement, that the public portion of the Board meeting would take place at 2 p.m. Although the Board was meeting in committees in the same location throughout the day, and the public had both actual and constructive notice of the public meeting time, there exists the potential to interpret the initial December posting time and the actual time as being inconsistent. Out of an abundance of caution, those actions taken at the December 2016 Board meeting are recommended to be reaffirmed.

Chairman Weitzenhoffer recommended the Board of Regents approve and ratify the actions taken and the minutes of the December 2016 meeting of the Board of Regents.

Regent Humphreys moved approval of the recommendation. The following voted yes on the motion: Regents Bennett, Humphreys and Rainbolt-Forbes. The Chair declared the motion unanimously approved.

RE-RATIFICATION OF LIMITED AND SPECIAL OBLIGATIONS AND GENERAL REVENUE REFUNDING BONDS FOR SEPTEMBER 2016

The aforementioned Resolutions were authorized and adopted on September 14-16, 2016, at a public meeting of the Board of Regents. Due to a scrivener’s error, in its annual notice dated December 3, 2015, the dates of the September 2016 meeting of the Board were inadvertently listed as September 16th and 17th. The September 2016 meeting was actually held

on September 14th and 15th. Although the result of a scrivener's error, this action is taken out of an abundance of caution to ensure all actions taken at the September meeting have the authoritative legal approval of the Board of Regents. The relevant items presented and approved at the September Board meeting and now again submitted for ratification are as follows:

LIMITED AND SPECIAL OBLIGATIONS – NC

At its March 2016 meeting the Board of Regents authorized the University's Administration to submit requests to the Governor, the Speaker of the House of Representatives, and the President Pro Tempore of the State Senate seeking approval to issue limited and special obligations, in the form of bonds, notes, obligations, debentures, interim certificates, grant and anticipation notes, interest in a lease, lease certificates of participation, lease purchase agreements, commercial paper, lines of credit, variable interest rate obligations of any kind, or other evidences of indebtedness on an interim and/or permanent basis with any interim financing to be ultimately retired from proceeds of permanent financing approved hereunder it being the intent that this approval apply both to related interim and permanent financing, in an amount sufficient to fund the proposed academic, research, real estate, and infrastructure projects identified below and, in addition to the amounts needed for the proposed projects, to provide sufficient funds to fund any related costs of issuance, underwriters' discounts, capitalized interest, reserve funds, bond insurance, net premiums/original issue discounts, and any other necessary and related expenditures associated with the issuance. Legislative approval to issue the obligations has been received.

At this time the University's Administration is preparing for the issuance of general, limited and special obligation debt in the next four to six months in support of the projects listed below.

Real Property Acquisitions	\$ 4,500,000
Physics and Astronomy Facilities	3,000,000
Bizzell Memorial Library – Lower Level II Renovation	3,000,000
Technology Infrastructure	3,000,000
Utility System Capital Projects	<u>1,500,000</u>
	<u>\$15,000,000</u>

In planning for the obligations contemplated herein, only projects that are currently underway and in need of debt financing to complete funding have been included. In each instance, the use of debt financing was anticipated and planned for.

Preparation of the disclosure statement (often referred to as the Preliminary Official Statement or POS) will be coordinated by the Financial Advisor with direction and input from the University's administration, Bond Counsel, and the State Bond Advisor (i.e., the financing team). The POS will be submitted to the appropriate oversight organizations for review and approval prior to its issuance, will set forth the rating assigned to the University of Oklahoma Limited and Special Obligations, Series 2016BC, and the plan of financing, and will be provided to investors to assist in their making an investment decision.

The obligations contemplated herein will be secured by a pledge of all lawfully available sources of revenue other than (i) revenues appropriated by the Legislature from tax receipts and (ii) funds whose purpose has been restricted by donors, grantors or payors thereof to a purpose inconsistent with the payment of debt obligations. Underlying the issuance of the obligations, the University's Administration will comply fully with the Board of Regents "Debt Policy", meaning that the obligations will be supported by an achievable financial plan that includes servicing the debt, meeting any new or increased operating costs, and maintaining an acceptable debt service coverage ratio.

President Boren recommends the Board of Regents:

- I. Authorize and approve the issuance on a taxable and/or tax-exempt basis in one or more series of the University of Oklahoma limited and special obligations, in the form of bonds, notes, obligations, debentures, interim certificates, grant and anticipation notes, interest in a lease, lease certificates of participation, lease purchase agreements, commercial paper, lines of credit, variable interest rate obligations of any kind, or other evidences of indebtedness on an interim and/or permanent basis with any interim financing to be ultimately retired from proceeds of permanent financing approved hereunder it being the intent that this approval apply both to related interim and permanent financing, in an amount sufficient to fund the proposed academic, research, real estate, and infrastructure projects identified above and, in addition to the amounts needed for the proposed projects, to provide sufficient funds to fund any related costs of issuance, underwriters' discounts, capitalized interest, reserve funds, bond insurance, net premiums/original issue discounts, and any other necessary and related expenditures associated with the issuance;
- II. Authorize and approve the borrowing of funds for the purpose of issuing the I. above mentioned obligations on a taxable or tax-exempt basis in one or more series, paying normal costs of issuance related thereto, providing for bond insurance if necessary, capitalized interest, and any related reserves or costs;
- III. Authorize and approve Resolutions and/or Supplemental Resolutions dated as of this date authorizing the form of the financing documents related thereto, including, but not limited to, a Resolution and/or Supplemental Resolution, a
- IV. Bond Indenture, a Trust Agreement, a Bond Purchase Agreement, a Continuing Disclosure Agreement, a Preliminary Official Statement and an Official Statement;
- V. Approve and authorize the award of the sale of the obligations on either a competitive or negotiated basis based upon the final determination of the financing team and as determined to be in the best financial interest of The University of Oklahoma and authorizing the Executive Vice President and Vice President for Administration and Finance, and the Associate Vice President for Administration and Finance and Chief Financial Officer of the University of Oklahoma – Norman Campus to do all things necessary to consummate the transaction contemplated herein including, but not limited to, execution and delivery of any and all closing documents;
- VI. Authorize the Chairman, Vice-Chairman and Executive Secretary of the Board of Regents of The University of Oklahoma to execute and deliver all necessary financing documents and related closing documents required by Bond Counsel; and,
- VII. Authorize the officers of The University of Oklahoma to execute any closing documents required by Bond Counsel and to take any further action required to consummate the transaction contemplated herein.
- VIII. Recognize and acknowledge that the University may fund certain costs of the projects described above prior to delivery of proceeds from its own funds and, to the extent the University utilizes its own funds for said purposes, it is intended that certain proceeds of the Obligations will be utilized to reimburse the University.

GENERAL REVENUE REFUNDING BONDS – NC

The University's administration is seeking approval to refund the General Revenue Bonds (GRB), Series 2007A, Series 2007B, Series 2007C, and Series 2007D for economic savings. The size of the Refunding Bonds and actual savings are subject to market conditions at the time of refunding. At this time, the Refunding Bonds are expected to be issued in an approximate par amount of \$70 million and generate gross and present value savings of \$16.7 million and \$13.0 million, respectively.

Preparation of the disclosure statement (often referred to as the Preliminary Official Statement or POS) will be coordinated by the Financial Advisor with direction and input from the University's administration, Bond Counsel, and the State Bond Advisor (i.e., the financing team). The POS will be submitted to the appropriate oversight organizations for review and approval prior to its issuance. It will set forth the rating assigned to the University of Oklahoma Limited and Special Obligations, Series 2016BC, and the plan of financing, and will be provided to investors to assist in their making investment decisions.

The obligations contemplated herein will be secured by a pledge of all lawfully available sources of revenue other than (i) revenues appropriated by the Legislature from tax receipts and (ii) funds whose purpose has been restricted by donors, grantors or payors thereof to a purpose inconsistent with the payment of debt obligations. Underlying the issuance of the obligations, the University's Administration will comply fully with the Board of Regents "Debt Policy", meaning that the obligations will be supported by an achievable financial plan that includes servicing the debt, meeting any new or increased operating costs, and maintaining an acceptable debt service coverage ratio.

President Boren recommends the Board of Regents:

- I. Authorize and approve the issuance on a taxable and/or tax-exempt basis in one or more series of the University of Oklahoma limited and special obligations in an amount sufficient to refund the General Revenue Bonds, Series 2007A, Series 2007B, Series 2007C, and Series 2007D, in addition to the amounts needed for the proposed refundings, to provide sufficient funds to fund any related costs of issuance, underwriters' discounts, reserve funds, bond insurance, net premiums/original issue discounts, and any other necessary and related expenditures associated with the issuance;
- II. Authorize and approve the borrowing of funds for the purpose of issuing the above mentioned obligations on a taxable or tax-exempt basis in one or more series, paying normal costs of issuance related thereto, providing for bond insurance if necessary, capitalized interest, and any related reserves or costs;
- III. Authorize and approve Resolutions and/or Supplemental Resolutions dated as of this date authorizing the form of the financing documents related thereto, including, but not limited to, a Resolution and/or Supplemental Resolution, a Bond Indenture, a Trust Agreement, a Bond Purchase Agreement, a Continuing Disclosure Agreement, a Preliminary Official Statement and an Official Statement;
- IV. Approve and authorize the award of the sale of the obligations on either a competitive or negotiated basis based upon the final determination of the financing team and as determined to be in the best financial interest of The University of Oklahoma and authorizing the Executive Vice President and Vice President for Administration and Finance, and the Associate Vice President for Administration and Finance and Chief Financial Officer of the University of

Oklahoma – Norman Campus to do all things necessary to consummate the transaction contemplated herein including, but not limited to, execution and delivery of any and all closing documents;

- V. Authorize the Chairman, Vice-Chairman, and Executive Secretary of the Board of Regents of The University of Oklahoma to execute and deliver all necessary financing documents and related closing documents required by Bond Counsel; and,
- VI. Authorize the officers of The University of Oklahoma to execute any closing documents required by Bond Counsel and to take any further action required to consummate the transaction contemplated herein.

Chairman Weitzenhoffer recommended the Board of Regents re-ratify the limited and special obligation and general revenue refunding bonds and the Nineteenth Supplemental Resolution and actions taken at the September 2016 meeting of the Board of Regents.

Regent Bennett moved approval of the recommendation. The following voted yes on the motion: Regents Bennett, Humphreys and Rainbolt-Forbes. The Chair declared the motion unanimously approved.

There being no further business, the meeting adjourned at 2:37 p.m.

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