

MINUTES OF A REGULAR MEETING
BOARD OF REGENTS OF THE UNIVERSITY OF OKLAHOMA
THURSDAY, DECEMBER 3, 1970

A regular meeting of the Board of Regents of the University of Oklahoma was held in the office of the President of the University, Norman, on December 3, 1970, beginning at 10:50 a.m.

The following were present: Mr. Horace K. Calvert, President, presiding; Regents Nancy J. Davies, Huston Huffman, Jack H. Santee, Walter Neustadt, Jr., and V. M. Lockard.

ABSENT: Regent Robert C. Lollar. The Secretary of the Board of Regents was notified by the Governor's Office on December 10, 1970 that Mr. Lollar had submitted his resignation from the Oklahoma University Regents to Governor Bartlett and that the Governor had accepted it.

The following were also present at the meeting: Dr. Pete Kyle McCarter, Interim President of the University; Dr. Carl D. Riggs, Acting Provost; Vice Presidents Burr, Dean, Nordby, and White; Dr. Leonard P. Eliel, Associate Director of the Medical Center; Mr. R. Boyd Gunning, Trust Officer; Mr. Gary Williams, Assistant Legal Counsel; and Dr. Tom E. Broce, Executive Assistant to the President.

The minutes of the meeting held on November 6, 1970 were approved as duplicated and distributed prior to the meeting.

A report of the various achievements and accomplishments by the faculty, students, alumni, Research Institute, and the University as a whole for the Norman Campus and for the Medical Center was included in the agenda for this meeting.

Mr. Calvert stated the members of the Board of Regents had met with the Presidential Search Committee last Saturday morning. He said "Perspectives in the Selection of the Next President of The University of Oklahoma", which was compiled by Dr. Jess Burkett at the request of the Regents, was distributed to the members of the committee. This document views the selection of the next President in three perspectives: historical, legal, and the perspective of critical roles.

Mr. Calvert said the committee has categorized prospective candidates for the next President into three different groups. They now intend to obtain necessary biographical data on those in groups 1 and 2. Mr. Calvert stated there would be no further report on activities of the committee until the next meeting of the Regents.

Mrs. Davies reported the Medical Center Committee had met in Oklahoma City on November 19. She said all items discussed were included in the agenda for this meeting.

Regent Santee reported the Facilities Planning Committee had met yesterday afternoon at the Medical Center, but that he had no report to make at this time.

Regent Lockard reported the Regents' Student Affairs Committee had met on Saturday, November 7, with the conference committee appointed by Dr. McCarter on the Student Code. He said the conference committee is continuing its study of the proposed Code and a joint meeting will probably be held again about the first of the year.

A. The Medical Center

II. Academic

a. Faculty Personnel

Dr. McCarter requested permission to add to the agenda two personnel items pertaining to the Medical Center. On motion by Regent Lockard, it was unanimously agreed to consider them at this meeting.

Dr. McCarter reported officially the death on November 26 of Dr. John P. Colmore, who, among other titles, was Interim Executive Vice President for Medical Center Affairs. Dr. McCarter expressed gratitude for the privilege of working with Dr. Colmore for what turned out to be too short a time. He said he has seldom had the opportunity of working with a man with whom he had a better relationship. He said Dr. Colmore was completely devoted to what he was doing and was a man who knew what he was doing. Dr. McCarter said the University and the Medical Center have suffered a great loss.

Mrs. Davies, speaking for all the Regents, expressed regret on the death of Dr. Colmore. She said his considerable talents and complete dedication to the Medical Center during the past few months were an inspiration to all. She said it was a privilege to have had the opportunity to work with Dr. Colmore.

Dr. McCarter said the other personnel item is a recommendation on the appointment of a successor to Dr. Colmore. He said this recommendation is based on one which reached his desk from the appropriate committee at the Medical Center. He recommended that Dr. Leonard P. Eliel be appointed Interim Executive Vice President for Medical Center Affairs and Interim Director of the Medical Center, that his salary be increased to the rate of \$34,000 for 12 months, and that an expense allowance of \$500 per month be approved, all to be effective

beginning December 1, 1970, and continuing until the appointment of a permanent Executive Vice President for Medical Center Affairs is effective.

On motion by Regent Lockard, the recommendation was approved.

APPOINTMENTS:

Thomas J. Love, Ph.D., Professor of Radiological Sciences (Thermography), Department of Radiological Sciences, School of Medicine, without remuneration, November 1, 1970. Also full-time on Norman Campus as Professor of Aerospace, Mechanical, and Nuclear Engineering.

Thomas Michael Dunaye, Dr.P.H., Associate Professor of Health Administration, School of Health, \$1,583.33 per month, November 15, 1970.

Herbert Andrew Leeper, Jr., Ph.D., Assistant Professor of Communication Disorders, School of Medicine, \$1,266.66 per month, January 15, 1971.

James C. Spalding, M.D., Assistant Professor of Psychiatry in Psychiatry and Behavioral Sciences, School of Medicine, without remuneration, November 1, 1970.

Lavada Joyce Linstead, Instructor in Cytotechnology, School of Health Related Professions, without remuneration, October 1, 1970.

Samuel A. Meals, M.D., Clinical Instructor in Gynecology-Obstetrics, School of Medicine, without remuneration, January 1, 1971.

Nafi M. Oruc, M.D., Instructor in Pathology, School of Medicine, without remuneration, December 1, 1970.

Chiu Hsing Tseng, M.D., Instructor in Pathology, School of Medicine, without remuneration, January 1, 1971.

Virginia Haizlip Smith, M.S., Instructor in Psychiatric Social Work in Psychiatry and Behavioral Sciences, School of Medicine, \$750 per month, December 1, 1970.

Mary Ellen Anglin, R.T., Instructor in Radiologic Technology, School of Health Related Professions, without remuneration, November 1, 1970.

Phillip Bruce Bailey, Instructor in Radiologic Technology, School of Health Related Professions, without remuneration, October 1, 1970.

Cheryl A. Bennett, R.T., Instructor in Radiologic Technology, School of Health Related Professions, without remuneration, December 1, 1970.

Lynn Dale Black, Instructor in Radiologic Technology, School of Health Related Professions, without remuneration, October 1, 1970.

Carol Ann Carter, Instructor in Radiologic Technology, School of Health Related Professions, without remuneration, October 1, 1970.

Judith D. Cutchall, R.T., Instructor in Radiologic Technology, School of Health Related Professions, without remuneration, December 1, 1970.

Mary Pelton Fauver, R.T., Instructor in Radiologic Technology, School of Health Related Professions, without remuneration, October 1, 1970.

Nedra Ruth Gatterman, R.T., Instructor in Radiologic Technology, School of Health Related Professions, without remuneration, October 1, 1970.

Dorothy L. Lawson, L.P.N., Instructor in Radiologic Technology, School of Health Related Professions, without remuneration, December 1, 1970.

Sue Carroll Little, R.T., Instructor in Radiologic Technology, School of Health Related Professions, without remuneration, October 1, 1970.

Ruth M. McCardle, R.T., Instructor in Radiologic Technology, School of Health Related Professions, without remuneration, October 1, 1970.

Linda Ann Paine, R.T., Instructor in Radiologic Technology, School of Health Related Professions, without remuneration, October 1, 1970.

Marie Davis Pate, R.N., Instructor in Radiologic Technology, School of Health Related Professions, without remuneration, December 1, 1970.

Kathryn Ann Patterson, R.T., Instructor in Radiologic Technology, School of Health Related Professions, without remuneration, October 1, 1970.

Laura Lou Pitts, R.T., Instructor in Radiologic Technology, School of Health Related Professions, without remuneration, October 1, 1970.

Jon L. Reisig, R.T., Instructor in Radiologic Technology, School of Health Related Professions, without remuneration, October 1, 1970.

Thomas B. Swirczynski, R.T., Instructor in Radiologic Technology, School of Health Related Professions, without remuneration, October 1, 1970.

Hedy L. Traska, R.T., Instructor in Radiologic Technology, School of Health Related Professions, without remuneration, October 1, 1970.

William C. Hopkins, D.D.S., Clinical Assistant in the Division of Dental Surgery, Department of Surgery, without remuneration, November 1, 1970.

Shigetoshi Chiba, M.D., Ph.D., Research Associate in Pharmacology, School of Medicine, \$666.66 per month, November 1, 1970.

Tamio Nakajima, D.D.S., D.D.Sc., Research Associate in Pharmacology, School of Medicine, \$833.33 per month, November 1, 1970.

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CHANGES:

Creed W. Abell, Professor of Biochemistry and Molecular Biology, salary changed from \$1,637.50 to \$1,804.17 per month, December 1, 1970.

J. Hill Anglin, Associate Professor of Research Dermatology and of Biochemistry and Molecular Biology, School of Medicine, salary changed from \$1,487.49 to \$1,541.67 per month, December 1, 1970.

John C. Brixey, Consultant Professor of Biostatistics and Epidemiology, School of Health, salary changed from \$4,000 for 12 months, full time, July 1, 1970, to \$333.33 per month, part time, September 1, 1970 to June 1, 1971.

Harold Lee Cleveland, Instructor in Inhalation Therapy, School of Health Related Professions, salary changed from \$600 to \$700 per month, November 1, 1970.

Anthony William Czerwinski, Assistant Professor of Medicine, salary changed from \$1,666.66 to \$808.21 per month, December 1, 1970. Transfer part-time to VA Hospital.

A. Laurence Dee, title changed from Professor and Chairman of Pathology, School of Medicine, and Professor and Chairman of Cytotechnology, School of Health Related Professions, to Professor of Pathology, and Professor and Chairman of Cytotechnology, salary changed from \$2,000 to \$1,900 per month, December 1, 1970. Part of salary to be paid by VA Hospital.

Thomas F. Webb Dudley, Clinical Instructor, Division of Dental Surgery, Department of Surgery, School of Medicine, salary changed from \$50 to \$100 per month, November 1, 1970.

Frances G. Felton, Professor of Laboratory Medicine and of Microbiology and Immunology; given additional title of Professor of Medical Technology, School of Health Related Professions, November 1, 1970.

Alice F. Gambill, Assistant Professor of Anesthesiology, School of Medicine; given additional title of Assistant Professor of Inhalation Therapy Technology, School of Health Related Professions, November 1, 1970.

Alan S. Grubb, Instructor in Community Health, Schools of Medicine and Health, salary changed from \$1,433.33 to \$1,333.33 per month, November 1, 1970. Balance of salary to be paid by VA Hospital (\$83.33 per month).

William Dean Hawley, title changed from Instructor to Clinical Assistant in Surgery, November 1, 1970.

Ben I. Heller, Professor and Head of Laboratory Medicine; Professor of Medicine; Consultant in Laboratory Medicine in Pathology, School of Medicine; given additional title of Professor and Chairman of Medical Technology, School of Health Related Professions, November 1, 1970.

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Gordon Jimerson, Assistant Professor of Gynecology-Obstetrics; given additional title of Assistant Professor of Cytotechnology, School of Health Related Professions, October 1, 1970.

Florene C. Kelly, Professor Emeritus of Microbiology and Immunology, School of Medicine, salary changed from \$502.99 to \$362.99 per month, November 1, 1970.

Audrey J. McMaster, Assistant Professor of Gynecology-Obstetrics; given additional title of Assistant Professor of Community Health, School of Medicine, November 1, 1970.

John G. Mueller, Assistant Professor of Anesthesiology, School of Medicine; given additional title of Assistant Professor of Inhalation Therapy Technology, School of Health Related Professions, November 1, 1970; given additional title of Assistant Professor of Dental Surgery, Department of Surgery, School of Medicine, salary changed from \$1,500 to \$1,650 per month, December 1, 1970.

R. Gibson Parrish, Interim Chairman and Professor of Anesthesiology; given additional title of Vice Chairman and Professor of Inhalation Therapy Technology, School of Health Related Professions, November 1, 1970.

Robert A. Patnode, Ph.D., Professor and Vice-Chairman of Microbiology and Immunology, School of Medicine, salary changed from \$1,666.66 to \$2,000 per month, January 1, 1971.

Patrick V. C. Pinto, Director of Clinical Chemistry Laboratories and Associate Professor of Laboratory Medicine; given additional title of Associate Professor of Medical Technology, School of Health Related Professions, November 1, 1970; salary increased from \$1,291.66 to \$1,375.00 per month, December 1, 1970.

Kent Hardie Potts, Clinical Assistant in Medicine, salary changed from \$708.33 to \$749.99 per month, November 1, 1970.

Everett Ronald Rhoades, Associate Professor of Medicine and Assistant Professor of Microbiology and Immunology, School of Medicine, salary changed from \$125 to \$983.58 per month, December 1, 1970. Partial transfer of salary from VA Hospital.

Bertram E. Sears, Associate Professor of Anesthesiology, School of Medicine; given additional title of Associate Professor and Chairman of Inhalation Therapy Technology, School of Health Related Professions, November 1, 1970.

John R. Sokatch, Professor of Microbiology and Immunology; given additional title of Assistant Dean of the Graduate College-Medical Center, November 23, 1970.

Albert F. Staples, Chairman and Professor of Dental Surgery, Department of Surgery, School of Medicine, and Professor of Dentistry, School of Dentistry; given additional title of Professor of Physiology and Biophysics, School of Medicine, November 1, 1970.

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Landon C. Stout, Assistant Professor of Pathology and of Medicine, School of Medicine; given additional title of Interim Chairman of Pathology, salary increased from \$1,566.66 to \$1,766.66 per month, December 1, 1970.

Donna Sue Thedford, Instructor in Nutrition and Dietetics; given additional title of Instructor in Community Health, Schools of Medicine and Health, October 1, 1970.

Thomas L. Whitsett, Assistant Professor of Medicine; given additional title of Assistant Professor of Pharmacology, October 1, 1970.

Harold A. Wood, Professor of Community Health, School of Health, salary changed from \$2,343.75 to \$1,916.66 per month, December 1, 1970. Differential allowance paid by A.M.A.

A. W. Shafer, Professor of Laboratory Medicine; Associate Professor of Medicine, School of Medicine; Director of the Blood Bank; given additional title of Professor of Medical Technology, School of Health Related Professions, November 1, 1970.

A. Aniece Yunice, Assistant Professor of Research Medicine and Instructor in Physiology and Biophysics, School of Medicine; given additional title of Assistant Professor of Research Environmental Health, School of Health, November 1, 1970.

TERMINATIONS:

Maurice Lyle Peter, Jr., Assistant Professor of Pathology, November 1, 1970.

Jaime T. Tapuz, Instructor (Visiting Fellow) in Anesthesiology, January 1, 1971.

Approved on motion by Regent Davies.

IV. Finance and Management

a. Medical Center Power Plant Bonds

Dr. McCarter reported the Oklahoma University Development Authority has agreed to build a steam and chilled water plant at the Medical Center to provide heating and cooling services for the Health Center. The Authority has asked that the Regents lease Block 21, Oak Park Addition to Oklahoma City, Oklahoma to the Authority for a term of thirty (30) years, or until the bonds are retired, to build this plant. The Regents would then buy all of their steam and chilled water needs from the plant. The agreement to buy would be a one year contract that would be automatically renewed each year unless notice was given to terminate. It is also contemplated that the Regents would enter into a separate agreement whereby they would operate the facility.

The actual legal documents have not been prepared by the Authority, but the Regents need to approve the official statement prepared for this project, with the understanding that they will also later approve all documents when they are in final form, and if they are not satisfactory, the Regents thereof are under no obligation to execute the final documents.

All agreements are to be made with the understanding that the only payments to be made are for services rendered or provided, or that if any other payment is required, that it will not be a general obligation of the State, the Regents or the University, and that if such payments are to be made, they shall be made only from funds that are legally available for such purposes.

Interim President McCarter recommended that the Board adopt the following Resolution and authorize the President and Secretary of the Board to execute the agreement proposed by John Nuveen & Co. as shown below to purchase bonds issued by the Oklahoma University Development Authority, and to approve and execute such other instruments as are necessary to complete arrangements for financing the above described plant.

RESOLUTION

WHEREAS, it has been determined that heating and cooling services are essential to the proper and efficient performance of the duties and work of the Regents in the operation of the University of Oklahoma Medical Center and related facilities; and

WHEREAS, the Trustees of the Oklahoma University Development Authority have determined to acquire and construct facilities required for the provision of heating and cooling services to the University of Oklahoma Medical Center and certain buildings housing institutions related thereto that could be served by the Regents which are contained in the Oklahoma Health Center; and

WHEREAS, to pay the cost of constructing the necessary facilities to provide the heating and cooling services, and to capitalize certain reserve requirements, the Trustees of the Oklahoma University Development Authority have determined to issue Utility Revenue Bonds, Series 1970 dated December 1, 1970 in the aggregate principal amount of \$6,000,000.00 under and pursuant to the terms of a Bond Indenture dated as of December 1, 1970 by and between the Oklahoma University Development Authority and The First National Bank and Trust Company of Oklahoma City, Oklahoma; and

WHEREAS, John Nuveen & Company has agreed to purchase all of the said bonds issued by the Oklahoma University Development Authority for the construction of the necessary facilities for providing the said heating and cooling services, as set out in the agreement dated November 28, 1970.

NOW, THEREFORE, the Regents do hereby approve the agreement proposed by John Nuveen & Company dated November 28, 1970 and accepted by the Oklahoma University Development Authority on November 28, 1970; and

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That the Regents hereby approve the indebtedness incurred by the Oklahoma University Development Authority for the purpose of providing the said heating and cooling services; and

That the Regents authorize their President and Secretary to approve the said agreement with John Nuveen & Company and further to approve, and execute on behalf of the Regents, all other necessary contracts, leases, easements and agreements as contemplated by and referred to in the said agreement of John Nuveen & Company and any other necessary legal documents necessary to fulfill the purposes above set out.

Adopted and approved this 3rd day of December, 1970.

JOHN NUVEEN & CO. (INC.)
61 BROADWAY, NEW YORK, NEW YORK

"November 28, 1970

"Honorable Trustees of the Oklahoma University
Development Authority
Norman, Oklahoma

"Sirs:

"The undersigned hereby proposes the following agreement with you (hereinafter sometimes called the 'Authority'). This offer is made subject to your acceptance at or prior to 2:00 p.m., Central Standard Time, on November 28, 1970, and the approval by the Board of Regents of the University of Oklahoma as hereinafter provided.

"1. Upon the terms and conditions and upon the basis of the representations hereinafter set forth, we hereby agree to purchase from you, and you agree to sell to us \$6,000,000.00 aggregate principal amount of The Trustees of the Oklahoma University Development Authority, Norman, Oklahoma, Utility Revenue Bonds, Series 1970, dated December 1, 1970, bearing such interest rate or rates, and maturing in such amounts and manner as set forth in the draft of preliminary Official Statement attached hereto and marked 'Exhibit A' (such principal amount of Bonds being hereinafter called the 'Bonds'), as follows:

"(A) The Bonds shall be redeemable prior to maturity as set forth in Exhibit A.

"(B) The Paying Agent in New York City shall be designated by the Undersigned.

"(C) The Paying Agent in Chicago, Illinois, shall be designated by the Undersigned.

"(D) The Paying Agent in Oklahoma City, Oklahoma, shall be designated by the Undersigned.

"(E) The purchase price of the Bonds shall be \$964.20 for each \$1,000 principal amount of the Bonds, plus accrued interest from the date of the Bonds to the date of Closing.

"The Bonds shall be issued pursuant to a Bond Indenture dated as of the first day of December, 1970, entered into between The Trustees of the Oklahoma University Development Authority, Norman, Oklahoma, and the trustee bank, containing the conditions and obligations substantially as summarized in the attached Exhibit A, with only such amendments thereto as shall be mutually agreed upon between you and the undersigned.

- "2. Concurrently with your acceptance hereof, you will deliver to the undersigned an Official Statement, substantially in the form attached hereto as Exhibit A, dated as of the date of such acceptance, with such changes and modification as may be approved by the undersigned, executed by you, and you hereby authorize the Official Statement, and the information therein contained, to be used in connection with the sale of the Bonds by us and an/underwriting group formed by us. You shall cause to be furnished to the undersigned on the date of acceptance of this proposal, executed copies of an engineering report in final form, satisfactory to us, in respect of the Project, prepared for the Authority by Carnahan & Thompson, Consulting Engineers of Oklahoma City, Oklahoma, dated November 28, 1970 (herein called the 'Engineering Report').
- "3. You represent to us, both at the time of your acceptance hereof and at the date of Closing, the statements and information contained in that portion of the Official Statement executed by the Authority are, and will be true and correct in all material respects. You further represent that such statements of the Authority in the Official Statement do not, and will not, omit any statement or information which is necessary to make the statements and information therein not misleading in any material respect, or which should be included therein for the purpose for which the Official Statement is to be used by us and the underwriters as provided in Paragraph 2 above.
- "4. Payment for the Bonds to be purchased hereunder shall be made by certified, or official bank check, or checks, payable to The Trustees of the Oklahoma University Development Authority, in New York Clearing House funds at a bank in the City of New York. Such payment shall be made upon delivery of the Bonds to John Nuveen & Co. (Inc.) in New York, New York, not later than December 21, 1970, or such other date as we shall have agreed to in writing, and such transaction is herein called the 'Closing'.

"The Bonds shall be delivered in the denomination of \$5,000 each, or in such larger denominations as the undersigned may request, printed or lithographed on steel engraved borders all as permitted by the Bond Indenture. The coupon Bonds shall be registrable as to principal only, and the fully registered Bonds

shall be in such denominations permitted by the Bond Indenture, and as may be requested by the undersigned, provided that such requests are delivered to you on or before 2 days prior to the date of Closing. Fully registered Bonds, initially delivered, shall be exchangeable for \$5,000 coupon bearer Bonds, upon written request, at the principal office of the Bond registrar without charge.

"You agree that the Bonds to be delivered hereunder will be made available to John Nuveen & Co. (Inc.), for the purpose of inspecting the same, at the office of a bank in the City of New York, New York (or at such other location as may be designated by the undersigned and approved by the Authority) not later than 9:00 a.m., Eastern Standard Time, on the second business day preceding the date of Closing.

- "5. Our obligation to purchase and pay for the Bonds shall be subject to the performance by the Authority of its obligations to be performed hereunder at, and prior to, the date of Closing, to the continued accuracy in all material respects of the representations and warranties of the Authority contained herein and in the Official Statement, and are also subject to the following conditions:
- "(a) at the time of Closing, the Bond Indenture, in the form approved by us shall be in full force and effect, and shall not have been changed except as may have been agreed to in writing by the undersigned;
 - "(b) at or prior to the date of Closing, no litigation, except any which the undersigned in their sole discretion may in writing except from the provisions of this paragraph, shall be threatened or pending in any court (i) restraining or enjoining the issuance or delivery of any of the Bonds or the collection of revenues pledged or to be pledged to pay the principal thereof and interest thereon or (ii) in any way contesting or affecting the existence or powers of the Authority, or the validity of the Bonds, or the Bond Indenture, the Lease Agreement, contracts or other documents relating to the Bonds or their security or this purchase contract;
 - "(c) at or prior to the date of Closing the Authority shall have delivered to Oklahoma Bond Counsel and New York Bond Counsel all such documents and certificates and proofs or instruments as may be required in order that such counsel may form opinions with respect to the legality of the organization of the Authority, the validity and legal effect of contracts, lease agreements and other documents in any wise affecting the Bonds, their issuance and security, the validity and legal

effect of the Bonds and the Bond Indenture, the due authorization by the Authority of this purchase contract, compliance by the Authority with the terms hereof, and such other matters as such counsel shall deem pertinent. The Utility Service Agreements for the rendering of service by the Authority from the facilities of the Project shall provide that the amounts to be paid for such services by the recipients thereof shall be sufficient in the aggregate to pay all costs and expenses of the Authority for operation and maintenance of and renewals and replacements to the Project and for paying the principal of an interest on the Bonds as they respectively mature; and establishing and maintaining reserves as provided in the Bond Indenture;

"(d) the undersigned shall have the right to cancel this agreement by notifying you of their election so to do if at any time at or prior to the Closing (1) a decision by a Court of the United States or The Tax Court shall have been rendered, or a ruling, regulation or statement by or on behalf of the Treasury Department of the United States, the Bureau of Internal Revenue or other governmental agency shall have been made, with respect to Federal taxation upon revenues or other income of the general character derived by you or upon interest received on bonds of the general character of the Bonds, which in the opinion of the undersigned materially affects the market price of the Bonds or the market price generally of bonds of the general character of the Bonds, (2) any event shall have occurred or shall in fact exist which makes untrue or incorrect in any material respect as of such time any material statement or information contained in the Official Statement or in the Engineering Report, or which makes the statements and information contained therein misleading in any material respect as of such time, or which should be included therein for the purpose for which the Official Statement and such reports are to be used by the underwriters as provided in Paragraph 2 above, or (3) any event shall have occurred or shall exist which, in our opinion, makes the then national or international economic, financial, or other conditions similar in effect thereto materially and adversely different from such conditions as they exist as of the date hereof.

"(e) at or prior to the Closing, the undersigned shall receive the following documents:

"(1) the unqualified approving legal opinions of Messrs. Wood, King, Dawson, Love & Sabatine, and George J. Fagin Law Offices, dated as of the date of Closing, each in customary market form stating that the Bonds are valid and legally issued and that all contracts and

leases relating to the Bonds and their security are legal and binding; and stating that it is their opinion that the interest to be paid on the Bonds will be exempt from all present Federal income taxes under present laws, regulations and decisions;

"(2) the non-litigation certificate of the Authority, dated the date of Closing, in the customary form, stating that there is no litigation existing, pending, or to the knowledge of its officers, threatened, affecting or questioning the organization or existence of the Authority, the legality of said contracts and leases the legality of the Bonds and the Bond Indenture;

"(3) such additional certificates, instruments or other documents as the undersigned may request to evidence the truth and accuracy as of the date of Closing of your representations herein contained including the Official Statement, the Engineering Report and the due performance or satisfaction by you at or prior to such date of all agreements then to be performed and all conditions then to be satisfied by you.

(No paragraph numbered 4 was included in the original document.)

"(5) If you shall be unable, after endeavoring in good faith to comply with this purchase contract, to satisfy the conditions and your obligations to us contained in this purchase contract, this purchase contract shall terminate and neither we nor you shall be under further obligation hereunder; provided, however, that in such event the respective obligations of you, and the undersigned, for the payment of expenses, as provided in Section 6 hereof, shall continue in full force and effect.

"(6) We shall be under no obligation to pay any expenses incident to the performance of your obligations hereunder, including, but not limited to, the cost of preparing and printing the Bonds, the Engineering Report, the cost of preparing and printing the Lease Agreement or contracts relating to the Bonds or their security, the Bond Indenture and Official Statement. The Authority shall be under no obligation for expenses incurred by us in connection with the development of this financing or the distribution of the Bonds. We will pay the fees and expenses of Wood, King, Dawson, Love & Sabatine for rendering their legal opinion and you will pay the fees and expenses of George J. Fagin Law Offices for rendering their approving legal opinion.

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- "(7) Any notice or other communication to be given to you under this purchase contract may be given by mailing or delivering the same at your address set forth above, and any such notice or other communication to be given to us may be given by mailing or delivering the same to John Nuveen & Co. (Inc.), 61 Broadway, New York, New York 10006.
- "(8) This purchase contract is made solely for the benefit of you and ourselves and no other person shall acquire or have any right hereunder or by virtue hereof. It is understood that this purchase contract contains all of the agreements between you and us. All your representations in this purchase contract shall survive the delivery of the Bonds hereunder.
- "(9) Standard & Poor's rating on the Bonds of BBB or better.

"It is understood that your acceptance of this proposal must be approved by the Board of Regents of the University of Oklahoma and that upon your acceptance hereof on November 28, 1970, and the approval by said Board of Regents on December 3, 1970, this proposal shall become a contract in accordance with its terms. We reserve the right, however, to withdraw the offer herein contained at any time prior to approval by said Board of Regents.

Very truly yours,

John Nuveen & Co. (Inc.)

By /s/ Albert Merz
Vice President

"The above and foregoing proposal is hereby accepted for and on behalf of the Trustees of the Oklahoma University Development Authority, Norman, Oklahoma, this 28th day of November, 1970, pursuant to Resolution duly adopted.

THE TRUSTEES OF THE OKLAHOMA UNIVERSITY
DEVELOPMENT AUTHORITY, NORMAN, OKLAHOMA

By /s/ H. O. Harder
Trustee-Chairman

(SEAL)
ATTEST

By /s/ R. Boyd Gunning
Secretary

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"The above and foregoing is hereby approved by the Board of Regents of the University of Oklahoma, this 3rd day of December, 1970, pursuant to resolution duly adopted.

BOARD OF REGENTS OF THE UNIVERSITY OF
OKLAHOMA

By /s/ Horace K. Calvert
President

(SEAL)

ATTEST:

By /s/ Barbara H. James
Secretary"

The recommendation was unanimously approved on motion by Regent Santee.

The other instruments pertaining to the sale of these bonds approved and executed by the President and Secretary of the Board are attached to and made a part of the minutes of this meeting (APPENDIX A).

V. Operations and Physical Plant

a. Major Capital Improvements Progress Report

As shown on the two pages attached a report was presented to the Regents on major capital improvements projects now under construction and in various stages of planning on the Medical Center Campus. No action was required.

b. Dynamic Grounding System

Dr. McCarter requested permission to add to the agenda for this meeting consideration of an item pertaining to the new Hospital. On motion by Regent Lockard, it was unanimously agreed to consider the matter at this time.

Dr. McCarter asked Dr. Eliel to present information to the Regents on the need to make major changes in the ground detection system now included in the plans and construction contracts for Phase I of the new Teaching Hospital.

Dr. Eliel said that during the past ten to twenty years there has been a rapid increase in the use of electrical equipment in hospitals with a resultant increase in potential risk to patients, particularly in operating rooms, intensive care units, recovery rooms, labor rooms, and in a selected number of other patient treatment areas within hospitals. Studies completed

within the past few years indicate that under certain circumstances very small current flows from defective equipment can cause death.

During the design of Phase I of the new Hospital, Dr. Eliel said this problem was identified and, using the best information then available, the architects and engineers for the project designed a static ground detection system. This system, which meets the requirements of present codes, was included in the contract documents.

In late August of this year, the Medical Center administration learned of the inadequacies of the static ground detection system and that the system would not meet the provisions of the National Fire Protection Association Code 56 which was undergoing revision. In an effort to avoid the installation of an unsafe and outmoded system and to save the funds allocated to the system, a temporary stop work order was issued on September 23. Since that time, Medical Center personnel and the architects for this project, Frankfurt-Short-Emery-McKinley, have made an intensive study of the problems associated with the use of electrical equipment in patient areas, the provisions of the new National Fire Protection Association Code and the options open at this time.

As a result of this study, the architects recommend that a dynamic ground detection system be designed for the new hospital. The estimated cost, including design fees, to install this improved system in the top priority critical areas, the operating rooms and delivery suite, is \$50,500. Dr. Eliel said there will be additional expenses involved with the installation of these systems in other parts of the hospital. This phase is still under study, however, but he said he will probably present additional information on this at the January meeting.

Dr. Eliel reported that funds are available in the construction contingency account to cover these expenditures.

Dr. McCarter recommended that the Regents approve a change order to the construction contract for the new Teaching Hospital in the amount of \$40,000 for the purchase and installation of the equipment necessary to put the dynamic ground detection system in the operating room suite and in the delivery suite. He recommended also that the Regents approve an amendment to the architectural contract with Frankfurt-Short-Emery-McKinley in the amount of \$10,500 to cover the design services for the dynamic detection system.

Mr. Santee said this is one of the matters presented to the Regents' Facilities Planning Committee at the meeting yesterday and that the committee recommends approval.

Dr. McCarter's recommendations were approved on motion by Regent Davies.

C. Academic

OFFICE OF FACILITIES PLANNING
THE UNIVERSITY OF OKLAHOMA

PROGRESS REPORT,

MAJOR CAPITAL IMPROVEMENTS PROGRAM

PROJECTS UNDER CONSTRUCTION

Project Number	Project	Architect	Contractor	Contract Award Date	Original Contract Amount	Current Contract Amount	Status (% complete)	Contract Completion Date
			OKLAHOMA CITY CAMPUS					
	New University Hosp. Phase I	Frankfurt, Short, Emery, McKinley	Harmon Const. Co.	07/02/69	11,959,000	12,028,538	35%	07/02/72
	Clinical Laboratory	Physical Plant Staff	Hugh Williams Const.	06/12/69	37,980	Same		11/01/69
	Radiology Add. - Self Liquidating Bonds	Afton Gille	Star Construction	11/07/69	274,471	293,211	99%	06/30/70

OFFICE OF FACILITIES PLANNING
THE UNIVERSITY OF OKLAHOMA

MAJOR CAPITAL IMPROVEMENTS PROGRAM

PROGRESS REPORT,

PROJECTS IN VARIOUS STAGES OF PLANNING

Project Number	Project	Architect	Contract or Letter	Estimated Cost	Status	Est. Compl. Date--Plans	Est. Compl. Date--Const.
OKLAHOMA CITY CAMPUS							
	Student Housing -- Self Liquidating Bonds	Murray, Jones, Murray	L 03/15/68	5,521,000	Bond attorneys have suggested the division of this project into two phases. Architects are proceeding with further studies.		
	Health Science Library and Learning Resources Center (New Library - Computer Bldg.)	Sorey, Hill, Binnicker	L 02/24/70	4,614,729	An application for construction funds submitted to the U. S. Public Health Service on June 30 is undergoing review. A notice of award is expected in December.		
	Central Power Plant	Carnahan & Thompson, Engr. Turnball & Mills, Inc., Arch.	L 07/24/69	4,026,000	Bids have been received and it is anticipated that contracts will be awarded prior to December 15, 1970. Difficulties encountered in arranging for the sale of bonds have delayed the award of contracts.		
	School of Health	Murray, Jones, Murray	L 05/23/69	10,000,000	A grant application to the U.S. Public Health Service has been approved subject to the availability of funds. An award of funds is expected later in the year. The project architects are proceeding with design development plans.		
	Biomedical Sciences Bldg. (Faculty Facilities)	Wright and Selby	L 05/23/69	11,500,000	An application for construction funds submitted to the U.S. Public Health Service on June 30 is undergoing review. A notice of award is expected in December.		
	Remodeling of Medical School Building	Nofstger, Lawrence, Lawrence & Flesher	L 02/24/70	400,000	Architects have been appointed by Regents. The future use of this structure is undergoing review.		
	Pathology Hospital Unit	Frankfurt, Short, Emery & McKinley	L 02/24/70	700,000	A contract for architectural services is being prepared. Work is proceeding on final plans.		
	Dental Addition to Basic Science Education Building (Dental Educational Building)	Frankfurt, Short, Emery & McKinley	L 02/24/70	1,700,000	An application was submitted to the U.S. Public Health Service on June 30. A notice of award is expected in December.		
	Dental School and Clinical Facilities (Dental Clinics and Clinical Faculty Facilities)	McCune and McCune	L 02/24/70	11,770,000	Architects are working on the schematic design. Work is proceeding on a Federal Grant application which has been postponed until March, 1971.		

I. Personnel

a. Norman Campus Faculty

LEAVES OF ABSENCE:

Russell D. Buhite, Associate Professor of History, sabbatical leave of absence with full pay, September 1, 1971 to January 16, 1972.

Frances Laverne Carroll, Assistant Professor of Library Science, sabbatical leave of absence with 1/2 pay, September 1, 1971 to June 1, 1972.

John M. Canfield, Associate Professor of Physics, changed from sabbatical leave of absence with 1/2 pay to leave of absence without pay, November 1, 1970 to June 1, 1971.

DeWitt Kirk, Professor of Law, sick leave of absence with full pay, October 26, 1970 to January 26, 1971.

APPOINTMENTS:

Timothy Ray Covington, Assistant Professor of Clinical Pharmacy, College of Pharmacy, \$16,500 for 9 months, September 1, 1971. 1971-72 E&G Budget.

Dave W. Lang, Visiting Assistant Professor of Political Science, Advanced Programs, September 15, 1970. Salary to be paid by Special Payment. E&G B Budget page 127, position 218.

Kenneth Harold Martin, Special Instructor in Accounting, Advanced Programs, August 31, 1970 to June 1, 1971. Paid by special payment. E&G B Budget page 127, position 219.

Robert L. Vaughan, Special Instructor in Business Law, Advanced Programs, August 31, 1970 to June 1, 1971. Paid by special payment. E&G B Budget page 127, position 219.

Donna J. Lemon, Special Instructor in Library Science, Advanced Programs, January 1, 1971 to June 1, 1971. Paid by special payment. E&G B Budget page 127, position 220.

Ann Cowans, Clinical Instructor in Pharmacy, \$500 for 9 months, part-time, September 1, 1970. E&G Budget page 129, position 23.

Paula Landrith Roberts, Clinical Instructor in Pharmacy, \$500 for 9 months, part-time, September 1, 1970. E&G Budget page 129, position 19.

Jafar Hashemi-Tafreshi, Special Instructor in Physics and Astronomy, Advanced Programs, January 18, 1971 to June 1, 1971. Paid by special payment. E&G B Budget page 127, position 219.

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Rebecca S. Bricker, Special Instructor in University School, \$6,400 for 9 months, September 1, 1970 to June 1, 1971. Salary to be paid by Norman Board of Education.

CHANGES:

Raymond R. White, transferred from Administrative Services to Education, title changed from Professor of Office Administration, Administrative Services, and Professor of Education to Professor of Business Communications, Administrative Services, Professor of Education, Acting Director of Southwest Center for Education in Family Finance, and Director of Business Education, July 1, 1970.

Billie D. Holcomb, transferred from Administrative Services to Education, title changed from Professor of Office Administration to Professor of Education, September 1, 1970.

Erna Minna Mandowsky, title changed from Visiting Associate Professor to Associate Professor of Art, October 1, 1970.

Gerald D. Kidd, Associate Professor of Education; given additional title of Assistant Director of Education Professions Division, College of Education, June 1, 1970.

Helen Dunn Gouin, Extension Specialist III, Director, Health Studies, Community Services; given additional title of Adjunct Associate Professor of Continuing Education in Pharmacy, November 2, 1970.

James H. Christensen, Assistant Professor of Chemical Engineering and Materials Science; given additional title of Assistant Professor of Information and Computing Sciences, January 1, 1971.

Robert D. Van Auken, transferred from Administrative Services to Education, title changed from Assistant Professor of Office Administration to Assistant Professor of Education, September 1, 1970.

Betty L. Pollak, title changed from Visiting Assistant Professor to Assistant Professor of Physics and Astronomy, October 15, 1970.

Ora Ellen McKown, transferred from Administrative Services to Education, title changed from Special Instructor in Office Administration to Special Instructor in Education, salary changed from \$3,000 for 9 months, 1/2 time, to \$4,500 for 9 months, 3/4 time, September 1, 1970. Increase from E&G Budget page 85, position 87.

Joe Anna Hibler, transferred from Administrative Services to Education, title changed from Special Instructor in Office Administration to Special Instructor in Education, September 1, 1970.

Laura B. Blair, transferred from Administrative Services to Education, title changed from Instructor in Office Administration to Instructor in Education, September 1, 1970.

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Helen Reagan Smith, Special Instructor in Journalism; given additional title of Special Instructor in Professional Writing, School Services, \$2,400 for 12 months, 3/4 time, October 1, 1970 to July 1, 1971. Paid from 427-536 ED S&C Correspondence Study Development.

William Julian Parton, Special Instructor in Meteorology, salary changed from \$1,125 for 4½ months, .30 time, to \$1,874.25 for 4½ months, 1/2 time, September 1, 1970 to January 16, 1971. Increase from E&G Budget page 118, position 13.

Carl S. Whittle, Pharmacist, Student Health Services; given additional title of Clinical Instructor in Pharmacy, September 1, 1970.

Approved on motion by Regent Neustadt.

Dr. McCarter reported the death of Vernon J. Puryear, Visiting Professor of History, on November 10, 1970.

b. Norman Campus Graduate Assistants

APPOINTMENTS:

Advanced Programs (Paid by special payment. Funds from E&G B Budget page 127, position 219).

Arne R. Hansen, Art, January 1, 1971 to June 1, 1971.

Mary Jane Porter, Art, January 1, 1971 to June 1, 1971.

Wallace L. Carter, History, August 28, 1970 to June 1, 1971.

Henry C. Childs, Political Science, August 28, 1970 to June 1, 1971.

John M. Davis, Psychology, August 31, 1970 to June 1, 1971.

Mathematics (Funds from E&G Budget page 117, position 47).

Terry B. Lowery, \$1,200 for 4½ months, 1/2 time, January 16, 1971 to June 1, 1971.

Orvin Bruce Tobiason, \$1,250 for 4½ months, 1/2 time, January 16, 1971 to June 1, 1971.

Music (Funds from E&G Budget page 126, position 50).

Jan Elizabeth P. Gaddis, \$500 for 4½ months, 1/4 time, September 1, 1970 to January 16, 1971.

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RESIGNATIONS:

Warren R. Asher, Graduate Counseling Assistant for Fraternities, Residential Programs, September 12, 1970.

Reed H. Downey, Chemistry, January 16, 1971.

David A. Foster, Chemistry, January 16, 1971.

Approved on notion by Regent Huffman.

c. Retirement Program

Dr. McCarter said the University Senate has requested that the Norman Campus of the University adopt a TIAA-CREF program as part of the fringe benefit program. He presented the following preliminary proposal:

The Retirement and Fringe Benefit Committee recommends that the following additions to the retirement plan be adopted by the University effective September 1, 1971.

It is understood that this program will become a part of the total University of Oklahoma Retirement Plan and will in no way reduce the amount of retirement benefits to which the employee would be entitled under the provisions of the current University of Oklahoma Retirement Plan. It is also understood that in many cases the retirement benefits accruing to employees may be increased appreciably. It is further understood that any benefits resulting from the addition of this plan may become fully vested with the employee as explained later in this proposal.

The effect of this addition is to add one more layer to the present retirement plan which will provide coverage as follows:

- a. Social Security - primary benefit.
- b. Oklahoma Teachers' Retirement System benefits based on Maximum Benefit for Life Option.
- c. TIAA-CREF benefits - This figure will be furnished by TIAA-CREF as a standard total monthly retirement payment and will not be influenced by any retirement option, including survivor benefits, that the employee may choose.
- d. University Supplement as needed to provide for total retirement benefits as explained in the University of Oklahoma Retirement Plan.

Those to be covered in the program include all regular employees in the following categories:

- a. Academic
- b. Administrative Officers and Administrative Staff
- c. Professional

Those excluded from the program include:

- a. Temporary employees.
- b. Classified employees who are not members of the Oklahoma Teachers' Retirement System.
- c. Graduate Assistants - (such employees are considered to be temporary and are therefore not eligible for coverage).
- d. Employees whose salary depends upon availability of funds through contractual agreements with agencies outside the University. Such employees may participate if the total amount of University participation is paid from contract funds.

I. TYPE OF FUNDING PLAN - TEACHERS INSURANCE AND ANNUITY ASSOCIATION - COLLEGE RETIREMENT EQUITIES FUND:

TIAA-CREF is a nationwide retirement system limited to non-profit institutions engaged primarily in education and research.

II. ELIGIBILITY FOR PARTICIPATION:

Those faculty and staff making a salary in excess of the amount subject to Social Security (currently \$7,800) and who are members of the Oklahoma Teachers' Retirement System shall be eligible to participate. Mandatory participation is required for all eligible participants except for those 50 years of age and over or those with 25 or more years of service with the University of Oklahoma on the effective date of the plan. The age 50 is interpreted to mean any person who was born prior to September 1, 1921.

Employees who exercise the option to forego the benefits of the plan will be asked to state their option in writing with the understanding that such a choice shall be irrevocable. Such choice is available only at the time the plan is implemented and shall not be available to those who reach the age of 50 on or after September 1, 1971 unless the employee has completed 25 years of service with the University of Oklahoma.

III. REQUIREMENTS FOR NEW ELIGIBLES:

An eligibility requirement of three years of service with the University of Oklahoma or the attainment of age 30 is mandatory. Those individuals entering the employ of the University covered by TIAA-CREF under the auspices of another institution are exempt from this requirement. All employees who participate in the program must be members of the Oklahoma Teachers' Retirement System unless the employee is at least 55 years of age at the time he begins his service with the University of Oklahoma.

After September 1, 1971, an employee who is more than 55 years of age when he begins service with the University of Oklahoma may wish to participate in the program. Such participation is possible even though the employee will not be eligible for membership in the Oklahoma Teachers' Retirement System.

Three years of service is interpreted to mean three academic years or major fraction thereof. Leaves without pay shall be excluded in calculating length of service.

For those reaching the age 30, coverage shall begin on July 1 following the date on which the employee reached age 30.

The three-year service rule and the age 30 limitation shall apply to all personnel currently employed.

IV. AGE OF RETIREMENT UNDER THE PLAN:

Normal retirement age is 65 with extensions to age 70. (No TIAA contributions will be made by the University after individual reaches normal retirement age.)

V. RATE OF PREMIUM CONTRIBUTION:

All percentages listed below are applicable to that portion of salary for the fiscal year exceeding \$7,800. If the amount of basic salary covered under the Social Security program increases the amount of withholding and institutional contribution for the TIAA-CREF program shall be limited to the amount of salary in excess of Social Security coverage.

	<u>Total</u>	<u>University Share</u>	<u>Individual Share</u>
1971-72	1½%	1%	½%
1972-73	3 %	2%	1 %
1973-74	4½%	3%	1½%
1974-75	6 %	4%	2 %
1975-76	7½%	5%	2½%

(continued)	<u>Total</u>	<u>University Share</u>	<u>Individual Share</u>
1976-77	9 %	6%	3 %
1977-78	10½%	7%	3½%
1978-79	12 %	8%	4 %
1979-80	13½%	9%	4½%
1980-81	15 %	10%	5 %
and thereafter			

In determining earnings the following shall be included:

- a. Annual Contract salary (9 or 12 months)
(including tax-deferred annuity options)
- b. Summer appointments for those on a regular nine months contract

The following shall be excluded:

- a. Special payments of any kind
- b. Cost of living differentials on international projects
- c. Housing allowances
- d. Expense allowances
- e. Any amount of salary which results in a salary deduction of \$1.00 or less per month

VI. PREMIUM ALLOCATIONS TO TIAA AND CREF:

The participant may choose premiums to be allocated to TIAA and CREF. The premium allocation may be made 100% to TIAA, or any proportion not less than 25% nor more than 75% to TIAA or CREF, with the balance to the other company. Not more than 75% may be allocated to CREF.

VII. SUGGESTED DATE FOR PLAN TO BECOME EFFECTIVE:

September 1, 1971

VIII. RETIREMENT PROVISIONS FOR SERVICE RENDERED PRIOR TO ENTERING TIAA PLAN:

Prior service benefits will be provided by continuation of the present University retirement plan (University Supplement Retirement Benefits) for all persons presently employed and new employees hired prior to fiscal year 1980 (when maximum contribution rate is reached). The University Supplement Retirement Benefits accrue as follows:

2% of average of highest salary for five consecutive years times the number of years of service up to 25 years of service. $\frac{1}{2}$ of 1% for each year thereafter.

The formula then becomes:

Supplement = Total Entitlement - SS benefits (primary benefits) - OTRS benefits (based on maximum benefit for life option) - TIAA-CREF benefits

IX. DISPOSITION OF UNIVERSITY CONTRIBUTIONS DURING LEAVES OF ABSENCE:

- a. With full pay: Contribution will continue as with regular employment
- b. With part pay: Contributions will continue on same basis as a. above but shall be based on actual salary for part time employment
- c. Without pay: University will not make contributions

X. REPURCHASE OF ANNUITY:

Repurchase of an annuity will be approved if the following conditions are met:

- a. The repurchase of annuity in force five years or less will be allowable if:
 - 1. Annuitant requests repurchase.
 - 2. Annuitant is neither employed at nor transferring to another institution having TIAA plan.
 - 3. All educational institutions contributing to premiums agree.
 - 4. If the annuitant has more than one annuity, the total value of all TIAA-CREF annuities and the longest duration of any of them shall govern in determining whether a repurchase will be made under this rule. If repurchase is approved, all the retirement annuities will be repurchased.
- b. Repurchase of annuity in force more than five years will be allowable under the conditions above if repurchase value is no more than \$2,000.
- c. Portions of the repurchase value of the annuity attributable to the University's contributions shall be refunded to the University. If the annuitant does not consent to a refund to the University, the annuity may not be repurchased.

XI. BENEFIT ILLUSTRATIONS:

Exhibits A, B and C, which were mailed to the Regents with the agenda, illustrated the retirement benefits produced by the proposed plan assuming various ages and salary levels. Slight increases over the present OTRS and Social Security benefits were estimated in the examples.

ESTIMATED COST OF CONTRIBUTIONS TO TIAA RETIREMENT PLAN:

As stated previously, contributions to TIAA would be shared, by the University assuming two-thirds and the individual one-third of the premium cost. In calculating the estimated cost of contributions, certain assumptions were necessary:

- a. Total salary expense to be covered would increase at a rate of 5% per year.
- b. No new positions would be authorized and the present staff in total number would remain relatively stable.
- c. The premium contribution rates listed previously would be in effect.
- d. Data was prepared in the hope that the plan could become effective during 1970-71. Since it is not possible to start the program until at least September 1, 1971, the beginning dates on all exhibits should be moved forward by one year.

PROJECTION OF UNIVERSITY RETIREMENT SUPPLEMENT:

The projection of retirement payments for fiscal years 1971-80 are based on actual payment for fiscal years 1964-70 and estimated payments for fiscal years 1971-73. Since the data are not available at present, these projections do not reflect reductions in cost resulting from TIAA annuity benefits and recent increases in benefits from the Oklahoma Teachers' Retirement System. The following chart indicates the estimate of the cost to the University of required TIAA contributions and required University Supplement payments during the period 1971-80:

<u>Fiscal Year</u>	<u>Estimate TIAA Contributions</u>	<u>Estimate University Supplement</u>	<u>Total Cost Retirement Program</u>
1971	\$ 51,020	\$ 289,122	\$ 340,142
1972	113,530	360,093	473,623
1973	188,646	390,654	579,300
1974	277,523	418,519	696,042
1975	381,401	446,384	827,785
1976	501,605	474,247	975,852
1977	639,448	502,114	1,141,562
1978	796,394	529,981	1,326,375
1979	973,845	557,847	1,531,692
1980	1,173,624	585,711	1,759,335
	\$ 5,097,036	\$4,554,672	\$9,651,708

PRESENT RETIREMENT BENEFITS

The Oklahoma Teachers' Retirement contributions are now required at 5% on the first \$7,800 base salary or \$390 premium per annum. This produces the following benefits:

1. For years of service up to August 2, 1970 - a monthly benefit of \$6.50 per month for each year of service.
2. For years of service after August 2, 1970 - a monthly benefit based on 1.25% graduated at .05% per year up to a maximum of 1.5% in fiscal year 1975 of a maximum salary base of \$7,800.

It requires ten years minimum membership to receive the benefit. Twenty-year membership will qualify the employees for vested interests.

DISABILITY BENEFIT

An employee must have ten years membership to qualify. The benefit will be based on the same criteria as retirement; i.e., at the time of total disability the employee would be entitled to the same total benefit he would receive if he were then age 65.

ADDENDUM I

The examples of TIAA annuity are based on a 4% yearly salary increase. It should be noted that the plan outlined in this proposal anticipates a 5% yearly increase. A 5% yearly increase shows a greater annuity amount, however, the 4% schedule included adequately demonstrates the nature of the benefit accumulation.

Dr. McCarter recommended that the preliminary proposal be approved in principle with the understanding that the final contract will be submitted to the Regents for approval. He recommended also that this approval be contingent upon the availability of funds in the 1971-72 budget.

The recommendations were approved on motion by Regent Neustadt.

II. Changes in Degrees

a. Liberal Studies Program

Dr. McCarter reported that the State Regents for Higher Education in meeting on November 17 approved the University's request to offer a new educational program for regular collegiate students at the undergraduate level, Experimental Alternate Program in Liberal Studies, and to confer the Bachelor of

Liberal Studies degree upon students successfully completing requirements for graduation. This new program is to be effective in the second semester of the 1970-71 academic year.

This was reported for information. No action was required.

IV. Changes in Academic Departments

a. Relocation of College of Pharmacy

Current changes in health care practices and society's increasing demand for comprehensive medical services have created a need for better coordination of all of the health professions so that the health care team concept can become a reality. Pharmacy must be an integral part of this team concept.

A pharmacy program can best function in a medical center environment where the student, working with patients and other health professions, can learn to function as a part of the health care team. The availability of patients, medical records, and the opportunity for interaction with other health professions exist only in this environment.

The profession of pharmacy can provide many services to the other health fields when located in the clinical setting. Programs such as drug utilization review (providing patients with the most efficacious drug) and drug information retrieval systems (expansion of computerized services for such areas as poison control, adverse drug reactions, drug interactions, etc.) are only two examples of services which can be provided. Effects of this would enhance the quality of patient care by reduction of medication errors and consideration of cost factors for the patient and the hospital.

Utilization of basic science courses (e.g., physiology, pathology, biochemistry, microbiology) offered at the Medical Center would avoid unnecessary duplication. In addition, courses at the graduate level would be more accessible to those students pursuing advanced degrees.

The Medical Center environment will also serve to bring the educator closer to the field of practice, and thus enable him to keep abreast of changes in health care and the profession more easily.

The accreditation agency and federal granting agencies are beginning to look favorably upon schools located in a medical center complex because of their ability to provide an interdisciplinary approach to health care. Such programs have proved successful in a number of universities (Illinois, Michigan, California, etc.) and have served to improve the status of these institutions in pharmacy education.

The relocation of the College of Pharmacy from the Norman Campus to the Medical Center Campus should provide greater opportunity for advancing the health care team concept and provide the clinical setting required for modern pharmacy education at OU. The relocation is recommended by the the faculty of the College of Pharmacy, and the College of Pharmacy Visiting Committee has urged the move through the University Board of Visitors. The possibility of the relocation was a persuasive attraction in the recruitment of Dean Charles Blissitt. The possibility has been incorporated in the long range plans of both campuses.

Dr. McCarter recommended that the Regents authorize the development of a plan during the spring semester 1970-71 for the relocation of the University of Oklahoma College of Pharmacy from the Norman Campus to the Medical Center Campus.

Dr. McCarter called attention to the fact that the faculty of the College of Pharmacy voted about two years ago that this relocation should be made. Since that time, the administration at the Medical Center, including Dr. Dennis and Dr. Colmore, has expressed complete agreement that this move should be made.

The recommendation was approved on motion by Regent Lockard.

E. The University Community

I. Housing Policies

a. Closing Hours

Dr. McCarter requested permission to add to the agenda a matter pertaining to closing hours in University housing. The Regents agreed unanimously to consider the matter at this time.

Dr. McCarter recommended approval of the following policy:

A freshman student, may, with parental approval, regulate his or her own closing hours in University housing. This policy applies to both freshman men and freshman women.

For those students who choose to have regularly established hours, the closing hours will be 12 midnight Sunday through Thursday and 2:00 a.m. on Friday and Saturday.

For those students who elect to have no closing hours, a system will be established to permit self-regulation of hours.

This policy will become effective at the beginning of the second semester of the 1970-71 school year.

Dr. McCarter stated this recommendation is not intended to change any regulations of the Regents other than the closing hours in University housing for freshman students.

Dr. McCarter said this plan of parental approval for self-regulation of hours has been under study for some time with the intention that, if approved, it would be put into effect for the fall semester 1971. He said he now has been assured by those who will be directly responsible for administering the policy that it will cause no great hardship on any student as to where he or she lives now if we put it into effect for the second semester of this year. He said that is the reason for bringing the matter up at this time. Dr. McCarter said the University would provide some kind of form or letter asking the parents to express themselves as to whether they want to give this kind of approval or not. Parents' wishes will be honored by the University in its administration of the policy. Dr. McCarter said he has been assured by Vice President Burr and his staff that having a mix of students in housing with and without parental approval for self-regulation of hours will cause no problems. Dr. McCarter said the practice now used in administering the special privileges program for upperclass women will be followed.

The recommendation was approved on motion by Regent Lockard.

VII. Athletics

a. Astro-Bluebonnet Bowl

Dr. McCarter recommended that the Regents ratify action taken by telephone authorizing the football team to play a post-season game in the Astro-Bluebonnet Bowl in the Astrodome in Houston on December 31, 1970.

Approved.

b. Statement of Commendation

Dr. McCarter requested permission to add to the agenda a statement pertaining to the football coaches and the team. The Regents agreed unanimously to add the matter to this agenda.

Dr. McCarter said he had a prepared statement he would like to read and he asked that the Regents concur. The statement is as follows:

"I am recommending to the Board of Regents today a formal commendation for Coach Chuck Fairbanks, his staff, and the members of the University's varsity football team for their performance during the 1970 season. I commend the team for its invitation to play in the Astro-Bluebonnet Bowl

game on December 31, and consider this invitation a fitting reward to a team and a staff that demonstrated determination, courage and spirit throughout a demanding schedule. I commend Coach Fairbanks and his staff for their success in building a representative team composed of many young players and a nucleus of good experienced athletes. Their accomplishments together represent the best example of a teaching and learning experience. The coaching staff and members of the team are young men whom I personally am proud to have represent the University of Oklahoma. I, therefore, propose that the Regents join me in this resolution of commendation, which carries with it best wishes for, and expectations of, success in the Astro-Bluebonnet Bowl game."

On motion by Regent Huffman the Regents voted to concur with the statement.

Dr. McCarter suggested, and it was agreed, that, in addition to the statement being included in the minutes for this meeting, copies be made available to the press, and a copy mailed to Coach Fairbanks.

F. Finance and Management

I. Administrative and Professional Personnel

LEAVE OF ABSENCE:

Barbara O. Churchill, Associate Editor, Oklahoma Law Review, sick leave of absence with pay extended, changed from \$533.33 to \$100 per month, November 26, 1970 to July 1, 1971.

APPOINTMENTS:

James Donald Bednar, Director of Registration, Admissions and Records, \$15,000 for 12 months, November 16, 1970. Administrative Staff. Funds from E&G Budget page 31, position 4.

James Morgan Blue, Director, Media Information, University Relations, \$16,500 for 12 months, November 25, 1970. Administrative Staff. E&G Budget page 41, position 3.

Paul S. Bolen, Systems Analyst, Admissions and Records, \$12,500 for 12 months, November 1, 1970. Professional Staff. E&G Budget page 31, \$4,797.07 from position 9 and \$3,536.01 from position 7.

Ovid E. Flowers, Extension Specialist II, Development Specialist, Post Office Programs, rate of \$10,000 for 12 months, November 16, 1970 to July 1, 1971. Professional Staff. Funds from grant account 427-526.

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Jack Kruse, Chief Accountant-Budget Accounting, Accounting Services, \$13,000 for 12 months, October 30, 1970. Administrative Staff. Funds from E&G Budget page 27, position 8.

Robert Alexander Montgomery, Manager, Payroll Section, Accounting Services, \$7,200 for 12 months, November 12, 1970. Professional Staff. \$4,000 from AE Budget page 20, position 2, \$600 from E&G Budget page 27, position 8.

Alexander P. Turner, Health Physicist, Office of the Vice President for Operations, \$1,800 for 4 months, 1/2 time, January 1, 1971 to May 1, 1971. Professional Staff. Funds transferred from 327-518, Operations Services.

LaVonna Ann Weller, General Counselor, Threshold '70, 429-202, \$8,000 for 12 months, October 19, 1970 to July 1, 1971. Professional Staff.

John Leonard Whyatt, Extension Specialist II, Instructional Program Writer, Post Office Programs, \$9,300 for 12 months, November 1, 1970 to July 1, 1971. Funds from grant account 427-526.

Bill O. Williams, Assistant Director for Design, University Publications, \$13,000 for 12 months, October 19, 1970. Professional Staff. E&G Budget page 44, position 2.

CHANGES:

Sharon J. Blevins, title changed from Assistant Copy Editor, University Publications, to Salesman, WNAD-Radio, no change in salary of \$5,800 for 12 months, except will be paid 15% commission on sales over \$5,800, October 26, 1970 to January 1, 1971.

Charles L. Caldwell, Consultant, Advanced Programs, salary increased from \$1,200 to \$1,680 for 12 months, .375 time, September 1, 1970. Increase from E&G Budget page 193, position 10.

Racheal H. Keely, title changed from Recorder to Director of Student Data Services, Admissions and Records, salary changed from \$8,400 to \$10,000 for 12 months, November 1, 1970. Increase from E&G Budget page 31, position 7.

RESIGNATION:

Thelma Marie Staub, General Duty Nurse, Student Health Service, November 9, 1970.

Approved on motion by Regent Davies.

VI. Purchases

a. Cast Iron Pipe

The following bids have been received through Central Purchasing on 130 joints of 10 inch cast iron pipe for the Department of Physical Plant:

Sherman Machine & Iron Works		
Oklahoma City, Oklahoma		
Net, 1 wk. delivery		
Not unloaded	\$9,694.10	
Unloading chg.	<u>125.00</u>	\$9,819.10
Bailey Meissner Co.		
Lawton, Oklahoma		
Net, 15 day delivery		
Class 21 thickness		\$9,703.20
Class 22 thickness		\$9,964.50
Not unloaded		
F.E. Georgia Supply Co.		
Oklahoma City, Oklahoma		
Net, 2 wks. delivery		
Unloaded		\$9,945.00
Crane Supply Co.		
Oklahoma City, Oklahoma		
Less 2%, 21 day delivery		
Not unloaded	\$10,132.20	
Less 2%	<u>202.64</u>	\$9,929.56

Funds are available in the Physical Plant Service Unit account, 327-521, to cover this purchase.

Each joint of this pipe is to be 18 feet long. The weight will be approximately 850 pounds per length, so unloading will require special equipment and a number of men. The Department of Physical Plant advises the cost of unloading with University equipment and employees would range from \$150.00 to \$200.00.

Dr. McCarter recommended the award be made to Sherman Machine & Iron Works, delivered and unloaded as specified in the bid, at a total cost of \$9,819.10.

The recommendation was approved on motion by Regent Neustadt.

b. Bids on Laundry

Bids have been received through Central Purchasing for furnishing laundry service for the 1971 calendar year for University Housing, Student Health Service, School of Home Economics, Home Economics Nursery School, Department of Physical Education, Fire Department, Sooner City Nursery School, University School, Athletic

Department, and the Oklahoma Center for Continuing Education. Because of the difference in delivery requirements and the possibility that an interested bidder might be able to handle only part of the total volume, the bid was set up in two sections. Section I covers all areas except OCCE. Section II is for OCCE.

The following bids were received:

	<u>Oklahoma City Linen</u>	<u>Up to Date Laundry</u>
Section I	\$ 9,535	\$14,540
Section II	<u>18,065</u>	<u>21,635</u>
Total	\$27,600	\$36,175

Payment will be made by each unit using laundry service.

Dr. McCarter recommended that the contract for furnishing laundry services for various areas of the Norman Campus for the period January 1, 1971 through December 31, 1971 be awarded to Oklahoma City Linen Service in accordance with the bid submitted.

Approved on motion by Regent Neustadt.

c. Valve-Power Plant

The following bids have been received through Central Purchasing for a cast steel valve requisitioned by the Department of Physical Plant as a replacement valve for a Power Plant boiler:

1. Golden-Anderson Valve Specialty Co.
Pittsburgh, Pennsylvania
Net, fob Norman
20-24 weeks delivery \$ 5,060.00
2. Bailey Meissner Co.
Lawton, Oklahoma
Net, fob Norman
20-24 weeks delivery \$ 5,382.00

Power Plant funds, account 327-522, are available to cover this purchase.

Dr. McCarter recommended this purchase be made from Golden-Anderson Valve Specialty Co. in accordance with their bid.

Approved on motion by Regent Neustadt.

d. Aircraft Fuel

Bids were solicited through Central Purchasing for aircraft fuel to be delivered as requested to Max Westheimer Field for one year beginning January 1, 1971. Payment will be made from Max Westheimer Field account 327-116.

Only one bid was received. This bid is from Continental Oil Company, Houston, Texas, as follows:

80,000 gallons (approx)	gasoline 80/87 octane price per gallon \$.1432	\$11,456.00
80,000 gallons (approx)	gasoline 100/130 octane price per gallon \$.1582	\$12,656.00
50,000 gallons (approx)	jet fuel price per gallon \$.1437	\$ 7,185.00

The above prices are delivered prices and exclude all federal, state and local taxes.

Dr. McCarter recommended that the contract be awarded to Continental Oil Company. The prices bid are identical to the prices in the contract awarded to this company for the calendar year 1970.

Approved on motion by Regent Neustadt.

e. Plant Growth Unit

Bids have been received on one bench top plant growth unit consisting of four chambers, two of which are to be equipped with partlow dry bulb temperature recording programmers. This equipment is for the Department of Zoology and payment will be made from Section 13 and New College Funds.

The following bids were received:

Sherer Environmental Division
Kysor Industrial Corporation
Marshall, Michigan
Net, fob Norman, 75-110 day del. ARO

A. Growth Unit (4 chambers)	\$5,200.00
B. Two each temperature recorder programmers	550.00
C. Two each stacking racks	<u>150.00</u>
	\$5,900.00

Controlled Environments Inc.
Pembina, North Dakota
Net, fob Norman, 90 days del. ARO \$6,455.00

Dr. McCarter recommended the award be made to Sherer Environmental Division, Kysor Industrial Corporation.

Approved on motion by Regent Neustadt.

VII. Project Financing

a. Student Facilities Bonds

Dr. McCarter reported a prospectus for the 1970 Student Facilities Bonds in the amount of \$2,375,000 will be presented to the Board by Stifel Nicolaus and Company prior to the January meeting. These bonds are to repay the interim financing notes to Liberty National Bank for the Student Health Center, the Athletic Dormitory expansion and the Golf House. Sale of these bonds, upon Regents' approval of the prospectus, is planned for late January.

This was reported for information only.

G. Operations and Physical Plant

I. New Construction

a. Report on Major Capital Improvements Program

As shown on the three pages attached a report was presented to the Regents on major capital improvements projects now under construction and in various stages of planning on the Norman Campus. No action was required.

b. Change Order-Merrick Computing Center

A change order to the construction contract for the addition to the Merrick Computing Center has been proposed in the amount of \$45,990.00. This will cover alterations and improvements to the air conditioning system in the existing building. Funds for this change order have been approved from Section 13 and New College Funds (p.10427 and p.10636).

Since the construction contract on this project is between the OU Foundation and Tankersley Construction Co., the Foundation has approved the change order.

Dr. McCarter recommended that the Regents concur in approval of change order No. 1 for the Merrick Computing Center addition.

Approved on motion by Regent Santee.

II. Repairs, Remodeling, and Renovation

a. Fire Alarm System

A Certificate of Substantial Completion has been issued on the installation of the fire alarm system in Cate Center, Adams Center, and Walker Memorial Tower. A final inspection was made of the project and, subject to a few minor corrections, should be accepted by the Regents as complete.

Dr. McCarter recommended that the Board of Regents accept this project as complete with the stipulation that those few items yet needing attention will be completed within 30 days from the date of acceptance. He recommended further that the Regents authorize final payment to the contractor as soon as these minor corrections have been completed.

Approved on motion by Regent Santee.

IV. Contracts and Agreements

a. Contract with OURI for Development of GIPSY System

Dr. McCarter requested permission to add to the agenda an item pertaining to a contract with the Research Institute for development of the GIPSY system. The Regents agreed unanimously to add this matter to the agenda for this meeting.

Dr. McCarter said a new agreement has been prepared which is to be entered into by the Research Institute and the Regents in order to exploit the commercial aspects of the GIPSY System. The GIPSY System is the general information processing system which has been developed at the Merrick Computer Center. It is believed that unless some commercial exploitation of the GIPSY System is made immediately, that it will no longer have commercial value. Under this agreement the University would assign all of its rights in the GIPSY System to the Research Institute. The Research Institute would then begin immediate commercial development of the GIPSY System. Under this agreement the Institute would not make any immediate payment to the Regents for the GIPSY System. All funds which would be derived from the commercial development of the System would be placed in an escrow account. The only use that would be made of these funds would be as follows:

1. The Institute could reimburse itself for all direct expenses which it incurred in the commercial exploitation of the GIPSY System.

OFFICE OF FACILITIES PLANNING
THE UNIVERSITY OF OKLAHOMA

MAJOR CAPITAL IMPROVEMENTS PROGRAM

PROGRESS REPORT, DECEMBER, 1970

PROJECTS UNDER CONSTRUCTION

Project Number	Project	Architect	Contractor	Contract Award Date	Original Contract Amount	Current Contract Amount	Status (% complete)	Contract Completion Date
NORMAN CAMPUS								
	Physical Sciences Center	Gumerson & McCormick	Rayco Const. Co.	12/12/68	3,837,972	4,099,137	80%	03/01/71
	Power Plant Expansion	Hudgins, Thompson, Ball & Associates, Inc.	Link Cowen Const.	06/04/68	2,260,120	2,292,309	99%	03/02/70
	Fine Arts Center	Howard, Samis, Lyons	Nashert Const. Co.	03/19/69	2,218,000	2,389,784	92%	12/31/70
	Student Health Center	Jones, Halley, Bates, Riek	J. J. Cook Const. Co.	03/19/69	1,547,300	1,567,792	99%	01/20/71
	General Purpose Hangar	Office of Facilities Planning	Aztec Const. Co.	12/11/69	166,844	168,829	99%	08/09/70
	Research and Manuf. Hangar	Office of Facilities Planning	Satellite Const. Co. (lease agreement)	07/21/69	185,000	187,000	99%	01/15/70
	Fire Alarm System (Cate Center, Adams Center, Walker Mem. Tower)	Black, West & Wozencraft	Okla. Electrical Supply	03/24/70	72,496	Same	100%	08/03/70
	Electrical Service for Wind Tunnel	Office of Facilities Planning Benham, Blair & Asso., Engr. Electric, Inc.	Fred Thompson Electric, Inc.	09/10/70	17,980	Same	25%	12/09/70
	Merrick Computing Center	Reynolds & Morrison	Tankersley & Sons, Inc.	08/25/70	237,970	Same	18%	07/08/71

OFFICE OF FACILITIES PLANNING
THE UNIVERSITY OF OKLAHOMA

MAJOR CAPITAL IMPROVEMENTS PROGRAM

PROGRESS REPORT, DECEMBER, 1970

PROJECTS IN VARIOUS STAGES OF PLANNING

Project Number	Project	Architect	Contract or Letter	Estimated Cost	Status	Est. Compl. Date-Const.
			NORMAN CAMPUS			
	Athletic Dormitory	Coleman, Ervin, & Assoc.	L 10/16/67	850,000	Plans approved — project dormant because of lack of funding.	
	Swimming Pool	Fritzler, Knoblock, Furry	C 03/02/69	375,000	Architects have completed corrections to the construction documents. The plans have been approved by the State Industrial Development and Park Department and the Bureau of Outdoor Recreation. Project is being advertised for bids.	
	Physical Education/ Recreation Center	Reid & Heep	L 10/15/66	4,965,000	Until final decision is made on whether or not to proceed with the University Arena, programming and design development on this project remain dormant.	
	University Arena	Sorey, Hill, Binnicker	L 05/05/66	6,000,000	Preliminary drawings have been accepted and construction documents will be prepared as soon as funding for the project has been completed. The feasibility study prepared by Hellmuth, Obata, Kassabaum sets forth factors which may be considered in the decision as to whether or not this project should be continued.	
	Student Activities Center	Noftger & Lawrence	L 07/22/68	undetermined	Decision regarding implementation of this project rests with final decision on the future of the Physical Education/Recreation Center. The Use Planning Committee has been reconstituted, but programming is not proceeding at this time.	
	Undergraduate Library	Shaw & Shaw	L 02/08/66	4,634,000	Implementation of this project is contingent on allocation of funds from the current State Building Bond Issue, 1968.	
	Aero Commander	Hudgins, Thompson, Ball	L 12/12/68	1,567,112	Project has been postponed indefinitely. Business conditions at this time do not permit North American Rockwell to proceed with implementation of this project.	
	Severe Storms Lab	Shaw & Shaw	C 08/25/70	725,000	The architects have begun work on the construction documents, and they will be presented at the January Regents meeting for approval. Building Construction Cost is set at \$650,000 with a total project cost of \$725,000.	

PROJECTS IN VARIOUS STAGES OF PLANNING
(Continued)

Project Number	Project	Architect	Contract or Letter	Estimated Cost	Status	Est. Compl. Date-Const.
	Law Center	Whiteside, Schultz & Chadsey	L 02/08/66	3,709,000	A Use Planning Committee is developing a written design program with staff assistance from the Office of Facilities Planning. It is anticipated that previously developed schematic planning will be completely redesigned.	
	Life Sciences Center	McCune, McCune & Assoc.	L 02/08/66	2,780,000	Project is dormant in anticipation of funding decisions by the Higher Regents. A Use Planning Committee has been established, and the work which has been executed on this project will be reviewed prior to further design development.	

2. The Institute could extend the necessary sums of money for further development of the GIPSY I process or any subsequent development of the GIPSY System.
3. The Institute could extend funds for the cost of patenting the GIPSY System both in this country and overseas.

This agreement is one that is temporary in nature and the parties would continue their attempt to arrive at a permanent solution of the problem. This would include working out an equitable division of the funds which were held in the escrow account.

Interim President McCarter recommended the Regents authorize the execution of the proposed contract between the Board and the Research Institute.

In response to a question from Regent Neustadt about the length of this temporary contract, Mr. Gary Williams, Assistant Legal Counsel, stated that it is contemplated the agreement will continue for four to six months.

On motion by Regent Huffman, the recommendation was approved.

V. University Property

a. Land Acquisition

In order for the University of Oklahoma to meet the expanding needs for improved facilities and services at Max Westheimer Field Airport, which is owned and operated by the University, it is necessary to purchase additional land directly north of the present airport so that a longer north/south runway can be constructed and the airport can accommodate more traffic and heavier equipment. In order to accomplish this expansion it is necessary that land be purchased or acquired through condemnation. The following resolution authorizes University officers to proceed with the steps necessary to acquire the land in question.

Dr. McCarter recommended adoption of the following Resolution:

RESOLUTION

WHEREAS, the Regents of the University of Oklahoma, as the governing body of the University of Oklahoma, have determined that in order to adequately meet the needs of the University and of the Norman community for adequate airport facilities additional land must be acquired so that a longer runway can be constructed; and

WHEREAS, the Regents or their authorized representatives are negotiating and trying to purchase such land as may be required; and

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WHEREAS, it appears that a bona fide and reasonable offer has been made to purchase certain tracts of said land and the owners have been given notice of the pressing needs for said land and have not indicated a willingness to accept the offer made for the land, and it now appears that it is necessary to take action to acquire said land by condemnation proceedings in accordance with the power of the University of Oklahoma as an agency of the State of Oklahoma.

NOW THEREFORE BE IT RESOLVED by the Regents of the University of Oklahoma that:

1) It is hereby determined to be necessary, in order to carry out the expansion of service facilities at the University of Oklahoma, Max Westheimer Field Airport in Norman, Oklahoma, to acquire land consisting of approximately 42.84 acres located in the Northeast Quarter of Section 14, Township 9 North, Range 3 West of Indian Meridian, Cleveland County and further described in Exhibit "A" hereto;

2) An additional effort shall be made to purchase said land at a fair and reasonable price, and if this fails, condemnation proceedings will be instituted forthwith in order to acquire said properties for the purpose herein set forth; and

3) The President of the University of Oklahoma is hereby authorized and directed to take all necessary action to acquire title to said land in the name of the Regents of the University of Oklahoma.

4) In negotiating for said property or prosecuting the action for condemnation, said President, shall have full authority to set price, exercise options, bring suit, defend, negotiate, settle, appeal or take any steps they deem necessary to acquire title to said property in the name of the Regents of the University of Oklahoma, including taking such action as deemed appropriate to vacate easements, or do any other acts necessary in order that the Regents may proceed with the expansion of the University of Oklahoma, Max Westheimer Field Airport.

5) This resolution shall be effective immediately and continue in force and effect until repealed by action of the Regents of the University of Oklahoma.

Approved on motion by Regent Santee.

VIII. Leases and Easements

a. Lease of General Purpose Hangar

NE 1/4 14-9N-3W

EXHIBIT A

200 x 40'

50 foot easement to Public

INTERSTATE 35

638.69'

643.89'

17.72 ACRES

3.7 ACRES

1205.57'

250'

50 foot easement to Public

Max Westheimer Field Expansion

-----land to be acquired

The agenda for this meeting included tabulation of bids received to lease General Purpose Hangar No. 2 at Max Westheimer Field and a recommendation on awarding the contract. Dr. McCarter stated that one of the bidders has requested a hearing. He suggested that this item be withdrawn from consideration until the matter can be settled. The Regents agreed to withdraw this item.

b. Lease of Land for Severe Storms Laboratory

Dr. McCarter requested permission to add to the agenda consideration of leasing land on the North Campus to OUDA for purposes of constructing a building for the National Severe Storms Laboratory. The Regents agreed unanimously to consider the matter at this meeting.

Dr. McCarter said on February 12, 1970 (p.10231), the Regents entered into a pre-lease agreement with the Oklahoma University Development Authority in which the Board agreed to lease 90,000 square feet of land on the north campus of the University of Oklahoma. The pre-lease agreement provided that the land would be rented at a rate of four cents (\$.04) per square foot per annum or Three Thousand Six Hundred Dollars (\$3,600.00) per year. The term of the proposed lease was to be ten (10) years with an option to renew for an additional five (5) years.

Under the pre-lease agreement once this land was leased to the Authority, then the Authority would construct upon the land a building and lease it to the United States Department of Commerce to be used by their Environmental Science Services Administration Research Laboratories.

The Authority is now ready to lease the land but the exact legal description has not been obtained. It will be available within the next week.

Interim President McCarter recommended that the Regents authorize the President of the Board and Secretary to execute the necessary lease in order for the Regents to lease certain land on the North Campus to the Authority under the terms outlined above, the lease to cover up to 90,000 square feet at \$.04 per square foot.

On motion by Regent Davies, the recommendation was approved.

IX. Housing Facilities

a. Rental Rates-Yorkshire House

In order to make Yorkshire House more competitive with similar facilities in Norman, the following adjustments in monthly rental rates are proposed:

	<u>Old Rate</u>	<u>New Rate</u>
1 Bedroom	\$140.00	\$155.00
2 Bedroom		
1 Bath 2 people	170.00	170.00
3 people	190.00	190.00
4 people	210.00	210.00
2 Bedroom		
2 Bath 2 people	185.00	185.00
3 people	200.00	200.00
4 people	210.00	210.00
3 Bedroom	240.00	240.00

The above rates are all for furnished apartments. The Yorkshire House contains forty-three one bedroom apartments.

Dr. McCarter recommended approval of new rental rates for Yorkshire House as shown above, effective as new leases are signed.

There was a discussion of the financial status of Yorkshire House. Dr. Nordby said there has not been enough money to make the payments on the second mortgage but this is caused partly by necessary expenses for maintenance and repair in the air conditioning and heating systems. He said when the University took over operation of the apartments a year ago, the occupancy rate dropped, but at the beginning of the fall semester they were fully occupied. He said all operating expenses are now current except for payments on the second mortgage. Dr. Nordby stated the University administration has been in touch with the former owners about this matter and he believes they understand the situation.

On motion by Regent Neustadt, the recommendation on the housing rates as shown above was approved.

H. University Projects

I. Investments

The following transactions have been completed based on recommendations received from J. & W. Seligman & Co. and approved by the President of the University.

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<u>Amount</u>	<u>Security</u>	<u>Net Amount</u>
<u>Sales</u>		
\$9,000	U. S. Steel Corp. bonds 4 5/8% of 1/96 @ 62	\$ 5,727.88
4,000	National Cash Reg. bonds 5.60% of 6/15/91 @ 72	2,970.16
5,000	Pac. Gas & Elec. 1st Mtg. bonds 4½% of 6/96 @ 60½	3,099.31
5,000	Union Carbide Corp. debts. 5.30% of 3/97 @ 72½	3,652.92
	Cash from First Bancorp. Note	<u>51,992.11</u>
		\$67,442.38

Purchases

\$ 5,000	International Nickel of Canada Ltd. bonds 6.85% of 4/93 @ 84½	\$ 4,286.15
4,000	International Nickel of Canada Ltd. bonds 6.85% of 4/93 @ 85	3,435.01
1,000	International Nickel of Canada Ltd. bonds 6.85% of 4/93 @ 85	869.13
10,000	GMAC bonds 6½% of 8/88 @ 82	8,371.88
25,000	Westinghouse Elec. Corp. debts. 8.5/8% of 9/95 @ 100 5/8	25,587.50
25,000	Gulf Oil Corp. debts. 8½% of 11/5/95 @ 99.50	<u>24,892.71</u>
		\$67,442.38

I. University Relations

IV. Governmental Relations

a. Agreement with Oklahoma Legislative Council
Merrick Computing Center

By telephone poll early in November all members of the Board approved entering into an agreement with the Oklahoma Legislative Council whereby the University, through staff and facilities available at the Merrick Computing Center, will build for the Legislative Council a data base of the Oklahoma Statutes complete and current through the 1970 Legislative Session. The completed data base will be completely compatible with the GIPSY I computer system. The University also will convert to GIPSY format the Constitutions of Oklahoma and those other states on a tape recently obtained from the State of Illinois.

The agreement will be for a term ending on May 14, 1971, and the maximum amount of contract funds to be received by the University is \$21,516.

Dr. McCarter recommended the Regents ratify action taken by telephone as explained above.

Approved on motion by Regent Lockard.

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b. Agreement with Oklahoma Legislative Council
Bureau for Business and Economic Research

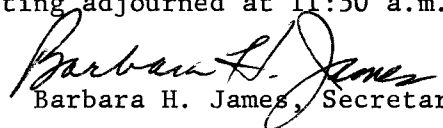
The Oklahoma Legislative Council has approved a proposal submitted by the Bureau for Business and Economic Research for a study of a part of a proposed mass transit system for the State of Oklahoma. The agreement provides that the Bureau for Business and Economic Research and certain members of the faculty will undertake a pilot study of mass transit between Shawnee and Oklahoma City which will include consideration of the present environment of the proposed mass transit system, the demand for the system, the determination and cost of alternative systems, the feasibility of alternative systems, economic, social, and environmental implications of the proposed mass transit system, environmental change engendered by such a system, and demand for the future in connection with the system.

The agreement will be for a term ending on September '30, 1971. The maximum amount of contract funds to be received by the University is \$15,000.

Dr. McCarter recommended that the Regents authorize entering into an agreement with the Oklahoma Legislative Council as explained above.

Approved on motion by Regent Davies.

There being no further business the meeting adjourned at 11:50 a.m.


Barbara H. James, Secretary

Others present at the meeting:

James M. Blue, Director of Media Information
Marty Curtis, Office of Media Information
Arthur Tuttle, Medical Center Campus Architect
W. R. Campbell, University Architect
Kay Martin, Oklahoma Daily and United Press International
Bill Moffitt, Student President
Beth Watson, The Norman Transcript
Paul Cartlege, The Tulsa World
Karen Waddell, The Oklahoman and Oklahoma City Times
Jim Dolan, The Oklahoman and Oklahoma City Times
Teresa Black, WKY Radio
Lalinda LaMotte, KWTV
KWTV photographer
Teresa Pitts, Tulsa Tribune
Connie Ruggles, Alumni Publications
Bob Burke, KTOK Radio
Pam Henry, KGOU Radio

LEASE AGREEMENT

This Lease Agreement (hereinafter called "Lease") dated as of December 1, 1970 by and between the Board of Regents of The University of Oklahoma (hereinafter called "Regents") and the Trustees of the Oklahoma University Development Authority (hereinafter called "Authority"), a public trust created under the authority of and pursuant to the provisions of Title 60, Oklahoma Statutes 1961, Sections 176 to 180, as amended and supplemented, and the Oklahoma Trust Act.

WITNESSETH:

WHEREAS, pursuant to 70 O.S. 1961, § 3306, as amended, the University of Oklahoma Medical Center consists of all medical facilities and related activities of the University of Oklahoma located at Oklahoma City; and

WHEREAS, the Authority has determined to acquire and construct facilities required for the provision of heating and cooling services to the University of Oklahoma Medical Center and certain buildings housing institutions related thereto (hereinafter the initial facilities to be acquired or constructed are called the "Project" which together with all additions, betterments, improvements thereto and extensions thereof hereafter constructed or acquired by the Authority called the "Facilities"); and

WHEREAS, to pay the cost of the Project and to capitalize certain reserve requirements, the Authority has determined to issue its Utility Revenue Bonds, Series 1970 (hereinafter called "Bonds") dated as of December 1, 1970 in the aggregate principal amount of \$6,000,000, under and pursuant to the terms of a Bond Indenture (hereinafter together with all supplements thereto called the "Indenture") dated as of December 1, 1970 by and between the Authority and The First National Bank and Trust Company of Oklahoma City, Oklahoma (hereinafter called "Bank"); and

WHEREAS, in consideration of the Authority's agreement to acquire and install the Project, the Regents have determined to purchase heating and cooling services from the Authority and have further determined to lease a certain parcel of land located in the vicinity for the purpose of constructing the heating and cooling plant therefor.

NOW, THEREFORE, THE AUTHORITY AND THE REGENTS AGREE AS FOLLOWS:

The Regents, in consideration of the Authority's agreement to acquire and install the Project, the Authority's agreement to comply with the Contract between the Oklahoma City Urban Renewal Authority and the Regents of the University of Oklahoma dated on or as of August 12, 1970 and executed July 23, 1970, and the Authority's agreement to comply with the covenants and conditions of one certain Special Warranty Deed wherein certain real properties were conveyed to the Regents of the University of Oklahoma by the Oklahoma City Urban Renewal Authority on December 16, 1970 and which Deed is recorded in Book 3963 at Page 80 (copies of both Contract and Deed are attached hereto and made a part of this Agreement), do and by these presents, demise, lease and rent to the Authority the following described property, real or personal or both, owned by the Regents as follows:

Block 21, Amended Plat of Oak Park Addition, City of Oklahoma
City, Oklahoma.

To have and to hold the same to the Authority for a term commencing on December 1, 1970 and ending on June 30, 2000, provided that such term shall be extended beyond June 30, 2000 until the Bonds and all other indebtedness of the Authority payable from the revenues of the Facilities have been retired and paid or provision for the payment thereof has been made, and further provided that such term shall expire prior to June 30, 2000 upon the Authority's retirement of all such Bonds and indebtedness.

The Regents hereby grant and assign to the Authority any and all easements necessary to the construction of the Project and operation and maintenance of

the Facilities and further assign any and all easements held by the Regents necessary to the construction of the Project and operation and maintenance of the Facilities.

The Regents hereby consent and agree that the leasehold interest in the property herein and the easements and assignments herein granted to the Authority may be pledged by the Authority as security for the Bonds and all additional bonds issued under and pursuant to the terms of the Indenture.

The Regents further agree to execute any documents and instruments necessary to the granting and assignment of said easements and rights-of-way.

The Regents and the Authority agree that this Lease shall not be amended without the written consent of the Bank.

IN WITNESS WHEREOF, the Regents have caused this instrument to be signed by their President and Secretary and their seal affixed and the Authority has caused this instrument to be signed by its Chairman and Secretary and its seal affixed, all as of the day and year first above written.

THE BOARD OF REGENTS OF THE
UNIVERSITY OF OKLAHOMA

ATTEST:
(SEAL)

Barbara A. Jones
Secretary

Thomas C. Culbert
President

TRUSTEES OF THE OKLAHOMA UNIVERSITY
DEVELOPMENT AUTHORITY

ATTEST:

Barbara A. Jones
Secretary

Harold
Chairman

(SEAL)

STATE OF OKLAHOMA)
) SS
COUNTY OF CLEVELAND)

BEFORE ME, the undersigned, a Notary Public in and for said State, on the 21st day of December, 1970, personally appeared Horace K. Calvert, President, and Barbara James, Secretary of the Board of Regents of the University of Oklahoma, and to me further known to be the identical persons who subscribed the name of said Board as one of the makers thereof, to the foregoing instrument as its President and Secretary, respectively, and acknowledged to me that they executed the same as their free and entirely voluntary act and deed and as the free and voluntary act and deed of said Board, for the uses and purposes therein mentioned and set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year aforesaid.

Helen H. Whitten
Notary Public

(SEAL)
My commission expires November 19, 1971.

STATE OF OKLAHOMA)
) SS
COUNTY OF CLEVELAND)

BEFORE ME, the undersigned, a Notary Public, in and for said State, on the 21st day of December, 1970, personally appeared H. O. Harder, Chairman, and R. Boyd Gunning, Secretary of the Trustees of the Oklahoma University Development Authority, and to me further known to be the identical persons who subscribed the names of said maker thereof to the foregoing instrument and acknowledged to me that they executed the same as their free and voluntary act and deed, and as the free and voluntary act and deed of the said Authority for the uses and purposes therein mentioned and set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year aforesaid.

Helen H. Whitten
Notary Public

(SEAL)
My commission expires November 19, 1971.

CONTRACT FOR SALE OF LAND FOR REDEVELOPMENT
BY THE BOARD OF REGENTS OF THE UNIVERSITY OF OKLAHOMA

AGREEMENT (hereinafter called "Agreement") made on or as of the 13th day August, 19 70, by and between the Oklahoma City Urban Renewal Authority, a public body corporate of the State of Oklahoma (hereinafter called "Agency") having its office at 15 North Robinson in the City of Oklahoma City, State of Oklahoma, and the Board of Regents of the University of Oklahoma a public body corporate, (hereinafter called "Public Body") having its office at 660 Parrington Oval in the City of Norman, State of Oklahoma.

WITNESSETH:

WHEREAS, in the furtherance of the objectives of the Urban Redevelopment Law, the Agency has undertaken a program for the clearance and reconstruction or rehabilitation of slum and blighted areas in the City of Oklahoma City (hereinafter called "City"), and in this connection is engaged in carrying out an urban renewal project known as the "University Medical Center Urban Renewal Project No. Okla. R-20" (hereinafter called "Project"), in an area (hereinafter called "Project Area") located in the City; and

WHEREAS, as of the date of the Agreement there has been prepared and approved by the Agency an Urban Renewal Plan for the project consisting of the University Medical Center Urban Renewal Plan approved by the City Council of the City on October 13, 1964, (which plan is incorporated herein by reference and which plan, as so amended, and as it may hereafter be further amended from time to time pursuant to law, and as so constituted from time to time, is, unless otherwise indicated by the context, hereinafter called "Urban Renewal Plan"), and a copy of the Urban Renewal Plan, as constituted on the date of the agreement, has been recorded in the Office of the Clerk of the City of Oklahoma City, State of Oklahoma; and

WHEREAS, in order to enable the Agency to achieve the objectives of the Urban Renewal Plan, and particularly to make land in the Project Area available (after clearance and clearance by the Agency for redevelopment by a public entity for and in accordance with the uses specified in the Urban Renewal Plan, both the Federal Government and the City have undertaken to provide, and have provided, substantial assistance to the Agency through a Contract for Loan and Capital Grant entered into on October 21, 1965, in the case of the Federal Government, and a Cooperation Agreement entered into on May 13, 1965, in the case of the City.

NOW, THEREFORE, each of the parties hereto, for and in consideration of the promises and the mutual obligations herein, does hereby covenant and agree with the other, as follows:

ARTICLE I. GENERAL TERMS OF CONVEYANCE OF SCHEDULE "A" PROPERTY.

Sec. 1. Sale and Purchase Price. Subject to all the terms, covenants, and conditions of the Agreement, the Agency will sell certain real property in the Project Area, more particularly described in Schedule "A" annexed hereto and made a part hereof (which property, as so described, is hereinafter called "Schedule 'A' Property"), to the Public Body for, and the Public Body will purchase the Schedule "A" Property and pay to the Agency therefor, the amount of Eighteen Thousand Two Hundred Seventy-six and 30/100 Dollars (\$18,276.30), subject to final adjustment by survey at the time of conveyance based upon a unit price of twenty-one cents (21¢) per square foot, hereinafter called "Purchase Price."

Sec. 2. Conveyance. The Agency shall convey to the Public Body, upon payment in full of the Purchase Price by the Public Body, title to the Property by Special Warranty Deed (hereinafter called "Deed"). Such conveyance shall, in addition to all other conditions, covenants, and restrictions set forth or referred to elsewhere in the Agreement, be subject to:

- (a) all easements of record
- (b) and excluding all oil and gas and other related minerals

Sec. 3. Delivery of Deed. The Agency shall deliver the Deed and possession of the Schedule "A" Property to the Public Body on August 1, 19 70, or on such earlier date as the parties hereto may mutually agree in writing. Conveyance shall be made at the office of the Agency, 15 North Robinson, Oklahoma City, Oklahoma, and the Public Body shall accept such conveyance and pay to the Agency at such time and place the Purchase Price.

Up-to-date abstracts will be prepared at the Authority's expense and the attorney of the Public Body's choice. The Public Body shall pay for notary stamps and all recording fees.

ARTICLE II. PREPARATION OF SCHEDULE "A" PROPERTY FOR REDEVELOPMENT

Sec. 1. Preparation of Schedule "A" Property. The Agency shall, prior to conveyance of the Schedule "A" Property and without expense to the Public Body, prepare the Schedule "A" Property for redevelopment which preparation shall consist of the following:

- (a) vacation of those streets and alleys necessary for redevelopment of this property (i. e., those vacations as shown in Exhibit URP III, Land Acquisition Map, University Medical Center Urban Renewal Plan)

Sec. 2. Other Action by Agency Relating to Preparation. The Agency shall, without expense to the Public Body and prior to the completion of the Improvements as hereinafter defined (or at such earlier time or times as the Public Body shall find, and by timely notice in writing inform the Agency, is necessary to enable the Public Body to construct or complete the Improvements in accordance with the provisions of the Agreement), provide or cause to be provided the following:

NONE

ARTICLE III. CONSTRUCTION OF IMPROVEMENTS

Sec. 1. Construction Required. The Public Body will redevelop the Property shown on both Schedule "A" and Schedule "B" (hereinafter collectively referred to as "Property") by construction thereon a building for the University of Oklahoma Medical Center. (hereinafter called the "Improvements") and all plans and specifications and all work by the Public Body with respect to such redevelopment of the Property and the construction of other improvements thereon, if any, shall be in conformity with the Urban Renewal Plan, the Agreement, and all applicable State and local laws. Upon request of the Agency from time to time, the Public Body will deliver to the Agency to be retained by the Agency, plans with respect to the Improvements to be constructed or otherwise made by the Public Body on the Property, in sufficient detail to show that the Improvements and construction thereof will be in

accordance with the provisions of the Urban Renewal Plan and the Agreement.

Sec. 2. Time for Construction. The Public Body agrees for itself, its successors and assigns, and every successor in interest to the Property, or any part thereof, and the Deed shall contain covenants on the part of the Public Body for itself and such successors and assigns, that the Public Body shall begin the redevelopment of the Property through the construction of the Improvements thereon, within 6 months from the date of the Deed, and diligently proceed to complete such construction within 36 months from such date. It is intended and agreed, and the Deed shall so expressly provide, that the agreements and covenants of the Agreement pertaining to the Improvements shall be covenants running with the land and that they shall, in any event, and without regard to technical classification or designation, legal or otherwise, and except only as otherwise specifically provided in the Agreement, be, to the fullest extent permitted by law, and equity, binding for the benefit of the community and the Agency and enforceable by the Agency and the City against the Public Body, its successors and assigns, and every successor in interest to the Property, or any part thereof or any interest therein.

Sec. 3. Report on Progress. Subsequent to conveyance of the Schedule "A" Property or any part thereof, to the Public Body, and until construction of the Improvements has been completed, the Public Body shall, upon written request of the Agency, make, in such detail as may reasonably be required by the Agency, and forward to the Agency a report in writing as to the actual progress of the Public Body with respect to such construction. During such period, the work of the Public Body shall be subject to inspection by the Agency.

Sec. 4. Access to Schedule "A" Property. Prior to delivery of possession of the Schedule "A" property to the Public Body, the Agency shall permit the Public Body access, whenever and to the extent necessary to carry out the purposes of this and other provisions of the Agreement; and, subsequent to such delivery, the Public Body shall permit access to the Schedule "A" Property by the Agency and the City whenever and to the extent necessary to carry out the purposes of this and other sections or parts of the Agreement.

Certificate of Completion. Promptly after completion of the Improvements in accordance with the provisions of the Agreement, the Agency shall furnish the Public

Body with an appropriate instrument so certifying. Such certification by the Agency shall be (and it shall be so provided in the Deed and in the certification itself) a conclusive determination of satisfaction and termination of the agreements and covenants in the Agreement and in the Deed with respect to the obligations of the Public Body, its successors and assigns, and every successor in interest to the Property, to construct the Improvements and the dates for the beginning and completion thereof. All certifications provided for in this Section shall be in such form as will enable them to be recorded with the Clerk of the Registry of Deeds for Oklahoma County, State of Oklahoma.

ARTICLE IV. LAND USES

Sec. 1. Restrictions on Land Use. The Public Body agrees for itself, its successors and assigns, and every successor in interest to the Property or any part thereof, and the Deed shall contain covenants on the part of the Public Body for itself, and such successors and assigns, that the Public Body, and such successors and assigns, shall:

- (a) devote the property to, and only to and in accordance with, the applicable uses specified in the Urban Renewal Plan; and
- (b) not discriminate upon the basis of race, color, creed or national origin in the sale, lease, or rental or in the use or occupancy of the Property or any improvements erected or to be erected thereon, or any part thereof.

Sec. 2. Effect of Covenants; Period of Duration. It is intended and agreed, and the Deed shall so expressly provide, that the agreements and covenants provided in Article IV shall be covenants running with the land and that they shall, in any event, and without regard to technical classification or designation, legal or otherwise, and except only as otherwise specifically provided in the Agreement, be, to the fullest extent permitted by law and equity, binding for the benefit and in favor of, and by, the Agency, its successors and assigns, the City, and the United States of the covenant provided in subdivision (b) of Section 1 of this Article IV), Public Body, its successors and assigns, and every successor in interest or any part thereof or any interest therein, and any party in possession of the Property or any part thereof. It is further intended and agreed that

the agreement and covenant provided in subdivision (a) of Section 1 of this Article IV shall remain in effect until January 1, 1990, (at which time such agreement and covenant shall terminate), and subdivision (b) of such Section 1 shall remain in effect without limitations as to time.

Sec. 3. Enforceability by Agency, the City and United States. In amplification, and not in restriction, of the provisions of Section 2 of this Article IV, it is intended and agreed that the Agency and the City shall be deemed beneficiaries of the Agreements and covenants provided in Section 1 of this Article IV, and the United States shall be deemed a beneficiary of the covenant provided in subdivision (b) of such Section 1, both for and in their or its own right and also for the purposes of protecting the interests of the community and the other parties, public or private, in whose favor or for whose benefit such agreements and covenants have been provided. Such agreements and covenants shall (and the Deed shall so state) run in favor of the Agency, the City and the United States for the entire period during which such agreements and covenants shall be in force, without regard to whether the Agency, the City or the United States is or has been an owner of any land or interest therein, to, or in favor of, which such agreements and covenants relate. The Agency and the City shall have the right, in the event of any breach of any such agreement or covenant, and the United States shall have the right, in the event of any breach of the covenant provided in subdivision (b) of Section 1 of this Article IV, to exercise all the rights and remedies, and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breach of agreement or covenant, to which it or any other beneficiaries of such agreement or covenant may be entitled.

ARTICLE V. PROHIBITIONS AGAINST ASSIGNMENT AND TRANSFER

. Representation as to Redevelopment. The Public Body represents and its purchase of the Property shall be for the purpose of redevelopment of the Property in accordance with the Urban Renewal Plan and the Agreement.

. Prohibition Against Transfer of Property and Assignment. The Public Body shall not, prior to the proper completion of the improvements made or created, and will not, prior to the proper completion of the Im-

payments, as certified by the Agency, make or create, or suffer to be made or created; (a) any total or partial sale, conveyance, or lease of the Property, or any part thereof or interest therein, or (b) any assignment of the Agreement, or any part thereof, or (c) any agreement to do any of the foregoing, without the prior written approval of the Agency. Such approval shall be on such condition as the Agency may in its exclusive discretion determine, including, but not limited to, the assumption by the proposed transferee, by instrument in writing, for itself and its successors and assigns, and for the benefit of the Agency, of all obligations of the Public Body under the Agreement.

ARTICLE VI. REMEDIES

Sec. 1. Notice of Default. In the event of any default under or breach of any of the terms or conditions of the Agreement by either party hereto, or any successor or assign of, or successor in interest to the Property, such party or successor shall upon written notice from the other proceed to remedy or cure such default or breach within thirty (30) days after receipt of such notice. In case such action is not taken or diligently pursued or the default or breach shall not be cured or remedied within a reasonable time, the aggrieved party may institute such proceedings as may be necessary or desirable in its opinion to cure or remedy such default or breach or to obtain damages therefor, including but not limited to proceedings to compel specific performance by the party in default or breach of its obligations.

Sec. 2. Termination by Public Body. In the event that the Agency does not tender conveyance of the Property or possession thereof in the manner and condition, and by the date, provided in the Agreement and any such failure shall not be cured within thirty (30) days after written demand by the Public Body, then the Agreement shall at the Public Body be terminated, and neither the Agency nor the Public Body shall have any further rights against or liability to the other under the Agreement.

Termination by Agency. In the event that prior to conveyance of the Property to the Public Body and in violation of the Agreement the Public Body (and any person in interest) assigns or attempts to assign the Agreement or any rights hereinunder to any other person, or the Public Body does not pay the Purchase Price for and take

to the Property upon proper tender of conveyance by the Agency pursuant to the Agreement, then the Agreement and any rights of the Public Body or any successor or assign of the Public Body or transferee of the Property under the Agreement or arising therefrom, with respect to the Agency or the Property, shall at the option of the Agency be terminated by the Agency. In such event, except for the right of the Agency to damages for such breach afforded by law, neither the Public Body (or assignee or transferee) nor the Agency shall have any further rights against or liability to the other under the Agreement.

Sec. 4. Delays Beyond Control of Parties. For the purposes of the Agreement, neither the Agency nor the Public Body, as the case may be, nor any successor of either of them shall be considered in breach of or in default under its obligations with respect to the preparation of the Property for redevelopment, or the beginning and completion of construction of the Improvements, or progress in respect thereto, in the event of enforced delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not restricted to, acts of God, acts of the public enemy, acts of the Government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather, or delays of subcontractors due to such causes; it being the purpose and intent of this provision that, in the event of the occurrence of any such enforced delay, the time or times for performance of the obligations of the Agency with respect to construction of the Improvements, as the case may be, shall be extended for the period of the enforced delay; provided, that the party seeking the benefit of the provisions of this Section shall, within ten (10) days after the beginning of such enforced delay, have first notified the other party thereof in writing, and of the cause or causes thereof and requested an extension for the period of the enforced

Rights and Remedies Cumulative. The rights and remedies of the Agreement, whether provided by law or by the Agreement, shall be cumulative and the exercise by either party of any one or more of such remedies shall not preclude the exercise by it, at the same or different times, of any other such remedies.

for the same default or breach, or of any of its remedies for any other default or breach, or of any of its remedies for any other default or breach by the other party. No waiver made by either party with respect to the performance, or manner or time thereof, or any obligation of the other party or any condition of its own obligation under the Agreement shall be considered a waiver of any rights of the party making the waiver with respect to the particular obligation of the other party or condition to its own obligation beyond those expressly waived and to the extent thereof, or a waiver in any respect in regard to any other rights of the party making the waiver or any other obligations of the other party. No such waiver shall be valid unless it is in writing duly signed by the party waiving the right or rights.

ARTICLE VII. MISCELLANEOUS PROVISIONS

Sec. 1. Conflict of Interest. No member, official, or employee of the Agency shall have any personal interest, direct or indirect, in the Agreement, nor shall any member, official, or employee participate in any decision relating to the Agreement which affects his personal interests or the interests of any corporation, partnership, or association in which he is, directly or indirectly, interested. No member, official, or employee of the Agency shall be personally liable to the Public Body or any successor in interest in the event of any default or breach by the Agency or for any amount which may become due to the Public Body or successor or on any obligations under the terms of the Agreement.

Sec. 2. Equal Employment Opportunity. The Public Body, for itself, and its successors, and assigns, agrees that it will include the following provisions of this Section 2 in every contract or purchase order which may hereafter be entered into between the Public Body and any party (hereinafter in this Section called "Contractor") for or in connection with the construction of the Improvements, or any part thereof, ~~or in the Agreement unless such contract or purchase order is exempted~~ regulations, or orders of the Secretary of Labor issued pursuant to Section Executive Order 11246 of September 24, 1965:

Equal Employment Opportunity. During the performance of a contract, the Contractor agrees with the Public Body as follows:

The Contractor will not discriminate against any employee or applicant for employment because of race, creed, color, religion, sex or national origin. The Contractor will take affirmative action to ensure that applicants are employed and that employees are treated during

employment, without regard to their race, creed, color, religion, sex, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Agency setting forth the provisions of this non-discrimination clause.

- (b) The Contractor will, in all solicitations, or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, religion, sex or national origin.
- (c) The Contractor will send to each labor union or representative of workers with which the Contractor has a collective bargaining agreement or other contract or understanding, a notice, to be provided, advising the labor union or worker's representative of the Contractor's commitments under Section 202 of the Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- (d) The Contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- (e) The Contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor or the Secretary of Housing and Urban Development pursuant thereto, and will permit access to the Contractor's books, records, and accounts by the Agency, the Secretary of Housing and Urban Development, and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- (f) In the event of the Contractor's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be cancelled, terminated, or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
- (g) The Contractor will include the provisions of Paragraph (a) through (g) of this Section in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any construction contract, sub-contract or purchase order as the Agency or the Department of Housing and Urban Development may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, that in the event the Con-

tractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Agency or the Department of Housing and Urban Development, the Contractor may request the United States to enter into such litigation to protect the interests of the United States."

For the purpose of including such provisions in any construction contract or purchase order, as required by this Section 2, the term "Public Body" and the term "Contractor" may be changed to reflect appropriately the name or designation of the parties to such contract or purchase order.

Sec. 3. Notice. A notice or communication under the Agreement by either party to the other shall be sufficiently given or delivered if dispatched by registered mail, postage prepaid, return receipt requested, and:

- (a) in the case of a notice or communication to the Public Body, is addressed as follows: 660 Parrington Oval, Norman, Oklahoma 73069
- (b) in the case of a notice or communication to the Agency, is addressed as follows: 15 North Robinson, Suite 506, Oklahoma City, Oklahoma 73102.

or is addressed in such other way in respect to either party as that party may from time to time designate in writing dispatched as provided in this Section.

Sec. 4. Agreement Survives Conveyance. None of the provisions of this Agreement is intended to or shall be merged by reason of any deed transferring title to the Property from the Agency to the Public Body or any successor in interest, and any such deed shall not be deemed to affect or impair the provisions and covenants of the Agreement.

Sec. 5. Counterparts. The Agreement is executed in 3 counterparts, each of which shall be deemed to be an original, and such counterparts, shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Agency has caused the Agreement to be duly executed and its seal to be hereunto affixed and attested; and the Public Body has come to be duly executed in its behalf.

WITNESSED THIS 23rd day of July, 19 70.

(SEAL)

OKLAHOMA CITY URBAN RENEWAL
AUTHORITY, Agency

ATTEST:

J. M. Lamson
Secretary

By *Jim Lovabump*

BOARD OF REGENTS OF THE UNIVERSITY
OF OKLAHOMA, Public Body

APPROVED as to legal form
and adequacy.

Ray J. [unclear]
Attorney

BY *Charles Albert*

APPROVED as to legal form
and adequacy.

[Signature]
Attorney

SCHEDULE "A" PROPERTY

ALL of Lots Six (6) and Seven (7), Block Twenty-one (21), OAK PARK ADDITION to Oklahoma City, Oklahoma.

ALL of Lots Ten (10) and Eleven (11), Block Twenty-one (21), OAK PARK ADDITION to Oklahoma City, Oklahoma.

ALL of Lots Twelve (12) and Thirteen (13), Block Twenty-one (21), OAK PARK ADDITION to Oklahoma City, Oklahoma.

ALL of Lots Fourteen (14), Fifteen (15) and Sixteen (16), Block Twenty-one (21), OAK PARK ADDITION to Oklahoma City, Oklahoma.

ALL of Lots Twenty-one (21), Twenty-two (22), Twenty-three (23), and Twenty-four (24), Block Twenty-one (21), OAK PARK ADDITION to Oklahoma City, Oklahoma.

ALL of Lots Twenty-five (25) and Twenty-six (26), Block Twenty-one (21), OAK PARK ADDITION to Oklahoma City, Oklahoma.

ALL of Lots Twenty-seven (27) and Twenty-eight (28), Block Twenty-one (21), OAK PARK ADDITION to Oklahoma City, Oklahoma.

ALL of Lots Thirty-three (33) and Thirty-four (34), Block Twenty-one (21), OAK PARK ADDITION to Oklahoma City, Oklahoma.

ALL of Lots Thirty-seven (37) and Thirty-eight (38), Block Twenty-one (21), OAK PARK ADDITION to Oklahoma City, Oklahoma.

ALL of Lots Thirty-nine (39) and Forty (40), Block Twenty-one (21), OAK PARK ADDITION to Oklahoma City, Oklahoma.

SCHEDULE "B" PROPERTY

ALL of Lot One (1) and the East One-half (E/2 of Lot Two (2), Block Twenty-one (21) OAK PARK ADDITION to Oklahoma City, Oklahoma.

ALL of Lot Three (3) and the West One-half (W/2) of Lot Two (2), Block Twenty-one (21) OAK PARK ADDITION to Oklahoma City, Oklahoma.

ALL of Lots Four (4) and Five (5), Block Twenty-one (21) OAK PARK ADDITION to Oklahoma City, Oklahoma.

ALL of Lots Eight (8) and Nine (9), Block Twenty-one (21) OAK PARK ADDITION to Oklahoma City, Oklahoma.

ALL of Lots Seventeen (17), Eighteen (18), Nineteen (19) and Twenty (20), Block Twenty-one (21) OAK PARK ADDITION to Oklahoma City, Oklahoma.

ALL of Lots Twenty-nine (29) and Thirty (30), Block Twenty-one (21) OAK PARK ADDITION to Oklahoma City, Oklahoma.

ALL of Lots Thirty-one (31) and Thirty-two (32), Block Twenty-one (21) OAK PARK ADDITION to Oklahoma City, Oklahoma.

ALL of Lots Thirty-five (35) and Thirty-six (36), Block Twenty-one (21) OAK PARK ADDITION to Oklahoma City, Oklahoma.

STATE OF OKLAHOMA,)
)
COUNTY OF OKLAHOMA.) SS.

Before me, a Notary Public, in and for said State, on this 23 day of July, 1970, personally appeared Harold K. Calvert to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument as its President, and acknowledged to me that he executed the same as his free and voluntary act and deed, and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

WITNESS my hand and official seal the day and year last above written.

Dwight M. Bell
Notary Public

(SEAL)

My Commission Expires: 9-15-73

SPECIAL WARRANTY DEED

Book 3963
Page 80
Oklahoma County
Office of
County Clerk

KNOWN ALL MEN BY THESE PRESENTS, THAT:

(1) WHEREAS, an Urban Renewal Plan (which, together with all modifications thereof made after the date of this Deed in accordance with applicable law, is hereinafter referred to as the "Urban Renewal Plan") for the University Medical Center Urban Renewal Project, Okla. R-20 (hereinafter referred to as the "Project") has been adopted and approved by the City Council of the City of Oklahoma City on October 21, 1965, which Urban Renewal Plan, as it exists on the date hereof, is recorded in the Office of the City Clerk of Oklahoma City (hereinafter referred to as the "Recorder"); and,

(2) WHEREAS, the Oklahoma City Urban Renewal Authority is owner and holder of record of title to certain real property located in the Project area; and,

(3) WHEREAS, pursuant to the Urban Renewal Plan and the Oklahoma Urban Redevelopment Law, the Oklahoma City Urban Renewal Authority is authorized to sell individual portions of land in the Project area.

NOW, THEREFORE, THIS DEED, made this 16th day of December, in the year 1970, by and between the Oklahoma City Urban Renewal Authority (hereinafter referred to as the "Grantor"), acting herein pursuant to the above mentioned Law, and the Board of Regents of the University of Oklahoma (hereinafter referred to as the "Grantee"), a public agency.

WITNESSETH, that for and in consideration of the sum of Eighteen Thousand Two Hundred Seventy-six and 30/100 Dollars (\$ 18,276.30), and other good and valuable consideration, receipt whereof is hereby acknowledged, the Grantor does, by this Special Warranty Deed, grant and convey unto the Grantee to have and to hold fee simple title, less and except oil and gas and other related minerals, together with all and singular, the hereditaments and appurtenances thereunto belonging or in any wise appertaining, in and to the following described land and premises, situated in Oklahoma City, Oklahoma County, and known and distinguished as:

All of Lots Six (6) and Seven (7), Block Twenty-One (21), OAK PARK ADDITION to Oklahoma City, Oklahoma.

All of Lots Ten (10) and Eleven (11), Block Twenty-One (21), OAK PARK ADDITION to Oklahoma City, Oklahoma.

All of Lots Twelve (12) and Thirteen (13), Block Twenty-One (21) OAK PARK ADDITION to Oklahoma City, Oklahoma.

All of Lots Fourteen (14), Fifteen (15) and Sixteen (16), Block Twenty-One (21), OAK PARK ADDITION to Oklahoma City, Oklahoma.

All of Lots Twenty-One (21), Twenty-Two (22), Twenty-Three (23), and Twenty-Four (24), Block Twenty-One (21), OAK PARK ADDITION to Oklahoma City, Oklahoma.

All of Lots Twenty-Five (25) and Twenty-Six (26), Block Twenty-One (21), OAK PARK ADDITION to Oklahoma City, Oklahoma.

All of Lots Twenty-Seven (27) and Twenty-Eight (28), Block Twenty-One (21), OAK PARK ADDITION to Oklahoma City, Oklahoma.

All of Lots Thirty-three (33) and Thirty-Four (34), Block Twenty-One (21), OAK PARK ADDITION to Oklahoma City, Oklahoma.

All of Lots Thirty-Seven (37) and Thirty-Eight (38), Block Twenty-One (21), OAK PARK ADDITION to Oklahoma City, Oklahoma.

All of Lots Thirty-Nine (39) and Forty (40), Block Twenty-One (21), OAK PARK ADDITION to Oklahoma City, Oklahoma.

together with all improvements thereon and all appurtenances thereunto belonging, and warrant the title to the same to be free, clear and discharged of and from all former grants, charges, taxes, judgments, mortgages, and other liens and encumbrances of whatsoever nature made or suffered to be made by the grantor, less and except all easements and restrictions of record.

TO HAVE AND TO HOLD said described premises unto the said Grantee, its successors and assigns forever.

AND, the Grantor covenants that it will warrant specially the property hereby conveyed, and that it will execute such further assurances thereof as may be requisite: Provided, however, that this Deed is made and executed upon and is subject to certain express conditions and covenants, said conditions and covenants being a part of the consideration for the property hereby conveyed and are to be taken and construed as running with the land, and the Grantee hereby binds itself and its successors, assigns, grantees and lessees forever to these covenants and conditions which covenants and conditions are as follows:

FIRST: The Grantee shall devote the property hereby conveyed, and the following described property, being the remainder of Block Twenty-one (21) OAK PARK ADDITION, (all of which proper is hereinafter referred to as "Property"), to-wit:

All of Lots 1, 2, 3, 4, 5, 8, 9, 17, 18, 19, 20, 29, 30, 31, 32, 35, and 36 of Block Twenty-one (21), OAK PARK ADDITION.

only to the uses specified in the applicable provisions of the Urban Renewal Plan. Pursuant to the Urban Renewal Plan, the general land use category applicable to said property is public-institutional.

SECOND: The Grantee shall redevelop the property by construction of improvements thereon in accordance with the Urban Renewal Plan. All construction plans shall conform to the Urban Renewal Plan, and upon request of the Grantor from time to time, the Grantee will deliver to the Grantor, to be retained by the Grantor, construction plans with respect to such improvements in sufficient completeness and detail to show that the improvements and construction thereof will be in accordance with the Urban Renewal Plan and the Contract of Sale dated the 24th day of March, 1970, between the parties hereto, (hereinafter referred to as the "Contract of Sale") which Contract of Sale is duly filed in the City Clerk's Office in Oklahoma County, Oklahoma.

THIRD: The Grantee shall commence promptly the construction of the aforesaid improvements on the property hereby conveyed and in accordance with the said construction plans and shall prosecute diligently the construction of said improvements to completion: Provided, that in any event, construction shall commence within six months from the date of this deed and shall be completed within thirty-six months from the commencement of such construction.

FOURTH: Until the Grantor certifies that all the aforesaid improvements specified to be done and made by the Grantee have been completed, the Grantee shall have no power to convey the property hereby conveyed or any part thereof without the prior written consent of the Grantor.

FIFTH: The Grantee agrees for itself and any successor in interest not to discriminate upon the basis of race, color, creed, or national origin in the sale, lease, or rental or in the use or occupancy of the property hereby conveyed or any part thereof or of any improvements erected or to be erected thereon or any part thereof.

The covenants and agreements contained in the covenant numbered FIRST shall terminate on January 1, 2000. The covenants and agreements contained in covenants numbered SECOND, THIRD, and FOURTH shall terminate on the date the Grantor issues the Certificate of Completion as herein provided. The covenant numbered FIFTH shall remain in effect without any limitation as to time.

In case of the breach or violation of any one of the covenants numbered SECOND, THIRD, and FOURTH, at any time prior to the time the Grantor certifies that all building construction and other physical improvements have been completed and in case the Grantee does not proceed to cure, end, or remedy such breach or violation within 30 days after written demand by the Grantor so to do, or such action is not taken or diligently pursued or the breach or violation is not cured, ended or remedied within a reasonable time, the Grantor may institute such proceedings as may be necessary or desirable in its opinion to cure, remedy, or end such breach or violation or to obtain damages therefor, including but not limited to proceedings to compel specific performance.

The Grantor shall be deemed a beneficiary of covenants numbered FIRST through FIFTH, the City of Oklahoma City shall be deemed a beneficiary of covenants numbered FIRST and FIFTH, and such covenants shall run in favor of the Grantor, the City of Oklahoma City, and the United States for the entire period during which such covenants shall be in force and effect, without regard to whether the Grantor, the City of Oklahoma, and the United States is or remains an owner of any land or interest therein to which such covenants relate. As such a beneficiary, the Grantor, in the event of any breach of any such covenant, the City of Oklahoma City, in the event of breach of the covenants numbered FIRST and FIFTH, and the United States in the event of any breach of the covenant numbered FIFTH, shall have the right to exercise all the rights and remedies, and to maintain any actions at law or suits in equity or other proper proceedings to enforce the curing of such breach to which beneficiaries of such covenant may be entitled.

Promptly after the completion of the above-mentioned improvements in accordance with the provisions of the construction plans, the Grantor will furnish the Grantee with an appropriate instrument so certifying in accordance with the terms of the Contract of Sale. Such certification (and it shall be so provided in the certification itself) shall be a conclusive determination of satisfaction and termination of the agreements and covenants in the Contract of Sale and in this Deed obligating the Grantee and its successors and assigns, with respect to the construction of the improvements and the dates for beginning and completion thereof.

The certification provided for in the paragraph next above shall be in such form as will enable it to be recorded in the proper office for the recordation of deeds and other instruments pertaining to the property hereby conveyed. If the Grantor shall refuse or fail to provide such certification, the Grantor shall, with thirty (30) days after written request by the Grantee provide the Grantee has failed to duly complete said improvements and what measures or acts will be necessary in the opinion of the Grantor, for the Grantee to take or perform in order to obtain such certification.

The Grantor certifies that all conditions precedent to the valid execution and delivery of this Special Warranty Deed on its part have been complied with and that all things necessary to constitute this Special Warranty Deed its valid, binding and legal agreement on the terms and conditions and for the purposes set forth herein have been done and performed and have happened, and that the execution and delivery of this Special Warranty Deed on its part have been and are in all respects authorized in accordance with law. The Grantee similarly certifies with reference to its execution and delivery of this Special Warranty Deed.

RESOLUTION

WHEREAS, it has been determined that heating and cooling services are essential to the proper and efficient performance of the duties and work of the Regents in the operation of the University of Oklahoma Medical Center and related facilities; and

WHEREAS, the Trustees of the Oklahoma University Development Authority have determined to acquire and construct facilities required for the provision of heating and cooling services to the University of Oklahoma Medical Center and certain buildings housing institutions related thereto that could be served by the Regents which are contained in the Oklahoma Health Center; and

WHEREAS, to pay the cost of constructing the necessary facilities to provide the heating and cooling services, and to capitalize certain reserve requirements, the Trustees of the Oklahoma University Development Authority have determined to issue Utility Revenue Bonds, Series 1970 dated December 1, 1970 in the aggregate principal amount of \$6,000,000.00 under and pursuant to the terms of a Bond Indenture dated as of December 1, 1970 by and between the Oklahoma University Development Authority and The First National Bank and Trust Company of Oklahoma City, Oklahoma; and

WHEREAS, John Nuveen & Company has agreed to purchase all of the bonds issued by the Oklahoma University Development Authority for the construction of the necessary facilities for providing the heating and cooling services, as set out in an agreement dated November 28, 1970.

WHEREAS, the Chairmen or Heads of the Departments or Divisions of the University of Oklahoma Medical Center acting in their official capacity with the Oklahoma Medical Center Trust and the Trustees of the University of

Oklahoma Medical Center Trust Fund have met on this 21st day of December, 1970 and have considered the actions of the Regents of the University of Oklahoma, the Oklahoma University Development Authority and the proposal of John Nuveen & Company; and

WHEREAS, the said Chairmen and said Department or Division Heads acting in their official capacity with the Trust and the Trustees believe it is to the best interest of the University of Oklahoma Medical Center to have constructed a heating and cooling facility to supply all heating and cooling services for the Medical Center; and

WHEREAS, the said Chairmen and said Department or Division Heads acting in their official capacity with the Trust and Trustees realize that the Regents are committed to begin paying for services from the heating and cooling facility on June 1, 1972 whether or not services are available; and

WHEREAS, the funds of the Regents are limited in what may be applied to such payments; and

WHEREAS, the said Chairmen and said Department or Division Heads acting in their official capacity with the Trust and Trustees are willing to commit the resources of the University of Oklahoma Medical Center Trust Fund to enable the Regents to make payments to the Oklahoma University Development Authority when said payments become due after June 1, 1972 and before the heating and cooling facility begins operation in the event that the Regents do not have other sources of revenue that are legally available.

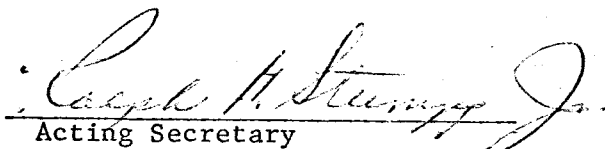
NOW, THEREFORE, in consideration of the Regents entering into its agreements with the Oklahoma University Development Authority to enable the Authority to construct the heating and cooling facilities, the Chairmen and said Division Heads acting in their official capacity with the Trust and the Trustees of the University of Oklahoma Medical Center Trust Fund do hereby

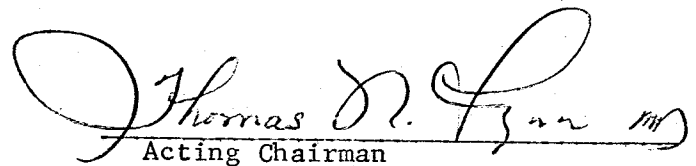
agree and covenant that they shall on the 1st day of June, 1972 and the 1st day of each month thereafter until the heating and cooling facility begins operations, pay to the Regents of the University of Oklahoma from the Trust a sum sufficient for Regents to meet the debt service obligations of the Utility Revenue Bonds of 1970 to the Oklahoma University Development Authority if the Regents do not have other funds legally available for such purposes; however, the obligation of the Trust shall not exceed Three Hundred Thousand (\$300,000.00) Dollars.

That it is specifically understood and agreed that this agreement shall terminate automatically on the date that the heating and cooling facility first shall provide any heating or cooling services to the University of Oklahoma Medical Center facilities; and

That the Chairmen and Department or Division Heads acting in their official capacity with the Trust and Trustees hereby authorize the Trustees to approve and execute, on behalf of the Trust, any necessary agreements to carry out the intent of this resolution.

Adopted and Approved at a special meeting this 21st day of December, 1970.


Acting Secretary


Acting Chairman

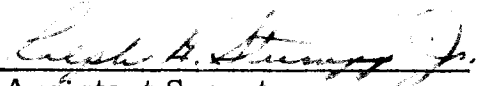
STATE OF OKLAHOMA

SS:

COUNTY OF OKLAHOMA

CERTIFICATE
OF THE ACTING SECRETARY OF THE TRUST

This is to certify that attached hereto is a true and correct copy
of a resolution passed by the Trustees of the University of Oklahoma
Medical Center Trust Fund on December 21, 1970.


Cash A. Stump, Jr.
Assistant Secretary

AGREEMENT

This Agreement is made this 21st day of December, 1970, by and between the Regents of the University of Oklahoma, hereinafter called Regents and the Trustees of the University of Oklahoma Medical Center Trust Fund, hereinafter called Trustees.

WITNESSETH:

WHEREAS, it has been determined that heating and cooling services are essential to the proper and efficient performance of the duties and work of the Regents in the operation of the University of Oklahoma Medical Center and related facilities; and

WHEREAS, the Trustees of the Oklahoma University Development Authority have determined to acquire and construct facilities required for the provision of heating and cooling services to the University of Oklahoma Medical Center and certain buildings housing institutions related thereto that could be served by the Regents which are contained in the Oklahoma Health Center; and

WHEREAS, to pay the cost of constructing the necessary facilities to provide the heating and cooling services, and to capitalize certain reserve requirements, the Trustees of the Oklahoma University Development Authority have determined to issue Utility Revenue Bonds, Series 1970 dated December 1, 1970 in the aggregate principal amount of \$6,000,000.00 under and pursuant to the terms of a Bond Indenture dated as of December 1, 1970 by and between the Oklahoma University Development Authority and The First National Bank and Trust Company of Oklahoma City, Oklahoma; and

WHEREAS, John Nuveen & Company has agreed to purchase all of the bonds issued by the Oklahoma University Development Authority for the

construction of the necessary facilities for providing the heating and cooling services; as set out in an agreement dated November 28, 1970.

WHEREAS, the Chairmen and Heads of the Departments and Divisions of the University of Oklahoma Medical Center acting in their official capacity with the Oklahoma Medical Center Trust Fund and the Trustees of the University of Oklahoma Medical Center Trust Fund, have met on this 31st day of December, 1970 and have considered the actions of the Regents of the University of Oklahoma, the Oklahoma University Development Authority and the proposal of John Nuveen & Company; and

WHEREAS, the Chairmen and the Department Heads or Division Heads acting in their official capacity with the Oklahoma Medical Center Trust Fund and the Trustees believe it is to the best interest of the University of Oklahoma Medical Center to have constructed a heating and cooling facility to supply all heating and cooling services for the Medical Center; and

WHEREAS, the Chairmen and the Department Heads or Division Heads acting in their official capacity with the Oklahoma Medical Center Trust Fund and the Trustees realize that the Regents are committed to begin paying for services from the heating and cooling facility on June 1, 1972 whether or not services are available; and

WHEREAS, the funds of the Regents are limited in what may be applied to such payments; and

WHEREAS, the Chairmen and the Department Heads or Division Heads acting in their official capacity with the Oklahoma Medical Center Trust Fund and the Trustees are willing to commit the resources of the University of Oklahoma Medical Center Trust Fund to enable the Regents to make payments to the Oklahoma

University Development Authority when said payments become due after June 1, 1972 and before the heating and cooling facility begins operation in the event that the Regents do not have other sources of revenue that are legally available; and

WHEREAS, the Chairmen and Department Heads acting in their official capacity with the Oklahoma Medical Center Trust and the Trustees have duly and properly met and authorized the Trustees to enter into all proper agreements to carry out the intent of their Resolution.

NOW, THEREFORE, the Regents and the Trustees agree as follows:

The Regents agree that they shall enter into all necessary agreements with the Oklahoma University Development Authority to enable the Authority to construct on Block 21 in Oak Park Addition to Oklahoma City, Oklahoma, a facility to provide heating and cooling services to the University of Oklahoma Medical Center in order that the present building and those under construction may be properly heated and cooled.

The Regents further agree with the Trustees that if the heating and cooling facility is not completed, and service is not being provided by June 1, 1972, that the Regents shall use all funds they have available for expenditure at the Medical Center that may be lawfully applied to the payment of the Regents' debt service obligation to the Oklahoma University Development Authority arising out of the Utility Revenue Bonds of 1970 before requesting assistance from the Trustees to meet that obligation.

The Regents specifically agree that if such funds are available ^{for expenditures} at the Medical Center, that may be lawfully applied to the debt service obligation, that the Regents shall not divert these funds to other uses before application to the debt service obligation in order that the Regents could then request

assistance from the Trustees.

The Trustees agree in consideration of the agreements made by the Regents as set out above, that they shall, if the Regents do not have sufficient funds available from sources of revenue that may be lawfully applied to the payment of the obligation into the Oklahoma University Development Authority, that beginning on the 1st day of June, 1972 and on the first of each month thereafter until the heating and cooling facilities begin operations, pay to the Regents from the funds of Trust, a sum sufficient for the Regents to meet the debt service obligation of the Utility Revenue Bonds of 1970 to the Oklahoma University Development Authority. However, it is specifically agreed by both Parties that the Trust's obligation under this agreement shall not exceed the sum of Three Hundred Thousand Dollars (\$300,000.00).

Further, the Regents agree that if the Trustees make any payment or transfer any property to the Regents as a result of this agreement, that the Regents shall, when funds become available that may be lawfully applied to such a purpose, repay the Trust for the moneys or properties paid or transferred to the Regents. It is agreed that such repayment shall be without interest or ~~any other penalty~~ *at the same rate of interest as is on the said revenue bonds.*

That further, the Parties specifically agree that this agreement shall terminate automatically and without further action of either party, on the date that the heating and cooling facility to be constructed by the Oklahoma University Development Authority shall first provide any heating or cooling services to the University of Oklahoma Medical Center facilities.

IN WITNESS WHEREOF, the Regents have caused this instrument to be signed by their President and Secretary and their seal affixed, and the

Trustees have each signed this instrument all on the day and year first above written.

ATTEST:

Robert F. James
Secretary

REGENTS OF THE UNIVERSITY OF OKLAHOMA

Walter C. Cline
President

TRUSTEES OF THE OKLAHOMA MEDICAL CENTER TRUST FUND

Lawrence P. Clark

Leigh H. Stump, Jr.

I Received By J. M. Smith, Presy

OPERATION AND MAINTENANCE CONTRACT

THIS OPERATION AND MAINTENANCE CONTRACT (hereinafter called "Operation Contract") dated as of December 1, 1970, by and between the BOARD OF REGENTS OF THE UNIVERSITY OF OKLAHOMA (hereinafter called "Regents") and the TRUSTEES OF THE OKLAHOMA UNIVERSITY DEVELOPMENT AUTHORITY (hereinafter called "Authority"), a public trust created under the authority of and pursuant to the provisions of Title 60, Oklahoma Statutes 1961, Sections 176 to 180, as amended and supplemented, and the Oklahoma Trust Act.

WITNESSETH:

WHEREAS, pursuant to 70 O.S. 1961, § 3306, as amended, the University of Oklahoma Medical Center consists of all medical facilities and related activities of the University of Oklahoma located at Oklahoma City; and

WHEREAS, the Authority has determined to acquire and construct facilities required for the provision of heating and cooling services to the University of Oklahoma Medical Center and certain buildings housing institutions related thereto (hereinafter the initial facilities to be acquired or constructed are called the "Project" which together with all additions, betterments, improvements thereto and extensions thereof hereafter constructed or acquired by the Authority called the "Facilities"); and

WHEREAS, to pay the cost of the Project and to capitalize certain reserve requirements, the Authority has determined to issue its Utility Revenue Bonds, Series 1970 (hereinafter called "Bonds") dated December 1, 1970 in the aggregate principal amount of \$6,000,000 under and pursuant to the terms of a Bond Indenture (hereinafter together with all supplements thereto called the "Indenture") dated as of December 1, 1970 by and between the Authority and The First National Bank and Trust Company of Oklahoma City, Oklahoma (hereinafter called "Bank"); and

WHEREAS, in consideration of the Authority's agreement to acquire and install the Project, the Regents entered into a Lease Agreement by and between the Regents and the Authority dated as of December 1, 1970 (hereinafter called "Lease") whereby the Regents leased a certain parcel of land located in the vicinity of the University of Oklahoma Medical Center Campus for the purpose of constructing the heating and cooling plant thereon to the Authority to enable the Authority to secure the Bonds by a first mortgage and pledge of its leasehold interest in the said real property and a first mortgage and pledge of its interest in the Facilities and the proceeds, fees, charges, revenues, income, rents, receipts, issues and benefits (hereinafter called the "Revenues" and together with the Authority's interest in the Facilities and the Authority's leasehold interest in the said real property called the "Trust Estate"); and

WHEREAS, in further consideration of the Authority's agreement to the acquisition and construction of the Project, the Regents have determined to operate and maintain the Facilities for and on behalf of the Authority;

NOW, THEREFORE, the Authority and the Regents agree as follows:

SECTION 1. The term of this Operation Contract shall be from the first day of December, 1970, to the thirtieth day of June, 1971. Until the Bonds and all additional parity bonds, or any other indebtedness secured by the Trust Estate are retired in full, this Operation Contract shall be automatically renewed on July 1, 1971 and on the first day of each July thereafter, for annual periods ending on the June 30th following

each such renewal, each such renewal to be accomplished by the Regents continuing to operate and maintain the Facilities, as herein described, after 12:01 A.M. on July 1 of that annual period. If the Regents determine that they do not intend to continue to operate and maintain the Facilities after the next 12:01 A.M., July 1, they shall give notice in writing, to that effect, at least one (1) year in advance of the said July 1.

SECTION 2. In consideration of the agreements of the Regents, the Authority hereby covenants and agrees during the term of this Operation Contract to enact and maintain the following monthly procedures:

1. The Authority shall determine the monthly revenue requirements, including the principal and interest requirements on the Bonds and on any indebtedness of the Authority payable from the revenues of the Facilities which is incurred in order to provide satisfactory service (as defined in the Utility Service Agreement dated as of December 1, 1970 by and between the Regents and the Authority); the amount necessary to meet all reserve requirements on the Bonds and said indebtedness; expenses of the Authority pertaining to the Facilities; and the operation and maintenance expenses of the Authority related to the Facilities as certified to by the Regents in accordance with Section 4, subparagraph 1 hereof.
2. The Authority shall determine on a monthly basis, the revenue requirements, including a complete statement of the items listed in subparagraph (1) immediately preceding; the Cost-of-Service rates and the Base Rate Adjustment , either "plus" or "minus", required to provide the necessary

revenue requirements (as defined in the above-mentioned Utility Service Agreement); and the composite and total billing required for each customer of the Authority. Upon the determination of the above, the Authority shall submit a bill for services to each customer with which Utility Service Agreements have been contracted, including the Regents.

3. The Authority shall collect the revenues derived from the above billing, including those of the Regents, and deposit them in the Oklahoma University Development Authority Utility Revenue Fund (established and maintained pursuant to the terms of the Indenture and hereinafter referred to as "Revenue Account"); to be maintained with the Bank.
4. The Authority shall reimburse the Regents from the moneys paid pursuant to the Indenture into the Working Capital Fund created thereby for the expenses incurred by the Regents in the operation and maintenance of the Facilities. Said reimbursement shall take place upon the submission to the Bank of an itemized claim of expenses incurred, with approval by the Authority or its designated agent endorsed thereon.

SECTION 3. The Regents and the Authority hereby further agree that the Authority has the sole power and responsibility to establish and adjust the rates, fees and charges for heating, cooling and related services provided by the Facilities to be administered by the Regents.

SECTION 4. The Regents covenant and agree during the term of this Operation Contract as follows:

1. To physically operate and maintain the Facilities in first-class condition, keep them in good repair and make recommendations to the Authority as to capital

improvements required for the Facilities, including improvements, modernization and expansion thereto, all limited to and payable with the moneys provided by the Authority and within the limits of the money provided by the Authority.

2. To submit to the Bank and to the Authority a statement and certification thereof, on a monthly basis, for the operation and maintenance expenses related to the Facilities.
3. To protect and hold the Authority harmless for damages due to injury to person or property for which the Regents may be legally responsible and arising by reason of the Regents' operation, maintenance, repair, replacements, extensions and improvements of the Facilities.
4. Not to commit or allow any waste with respect to any of the Facilities.
5. To comply faithfully and fully with and abide by every statute, rule, order and regulation now in force or hereafter enacted by any competent government agency or authority with respect to or affecting the Facilities or the operation and maintenance thereof and to keep the Facilities and the Revenues and all parts thereof free from judgments, mechanics' and materialmens' liens and free from all other mortgages, liens, claims, demands and incumbrances of whatever nature or character to the end that the priority of the mortgages and pledges provided for in the aforesaid Indenture may at all times be maintained and preserved free from any claim or liability. The provisions set out in this sub-paragraph of this Section 4 shall not prevent the transfer of possession or control of the Trust Estate or any part thereof to temporary Trustees or receivers for operation thereof in accordance with the provisions of the Indenture securing the payment of Bonds issued by the Authority.

6. To promptly institute and diligently prosecute appropriate proceedings in eminent domain for the condemnation of lands or interest therein necessary for construction or acquisition of any improvement or betterment to or extension of the properties of the Trust Estate which have been approved by the Regents, the cost and such expenses of such proceedings and the award of damages as a result thereof to be paid by the Authority, unless otherwise agreed to by the parties hereto, title to all such property to be taken in the name of the Regents and upon acquisition to become a part of the properties leased to the Authority under the Lease and to be included in the Trust Estate.

SECTION 5. In consideration of the agreements of the Regents, the Authority hereby further covenants and agrees during the term of the Lease set out in Section 1 above as follows:

1. To issue the Bonds and to expend the proceeds thereof for the purpose of acquiring and installing the Project, all in accordance with the terms of the Indenture.
2. To enforce and carry out the Utility Service Agreements entered into by it with respect to the facilities.
3. To issue only such additional bonds on a parity with the Bonds or otherwise secured by the Trust Estate as may be necessary to insure the provision of satisfactory service as defined in the above-mentioned Utility Service Agreement, to the extent possible and as approved by the Regents.

4. To do all things necessary and proper to perform the purposes of the Authority within the scope of the powers and duties set forth in the Trust Indenture and within the scope of the Indenture securing the payment of the Bonds issued by the Authority, including the payment of principal and interest and the accumulation of various reserve requirements of said Bonds, as required in the Indenture.
5. To do any and all things required to be done by it under the terms of this Agreement and to cooperate with the Regents to the end that the Facilities may be efficiently operated and maintained.
6. To cause a written annual report to be made by a professional engineer concerning the condition of the Facilities and containing recommendations regarding maintenance, repairs, extensions and improvements thereto, in accordance with the terms of the Indenture. The cost of such report shall be considered an operation and maintenance expense.
7. To carry, as long as any Bonds or additional parity bonds of the Authority secured by a mortgage and pledge of the Authority's interest in the Facilities and the Revenues therefrom are outstanding, the insurance required to be carried by the Authority under the terms of the Indenture and to apply the proceeds of any such insurance in accordance with the terms of the Indenture.
8. To keep proper books of record and account of all transactions relating to the Trust Estate in accordance with the terms of the Indenture and to cause monthly statements and annual audits to be furnished to the Authority and other designated parties in accordance with the terms of the Indenture.

9. To be bound by and keep and perform all covenants, acts and things by it to be kept and performed according to the true intent and meaning of the Indenture, the Trust Indenture creating the Authority and this Operation Contract.

SECTION 6. From and after the issuance of the Bonds, this Operation Contract shall not be assignable by either party; provided that the Authority's rights hereunder may be pledged and assigned as security and payment for the Bonds, and any change of Trustees of the Authority or the taking of possession or control of leased properties for operation thereof in accordance with the provisions of any Indenture securing the payment of Bonds issued by the Authority, including the Indenture, shall not be considered as an assignment prohibited by the provisions hereof. This Operation Contract shall not be amended without the written consent of the Bank.

SECTION 7. Bonds issued by the Authority pursuant to the Indenture shall not constitute an indebtedness of the State of Oklahoma or of the Board of Regents of the University of Oklahoma, nor shall such Bonds be the personal obligations of the Authority, but such Bonds shall be special and limited obligations of the Authority, payable solely from the Trust Estate.

SECTION 8. Provisions of this Operation Contract shall be deemed separable. If it shall ever be held by a court of competent jurisdiction that any one or more sections, clauses or provisions of this Operation Contract is invalid or ineffective for any reason, such holding shall not affect the validity and effectiveness of the remaining sections, clauses and provisions hereof.

SECTION 9. In the event of the Authority's default under the Indenture, which default results in the appointment of temporary or permanent receivers or Trustees of the Trust Estate of the Authority, the Regents hereby agree to perform with respect to such receivers or Trustees, all covenants and agreements herein undertaken with respect to the Authority.

SECTION 10. The Regents shall not be obligated under this Operation Contract to do anything not within its powers as authorized by law.

IN WITNESS WHEREOF, the Regents have caused this instrument to be signed by their President and Secretary and their seal affixed and the Authority has caused this instrument to be signed by its Chairman and Secretary and its seal affixed, all as of the day and year first above written.

THE BOARD OF REGENTS OF THE
UNIVERSITY OF OKLAHOMA

Cherry Cole

President

ATTEST:

Barbara H. Jones

Secretary

(SEAL)

TRUSTEES OF THE OKLAHOMA UNIVERSITY
DEVELOPMENT AUTHORITY

H. Hardin

Chairman

ATTEST:

R. D. [unclear]

Secretary

(SEAL)

STATE OF OKLAHOMA)
)SS
COUNTY OF CLEVELAND)

BEFORE ME, the undersigned, a Notary Public in and for said State, on the 21st day of December, 1970, personally appeared Horace K. Calvert, President, and Barbara James, Secretary of the Board of Regents of the University of Oklahoma, and to me further known to be the identical persons who subscribed the name of said Board as one of the makers thereof, to the foregoing instrument as its President and Secretary, respectively, and acknowledged to me that they executed the same as their free and entirely voluntary act and deed and as the free and voluntary act and deed of said Board, for the uses and purposes therein mentioned and set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year aforesaid.

Helen H. Whitten
Notary Public

(SEAL)
My commission expires November 19, 1971.

STATE OF OKLAHOMA)
)SS
COUNTY OF CLEVELAND)

BEFORE ME, the undersigned, a Notary Public, in and for said State, on the 21st day of December, 1970, personally appeared H. O. Harder, Chairman, and R. Boyd Gunning, Secretary of the Trustees of the Oklahoma University Development Authority, and to me further known to be the identical persons who subscribed the names of said maker thereof to the foregoing instrument and acknowledged to me that they executed the same as their free and voluntary act and deed, and as the free and voluntary act and deed of the said Authority for the uses and purposes therein mentioned and set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year aforesaid.

Helen H. Whitten
Notary Public

(SEAL)
My commission expires November 19, 1971.

UTILITY SERVICE AGREEMENT

This Utility Service Agreement (hereinafter called "Agreement") dated as of December 1, 1970, by and between the Board of Regents of The University of Oklahoma (hereinafter called "Regents") and the Trustees of the Oklahoma University Development Authority (hereinafter called "Authority"), a public trust created under the authority of and pursuant to the provisions of Title 60, Oklahoma Statutes 1961, Sections 176 to 180, as amended and supplemented, and the Oklahoma Trust Act.

WITNESSETH:

WHEREAS, pursuant to 70 O.S. 1961, § 3306, as amended, the University of Oklahoma Medical Center consists of all medical facilities and related activities of the University of Oklahoma located at Oklahoma City; and

WHEREAS, the Authority has determined to acquire and construct facilities required for the provision of heating and cooling services to the University of Oklahoma Medical Center and certain buildings housing institutions related thereto (hereinafter the initial facilities to be acquired or constructed are called the "Project" which together with all additions, betterments, improvements thereto and extensions thereof hereafter constructed or acquired by the Authority called the "Facilities"); and

WHEREAS, to pay the cost of the Project and to capitalize certain reserve requirements, the Authority has determined to initially issue its Utility Revenue Bonds, Series 1970 (hereinafter called "Bonds") dated as of December 1, 1970 in the aggregate principal amount of \$6,000,000, under and pursuant to the terms of a Bond Indenture (hereinafter together with all supplements thereto called the "Indenture") dated as of December 1, 1970 by and between the Authority and The First National Bank and Trust Company of Oklahoma City, Oklahoma (hereinafter called "Bank"); and

WHEREAS, in consideration of the Authority's agreement to acquire and install the Project, the Regents have determined to purchase heating and cooling services from the Authority.

NOW, THEREFORE, THE AUTHORITY AND THE REGENTS AGREE AS FOLLOWS:

1. The Regents hereby agree to purchase from the Authority and the Authority hereby agrees to furnish, all steam, chilled water and other services required to provide the central heating and cooling for the buildings of the University of Oklahoma Medical Center Campus in Oklahoma City. The term of this Utility Service Agreement shall be from the first day of December, 1970, to the thirtieth day of June, 1971. Until the Bonds and all additional parity bonds, or any other indebtedness secured by the Trust Estate (which term as used herein shall mean the Trust Estate as defined in the Indenture) are retired in full, this Utility Service Agreement shall be automatically renewed on July 1, 1971 and on the first day of July thereafter, for annual periods ending on the June 30th following each such renewal, each such renewal to be accomplished automatically unless notice in writing is given as hereinafter provided. If the Regents determine that they do not wish the contract to be automatically renewed after any then next ensuing 12:01 A.M.,

July 1, they shall give notice in writing, to that effect, at least one (1) year in advance of the said July 1 by serving said notice on the Authority and the Bank. The Regents hereby agree to not purchase heating and cooling services for the University of Oklahoma Medical Center Campus from anyone other than the Authority as long as this contract is in effect, except for such services that are beyond the design capacity of this Project. The Regents further agree to not build a heating and cooling system to provide services to the University of Oklahoma Medical Center and buildings related thereto as long as this contract is in effect, except for such services that are beyond the design capacity of this Project.

2. "Satisfactory Service" as used herein shall mean the supplying of heating and cooling services sufficient in quantity to meet the needs of the buildings existing or under construction on the University of Oklahoma Medical Center Campus as of December 1, 1970. The Regents hereby agree to cooperate in all ways necessary to assist the Authority in furnishing satisfactory service.

3. The Regents hereby agree to pay for said heating and cooling services, rates and charges to be determined by the Authority and reviewed by the Authority according to other provisions herein. Such rates and charges shall in all events be fixed so that, together with any moneys derived by the Authority from other sources pertaining to the Facilities, revenues shall be produced sufficient (1) to provide in each year for the principal and interest and reserve requirements for such year on the Bonds and any indebtedness of the Authority payable from the revenues of the Facilities which is incurred in order to provide satisfactory service as hereinbefore defined, and (2) to meet the Repair and Replacement Fund, Working Capital Fund and Capital Improvement Fund requirements on the Bonds in the amounts and at the times specified in the Indenture, including the payment of operation and maintenance expenses of or related to the Facilities.

4. The Regents' liability for payment for heating and cooling services actually provided under this Agreement shall be subject to an appropriation having been made by the Legislature of the State of Oklahoma from which its obligations hereunder may lawfully be discharged, or there being other moneys lawfully available from which such obligations may be discharged. The Regents agree (1) to apply such other moneys to the extent required to satisfy their obligations hereunder and (2) to include in their budgets required to be submitted to the Oklahoma State Regents for Higher Education or to such other board, officer or body compiling budgetary requirements for submission to the said Legislature, amounts sufficient to enable them to meet their obligations hereunder.

5. The Regents hereby agree to commence payments to the Authority on June 1, 1972, regardless of whether the heating and cooling service is yet available, or on such earlier date that service may be available. The payments from the Regents for any period on and after June 1, 1972 and prior to the actual provision of services shall be payable only from moneys which are then legally available for such purposes or if the moneys then legally available are not sufficient to meet the obligations of the Authority related to the Facilities, then from charges which shall be assessed by the Regents against the students and/or faculty of the University of Oklahoma Medical Center or other member institutions, organizations or agencies which are included in the area known as the Oklahoma Health Center and which have entered into participation agreements with the Regents, in an amount sufficient to meet the obligations of the Authority related to the Facilities.

6. The Authority reserves the right to sell or otherwise dispose of heating

and cooling services produced by the Project and not required initially by the Regents, however, the Regents shall have the right, upon three (3) years written notice delivered on any renewal date to demand and receive all or part of the services of the Project sold or disposed of to others.

7. The rates to be paid by the Regents to the Authority shall consist of "Cost of Service" rates and "Base Rate Adjustment". Cost of Service rates shall be established by the Authority, with the assistance of professional engineers, prior to the original provision of heating and cooling, i.e. steam and chilled water, service and initially as set out on Appendix A. Such rates, which shall be reviewed by the Authority and the professional engineers and, if required, adjusted each June and December, shall be maintained at a level sufficient to provide revenues no less than that required to meet the requirements of paragraph (3) above. Such Cost of Service rates shall be based on the amount, type, and conditions of the service as provided in Appendix B. The rates shall be applied at each metered point of service.

8. The Cost of Service rates may be adjusted on a monthly "plus" or "minus" basis as a percentage of the monthly dollar billing, derived from said Cost of Service Rates, without limitation, through the application of a "Base Rate Adjustment".

9. A "plus" Base Rate Adjustment could result and shall be enforced when the revenues derived from the Cost of Service rates are not sufficient to meet the requirements of paragraph (3) above.

10. A "minus" Base Rate Adjustment could result when the revenues derived from the Cost of Service rates are in excess of the amounts necessary to meet the requirements of paragraph (3) above.

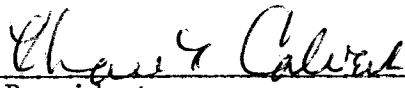
11. The Conditions of Service and Customer's Instructions attached hereto as Appendix B are incorporated herein. For the purposes of said Appendix, the term "Design Demand Peak" defined in said Appendix for chilled water service shall initially be 2,326 tons and for steam service shall initially be 20,000 lbs. per hour. The Design Demand Peaks may be changed by agreement of the parties hereto.

12. In the event of the Authority's default under the Indenture, which default results in the appointment of temporary or permanent receivers or Trustees of the Trust Estate of the Authority, the Regents hereby agree to perform with respect to such receivers or Trustees, all covenants and agreements herein undertaken with respect to the Authority.

13. The Authority hereby agrees to not terminate service to the Regents except for non-payment of charges or for breaches of this Agreement as determined by the Authority to be material.

IN WITNESS WHEREOF, the Regents have caused this instrument to be signed by their President and Secretary and their seal affixed and the Authority has caused this instrument to be signed by its Chairman and Secretary and its seal affixed, all as of the day and year first above written.

THE BOARD OF REGENTS OF THE UNIVERSITY
OF OKLAHOMA



President

ATTEST:



Secretary

(SEAL)

TRUSTEES OF THE OKLAHOMA UNIVERSITY
DEVELOPMENT AUTHORITY



Chairman

ATTEST:



Secretary

(SEAL)

STATE OF OKLAHOMA)
)SS
COUNTY OF CLEVELAND)

BEFORE ME, the undersigned, a Notary Public in and for said State, on the 21st day of December, 1970, personally appeared Horace K. Calvert, President, and Barbara James, Secretary of the Board of Regents of the University of Oklahoma, and to me further known to be the identical persons who subscribed the name of said Board as one of the makers thereof, to the foregoing instrument as its President and Secretary, respectively, and acknowledged to me that they executed the same as their free and entirely voluntary act and deed and as the free and voluntary act and deed of said Board, for the uses and purposes therein mentioned and set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year aforesaid.

(SEAL)

My commission expires November 19, 1971.

Helen D. Whitten
Notary Public

STATE OF OKLAHOMA)
)SS
COUNTY OF CLEVELAND)

BEFORE ME, the undersigned, a Notary Public, in and for said State, on the 21st day of December, 1970, personally appeared H. O. Harder, Chairman, and R. Boyd Gunning, Secretary of the Trustees of the Oklahoma University Development Authority, and to me further known to be the identical persons who subscribed the names of said maker thereof to the foregoing instrument and acknowledged to me that they executed the same as their free and voluntary act and deed, and as the free and voluntary act and deed of the said Authority for the uses and purposes therein mentioned and set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year aforesaid.

My commission expires November 16, 1971.

Helen D. Whitten
Notary Public

(SEAL)

R A T E S C H E D U L E

STEAM

Demand Charge: \$75.00 per 1,000 lbs. per hour per month
(Minimum \$75.00)

Consumption: \$1.00 per 1,000 lbs.

CHILLED WATER

Demand Charge: \$3.00 per ton per month
(Minimum \$300.00)

Consumption: \$.03 per ton-hour

Differential temperature adjustment applied monthly
to Consumption:

plus 3% per degree below 12°F
or minus 3% per degree above 14°F

APPENDIX B

CONDITIONS OF SERVICE
AND
CUSTOMER'S INSTRUCTIONS

I. DEFINITIONS

A. Ton: As used herein, references to a "ton" of refrigeration capacity are intended to refer to a "ton" of refrigeration capacity as defined in the 1965-66 Guide and Data Book published by the American Society of Heating, Refrigerating and Air Conditioning Engineers, being the equivalent of the cooling capacity of one ton of ice melting in a period of twenty-four hours (i.e. 288,000 Btu, or an average of 12,000 Btu/hr.)

B. Ton-Hours: Likewise, in accordance with the definitions contained in said 1965-66 Guide and Data Book, a "ton-hour" of chilled water as used herein is intended to refer to the quantity of chilled water delivered by Owner to Customer at the chilled water delivery point at a temperature which will produce the equivalent of 12,000 Btu of cooling in Customer's Facilities (from point of delivery thereto to point of redelivery to Owner) over a period of one-hour, also taking into account, of course, the temperature of the quantities of chilled water redelivered by Customer to Owner at the chilled water redelivery point, and measured and calculated on the basis of the aggregate Btu gain occurring in the quantities of chilled water delivered by Owner to Customer between the chilled water delivery point and the chilled water redelivery point provided for herein and in accordance with the procedures and methods provided for herein.

C. Owner: As used herein, "Owner" refers to Oklahoma University Development Authority or its designate.

D. Customer: As used herein, "Customer" refers to the party with whom Owner has entered into the service agreement to which this is attached and incorporated as Appendix B.

E. Service Agreement: As used herein, "Service Agreement" refers to that Utility Service Agreement to which this is attached and incorporated as Appendix B, entered into between Owner and Customer whereby Owner agrees to furnish steam for heating (and processing) and chilled water for cooling and Customer agrees to purchase same in accordance with the terms and conditions of the agreement and the conditions of service and Customer's instructions herein.

II. NATURE, AVAILABILITY & REQUIREMENTS RELATING TO USE OF SERVICE

A. Steam Plant: Owner will render heating service from a central steam plant and a distribution system providing a primary supply of saturated steam to its customers for heating and processing, at a pressure ranging from 125 to 100 psig depending on point of delivery and the load on the system.

Condensate shall be pumped from the premises by the Customer to the Owner's condensate return mains and thence back to the Central Plant at a normal pressure of 25 psig, but in no event to exceed 50 psig, at a minimum temperature of 180°F. No condensate from process steam which is contaminated shall be pumped back into the Owner's condensate return system but shall be disposed of by Customer. No Customer may tap into or otherwise interfere with the flow of such condensate without the prior written permission of Owner.

B. Steam Service: Steam Service may be purchased from Owner for all heating and processing purposes by the use of customer-owned equipment which is connected or can be connected to Owner's steam distribution system after Owner and Customer

have executed a written service agreement. Owner may refuse to accept condensate from Customer if condensate has been contaminated by Customer. Customer shall not do any water treatment nor add any chemicals or foreign substances into the water being used in its heating and cooling system without the prior written consent and approval of Owner, such approval not to be unreasonably withheld by Owner.

C. Cooling Plant: The Owner will render cooling service by means of water chillers, pumps, and associated facilities located at its central plant and by a chilled water distribution system, designed to deliver chilled water at the Customer's point of delivery at 40 to 42°F, and at pressures varying from 120 psig to a maximum of 200 psig and to receive back the chilled water at Customer's point of return at approximately 55°F. Customer shall furnish controls to maintain a programmed water temperature differential of 14°F, plus or minus 1°F above delivery temperature after use by the Customer at point of return of chilled water to Owner's system. Customer will return the chilled water to Owner at the point of return at a sufficient pressure to meet the pressure requirement of Owner's chilled water return system. No Customer may tap into, use or otherwise interfere with such chilled or return water in any way which may raise or lower its temperature beyond the above stated limits. Customer shall not in any way contaminate the chilled water while same is in Customer's custody and control.

D. Cooling Service: Chilled water service may be purchased from Owner for the cooling requirements of buildings which are connected or can be connected to the Owner's chilled water distribution system when the Customer and Owner have executed the Utility Service Agreement.

E. Preparation of Customer's Piping System to Receive Service: This service condition pertains to the cleanliness of the Customer's chilled water, steam

and steam condensate piping systems and connected heat transfer apparatus, both new systems and existing systems.

After the Customer's chilled water piping system is completed and before it is connected to the Owner's service lines, the piping shall be washed clean. The cleaning solution shall be trisodiumphosphate and water, concentration as recommended by the chemical manufacturers for this duty. This solution shall be pumped through the piping at such a rate as to remove oil, mill scale, etc. Discard and drain. Repeat this operation twice. At the end of the second flushing period, check ph of water in system (Litmus paper) and if not neutral, repeat flushing or neutralize with appropriate chemical. Any leaks which develop as a result of the cleaning operation shall be repaired by the Customer.

After the customer's steam and steam condensate piping system is completed, it shall be cleaned as set forth below, before the steam condensate return piping is connected to the Owner's return system.

Steam service shall be connected to the Customer's system and placed into operation, with all condensate from the Customer's system dumped to waste, until the return line flow is clear of mill scale, oil, pipe dope and all debris. Steam used for this cleaning operation will be billed to the Customer at \$1.00 per 1000 pounds total charge. Any leaks which develop shall be repaired by the Customer.

F. Flow Control - Chilled Water Loads: The flow of chilled water through the Customer's heat transfer systems shall be automatically stopped when the air conditioning systems are turned off. The automatic valves shall be capable of 100% shutoff at differential pressure up to 75 psig. In the event that freeze protection is desired on a dormant coil, 10% of design flow through a manual bypass valve, around the automatic valve will be allowed.

III. METERS & SPACE REQUIREMENTS

The Owner will furnish, install and maintain meter runs and consumption meters best suited to the service requirements. The Customer will furnish, install and maintain such pressure regulating valves or pumps required to change inlet and return pressures or flows.

The metering devices are to be checked for accuracy in accordance with generally accepted methods at least once every year by the Owner in the presence of Customer's representative.

Customer will provide, without charge, adequate space if required on its premises for the housing of and access to such measuring equipment and appurtenances.

IV. OWNER'S SERVICE LINES

The Owner will install its service lines to a location at the outside wall of the basement or foundation of Customer's building, determined by the Owner to be convenient and practicable, and will extend such service lines through a sleeve provided and installed by the Customer in such basement wall or foundation to the point of the Owner's metering facilities. The point on the discharge side of the Owner's meters, (for recording consumption of steam and chilled water by Customer) shall constitute the point of delivery of service, the point on the inlet side of the Owner's meter installed to record condensate return shall constitute the condensate return point and the point where Owner extends its service lines to receive chilled water from Customer shall constitute the point of return of chilled water. Steam service will normally be supplied to the Customer's building through a single supply line and a single condensate return line. Chilled water service will normally be supplied to the Customer's building through a single supply line and a single return line.

For reasons of Owner's economy, conditions on the Owner's distribution system, improvement of service conditions, or volume of the Customer's requirements, the Owner may at its option install more than one service line for steam service, or chilled water service, or both.

The Owner reserves the right to determine the location of any service line, and to avoid misunderstanding, the Customer, before starting work, shall consult the Owner as to the exact location of the point of service termination (or delivery point). Owner agrees to act reasonably in respect to the determination of the location of said line.

Any change requested by the Customer in the point of delivery of service or location of Owner's service facilities, provided such change is approved by the Owner, will be made at the expense of the Customer, who shall reimburse the Owner for the actual cost of such change.

V. OWNER'S PROPERTY

The service line, meters, and service equipment installed by the Owner shall remain the property of the Owner.

The service stop valve and meter stop valves shall be operated only by authorized personnel of the Owner, except that the service stop valve and meter stop valves may be closed by the Customer after shutoff. The Owner shall be notified immediately of such shutoff. The Owner's representative, if requested, shall exhibit his written authority.

The Customer shall be responsible for the safekeeping of the Owner's property on his premises. No person, except a duly authorized employee of the Owner, shall be permitted to break or replace an Owner seal or lock, or to alter or interfere with the operation of meters or its connections, (a steam meter, a water meter)

regulators, or any other item of service equipment installed by the Owner.

VI. CUSTOMER'S PROPERTY

The Customer will furnish, install and maintain, where required, on the service side of the meter, such pumps and regulating devices as are necessary to maintain pressure and flow conditions required by Customer equipment and return at distribution operating pressure conditions which will meet the requirements herein.

The Customer shall provide (without cost to Owner) suitable space for the installation, inspection, protection, and maintenance of Owner's meters and other necessary service equipment within Customer's premises, at a location acceptable to Owner and as near the point of delivery as practicable. Where electricity or instrument air is required for the operation of the Owner's meters or meter regulating valves, the Customer shall furnish and install wiring, piping, and equipment necessary to provide such service.

The Customer shall also furnish, install and maintain all facilities required for his utilization of service as shown on Pages 12-16 of this Appendix B.

Except as otherwise provided herein, all repairs to Customer's piping and equipment shall be made by the Customer. The Customer shall give immediate notice to the Owner of any leakage or escape of steam or chilled water.

The Customer shall give the Owner reasonable advance notice of intention materially to increase or decrease his load. Changes and alternations to provide proper metering in such cases shall be governed by Owner's requirements applying to new installations.

The Owner shall not be required to supply steam service until the Customer's

installation shall have been approved by any local authority having jurisdiction over the same, and the Owner further reserves the right to withhold its service, or discontinue its service, whenever such installation or part thereof is deemed by the Owner to be unsafe, inadequate or unsuitable for receiving the Owner's service, or to interfere with or impair the continuity or quality of the Owner's service to the Customer or to others.

VII. ACCESS TO PREMISES

The Owner's duly authorized representative shall have the right of access to all the Owner's property on the premises of the Customer and on all other premises, with respect to which the Customer has secured easements, at all reasonable times for the purpose of installing service lines, inspecting, protecting, maintaining, and replacing where necessary, its service lines meters, and service equipment, removing its property, or any other proper purpose.

VIII. LIABILITY

The Owner will endeavor at all times to provide a regular and uninterrupted supply of service throughout the year on a twenty-four (24) hour per day basis, but does not warrant or guarantee uninterrupted service and shall not be liable for any damages caused or resulting from an interruption in service. Nor shall the Owner be liable for any injury or damage resulting in any way from the supply or use of the steam or chilled water or the presence of its equipment on the Customer's premises, and neither by inspection or non-rejection, nor in any other way, does the Owner give any warranty, expressed or implied, as to the adequacy, safety or other characteristics of any structures, equipment, wires, mains, pipes, appliances, or devices owned, installed or maintained by the Customer or leased by the Customer from third parties.

IX. NOTICES

The Customer shall give the Owner five (5) days prior written notice to turn on or turn off steam or chilled water service.

X. METERING & BILLING

A. Measurement of Steam Service: Metering of the Customer's usage of steam (supply and return of condensate) will be determined by use of Owner's flow meters which will record the Customer's usage. Customer shall return no less than 95% of condensate volume per month to Owner. Owner may penalize Customer for returning less than the indicated 95% of condensate at a penalty rate equivalent to 0.40 times the average steam consumption rate for such shortage.

B. Measurement of Chilled Water Service: Metering of the Customer's usage of chilled water supply and return will utilize a device which measures and records chilled water flow and water temperature difference to be converted to ton-hours. Customer shall return all of the chilled water volume delivered by Owner to Customer. Owner may penalize Customer for not returning all of the chilled water at a penalty rate equal to two times the cost to Owner of water furnished to Owner by its supplier.

C. Billing Demand: The billing demand for steam and for chilled water services in which the DEMAND CHARGE is computed, shall be the largest number of pounds of steam, or ton-hours of refrigeration, in any sixty (60) minute period during the month; provided, however, that the billing demand shall be not less than the highest billing demand established during the preceding eleven (11) months; and provided further that the billing demand in any month shall not be less than eighty (80) percent of the Service Design Peak. The Service Design Peak shall be the maximum rate of delivery based on the Customer's requirements, and as agreed between Customer and Owner as set forth in the Service Agreement.

D. Meter Reading & Billing Period: The regular meter reading and billing period shall be a calendar month. The Owner reserves the right to read meters and render bills at any other intervals of time.

E. Bills Based Upon Estimated Usage of Service: Should the meter record be interrupted at any time and for any reason, the quantities of steam or chilled water to be billed for such period of interruption will be estimated from meter records immediately before and after the period of interruption.

F. Payment of Bills: Bills of the Owner for service are due on presentation and payable within fifteen (15) days thereafter.

XI RATES

A. Steam Service: The monthly charge for steam service shall be based on a two-part rate consisting of a Demand Charge and a Consumption Charge as contained in the Rate Schedule attached to the Service Agreement. The Demand Charge shall be computed on the basis of the Steam Billing Demand as defined hereunder in Section C of Article X. Such charge is due and payable each and every month without regard as to whether steam was delivered during the month. The Consumption Charge shall be computed based on the volumes of steam delivered during the month to Customer.

B. Chilled Water Service: The monthly charge for chilled water service shall be based on a two-part rate schedule consisting of a Demand Charge and a Consumption Charge as contained in the Rate Schedule attached to the Service Agreement. The Demand Charge shall be computed based on the chilled water billing demand as defined herein in Section C of Article X. Such charge is due and payable each month without regard as to whether chilled water was delivered during the month. The Consumption Charge shall be computed based on the ton-hours of cooling delivered during the month to Customer.

C. Chilled Water Temperature Differential: The differential temperature used for chilled water consumption adjustment will be computed as that temperature which, when applied to the metered total quantity of water delivered during the month, would produce the ton-hours of consumption metered during the same period.

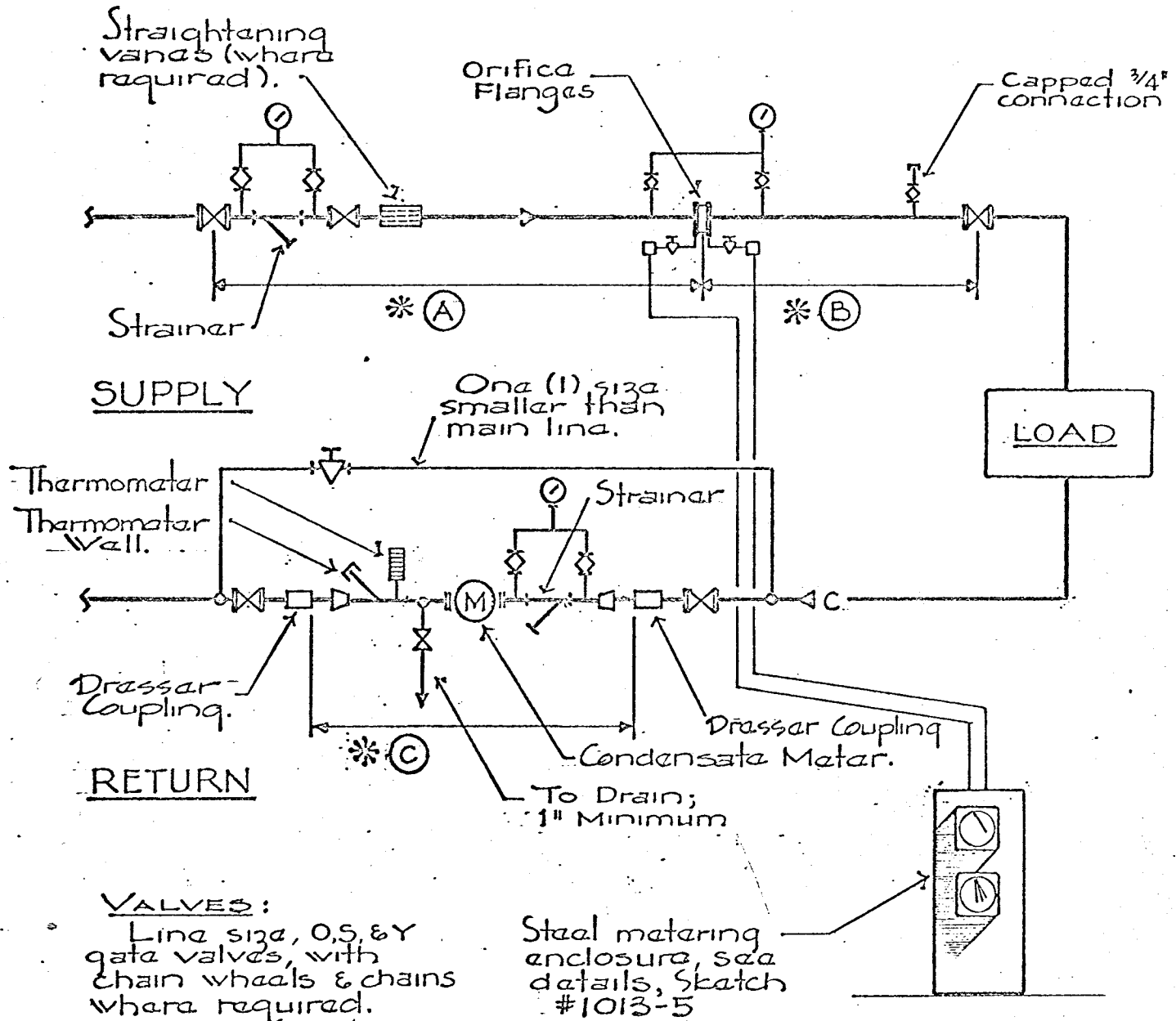
D. Exhaust Air From Customer's Buildings: The tunnel system will be maintained at a slight negative pressure by exhaust fans located near the central plant; the air being discharged to atmosphere after flowing through the plant building. Customers are encouraged to take advantage of this exhaust facility, and discharge exhaust air into the tunnel system. Air exhausted into the tunnel shall be relatively clean, free from strong odors, radioactive materials, bacteria, virus, and at a temperature not to exceed 80°F. Normal toilet exhaust air systems and normal building exhaust air will be acceptable. Kitchen exhaust, laundry exhaust, laboratories exhaust and similar air streams will not be acceptable.

Owner reserves the right to accept and/or reject any exhaust air stream, and assumes no obligation for reversal of flow into the Customer's exhaust air system.

The Customer agrees to not provide heating and cooling service (on a re-sell basis) without the permission of the Owner.

STEAM METERING STATION

125 P.S.I.G. 1.5#/SQ.IN. LOSS/100 FT. MAX.



VALVES:
Line size, O, S, & Y gate valves, with chain wheels & chains where required.

Steel metering enclosure, see details, sketch #1013-5

* Depends on line size, see schedule.
(Sketch #1013-2)

REVISED 7-15-1970

SKETCH #1013-1

PREPARED BY:

CARNAHAN & THOMPSON

ENGINEERS

OCTOBER 14, 1969

STEAM FLOW METERS

125 P.S.I.G. — 1.5#/SQ. IN. LOSS/100 FT. MAX.

SIZE: INCHES	LBS. PER HOUR	Loss/ 100 FT. LBS.	VELOCITY FT./ MINUTE	30 DIAM. UPSTREAM * (A) MIN.	3 DIAM. DOWNSTREAM * (B) MIN.	RETURN DIM. * (C)
3"	750	0.06	500	9'	1'	6'-6"
3"	4300	1.50	2800	9'	1'	"
4"	4600	0.40	1600	10'	2'	"
4"	9500	1.50	3300	10'	2'	"
6"	10,000	0.25	1600	15'	2'	"
6"	30,000	1.50	4000	15'	2'	"
8"	31,000	0.50	3000	20'	3'	"
8"	63,000	1.50	5200	20'	3'	"

* See piping illustrations on following drawings: sketch #1013-1

REVISED 7-15-1970

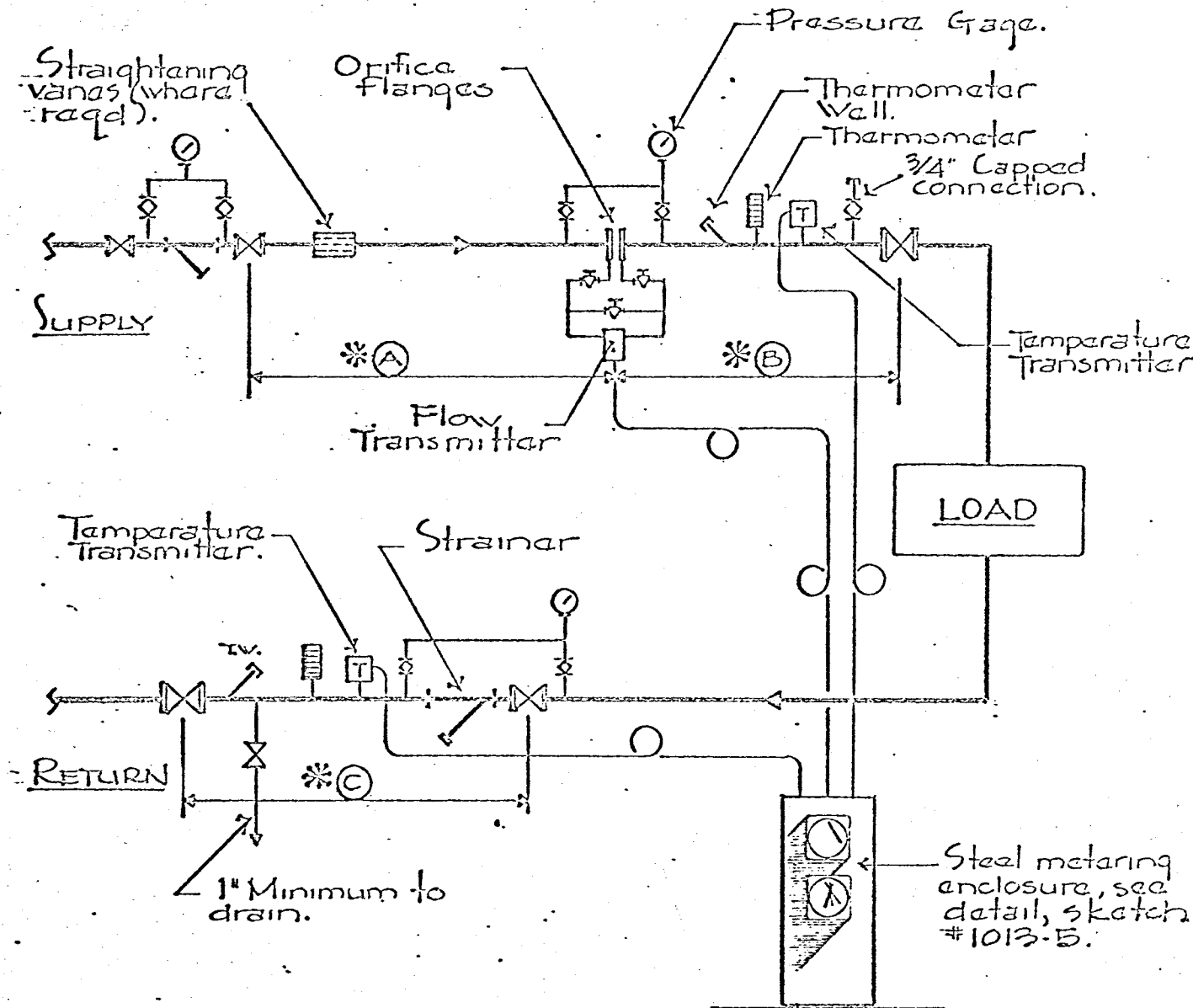
SKETCH #1013-2

PREPARED BY:

CARNAHAN & THOMPSON
ENGINEERS

OCTOBER 14, 1969

CHILLED WATER METERING STATION



Notes:

1. Valves shall be line size, lug-type butterfly with gear operators. Chain wheels and chains shall be provided where required.
2. Orifice flanges, temp. and pressure sensing devices shown in this illustration must be in a room provided within Customer's building or in run-out tunnel.

* Depends on pipe size, see schedule

REVISED 7-15-1970

SKETCH #1013-3

PREPARED BY:
CARNAHAN & THOMPSON
ENGINEERS
OCTOBER 14, 1969

D.I.U. METERS FOR CHILLED WATER ORIFICE METERS.

SLIP-ON TYPE ORIFICE FLANGES - STRAIGHT
PIPE : 30 DIAM. UPSTREAM, 3 DIAM. DOWNSTREAM

CHILLED WATER - 1.72 G.P.M./TON (40° to 54°)

PIPE SIZE	TONS	LOSS PER 100 FT.	G.P.M.	UPSTREAM FT. REQ'D * (A) MIN.	DOWNSTREAM FT. REQ'D * (B) MIN.	RETURN FT. REQ'D * (C)
3'	35	1.74	60	9'	1'	3'
3"	81	8.32	140	9'	1'	3'
4"	87	2.53	150	10'	2'	3'-6"
4"	163	8.00	280	10'	2'	3'-6"
6"	174	1.24	300	15'	2'	4'
6"	494	8.50	850	15'	2'	4'
8"	521	2.48	900	20'	3'	4'-6"
8"	930	7.20	1600	20'	3'	4'-6"
10"	990	2.69	1700	25'	3'	4'-8"
10"	1860	8.58	3200	25'	3'	4'-8"
12"	2030	4.21	3500	30'	4'	5'
12"	2900	8.15	5000	30'	4'	5'
14"	2900	5.03	5000	35'	4'	6'
14"	4060	9.38	7000	35'	4'	6'

* See piping illustrations on following drawings:
Sketch #1013-3.

REVISED: 7-15-70

SKETCH #1013
 PREPARED BY
 CARNAHAN &
 ENGRS
 OCTOBER 1, 1970

METERING ENCLOSURE STEAM AND CHILLED WATER

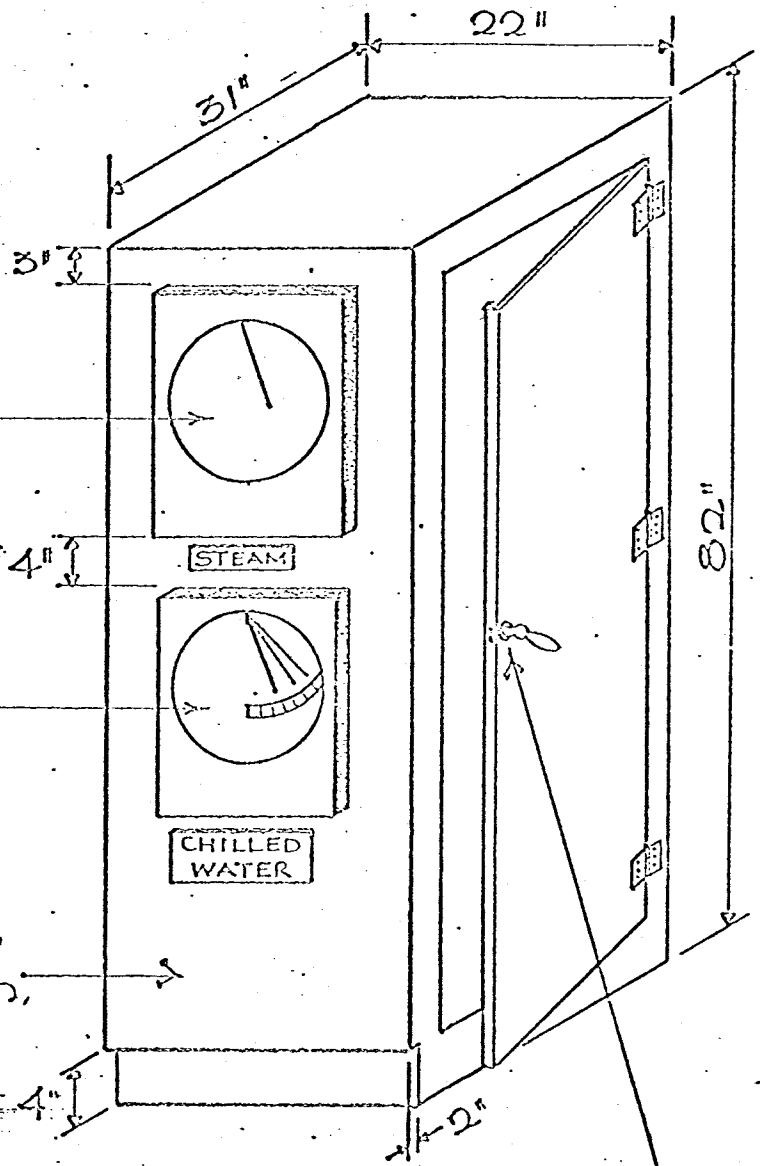
STEAM FLOW METER:

Pen. Lbs./Hour
Integrator: Lbs.

B.T.U. METER:

Pen. Temp. Diff.
Pen. B.T.U./Hour
Pen. Gal./Min.
Integrator: B.T.U.

Enclosure constructed of 2" x 2" x 3/16" angles with 14 ga. metal "skin" all welded construction, grind welds smooth, provide laquer or baked enamel finish, & painted white on inside.



14 ga. door, both sides channel break edges for stiffness, provide locking handles, both doors.
Doors: 6'-4" hi x 2'-1" w.

Notes:

1. Use seven (7) day charts.
2. Meters shall have locking covers.
3. Enclosure shall be located within customers building or in tunnel.

REVISED: 7-15-70

SKETCH #1013-5

PREPARED BY:

CARNAHAN & THOMPSON

ENGINEERS

OCTOBER 14, 1969

BOND INDENTURE
\$6,000,000 TRUSTEES OF THE OKLAHOMA UNIVERSITY DEVELOPMENT AUTHORITY
UTILITY REVENUE BONDS, SERIES 1970

KNOW ALL MEN BY THESE PRESENTS:

THIS BOND INDENTURE, for the convenience of the parties hereto dated as of the 1st day of December, 1970, but actually entered into on the date hereinafter set out, by and between The Trustees of the OKLAHOMA UNIVERSITY DEVELOPMENT AUTHORITY (hereinafter called "Authority"), and THE FIRST NATIONAL BANK AND TRUST COMPANY OF OKLAHOMA CITY, OKLAHOMA, a national banking association duly organized and doing business under the laws of the United States of America and having its principal office in The City of Oklahoma City, Oklahoma, which is authorized under such laws to exercise corporate trust powers (said banking association and any other Bank or Trust Company appointed as successor thereto under this Indenture, or by Supplemental Indenture, being hereinafter sometimes referred to as the "Bank").

WITNESSETH:

WHEREAS, the Oklahoma University Development Authority has been created by a Trust Indenture dated as of April 11, 1969, designating certain individuals as Trustees of the Oklahoma University Development Authority for the use and benefit of the University of Oklahoma (hereinafter called "Beneficiary"), under authority of and pursuant to the provisions of Title 60, Oklahoma Statutes 1961, Sections 176 to 180, as amended, the Oklahoma Trust Act, and other applicable statutes and laws of the State of Oklahoma; and

WHEREAS, pursuant to 70 O.S. 1961, § 3306, as amended, the University of Oklahoma Medical Center consists of all medical facilities and related activities of the University of Oklahoma located at Oklahoma City; and

WHEREAS, the operation of the University of Oklahoma Medical Center is under the control and supervision of the Regents; and

WHEREAS, heating and cooling services are essential to the proper and efficient performance of the duties and obligations of the Regents in the operation of the University of Oklahoma Medical Center and related facilities; and

WHEREAS, the Authority has determined to acquire and construct facilities required for the provision of heating and cooling services to the University of Oklahoma Medical Center and certain buildings housing institutions related thereto (hereinafter the initial facilities to be constructed are called the "Project" and together with all additions, betterments, improvements thereto and extensions thereof hereafter constructed or acquired by the Authority and all real and personal property of the Authority of or pertaining thereto called the "Facilities"); and

WHEREAS, to pay the cost of the Project and to capitalize certain reserve requirements, the Authority has determined to issue its Utility Revenue Bonds, Series 1970 (hereinafter called "1970 Bonds") dated as of December 1, 1970 in the aggregate principal amount of \$6,000,000, under and pursuant to the terms of this Bond Indenture (hereinafter together with all supplements thereto called the "Bond Indenture" or the "Indenture"); and

WHEREAS, the proceeds of the 1970 Bonds will be used for the purpose of paying for the Project and such Bonds shall be paid from revenues received by the Authority under certain Utility Service Agreements (hereinafter mentioned), and shall be secured by a first mortgage on the Trust Estate (hereinafter defined); and

WHEREAS, the Authority has entered into a Utility Service Agreement dated as of December 1, 1970, by and between the Authority and the Board of Regents of the University of Oklahoma (hereinafter called "Regents"), (said Agreement being hereinafter referred to as "Regents' Utility Service Agreement"); and

WHEREAS, the Authority has entered into a Utility Service Agreement dated as of December 1, 1970 by and between the Authority and The Oklahoma Medical Research Foundation (hereinafter called "Foundation"), (said Agreement being hereinafter referred to as "Foundation Utility Service Agreement"); and

WHEREAS, the Authority has entered into a Utility Service Agreement dated as of December 1, 1970, by and between the State of Oklahoma, Department of Public Health (hereinafter called "Department"), and the Authority (said Utility Service Agreement being referred to hereinafter as "Public Health Department Utility Service Agreement"); and

WHEREAS, the Authority has entered into a Lease Agreement by and between the Authority and the Regents dated as of December 1, 1970 (hereinafter called "Lease"), whereby the Regents have leased a certain parcel of land for the purpose of constructing the heating and cooling plant thereon to the Authority; and

WHEREAS, the Authority desires to secure the 1970 Bonds by a mortgage and pledge of said leasehold interest in the said real property and a first mortgage and pledge of its interest in the Facilities and the gross proceeds, fees, charges, revenues, income, rents, receipts, issues and benefits (hereinafter called the "Revenues" and together with the Authority's interest in the Facilities and the Authority's leasehold interest in the said real property called the "Trust Estate"); and

WHEREAS, the Authority has entered into an Operation and Maintenance Contract dated as of December 1, 1970 with the Regents whereby the Regents have agreed to operate and maintain the Facilities on and in behalf of the Authority; and

WHEREAS, the Authority has full right and lawful authority to enter into this Bond Indenture and to perform and observe the provisions hereof to be performed and observed; and

WHEREAS, all things necessary to render the 1970 Bonds, when executed by the Chairman and Secretary of the Authority and authenticated by the Bank, the valid, binding, legal and negotiable obligations of the Authority, and to render this Indenture valid and sufficient to secure the payment thereof, have been done and performed and the execution and issuance of the 1970 Bonds and of this Indenture have in all respects been authorized; and

WHEREAS, upon compliance with the provisions and conditions hereinafter in this Indenture set forth the Authority may issue hereunder and secure hereby further and additional Bonds payable on a parity with the 1970 Bonds from the Revenues and equally and ratably secured by the mortgage and pledge hereby created on the Trust Estate (the 1970 Bonds and any and all such further and additional Bonds are hereinafter in the Indenture called the "Bonds", except in Article II hereof, where the term "Bonds" means only the 1970 Bonds);

NOW, THEREFORE, in consideration of the payment by the Bank to the Authority of the sum of \$1.00, the receipt of which is hereby acknowledged, and in consideration of the acceptance by the Bank of this Indenture and the Trust hereby created, as evidenced by all sums and liabilities at any time secured hereby, including interest and attorneys' fees, with respect to all of the foregoing and also any and all sums for which the Bank may be or become obligated to pay for or on behalf of the Authority arising in connection with their duties under this Bond Indenture, whether by agreement or by operation of law, and to secure and assure the strict, full and prompt performance and observance by the Authority of each and every covenant, warranty and agreement undertaken by it herein, the Authority does by these presents, grant, bargain, sell, alien, remise, release, convey, transfer, assign, confirm, set over, mortgage and pledge unto the Bank, its successors in trust and assigns,

- (a) Its leasehold interest in the following real estate in Oklahoma County, Oklahoma: Block 21, Amended Plat of Oak Park Addition, City of Oklahoma City, Oklahoma; together with all the improvements thereon, and with any personal property belonging to the Authority located upon, in or about said premises, and all revenues from all such real estate and improvements thereon and personal property located thereon (which leasehold interest was created by a Lease Agreement dated as of December 1, 1970 by and between the Regents and the Authority, a copy of which is attached hereto as Schedule A); and
- (b) All its interest in the Project, the Facilities, the Revenues of

the Facilities and the Utility Service Agreements.

TO HAVE AND TO HOLD all and singular, the aforesaid Trust Estate, including all additional property which by the terms hereof, has or may become subject to the lien of this Indenture, under the Bank, its successors in trust and assigns, forever; IN TRUST, nevertheless, for the equal and proportionate benefit and security of all present and future holders of the Bonds issued pursuant to the provisions and secured by the Indenture, without preference, priority, or distinction as to lien or otherwise of any one of the Bonds over any other or others of the Bonds, to the end that each holder of the Bonds has the same rights, privileges and lien under and by virtue of the Indenture; and conditioned, however, that if the Authority shall well and truly pay or cause to be paid fully and promptly when due all the Bonds and other indebtedness, liabilities, obligations and sums at any time secured hereby, including interest and attorneys' fees, and shall promptly, faithfully and strictly keep, perform and observe or cause to be kept, performed and observed all of the covenants, warranties and agreements contained herein to be by them kept, performed and observed, then and in such event this Indenture shall be and become void and of no further force and effect, otherwise the same shall remain in full force and effect.

The Authority covenants and agrees with, and does hereby covenant unto the Bank, that it has good right and lawful authority to mortgage, pledge, transfer, assign and otherwise involve the Trust Estate to the extent and in the manner herein provided; that the Trust Estate is free and clear of all liens, claims, demands, encumbrances, taxes, special assessments and governmental charges which could or might in any way adversely affect or prejudice the rights, interest, powers and privileges hereby vested in and conferred upon the Bank; and that the Authority will not suffer any lien or encumbrance upon the Trust Estate pledged under the provisions hereof, or any part thereof, superior to the security or lien hereof to accrue or be created or do or suffer any act or thing whereby the security hereof may be diminished or impaired, and will keep the Trust Estate in good operating condition and repair. The Authority further covenants and agrees to forever defend the title to each and every part and parcel of the Trust Estate against the claims and demands of all persons whomsoever.

ARTICLE I

DEFINITIONS

SECTION 1. In each and every place in and throughout this Indenture whenever the following terms, or any of them, are used, the same, unless the context shall indicate another or different meaning or intent, shall have the following meanings:

(a) "Authority" means Oklahoma University Development Authority.

(b) "Trustees" means the persons presently occupying the office of Trustees of Oklahoma University Development Authority, so long as they are in office, or their successors, as created by and provided for in the Trust Indenture dated April 11, 1969, and recorded in the offices of the County Clerks of the Counties of Cleveland and Oklahoma, State of Oklahoma. The word "Trustees" (the plural form of Trustee) shall not be used in this Indenture in any other manner than to refer to the Trustees of the Authority.

(c) "Temporary trustee" (singular or plural) means any person or persons acting in a temporary capacity, because of an Event of Default and pursuant to Article VI hereof.

(d) "Bank" means The First National Bank and Trust Company of Oklahoma City, or one or more other national banking associations duly organized and doing business under the laws of the United States of America and having a principal office in the City of Oklahoma City, Oklahoma, and authorized under such laws to exercise corporate trust powers, appointed by this Indenture or by supplemental indenture as Indenture Trustee and the successor of any such Bank, or any other corporation which may at any time be substituted in its place, which shall perform the duties herein set forth to be performed by the Bank for and on behalf of the Trustees and the holders of Bonds. Although the Bank is acting as an Indenture Trustee, it shall not be referred to by any nomenclature using the word "Trustee" so as to avoid confusion with those entities defined in (b) and (c) of this Section.

(e) "Indenture" shall mean collectively this instrument, as the same shall be modified or amended by any amendment thereto or by any supplemental indenture hereto.

(f) "Bonds" (whether the first letter of such word be capitalized or not) mean all bonds, whether term or serial, authorized by and issued under the provisions of this Indenture and any supplemental indenture and "1970 Bonds" shall mean all Bonds issued pursuant to Article II hereof; provided that the term "Bonds" when used in Article II hereof shall mean only the 1970 Bonds.

(g) "Paying Agent" or "Bank of Payment" or "Banks of Payment" shall mean any paying agent for the Bonds, and its successor or successors and any other corporation which may at any time be substituted in its place pursuant to this Indenture.

(h) "Lease" shall mean the lease dated as of December 1, 1970 between the Authority and the Regents of the University of Oklahoma, a copy of which is attached hereto as Schedule A, and any or all amendments or modifications thereto as may hereafter be made.

(i) "Project" means the initial facilities constructed pursuant to this Indenture.

(j) "Facilities" means the Project, together with all additions, betterments, improvements thereto and extensions thereof hereafter constructed or acquired by the Authority, including, without limitation, the Project, the Lease, and all easements, rights of way and other properties, real, personal or mixed.

(k) "Revenues" means the gross proceeds, fees, charges, revenues, income, rents, receipts, issues and benefits of the Facilities derived by the Authority from the ownership and operation.

(l) "Trust Estate" means all rights, title and interest of the Authority in the Facilities, the Authority's leasehold interest in the real estate leased to the Authority pursuant to the terms of the above-mentioned Lease, the Revenues, and the Authority's interest in the Utility Service Agreements.

(m) "Beneficiary" means the University of Oklahoma.

(n) "Surplus Revenues" shall mean the moneys in the Capital Improvement Fund (as created and defined herein) available for the retirement of Bonds or purchase of Bonds on the open market as provided in Clause ii, Paragraph i, Section 1, Article III, hereof.

SECTION 2. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. The words "Bond", "Holder" and "Person" shall include the plural as well as the singular number unless the context shall otherwise indicate. The word "Person" shall include corporations, associations and natural persons unless the context shall otherwise indicate.

ARTICLE II

AUTHORIZATION, TERMS AND CONDITIONS OF BONDS

SECTION 1. There is hereby established and created a series of the Bonds to be known as "Trustees of the Oklahoma University Development Authority, Utility Revenue Bonds, Series 1970", in the aggregate principal amount of \$6,000,000. The coupon Bonds of such series shall be dated December 1, 1970, shall be numbered 1 to 1200, inclusive, shall be of the denomination of \$5,000 each, and shall be registerable as to principal only, and if registered as to principal, may be reconverted into bearer Bonds in the manner and with the effect more specifically provided in the Provision for Registration and Reconversion contained in the Form of Coupon Bond set out in Article II, Section 4 of this Indenture. The Bonds shall bear interest and shall mature as to principal according to the following schedule:

<u>Maturity Date</u> <u>July 1</u>	<u>Principal</u>	<u>Interest Rate</u>
1971	-0-	-
1972	-0-	-
1973	\$70,000	7-1/8%
1974	75,000	7-1/8%
1975	80,000	7-1/8%
1976	85,000	7-1/8%
1977	90,000	7-1/8%
1978	100,000	7-1/8%
1979	105,000	7-1/8%
1980	115,000	7-1/8%
1981	125,000	7-1/8%
1982	130,000	7-1/8%
1983	140,000	7-1/8%
1984	150,000	7-1/8%
1985	165,000	7-1/8%
2000	4,570,000	7-1/4%

Interest on the Bonds shall be payable July 1, 1971 and semi-annually thereafter on January 1 and July 1 of each year until the principal amount of the Bonds is paid. Both principal of and interest on the coupon Bonds shall be payable in any coin or currency of the United States of America, which, on the respective dates of payment thereof, is legal tender for the payment of public and private debts at the Chemical Bank, New York, New York, or at the option of the holder at The First National Bank and Trust Company, Oklahoma City, Oklahoma or at the option of the holder, at the Fiscal Agency of the State of Oklahoma in the City of New York, New York, (hereinafter called "Banks of Payment"). Unless in fully registered form, interest on the Bonds falling due on or prior to maturity shall be payable only upon presentation to a Bank of Payment of appropriate semi-annual interest coupons to be attached to each Bond.

Principal and interest on the fully registered Bonds shall be payable by the Bank as Registrar. Payments of principal and interest due on any such fully registered Bonds shall be remitted to the person appearing as registered owner on the Registrar's registration books. The Registrar shall be promptly notified of all payments of principal by the other Banks of Payment.

The Bonds of this series maturing on July 1, 2000, are redeemable prior to maturity on July 1, 1985 or thereafter, as a whole at any time, or in part by lot from time to time on any interest payment date, at the following respective redemption prices (expressed as a percentage of the principal amount redeemed) if redeemed from any moneys other than moneys required by Section 1(e) of Article III hereof to be credited to the Sinking Fund Account created thereby or Surplus Revenues as defined herein, together with the interest accrued on the principal amount redeemed to the date fixed for redemption:

<u>Period during which redeemed (both dates inclusive)</u>	<u>Redemption Price</u>
July 1, 1985 to July 1, 1987	104 %
July 2, 1987 to July 1, 1989	103½%
July 2, 1989 to July 1, 1991	103 %
July 2, 1991 to July 1, 1993	102½%
July 2, 1993 to July 1, 1995	102 %
July 2, 1995 to July 1, 1997	101½%
July 2, 1997 and thereafter but prior to maturity	101 %

The Bonds of this series maturing on July 1, 2000 are also redeemable prior to maturity in part by lot from time to time, at a redemption price equal to the principal amount redeemed, on July 1, 1986, and on each July 1 thereafter, if redeemed from moneys required by Section 1(e) of Article III hereof to be credited to the Sinking Fund Account created thereby, or on July 1, 1985, or on any interest payment date thereafter, if redeemed from Surplus Revenues as defined herein, together in each case with the interest accrued on the principal amount redeemed to the date fixed for redemption.

All the Bonds of this series (including Bonds maturing on July 1, 2000) are redeemable prior to maturity at any time, in whole or in part, in inverse order of maturities and by lot within a maturity, from insurance proceeds, expropriation awards and the proceeds of the sale of the Facilities, at a redemption price equal to the principal amount redeemed plus an amount equal to one year's interest at the rate payable on the Bond redeemed if such redemption is made prior to July 1, 1985 and at the respective redemption prices set forth in the table above if such redemption is made on July 1, 1985 or thereafter.

Notice of redemption of fully registered Bonds shall be given by the Bank not less than thirty (30) days prior to date fixed for redemption by notice sent by registered mail to the registered holder or holders of the Bonds to be redeemed, directed to the addresses shown on the registration books of the Bank. For the purpose of selection and redemption of fully registered Bonds, the Bank shall assign a separate number or numbers for each \$5,000 principal amount.

Notice of such redemption of coupon Bonds shall be given by publication at least thirty days prior to the date fixed for the redemption thereof of one such notice in one issue of a daily newspaper of general circulation printed in the English language and of general circulation in The City of Oklahoma City, Oklahoma, and of one such notice in one issue of The Daily Bond Buyer, a financial journal published in New York, New York or in lieu of publication in The Daily Bond Buyer, in some other newspaper specializing in financial matters printed in the English language and customarily published on each business day and of general circulation in either of the cities of New York, New York and Chicago, Illinois.

Prior to the dates fixed for redemption, funds shall be deposited in the Banks of Payment sufficient to pay the Bonds called and accrued interest thereon plus any premiums required. Upon the happening of the above conditions, the Bonds thus called shall not bear interest from and after their redemption date.

The Bonds are issuable in form of coupon bonds in the denomination of \$5,000 and in the form of registered Bonds without coupons in denomination of any whole multiple of \$5,000.

The coupon Bonds, upon surrender thereof at the principal office of the Bank with all unmatured coupons attached, may, at the option of the holder thereof, without charge to the holder of the Bonds for the first exchange, be exchanged for an equal aggregate principal amount of registered Bonds of the same series and maturity.

The fully registered Bonds, which shall always be in any whole multiple of \$5,000, upon surrender thereof at the principal office of the Bank may, at the option of the registered owner thereof, and without charge to the holder of the Bond for the first exchange, be exchanged for an equal aggregate principal amount of coupon Bonds of the same series and maturity with appropriate coupons attached, or of fully registered Bonds of the same series and maturity in any whole \$5,000 portion of said principal amount of the fully registered Bonds.

Each fully registered Bond shall be transferable only upon books of the Registrar, which shall be kept for the purpose at the principal office of the Bank, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Bank, duly executed by the registered owner or by his duly authorized attorney. Upon the transfer of any such fully registered Bond, the Authority shall issue in the name of the transferee a new fully registered Bond or Bonds or, at the option of the transferee, coupon Bonds, with appropriate coupons attached, of the same aggregate principal amount, series and maturity as the surrendered Bond.

The Authority, the Bank and each Paying Agent may deem and treat the person in whose name any fully registered Bond shall be registered upon the books of the Authority as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal or redemption price, if any, of and interest on such fully registered Bond and payment of principal, redemption price, or interest to the registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Authority, nor the Bank or any Paying Agent shall be affected by any notice to the contrary.

In all cases in which the privilege of exchanging the Bonds or transferring fully registered Bonds is exercised, the Authority shall execute and the Bank shall authenticate and deliver the Bonds in accordance with the provisions of this Indenture. All Bonds and coupons surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bank. Neither the Authority nor the Bank shall be required to register, transfer or exchange the Bonds for a period of ten days next preceding an interest payment date on the Bonds or next preceding any selection of the Bonds to be redeemed.

EXECUTION OF BONDS

SECTION 2. The Bonds shall be executed with the facsimile signature of the Chairman of the Authority, attested by the Secretary of the Authority and shall have

the seal of the Authority printed thereon. Interest on the coupon Bonds falling due on and prior to maturity shall be represented by appropriate interest coupons to be attached thereto, which coupons shall be executed with the facsimile signatures of said Chairman and Secretary. The Secretary, by the execution of the Bonds and the Chairman, by filing a public official's certificate of manual signature, shall be considered to have adopted as and for their own proper signatures their respective facsimile signatures appearing on said coupons.

REGISTRATION

SECTION 3. The 1970 coupon Bonds shall be registerable as to principal only on books to be kept for such purpose by the Bank, as Registrar, and if registered as to principal, may be reconverted into bearer Bonds in the manner and with the effect more specifically provided in the Provision for Registration and Reconversion contained in the Form of coupon Bond set out in the following section hereof.

SECTION 4. The 1970 Bonds, the coupons appurtenant thereto, the certificate of authentication to be endorsed thereon and the endorsements to appear on the back thereof are to be in substantially the following form:

(Form of Coupon Bond)

UNITED STATES OF AMERICA
STATE OF OKLAHOMA

TRUSTEES OF THE OKLAHOMA UNIVERSITY DEVELOPMENT AUTHORITY
UTILITY REVENUE BOND, SERIES 1970

No. _____

\$5,000

The Trustees of the Oklahoma University Development Authority (hereinafter called "Authority"), an agency of the State of Oklahoma and a regularly constituted authority of the Board of Regents of the University of Oklahoma, duly created and existing under the laws of said State, for value received hereby promise to pay to the bearer, or if this Bond be then registered, to the registered owner hereof (subject to the right of prior redemption hereinafter in this Bond expressly provided for), but solely from the Trust Estate hereinafter mentioned, the principal sum of Five Thousand Dollars (\$5,000) on July _____, upon the presentation and surrender hereof and to pay interest thereon from the date hereof until paid, but solely from said Trust Estate, at the rate of _____ per cent (%) per annum. All such interest shall be payable on July 1, 1971 and semiannually thereafter on January 1 and July 1 of each year. Both the principal of and interest on this Bond are payable in any coin or currency of the United States of America, which, at the time of payment thereof, is legal tender for the payment of public and private debts, at The First National Bank and Trust Company of Oklahoma City, Oklahoma, and Chemical Bank, New York, New York, or at the option of the holder at the fiscal agency of the State of Oklahoma in New York, New York, (hereinafter called "Banks of Payment"). Interest on this Bond falling due on or prior to maturity shall be payable only upon presentation to any Bank of Payment of appropriate semiannual interest coupons attached to this Bond.

This Bond may be registered as to principal only, and if registered as to principal, may be reconverted into a bearer bond, in the manner and with the effect recited on the back hereof, by the Registrar. Subject to the Provision for Registration and Reconversion endorsed hereon and contained in the Bond Indenture, this Bond shall be negotiable and pass by delivery.

This Bond is one of the duly authorized series of Trustees of the Oklahoma University Development Authority Utility Revenue Bonds, Series 1970, aggregating Six Million Dollars (\$6,000,000) issued for the purpose of paying the costs of acquiring and constructing facilities for providing heating and cooling services to the University of Oklahoma Medical Center and certain buildings housing institutions related thereto (said facilities, together with all additions, betterments, improvements thereto and extensions thereof hereafter constructed or acquired by the Authority being hereinafter referred to as the "Facilities"). All of said Bonds are issued under and equally and ratably secured both as to principal and interest by a Bond Indenture dated as of December 1, 1970, executed by the Authority and The First National Bank and Trust Company of Oklahoma City, Oklahoma, in Oklahoma City, Oklahoma (hereinafter called "Bank" or "Registrar"), to which Bond Indenture reference is hereby made for a more complete description of the Revenues and the Authority's interest in the Facilities thereby mortgaged and pledged, constituting the Trust Estate, the nature and extent of the security, a statement of the terms and conditions on which said Bonds are issued and secured, the rights of the holders thereof, and the conditions under which bonds may be issued in the future payable from the Trust Estate on a parity with this Bond and for the other matters set forth therein.

The Bonds of this series maturing on July 1, 2000, are redeemable prior to maturity on July 1, 1985 or thereafter, as a whole at any time, or in part by lot from time to time on any interest payment date, at the following respective redemption prices (expressed as a percentage of the principal amount redeemed) if redeemed from any

moneys other than moneys required by the Bond Indenture to be credited to the Sinking Fund Account created thereby or Surplus Revenues as defined in the Bond Indenture, together with the interest accrued on the principal amount redeemed to the date fixed for redemption:

<u>Period during which redeemed (both dates inclusive)</u>	<u>Redemption Price</u>
July 1, 1985 to July 1, 1987	104%
July 2, 1987 to July 1, 1989	103½%
July 2, 1989 to July 1, 1991	103 %
July 2, 1991 to July 1, 1993	102½%
July 2, 1993 to July 1, 1995	102 %
July 2, 1995 to July 1, 1997	101½%
July 2, 1997 and thereafter, but prior to maturity	101 %

The Bonds of this series maturing on July 1, 2000 are also redeemable prior to maturity in part by lot from time to time, at a redemption price equal to the principal amount redeemed, on July 1, 1986, and on each July 1 thereafter, if redeemed from moneys required by the Bond Indenture to be credited to the Sinking Fund Account created thereby or on July 1, 1985, or on any interest payment date thereafter, if redeemed from Surplus Revenues as defined in the Bond Indenture, together in each case with the interest accrued on the principal amount redeemed to the date fixed for redemption.

All the Bonds of this series (including Bonds maturing on July 1, 2000) are redeemable prior to maturity at any time, in whole or in part, in inverse order of maturities and by lot within a maturity, from insurance proceeds, expropriation awards and the proceeds of the sale of the Facilities, at a redemption price equal to the principal amount redeemed plus an amount equal to one year's interest at the rate payable on the Bond redeemed if such redemption is made prior to July 1, 1985 and at the respective redemption prices set forth in the table above if such redemption is made on July 1, 1985 or thereafter.

Notice of such redemption shall be given by publication at least thirty days prior to the date fixed for the redemption thereof of one such notice in one issue of a daily

newspaper of general circulation printed in the English language and of general circulation in The City of Oklahoma City, Oklahoma, and of one such notice in one issue of The Daily Bond Buyer, a financial journal published in New York, New York or in lieu of publication in The Daily Bond Buyer, in some other newspaper specializing in financial matters printed in the English language and customarily published on each business day and of general circulation in either of the cities of New York, New York or Chicago, Illinois.

The Bonds are issued in the form of coupon Bonds in the denomination of \$5,000 and in the form of registered Bonds without coupons in denomination of any whole multiple of \$5,000. The holder of any coupon Bond may surrender the same with all unmatured coupons attached to the Bond, in exchange for an equal aggregate principal amount of registered Bonds, without coupons, in any denomination which is a multiple of \$5,000, or a combination of coupon Bonds and registered Bonds, in the manner and subject to the conditions provided in the Bond Indenture. In like manner, the owner of any registered Bond or Bonds without coupons may surrender the same in exchange for any equal aggregate principal amount of coupon Bonds with appropriate coupons attached or a combination of coupon Bonds and registered Bonds, in a like aggregate amount.

This Bond is not an indebtedness of the State of Oklahoma, nor of the Board of Regents of the University of Oklahoma, nor is it a personal obligation of the Trustees of the Oklahoma University Development Authority, but it is an obligation of the Authority payable solely from the Trust Estate.

This Bond shall not be entitled to any benefit under the Bond Indenture or become valid or obligatory for any purpose until it shall have been authenticated by the signature of an Authorized Officer of the Bank on the certificate of authentication endorsed hereon.

IN WITNESS WHEREOF, the Trustees of the Oklahoma University Development Authority have caused this Bond to be executed on behalf of the Authority by the facsimile signature of the Chairman, attested by the Secretary of the Authority, and have caused the seal of the Authority to be printed hereon and have also caused the coupons hereto attached to be executed with the facsimile signatures of said Chairman and Secretary, all as of the 1st day of December, 1970.

TRUSTEES OF THE OKLAHOMA UNIVERSITY
DEVELOPMENT AUTHORITY

By: _____
Chairman

Secretary

(SEAL)

CERTIFICATE OF AUTHENTICATION

This Bond is one of an issue described in the Bond Indenture herein mentioned.

THE FIRST NATIONAL BANK AND TRUST COMPANY
OF OKLAHOMA CITY, OKLAHOMA

By: _____
Authorized Officer

(Form of Coupon)

No. _____ \$ _____

On _____, 19 ____, the Trustees of the Oklahoma University Development Authority will pay to bearer, unless the Bond mentioned below shall have been called for previous redemption and provision for payment thereof shall have been duly made, solely from the Trust Estate therein described upon presentation and surrender hereof, the sum of _____ Dollars at The First National Bank and Trust Company of Oklahoma City, Oklahoma, and Chemical Bank, New York, New York, or at the option of the bearer, at the fiscal agency of the State of Oklahoma in New York, New York, in any coin or currency of the United States of America which, at the time of payment, is legal tender for the payment of public and private debts, for the interest then due upon their Trustees of the Oklahoma University Development Authority Utility Revenue Bond, Series 1970, dated as of December 1, 1970, Number _____.

TRUSTEES OF THE OKLAHOMA UNIVERSITY
DEVELOPMENT AUTHORITY

Chairman

Secretary

PROVISION FOR REGISTRATION AND RECONVERSION

This Bond may be registered as to principal only on the books of the Trustees of the Oklahoma University Development Authority kept by the within-mentioned Bank, as Registrar, upon presentation hereof to the Registrar, which shall make notation of such registration on said books and in the registration blank below, and this Bond may thereafter be transferred only upon an assignment duly executed by the registered owner or his attorney in such form as shall be satisfactory to the Registrar, such transfer to be made on such books and endorsed hereon by the Registrar. This Bond when registered may be discharged from such registration by being registered on said books to bearer, such registration being similarly noted by the Registrar hereon, and thereby transferability hereof merely by delivery shall be restored but this Bond may again be registered and discharged from registration as before. If this Bond be registered other than to bearer, the aforesaid Trustees, said Registrar, the Banks of Payment and the within-mentioned Bank may treat the registered holder hereof, or if it shall be registered to bearer or not be registered, the aforesaid Trustees, said Registrar, said Banks of Payment and said Bank may treat the bearer hereof, as the absolute owner hereof for all purposes, including the payment hereof, and shall not be affected by any notice to the contrary. The registration of this Bond as to principal only shall not affect the transferability merely by delivery of the coupons attached hereto, which coupons shall continue to be payable to bearer. The cost of all registrations and reconversions of this Bond shall be paid by the issuer hereof, provided that, as a condition of any such registration or reconversion and upon instructions of the issuer hereof, the Registrar may require the payment of a sum sufficient to reimburse the issuer hereof for any stamp tax or other government charge that may be imposed thereon.

<u>Date of Registration</u>	<u>Name of Registered Owner</u>	<u>Signature of Registrar</u>
_____	_____	_____
_____	_____	_____

(Form of Fully Registered Bond)

UNITED STATES OF AMERICA
STATE OF OKLAHOMA

TRUSTEES OF THE OKLAHOMA UNIVERSITY DEVELOPMENT AUTHORITY
UTILITY REVENUE BONDS, SERIES 1970

No. _____ \$ _____

The Trustees of the Oklahoma University Development Authority (hereinafter called "Authority"), an agency of the State of Oklahoma and a regularly constituted authority of the Board of Regents of the University of Oklahoma, duly created and existing under the laws of said State, for value received hereby promise to pay to _____, or registered assigns (subject to the right of prior redemption hereinafter in this Bond expressly provided for), but solely from the Trust Estate hereinafter mentioned, the principal sum of _____ Dollars on _____ upon the presentation and surrender hereof and to pay interest thereon from the interest payment date next preceding the date hereof (unless the date hereof is prior to July 1, 1971, in which event from December 1, 1970, or unless the date hereof is July 1, 1971 or any January 1 or July 1 thereafter, in which event from the date hereof) until paid, but solely from said Trust Estate, at the rate of _____ per cent (%) per annum. All such interest shall be payable on July 1, 1971 and semi-annually thereafter on January 1 and July 1 of each year. Both the principal of and interest on this Bond are payable in any coin or currency of the United States of America, which, at the time of payment thereof, is legal tender for the payment of public and private debts, at The First National Bank and Trust Company of Oklahoma City, Oklahoma.

This Bond is one of the duly authorized series of Trustees of the Oklahoma University Development Authority Utility Revenue Bonds, Series 1970, aggregating Six Million Dollars (\$6,000,000) issued for the purpose of paying the costs of acquiring and constructing

facilities for providing heating and cooling services to the University of Oklahoma Medical Center and certain buildings housing institutions related thereto (said facilities, together with all additions, betterments, improvements thereto and extensions thereof hereafter constructed or acquired by the Authority being hereinafter referred to as the "Facilities"). All of said Bonds are issued under and equally and ratably secured both as to principal and interest by a Bond Indenture dated as of December 1, 1970, executed by the Authority and The First National Bank and Trust Company of Oklahoma City, Oklahoma, in Oklahoma City, Oklahoma (hereinafter called "Bank" or "Registrar"), to which Bond Indenture reference is hereby made for a more complete description of the Revenues and the Authority's interest in the Facilities thereby mortgaged and pledged, constituting the Trust Estate, the nature and extent of the security, a statement of the terms and conditions on which said Bonds are issued and secured, the rights of the holders thereof, and the conditions under which bonds may be issued in the future payable from the Trust Estate on a parity with this Bond and for the other matters set forth therein.

The Bonds of this series maturing on July 1, 2000, are redeemable prior to maturity on July 1, 1985 or thereafter, as a whole at any time, or in part by lot from time to time on any interest payment date, at the following respective redemption prices (expressed as a percentage of the principal amount redeemed) if redeemed from any moneys other than moneys required by the Bond Indenture to be credited to the Sinking Fund Account created thereby or Surplus Revenues as defined in the Bond Indenture, together with the interest accrued on the principal amount redeemed to the date fixed for redemption:

<u>Period during which redeemed (both dates inclusive)</u>	<u>Redemption Price</u>
July 1, 1985 to July 1, 1987	104 %
July 2, 1987 to July 1, 1989	103½%
July 2, 1989 to July 1, 1991	103 %
July 2, 1991 to July 1, 1993	102½%
July 2, 1993 to July 1, 1995	102 %
July 2, 1995 to July 1, 1997	101½%
July 2, 1997 and thereafter, but prior to maturity	101 %

The Bonds of this series maturing on July 1, 2000, are also redeemable prior to maturity in part by lot from time to time, at a redemption price equal to the principal amount redeemed, on July 1, 1986, and on each July 1 thereafter, if redeemed from moneys required by the Bond Indenture to be credited to the Sinking Fund Account created thereby or on July 1, 1985, or on any interest payment date thereafter, if redeemed from Surplus Revenues as defined in the Bond Indenture, together in each case with the interest accrued on the principal amount redeemed to the date fixed for redemption.

All the Bonds of this series (including Bonds maturing on July 1, 2000) are redeemable prior to maturity at any time, in whole or in part, in inverse order of maturity and by lot within a maturity from insurance proceeds, expropriation awards and the proceeds of the sale of the Facilities, at a redemption price equal to the principal amount redeemed plus an amount equal to one year's interest at the rate payable on the Bond redeemed if such redemption is made prior to July 1, 1985 and at the respective redemption prices set forth in the table above if such redemption is made on July 1, 1985 or thereafter.

Notice of redemption shall be given by the Bank not less than thirty (30) days prior to date fixed for redemption by notice sent by registered mail to the registered holder or holders of the Bonds to be redeemed, directed to the addresses shown on the registration books of the Bank. If this Bond be of a denomination in excess of \$5,000, portions of the principal sum hereof in installments of \$5,000, or any multiple thereof may be redeemed, and if less than all of the principal sum hereof is to be redeemed, in such case upon the surrender of this Bond to the Bank there shall be issued to the registered owner hereof, without charge therefor, for the then unredeemed balance of the principal sum hereof, at the option of the owner either coupon Bonds or registered Bonds of like series, maturity and interest rate in any of the authorized denominations provided by the Bond Indenture.

This Bond is transferable, as provided in the Indenture, only upon the books of the Registrar kept for that purpose at the principal office of the Bank, by the registered owner hereof in person, or by his duly authorized attorney, upon surrender of this Bond, together with a written instrument satisfactory to the Bank duly executed by the registered owner or his duly authorized attorney, and thereupon a new registered Bond or Bonds, without coupons, and in the same aggregate principal amounts, series and maturities, shall be issued to the transferee in exchange therefor as provided in the Bond Indenture. The Authority and the Bank shall deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the principal, or redemption price thereof, and any interest due hereon, and for all other purpose, regardless of any notice to the contrary.

The Bonds are issued in the form of coupon Bonds in the denomination of \$5,000 and in the form of registered Bonds without coupons in denomination of any whole multiple of \$5,000. The holder of any coupon Bond may surrender the same with all unmatured coupons attached to the Bond, in exchange for an equal aggregate principal amount of registered Bonds, without coupons, in any denomination which is a multiple of \$5,000, or a combination of coupon Bonds and registered Bonds, in the manner and subject to the conditions provided in the Bond Indenture. In like manner and subject to said conditions, the owner of any registered Bond or Bonds, without coupons, may surrender the same in exchange for any equal aggregate principal amount of coupon Bonds with appropriate coupons attached or a combination of coupon Bonds and registered Bonds, in a like aggregate amount.

This Bond is not an indebtedness of the State of Oklahoma, nor of the Board of Regents of the University of Oklahoma, nor is it a personal obligation of the Trustees of the Oklahoma University Development Authority, but it is an obligation of the Authority payable solely from the Trust Estate.

This Bond shall not be entitled to any benefit under the Bond Indenture or become valid or obligatory for any purpose until it shall have been authenticated by the signature of an Authorized Officer of the Bank on the certificate of authentication endorsed hereon.

IN WITNESS WHEREOF, the Trustees of the Oklahoma University Development Authority have caused this Bond to be executed on behalf of the Authority by the facsimile signature of the Chairman, attested by the Secretary of the Authority, and have caused the seal of the Authority to be printed hereon, all as of the ____ day of _____, _____.

TRUSTEES OF THE OKLAHOMA UNIVERSITY
DEVELOPMENT AUTHORITY

By: _____
Chairman

Secretary

(SEAL)

CERTIFICATE OF AUTHENTICATION

This Bond is one of an issue described in the Bond Indenture herein mentioned.

THE FIRST NATIONAL BANK AND TRUST
COMPANY OF OKLAHOMA CITY, OKLAHOMA

By: _____
Authorized Officer

ASSIGNMENT

For value received the Registered Owner last listed below sells, conveys, transfers, assigns and delivers this Bond to the Assignee last listed below.

Date	Assignee	Registered Owner
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

SECTION 5. If any Bond issued hereunder or with the coupons appertaining shall become mutilated or be lost, stolen or destroyed prior to the payment thereof, a new Bond, including coupons, if any, of like tenor and date and bearing the same number, will be prepared, executed and delivered, either in exchange for and upon cancellation of the mutilated Bond and its coupons, if any, or in substitution for the Bonds and coupons, if any, lost, stolen or destroyed, but such exchange or substitution shall be made only upon receipt of satisfactory evidence of the loss, theft or destruction of such Bond and its coupons, if any, proof of ownership thereof, indemnity satisfactory to the Authority and payment of the cost of preparing such Bond and coupons.

AUTHENTICATION AND DELIVERY OF BONDS

SECTION 6. The Bank shall at the request of the Authority authenticate the Bonds. Only such of the Bonds as shall have endorsed thereon a certificate of authentication substantially in the form hereinbefore set forth, duly executed by the Bank, shall be entitled to any right or benefit under this Bond Indenture. No Bond and no coupon appertaining thereto shall be valid or obligatory for any purpose unless and until such certificate of authentication shall have been duly executed by the Bank.

Every certification by the Bank upon any Bond shall be conclusive evidence that the Bond so authenticated has been duly issued hereunder and is entitled to the benefits of the Trust hereby created.

Before the Bonds shall be authenticated and delivered by the Bank to the original purchaser thereof, there shall be filed with the Bank the following:

- (a) An order, signed by the Chairman and Secretary of the Authority, directing the authentication and delivery of the Bonds to or upon the order of the purchaser therein named, upon payment of the purchase price therein set forth;

(b) An opinion of counsel for the Authority that the Bonds and execution of this Bond Indenture and any Supplemental Bond Indenture have been duly authorized, and that all conditions precedent to the delivery of the Bonds have been fulfilled.

When the said documents shall have been filed with the Bank and when said Bonds shall have been executed and authenticated as required by this Bond Indenture, the Bank shall deliver said Bonds to the purchasers named in the order mentioned in clause (a) of this Section, but only upon payment to the Bank of the purchase price of said Bonds. The Bank shall be entitled to rely upon such order as to the names of purchasers and the amount of such purchase price.

SECTION 7. The Bonds are not an indebtedness of the State of Oklahoma, nor of the Board of Regents of the University of Oklahoma, nor personal obligations of the Trustees of the Oklahoma University Development Authority, but are obligations of the Authority payable solely from the Trust Estate.

DISPOSITION OF BOND PROCEEDS

SECTION 8. On the date of delivery of the 1970 Bonds, accrued interest received from the purchasers of the 1970 Bonds shall be deposited in the Bond Fund, hereinafter defined and created in the Bank. A sum of \$649,819 from the proceeds of the 1970 Bonds, representing capitalization of the interest requirements to and including June 1, 1972, shall be deposited in the Bond Fund Interest Account, hereinafter defined and created. A sum of \$ 517,425 from the proceeds of the 1970 Bonds, representing capitalization of the Bond Fund Reserve Account hereinafter defined and created, shall be deposited in the said Bond Fund Reserve Account. A sum of \$100,000 from the proceeds of the 1970 Bonds, representing capitalization of the Working Capital Fund, hereinafter defined and created, shall be deposited in the said Working Capital Fund. The balance of the proceeds of the 1970 Bonds shall be deposited in the Bank in the "Oklahoma University Development Authority Construction Fund", (hereinafter called "Construction Fund") which is hereby created.

Money in the Construction Fund shall be paid out in the following order and manner and for the following purposes:

(1) To pay the costs and expenses incurred in connection with the issuance of the Bonds, including Bank fees and expenses, Financial Consultant fees and attorneys' fees and expenses upon order of Chairman and Secretary of the Authority.

(2) To pay the Construction Costs of the Project upon presentation of the requisition signed by the Chairman and Secretary of the Authority and, where appropriate, by the Consulting Engineer. Such requisitions shall be in the form of Payment Requisition from Construction Fund attached hereto and made a part hereof.

Money in the Construction Fund above the current need for payment of Construction Costs shall be invested as provided hereinafter in the Section on investment of funds.

Upon completion of the Project, a certificate of completion signed by the Authority's Chairman shall be filed with the Authority. Such certificate of completion shall state the date of completion of the Project and inform the Authority that all Construction Costs have been paid, with the exceptions therein set out. Upon approval of such certificate of completion, the Authority shall file the same with the Bank. Upon receipt of such certificate of completion and payment of the Construction Costs then remaining unpaid, the Bank shall use any remaining money in the Construction Fund first to make up any deficiency in the Bond Fund, then to the Repair and Replacement Fund, as defined and created herein, to the extent of \$100,000 and then transfer any remaining moneys to the Capital Improvement Fund as defined and created herein.

ARTICLE III

FLOW OF FUNDS

SECTION 1. That from and after the issuance of any of the Bonds, the Revenues derived from the operation of the Facilities shall be used and disposed of in the following order and manner:

- (a) There is hereby created a fund, to be held by the Bank, which fund shall be known as the "Oklahoma University Development Authority Revenue Fund" (hereinafter called "Revenue Account"). Such Revenue Account shall be maintained so long as any of the Bonds are outstanding, and all monies therein shall be kept on deposit separate and apart from all other funds of the Authority as a trust fund in the custody of the Bank. From and after the delivery of the 1970 Bonds, pursuant to the terms of the Agreement, all Revenues shall be deposited daily as received and collected by the Authority in the Revenue Account.
- (b) There is hereby created in the Bank the Oklahoma University Development Authority Bond Fund (hereinafter called "Bond Fund") consisting of an Interest Account, Principal Account, Sinking Fund Account and Reserve Account. The moneys in the Bond Fund shall be used to pay the principal of and interest on the Bonds when due (including upon the mandatory redemption thereof pursuant to paragraph (c) of this Section), and shall be so used and applied to the extent necessary and without regard to which account in the Bond Fund such moneys may be credited.
- (c) The Interest Account in the Oklahoma University Development Authority Bond Fund shall be known as the "Interest Account". From and after the delivery of the 1970 Bonds, from the first Revenues on deposit in the Revenue Account each month, the Bank shall, on the 25th day of each month, transfer from the Revenue Account and cause to be deposited in the Interest Account in the Bank, a sum equal to at least one-sixth of the semi-annual interest coming due on the 1970 Bonds on the next ensuing interest payment date.

Accrued interest received from the purchasers of the 1970 Bonds and capitalized interest shall be deposited in the Interest Account and shall be credited against the sum required to be deposited therein on the first dates of transfer from the Revenue Account as required herein.

- (d) The Principal Account in the Oklahoma University Development Authority Bond Fund shall be known as the "Principal Account". From and after July 25, 1972, from the first Revenues on deposit in the Revenue Account each month, after transfers required pursuant to (c) immediately preceding, the Bank shall, on the 25th day of each month, transfer from the Revenue Account and cause to be deposited into the Principal Account in the Bank, a sum equal to at least one-twelfth of the annual principal coming due on 1970 Bonds maturing from 1973 to 1985, inclusive, on the next ensuing principal payment date.
- (e) The Sinking Fund Account in the Oklahoma University Development Authority Bond Fund shall be known as the "Sinking Fund Account". From and after July 25, 1985 on the 25th day of each month, from the first Revenues on deposit in the Revenue Account each month, after transfers required pursuant to (c) and (d) immediately preceding, the Bank shall transfer at least one twelfth of such amounts as shall be sufficient to redeem by call for redemption on July 1 in each year commencing with 1986, the 1970 Bonds maturing in the year 2000 in the amounts set forth in the following schedule and the Bank shall call the 1970 Bonds on such date and in accordance with such schedule:

<u>July 1</u>	<u>Amount</u>
1986	\$175,000
1987	190,000
1988	200,000
1989	220,000
1990	235,000
1991	250,000
1992	270,000
1993	290,000
1994	310,000
1995	335,000
1996	360,000
1997	390,000
1998	415,000
1999	450,000
2000	480,000

- (f) The Reserve Account in the Oklahoma University Development Authority Bond Fund shall be known as the "Reserve Account." From and after the delivery of the 1970 Bonds, from the first Revenues on deposit in the Revenue Account each month after transfers required pursuant to (c), (d) and (e) immediately preceding, the Bank shall, on the 25th of each month, transfer from the Revenue Account and cause to be deposited into the Reserve Account the sum necessary to maintain it at an amount equal to the maximum combined interest and principal requirement in any future year on all Bonds outstanding. Interest and principal requirement as used in this Indenture shall mean the principal requirement, Sinking Fund Account requirements and interest requirements for the year. Amounts on deposit in the Reserve Account shall be used to pay principal and interest on the Bonds as to which there would be a default if the money were not so used. Money in the Reserve Account shall be used finally to retire the last of the Bonds outstanding.
- (g) There is hereby created in the Bank for the purpose of maintaining working capital and paying the costs of operation and maintenance of the Facilities, an exclusive fund to be known as the Oklahoma

University Development Authority - Working Capital Fund (herein called "Working Capital Fund"). From and after the delivery of the 1970 Bonds, from the first Revenues on deposit in the Revenue Account each month after transfers required pursuant to (c), (d), (e) and (f) immediately preceding, the Bank shall, on the 25th of each month, transfer from the Revenue Account and cause to be deposited into the Working Capital Fund the sum necessary to maintain a balance in said Fund equal to the estimated costs of operation and maintenance of the Facilities during the then next ensuing three months. From the said Working Capital Fund, the Authority shall cause the Bank to make the monthly payments to the Regents of the costs of operation and maintenance, all pursuant to the Operation and Maintenance Contract dated as of December 1, 1970, by and between the Regents and the Authority.

- (h) There is hereby created in the Bank for the purpose of making nonannually recurring repairs and replacements, an exclusive fund to be known as the Oklahoma University Development Authority - Repair and Replacement Fund (herein called "R & R Fund"). From and after the delivery of the 1970 Bonds, the Bank shall, on the 25th of each month, transfer from the Revenue Account into the R & R Fund all the Revenues on deposit in the Revenue Account remaining each month after the transfers required pursuant to (c), (d), (e), (f) and (g) immediately preceding, until there shall be on deposit in this Fund the sum of \$100,000, or such larger amount as may be determined by the Consulting Engineer; provided that if at anytime the amount on deposit in this Fund shall be less than \$100,000, or such larger amount as shall be determined by the Consulting Engineer, the amount paid into this Fund in each year commencing with June 1, 1972 shall be the greater of \$25,000, or

one-fourth (1/4) of the amount recommended by the Consulting Engineer to be maintained in this Fund; and provided further, that no moneys need be paid into this Fund which would cause the total on deposit therein to exceed \$100,000 or any such larger amount recommended by the Consulting Engineer.

- (i) There is hereby created in the Bank for the purpose of making capital improvements, an exclusive fund to be known as the Oklahoma University Development Authority - Capital Improvement Fund (herein called "Capital Improvement Fund"). From and after the delivery of the Bonds, from the first Revenues on deposit in the Revenue Account each month after transfers required pursuant to (b), (c), (d), (e), (f), (g), and (h) immediately preceding, the Bank shall, on the 25th of each month, transfer from the Revenue Account and cause to be deposited into the Capital Improvement Fund all remaining Revenues. Moneys in the Capital Improvement Fund shall be used from time to time to make up any deficiency in the special funds described in paragraphs (b), (c), (d), (e), (f), (g) and (h) immediately preceding, and so long as not needed for such purposes, the monies in the Capital Improvement Fund may be used by the Authority for any one of or a combination of the following purposes:

- i. To pay the costs of improvements, extensions and additions to the Facilities (whether or not a part of the steam and chilled water Project); and
- ii. The retirement of Bonds in advance of maturity by call (if Bonds are then callable from such monies) or by open market purchases at a price not exceeding the next succeeding call price at which the Bonds may be refunded from any source of moneys; and
- iii. The accumulation of monies for either such application in the future; or

- iv. Or for any other lawful purpose of or pertaining to the Facilities.

INVESTMENT OF FUNDS

SECTION 2. Moneys in the Construction Fund shall, at the direction of the Authority, be invested to the extent reasonably practicable, in any of the following which at the time are legal investments for the moneys proposed to be invested therein:

- (a) direct obligations of the United States of America;
- (b) bonds, debentures or notes issued by any of the following Federal agencies: Bank for Cooperatives, Federal Land Banks, or Federal or Government National Mortgage Associations (including Participation Certificates);
- (c) bank or savings account or time certificates of deposits or certificates of deposit, open account; provided that, the bank in which such savings account is held or by whom such certificates are issued has a capital and paid-in surplus of at least fifteen million dollars.

Moneys in the Revenue Account, the Bond Fund (except the Reserve Account therein), and the Working Capital Fund, shall be continuously invested and reinvested by the Bank in securities that shall mature not later than the respective dates, as estimated when the moneys in said Funds shall be required for the purposes intended, but in no event more than twenty-four months.

Moneys contained in the Bond Fund-Reserve Account, Capital Improvement Fund and the R & R Fund shall be continuously invested and reinvested by the Bank in securities that shall mature within no more than five years.

The moneys contained in the said Funds and accounts of the Authority (except the Construction Fund) shall be invested to the extent reasonably practicable, in any of the following which at the time are legal investments for the moneys proposed to be invested therein:

(a) direct general obligations of or obligations the payment of the principal and interest of which are unconditionally guaranteed by the United States of America;

(b) bonds, debentures or notes issued by any of the following Federal agencies: Bank for Cooperatives, Federal Land Banks, or Federal or Government National Mortgage Associations (including Participation Certificates);

(c) Public Housing Bonds, or Project Notes, fully secured by contracts with the United States;

(d) bank savings account, or time certificates of deposits, or certificates of deposit, provided that such accounts or certificates are collaterally secured by securities which themselves are previously described as being eligible and have a market value at least equal to the amount held in such bank savings accounts or held under such certificates of deposit and are in or issued by a bank having capital and surplus of not less than \$15,000,000.

Interest earnings of the Construction Fund and on investments on proceeds of the 1970 Bonds paid into the Interest Account shall be transferred to the Construction Fund during the period of construction. Interest earnings on all other Funds shall be accumulated in said respective Funds until the balance in each of said Funds is equal to the required amount, and thereafter to the Construction Fund during the period of construction, and thereafter to the Revenue Account.

DEPOSITORY OF MONEYS AND SECURITY FOR DEPOSIT

SECTION 3. All Funds and Accounts (defined herein) of the Authority shall be kept in the Bank, and shall be held as special trust accounts for the benefit of the holders of the Bonds, and shall not be subject to lien or attachment by any creditors of the Authority. The uninvested money in said special trust accounts shall be continually secured as are deposits of uninvested Sinking Funds of political subdivisions of the State of Oklahoma or in the manner prescribed by Federal law for securing trust funds, which qualified securities shall have a market value of not less than the total amounts on deposit in said accounts. The Bank shall in due season prior to the dates on which principal and interest fall due, make proper arrangements with the other Banks of Payment, pursuant to which all Bonds and coupons will be paid promptly upon presentation at any Bank of Payment therefor. The First National Bank and Trust Company of Oklahoma City, Oklahoma City, Oklahoma is hereby appointed Trustee Bank (referred to as "Bank") for the purpose of this Indenture and in addition to acting as custodian of the above deposits, shall retain in its custody the policies of insurance for which provision is hereinafter made and shall have authority to enforce on behalf of the holders from time to time of the Bonds all duties required by this Indenture to be performed by the Authority and the officers and agents of the Authority.

ANNUAL REPORT OF CONSULTING ENGINEER

SECTION 4. The Authority covenants that the Consulting Engineer (referred to in Article V hereof) shall annually (not later than 180 days after the closing of each fiscal year) -

- (a) Inspect the properties of the Trust;
- (b) Report in writing to the Authority as to whether the properties of the Trust Estate have been efficiently and economically operate and maintained;
- (c) Make recommendations as to suggested repairs, replacements, extensions and improvements of the Trust Estate; and

(d) Make recommendations as to the amount to be expended annually for proper, efficient and economical operation and maintenance.

Copies of these reports and recommendations shall be sent to the Authority and the Bank and to Stifel, Nicolaus & Company, Oklahoma City, Oklahoma, Financial Consultants to the Authority for the 1970 Bonds and the original purchaser of the 1970 Bonds, and shall be available for inspection by Bondholders at the office of the Authority and Bank and shall be mailed to any bondholder requesting, in writing, a copy of said report.

ARTICLE IV

ADDITIONAL BONDS

SECTION 1. After the issuance, sale and delivery of any Bonds, and for so long as any Bonds issued pursuant to the provisions of this Indenture remain outstanding and unpaid, the Authority agrees that it will not issue any additional bonds or other obligations payable from the Trust Estate (with the exceptions set out in this Article IV), and that in no event while any of the Bonds remain outstanding will the Authority further mortgage, assign, or pledge the Trust Estate, or any part thereof, or the Revenues, or otherwise encumber or dispose of the Trust Estate or any part thereof, or the Revenues, except as is hereinafter in this Bond Indenture provided; provided, however, the Authority may issue additional bonds or obligations payable from the Trust Estate pari passu with the Bonds and equally and ratably secured therewith hereby, provided:

- (1) The Authority is not in default in meeting any of the agreements, covenants and obligations to be performed by said Authority hereunder; and
- (2) The Bonds to be issued are required to provide satisfactory service to the contracting institutions receiving heating and/or cooling services prior to the issuance of the proposed additional bonds, or if additional Utility Service Agreements are signed or the then existing Utility Service Agreements are amended to allow for the issuance of said additional Bonds, to provide additional heating and cooling service to existing institutions or to provide heating and cooling service to additional contracting institutions.

(3) A Certified Public or Municipal Accountant shall certify to the Bank with the approval of the Authority, that the net revenues derived from the heating and cooling system owned and operated by the Authority for the fiscal year next preceding the fiscal year in which such additional bonds are issued shall have been at least equal to the annual amount required to be paid or accrued into the Bond Fund for the payment of debt service requirements on all bonds then outstanding. In addition, a Consulting Engineer shall certify to the Trustee Bank, with the approval of the Authority, that the estimated net revenues to be derived from the then existing heating and cooling system and the additional heating and cooling facilities to be constructed, shall, in the fiscal year following the date of the initial use of such additional heating and cooling facilities, be at least equal to the annual amount required for the payment of debt service requirements on all bonds then outstanding and the additional bonds to be issued. The term "net revenues" shall mean the gross revenues derived from the operation of the heating and cooling system by the Authority after the deduction of operation and maintenance expenses.

(4) The Board of Regents of the University of Oklahoma gives prior approval to the issuance of the additional bonds.

(5) The Bonds to be issued are to be issued for a lawful purpose.

(6) The existing Utility Service Agreements are amended so as to reflect the issuance of the additional Bonds.

Nothing herein contained shall be construed as preventing the Authority from issuing refunding bonds, nor as preventing the Authority from issuing obligations payable from and constituting a lien or charge on the Revenues and the Trust Estate junior and inferior to the Bonds, so

long as their issuance is approved in advance by the Board of Regents of the University of Oklahoma.

SECTION 2. In the event additional bonds are issued, the supplemental bond indenture authorizing such additional bonds shall, among other things, provide that all amounts derived from the operation of the additional facilities shall be deposited in the Revenue Fund. In addition, there shall be deposited in the Bond Fund Reserve Account, in full at the time of delivery of such additional bonds, the amount required to provide a minimum balance in said reserve equal to the maximum annual debt service requirements on all Bonds and additional Bonds to be outstanding. An amount equal to 2% of all additional bonds issued shall be deposited in the R & R Fund in full at the time of delivery, or accumulated therein within sixty months of the issuance of such bonds.

ARTICLE V

PARTICULAR COVENANTS CONCERNING AUTHORITY

The Authority covenants that it will promptly pay the principal of and interest on every bond issued under the provisions of the Bond Indenture and any Supplemental Indenture at the places, on the dates and in the manner provided herein and therein and in said bonds and in the coupons thereto appertaining. The Trust Estate is hereby mortgaged and the Revenues are hereby pledged to the payment of the bonds in the manner and to the extent herein specified.

The Authority will not create any mortgage, pledge, lien or charge or other encumbrance upon the Trust Estate, other than the mortgage created by the Indenture and any supplements thereto which would authorize and secure additional bonds, if any are issued; and no evidence of indebtedness secured by the Trust Estate may be issued except the Bonds, additional bonds, and indebtedness junior and inferior to the Bonds.

The Authority covenants that all charges made by the Authority and Banks of Payment for services rendered, and for the payment of principal of and interest on the Bonds and any Authority compensation and expenses, will be paid by the Authority from Revenues and will not be required to be paid by the holders of the Bonds or coupons.

The Authority will pay or cause to be paid any governmental charges lawfully imposed upon the Trust Estate and will keep the Trust Estate from all judgments, mechanics' and materialmen's liens and all other encumbrances;

The Authority shall proceed with all reasonable dispatch to complete the Project; shall at all times operate or cause to be operated the heating and cooling system in an efficient manner and at a reasonable cost; shall keep the Facilities in good repair, working order, and condition; and shall make all necessary repairs, renewals, replacements, additions, extensions and betterments thereto, so that at all times the business of the Authority shall be properly and advantageously conducted;

The Authority agrees that the heating and cooling service produced by the Authority shall be disposed of solely for the benefit of the Authority and that the revenues derived from the operation and ownership of the Facilities shall be sufficient to meet all requirements of the Bond Indenture and shall be disposed of in the manner specified therein;

The Authority shall fix, maintain, and collect rates and charges for all services furnished and supplied by the Authority, which shall be fair and non-discriminatory, and adequate to provide sufficient revenues for all purposes required by the Bond Indenture, including the operation and maintenance of the Facilities, and shall not furnish or supply any service or commodity free of charge to any person, firm, or corporation, public or private; and shall promptly enforce the payment of any and all accounts owed to the Authority by reason of its ownership and operation of the Facilities by discontinuing service and/or filing suit therefor within sixty days after any such accounts are due;

The Authority may sell, lease, or otherwise dispose of all or substantially all of the Facilities, provided that simultaneously therewith, provision is made for the redemption of all of the Bonds then outstanding; and the Authority may dispose of any portion of the Facilities or properties thereof, which have been declared by the Authority and certified by the Consulting Engineer (referred to hereafter in this Article) as being unserviceable, inadequate, obsolete, or unfit to be used, or no longer required for the operation of the Authority's business; provided, however, that the proceeds shall be deposited into the Revenue Account.

The Authority shall keep the Facilities insured to the extent available, at reasonable cost with responsible insurers with policies payable to the Authority and the Bank as their respective interests may appear against risks of direct physical loss, damage, or destruction of the properties, at least to the extent that similar insurance is usually carried by private corporations operating like properties, and shall at all times keep the facilities insured against loss of use and occupancy from any of the aforesaid hazards, in such an amount as shall provide, for not less than 400 days after a one hundred day exclusionary period, a coverage equal to the earnings which are prevented by such loss, plus such fixed charges and expenses as must necessarily continue during the period of such loss, to the extent that such fixed charges and expenses would have been earned had not such loss occurred;

The Authority shall keep proper books of account and within ninety days after the close of each fiscal year of the Authority, it shall cause its accounts to be audited by independent Certified Public or Municipal Accountants and a copy of such audit shall be filed promptly with the Bank and sent to any holder of the Bonds who requests the same in writing and to the original purchaser of the 1970 Bonds.

The Authority shall retain a firm of independent engineers (herein called the "Consulting Engineers") on a continuous basis for the purpose of providing the Authority with engineering counsel in the operation of the facilities as requested. In addition to other prescribed duties, the Consulting Engineers shall, not later than 180 days after the closing of each fiscal year make a physical inspection of the facilities and prepare a report based upon such examination and a survey of the management of the business of the facilities and the operation and maintenance of its properties and state if the Authority has complied with the Indenture; a copy of such report shall be filed with the Bank and a copy shall be mailed to any bondholder requesting same in writing and to the original purchasers of the 1970 Bonds;

The Authority shall not expend any of the income, revenues, receipts, profits, and other moneys of the facilities for any extensions, betterments and improvements thereto which are not economically sound or which shall not properly and advantageously contribute to the conduct of the business in an efficient and economical manner;

The Authority will not consent to the rescission, alteration, amendment or modification of the Utility Service Agreements, the Operation and Maintenance Contract or the Lease except: (a) with the written consent of the Bank, which consent may be given only if, in the opinion of the Bank, such action would not impair the effectiveness of said document as part of the security for the payment of the Bonds or reduce the income or increase the expenses of the Authority and would not materially adversely affect the rights of the holders of the Bonds; (b) as may be necessary in connection with the issuance of additional bonds; or (c) with the written consent of the holders of two-thirds in aggregate principal amount of the Bonds then outstanding;

The Authority will not consent to the assignment or transfer of the Utility Service Agreements, the Operation and Maintenance Contract or the Lease without the prior written consent of the Bank.

The Bank, in its discretion, may permit the Authority to sell or exchange the property acquired, constructed and equipped by the Authority, real or personal, if in the opinion of the Authority the property so sold or exchanged shall become obsolete, worn out or unfit for use, or shall not be any longer required or useful in connection with the operation of the Trust Estate, and the consideration to be received from the sale of such property is of a value substantially equal to the value of the property so sold and to be released from the lien of this Bond Indenture; provided, however, that if the value of any property to be sold shall, in the opinion of the Bank, exceed the amount of \$5,000, the Bank shall require a certificate of the Consulting Engineer certifying as to the value thereof, and certifying that such property is either obsolete, worn out or unfit for use or no longer required or useful in connection with the operation of the Trust Estate, and that the sale or other disposition of such property will, in his opinion, redound to the benefit of the general credit and financial condition of the Trust Estate. In determining the value of the property to be released, or of any property to be received by the Authority in exchange therefor, the Bank may conclusively rely on the certificates furnished by the Consulting Engineer, and shall not be obligated to make any independent investigation with reference to the value of the properties to be released, or the property to be received in exchange therefor. In the event of any such sale, the full amount of the money consideration to be received for the property so sold is to be placed in the Revenue Account. The Bank, before permitting any sale or exchange of property, shall be furnished with a letter in writing executed by the Authority approving said sale or exchange, and such certificates of value, conveyance and opinions of counsel, who may be counsel for the Authority, as the Bank may require. The Bank shall in no event be liable for any mistake of fact or error in judgment in permitting any such sale or exchange of property.

The Authority covenants and agrees to comply with or to cause compliance with the following covenants and agreements:

First: To maintain and operate in first class condition and keep in good repair said Trust Estate and installations and all buildings, facilities and equipment now or hereafter constituting a part of the Trust Estate, and not to commit or allow any waste with respect to any of said Trust Estate; and not to remove any personal property or chattels at any time constituting a part of the Trust Estate except as expressly provided in this Bond Indenture.

Second: To faithfully and fully comply with and abide by every statute, order, rule or regulation now in force or hereafter enacted by any competent governmental agency or authority with respect to or affecting the operation of the properties and business of the Authority and the Trust Estate.

Third: To keep the Trust Estate and all parts thereof free from judgments, mechanics' and materialmen's liens and free from all other liens, claims, demands, and incumbrances of whatsoever nature or character, to the end that the priority of the mortgage and pledge of the Trust Estate as provided for in this Bond Indenture may at all times be maintained and preserved free from any claim or liability which, in the judgment of the Bank (and its determination thereof shall be final) might prevent or hamper the Authority in conducting its business or operating the Trust Estate; and the Bank, at its option and election (after first giving the Authority ten days written notice to comply therewith and failure of the Authority to so comply within said ten-day period), may defend against any and all actions or proceedings in which the validity of this Bond Indenture or the priority of the mortgage and pledge of the Trust Estate hereunder is or might be questioned, or pay or compromise such claims or demands asserted in such actions or proceedings. In paying or compromising such claims or demands, the Bank shall not in any event be deemed to have waived or released the Authority from liability for or on account of its covenants and warranties contained herein, or from its liabilities hereunder to defend the validity and priority of this Bond Indenture and the mortgage and pledge of the Trust Estate as herein

contained, and to perform such covenants and warranties.

Fourth: To comply with the terms, covenants and provisions, express or implied, of all contracts by the Authority for the use of the Trust Estate and also all other contracts and agreements affecting or involving the Trust Estate or the business of the Authority.

Fifth: Whenever and so often as requested so to do by the Bank or any bondholder, to promptly execute and deliver or cause to be executed and delivered all such other and further instruments, documents or assurances, and to promptly do or cause to be done all such other and further things, as may be necessary or reasonably required in order to further and more fully vest in the banks and the holders of the Bonds all rights, interests, powers, benefits, privileges and advantages conferred or intended to be conferred upon them by this Bond Indenture.

Sixth: Upon the request of the Bank or the holder of any Bond, from time to time to promptly take such action as may be necessary or proper to remedy or cure any defect in or cloud upon the title to the Trust Estate or any part thereof, whether now existing or hereafter developing, and to prosecute all such suits, actions and other proceedings as may be appropriate for such purpose and to indemnify and save the Bank and every holder of Bonds harmless from all loss, cost, damage and expense, including attorneys' fees, which they or either of them may ever incur by reason of any such defect, cloud, suit, action or proceedings.

Seventh: To defend against every suit, action or proceeding at any time brought against the banks and/or the Banks of Payment, or any holder of Bonds upon any claim arising out of the receipt, application or disbursement of any of the Revenues, income or proceeds from the Trust Estate or involving the banks', Banks' of Payment, or such Bondholders' rights under this Indenture; to indemnify and save harmless the banks, Banks of Payment and Bondholders against any and all liability claimed or asserted by any person whomsoever, arising out of such receipt, application or disbursement of any such

proceeds; provided, however, that either bank, Bank of Payment or any holder of Bonds at its or his election may appear in and defend against any such suit, action or proceedings; and notwithstanding any contrary provision hereof, this covenant shall continue and remain in full force and effect, even though all indebtedness, liabilities, obligations and other sums secured hereby may have been fully paid and satisfied, and this Indenture may have been released of record and the lien hereof discharged.

Eighth: That the Authority will at all times maintain the Authority's right to carry on the business of the Trust Estate, and will duly procure all renewals and replacements and improvements to, and extensions thereof and will diligently maintain, preserve and renew all the rights, powers, privileges and franchises required for the business of the Trust Estate now owned or hereafter acquired.

Ninth: So long as any bonds issued pursuant to the Bond Indenture are outstanding and unpaid, the Authority will not voluntarily consent to any amendment hereto, nor otherwise take any action which will reduce the amount of moneys made available thereunder to the Authority including without limiting the generality of the foregoing, the obligations of the Authority to operate, maintain, renew and replace the properties of the Trust Estate and to collect the rents, rates, fees and charges imposed by the Authority for the use of the Facilities of the Trust Estate and to deposit the proceeds thereof daily as collected in the Revenue Account, or which will in any manner impair or adversely affect the rights of the Authority, the Bank or the security provided by this Bond Indenture to the holders from time to time of the Bonds.

EVENTS OF DEFAULT: REMEDIES UPON
OCCURRENCE THEREOF

SECTION 1. Events of Default. Each of the following is hereby defined as and declared to be and shall constitute an "Event of Default":

(a) If payment of the principal and premium, if any (or the redemption price) of any Bond, whether at maturity or by proceedings for redemption (whether by voluntary redemption or a sinking fund redemption) or by declaration as hereinafter provided in Section 3 hereof or otherwise, shall not be made when the same shall become due and payable; or

(b) If payment of any installment of interest on any Bond shall not be made within thirty days after the same shall become due and payable; or

(c) If the respective credits to the Sinking Fund Account in the Authority's Bond Fund shall not be made or satisfied in full by the respective date or dates on which Bonds are required by the provisions of Article III hereof to be redeemed therefrom and such failure shall have continued for sixty (60) days after such date or dates; or

(d) Unless all the Bonds then outstanding shall have been called for retirement or for redemption, if any building, structure or facility included in the Facilities shall be destroyed or damaged so as to reduce the aggregate of the Revenues below the amount covenanted by Article V hereof to be produced and maintained and the Trustees do not, to the extent of the proceeds of insurance and the moneys on deposit in the R & R Fund available therefor, promptly repair or reconstruct such destroyed or damaged building, structure or facility, or do not promptly erect or substitute in place of the building, structure

or facility, destroyed or damaged other buildings, structures and facilities which produce revenues comparable to those produced by or derived with respect to the building, structure or facility destroyed or damaged, and do not subject to the lien, pledge and charge hereof and deposit in the Revenue Fund the revenues to be derived therefrom, which revenues so deposited shall constitute Revenues and be used and applied as are all other Revenues; provided that nothing in this clause shall be deemed to require the repairing, reconstruction or replacement of any building, structure or facility which at the time of such destruction or damage was unserviceable, inadequate, obsolete, worn-out or unfit to be used or no longer required for use in connection with the security and payment of the Bonds:
or

(e) If the Trustees shall fail in the due and punctual performance of any of the other of the covenants, conditions, agreements and provisions contained in the Bonds or in the Indenture on the part of the Trustees to be performed, and such failure shall continue for ninety (90) days after written notice specifying such failure and requiring the same to be remedied shall have been given to the Trustees by the Bank or to the Bank and the Trustees by the holders of not less than twenty per cent (20%) in principal amount of the Bonds then outstanding or any committee therefor; provided that if any such failure shall be such that it cannot be cured or corrected within such ninety day period, it shall not constitute an Event of Default hereunder if curative or corrective action is instituted within said period and diligently pursued until the failure of performance is cured or corrected; or

(f) If any proceedings shall be instituted with the consent or acquiescence of the Trustees for the purpose of effecting a composition between the Trustees and its creditors and if the claim of such

creditors is in any circumstance payable from the Revenues or any other moneys or assets pledged and charged in the Indenture, or for the purpose of adjusting the claims of such creditors, pursuant to any Federal or State statute now or hereafter enacted; or

(g) If an order or decree shall be entered (a) with the consent or acquiescence of the Trustees, appointing a receiver or receivers of the Facilities or of any of the buildings, structures and facilities included in the Facilities; or (b) without the consent or acquiescence of the Trustees, appointing a receiver or receivers of the Facilities or of any of the buildings, structures and facilities included in the Facilities and such order or decree having been entered, shall not be vacated or discharged or stayed on appeal within sixty (60) days after the entry thereof; or

(h) If, under the provisions of any applicable bankruptcy laws or any other law for the relief or aid of debtors, (i) any court of competent jurisdiction shall assume custody or control of the Facilities or of any of the buildings, structures and facilities included in the Facilities, and such custody or control shall not be terminated within ninety (90) days from the date of assumption of such custody or control; or (ii) any court of competent jurisdiction shall approve of any petition for the reorganization of the Facilities or rearrangement or readjustment of the obligations of the Trustees hereunder; or

(i) If the Trustees shall for any reason be rendered incapable of fulfilling their obligations hereunder.

SECTION 2. Notice to Bondholders and Others Upon Occurrence of An Event of Default. The Bank shall give by mail to all the registered holders of Bonds as their names and addresses appear upon the books of registry, to all Bondholders whose names and addresses then appear upon the list to be maintained pursuant to provisions herein at such addresses, and to the original purchasers of each series of the Bonds outstanding, written notice of all Events of Default known to the Bank, within ninety (90) days after the occurrence thereof, unless the Event of Default shall have been cured before the giving of such notice; provided that, except in the case of default in the payment of the principal or interest on any Bond, or in the payment of any sinking fund installment required hereof, the Bank shall be protected in withholding such notice if and so long as the board of directors, the executive committee or a trust committee of directors and/or responsible officers, of the Bank in good faith determine that the withholding of such notice is in the interests of the holders of the Bonds. For the purposes of the Indenture, the term "responsible officer" when used with respect to the Bank shall mean the chairman of the board of directors, the vice-chairman of the board of directors, the chairman of the executive committee, the vice-chairman of the executive committee, the president, any vice president, the cashier, the secretary, the treasurer, any trust officer, any assistant trust officer, any second or assistant vice president, any assistant cashier, any assistant secretary, any assistant treasurer, or any other officer or assistant officer of

the Bank customarily performing functions similar to those performed by the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of his knowledge of and familiarity with the particular subject.

SECTION 3. Declaration of Principal and Interest as Due.

Upon the happening and continuance of any Event of Default specified in Section 1 hereof, then and in every case the holders of not less than twenty-five per centum (25%) in principal amount of the Bonds then outstanding by a notice in writing to the Bank and the Trustees, or the Bank by a notice in writing to the Trustees, may declare the principal of all the Bonds then outstanding (if not then due and payable) to be due and payable immediately, and upon such declaration the same shall become due and be immediately due and payable, anything contained in the Bonds or in this Indenture to the contrary notwithstanding. If, however, at any time after the principal of the Bonds shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such Event of Default, or before the completion of the enforcement of any other remedy under this Indenture, moneys shall have accumulated in the Authority's Bond Fund sufficient to pay the principal of and any premium (or redemption price) on all matured Bonds and all Bonds (or portions of the principal amount thereof) then or theretofore

required to be redeemed pursuant to any provisions of the Indenture (excluding principal not then due except by reason of the aforesaid declaration) and all arrears of interest and interest then due, if any, upon all Bonds then outstanding and if the charges, compensation, expenses, disbursements, advances and liabilities of the Bank and all other amounts then payable by the Trustees hereunder shall have been paid or a sum sufficient to pay the same shall have been deposited with the Bank, and every other Event of Default known to the Bank in the observance or performance of any covenant, condition or agreement contained in the Bonds or in the Indenture (other than a default in the payment of the principal of such Bonds then due only because of a declaration under this section) shall have been remedied to the satisfaction of the Bank or, in the case of any Event of Default other than the nonpayment of an amount due and owing on any of the Events of Default set forth in clauses (a), (b) or (c) of Section 1 hereof, the Trustees shall be taking, or shall be causing to be taken, appropriate action in good faith to effect its cure, then and in every such case the Bank may, and upon the written request or direction of the holders of not less than a majority in principal amount of the Bonds not then due by their terms and then outstanding shall, by

written notice to the Trustees, rescind and annul such declaration and its consequences. No such rescission or annulment pursuant to the next preceding sentence shall extend to or affect any subsequent default or impair any right consequent thereon.

SECTION 4. Action by Bank Upon Occurrence of Event of Default.

Upon the occurrence and continuation of an Event of Default hereunder,

then in every such case the Bank (i) for and on behalf of the holders of the Bonds, shall have the same rights hereunder which are possessed by any holders of the Bonds; (ii) shall be authorized to proceed, in its own name and as trustee of an express trust; (iii) may pursue any available remedy by action at law or suit in equity to enforce the payment of the principal and interest on the Bonds; (iv) may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of such Bank and of the holders of the Bonds allowed in any judicial proceedings relative to the Trustees, their creditors or their property or the Bonds; and (v) may, and upon the written request of the holders of not less than a majority in principal amount of the Bonds then outstanding shall proceed

to protect and enforce all rights of the Bondholders and the Bank under and as permitted by the Indenture and the laws of the State of Oklahoma, by such means or appropriate judicial proceedings as shall be suitable or deemed by it most effective in the premises, including the appointment of temporary Trustees or any actions, foreclosure on the mortgage referred to herein, suit or special proceedings at law or in equity or in bankruptcy or by proceedings in the office of any board or officer having jurisdiction, or otherwise, whether for the specific enforcement of any covenant or agreement contained in the Indenture, or in aid or execution of any power granted in the Indenture or to enforce any other legal or equitable right or remedy vested in the holders of the Bonds or the Bank by this Indenture or by said laws, or for the appointment of a receiver. All rights of action (including the right to file proof of claims) under the

Indenture or under any of the Bonds or coupons may be enforced by the Bank without the possession of any of the Bonds or coupons or the production thereof in any trial or other proceedings relating thereto. Any such suit or proceeding instituted by the Bank shall be brought in its name and as trustee of an express trust without the necessity of joining as plaintiffs or defendants any holders of the Bonds, and any recovery of judgment shall be for the equal benefit of the holders of the outstanding Bonds and coupons.

In the enforcement of any remedy under the Indenture the Bank shall be entitled to sue for, enforce payment of and receive any and all amounts then or during any Event of Default becoming, and at any time remaining, due from the Trustees and unpaid for principal, premium, interest or otherwise under any of the provisions of the Indenture or of the Bonds, with interest on overdue payments if such interest then is permitted by the laws of Oklahoma, at the rate or rates of interest specified in such Bonds, together with any and all costs and expenses of collection and of all proceedings hereunder and under such Bonds, without prejudice to any other right or remedy of the Bank or of the Bondholders, and to recover and enforce judgment or decree against the Trustees, but solely as provided herein and in such Bonds, for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect in any manner provided by law, the moneys adjudged or decreed to be payable. Any such judgment shall be recovered by the Bank, in its own name and as trustee of an express trust.

SECTION 5. Appointment of Temporary Trustees. Upon the happening and continuance of an Event of Default hereunder, the Bank may appoint a temporary Trustee or Trustees. The Bank shall file a certificate with the Authority, setting out the appointment of such temporary Trustee or Trustees. Such temporary Trustee or Trustees shall without any further act or conveyance become fully vested, together with the other Trustees, with all the estate, properties, rights, powers, trusts, duties and obligations of their predecessors in trust with like effect as if originally named as Trustee under the Trust Indenture. The temporary Trustee or Trustees shall cease to have any power or authority in the event there is termination of all the defaults by which his or their appointment would have been authorized, and the permanent Trustee, temporarily supplanted, shall be automatically re-instated.

SECTION 6. Disposition of Moneys in Event of Insufficiencies in Funds and Accounts. Subject to the provisions of Section 7 hereof if at any time the moneys in the Bond Fund, the Working Capital Fund, the R & R Fund and the Capital Improvement Fund shall not be sufficient to pay the interest or principal or premium, if any (or the redemption price) of the Bonds as the same become due and payable (whether at maturity or upon proceedings for the redemption thereof or by declaration or otherwise), the moneys in said Funds, together with any other moneys then available or thereafter becoming available for such purpose, whether through the exercise of the remedies provided for in this Article VI or otherwise, shall be applied as follows:

(a) Unless the principal of all the Bonds shall have become due and payable or shall have been declared due and payable pursuant to the provisions of Section 3 hereof, all such moneys shall be applied:

First: to the payment to the persons entitled thereto of all installments of interest then due, in the order of the maturity of the installments of such interest, and if the amount available shall not be sufficient to pay in full any particular instalment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds;

Second: to the payment to the persons entitled thereto of unpaid principal which shall have become due, in the order of the dates such principal became due, with interest upon such principal from the respective dates upon which such principal became due, and, if the amount available shall not be sufficient to pay in full the principal due on any particular date, together with such interest, then to the payment first of such interest, ratably according to the amount of such interest due on such date, and then to the payment of such principal, ratably according to the amount of such principal due on such date, to the persons entitled thereto without any discrimination or preference;
and

Third: to the payment of the interest and premium, if any, on and the principal of the Bonds, to the purchase and retirement of Bonds and to the redemption of Bonds, all in accordance with the provisions of the Indenture.

(b) If the principal of all the Bonds shall have become due and payable or shall have been declared due and payable pursuant to the provisions of Section 3 hereof, all such moneys shall be applied to the payment of the principal and interest then due and unpaid, with interest on such principal as aforesaid, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds.

(c) If the principal of all the Bonds shall have been declared due and payable pursuant to the provisions of Section 3 hereof, and if such declaration shall thereafter have been rescinded and annulled pursuant to the provisions of said Section 3, then, subject to the provisions of sub-paragraph (b) above of this paragraph in the event that the principal of all the Bonds shall later become due and payable or be declared due and payable pursuant to the provisions of Section 3 hereof, the moneys then held in the Bond Fund shall be applied to the payment of the principal of and premium (or redemption price) on all matured Bonds and all Bonds (or portions of the principal amount thereof) then or theretofore required to be redeemed pursuant to any provisions of the Indenture

(excluding principal not then due except by reason of said declaration) and all arrears of interest and interest then due, if any, upon all Bonds then outstanding, and any moneys thereafter deposited in the Bond Fund, the Working Capital Fund, the R & R Fund and Capital Improvement Fund shall be applied in accordance with the provisions of Article III hereof.

Whenever moneys are to be applied by the Bank pursuant to the provisions of sub-paragraphs (a) and (b) of this section (i) such moneys shall be applied by the Bank at such times, and from time to time, as the Bank in its sole discretion shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future; (ii) the deposit of such moneys, in trust for the proper purpose, shall constitute proper application by the Bank; and (iii) the Bank shall incur no liability whatsoever to the Trustees, to any Bondholder or to any other person for any delay in applying any such moneys, so long as the Bank acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions of the Indenture as may be applicable at the time of application by the Bank. Whenever the Bank shall exercise such discretion in applying such moneys, it shall fix the date (which shall be an interest payment date unless the Bank shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Bank shall give such notice as it may deem

appropriate of the fixing of any such date, and shall not be required to make payment to the holder of any unpaid coupon or any Bond until such coupon or such Bond and all unmatured coupons, if any, appertaining to such Bond shall be surrendered to the Bank for appropriate endorsement, or for cancellation if fully paid.

SECTION 7. Disposition of Moneys if Receiver Operates the

Facilities. If upon the happening and continuance of an Event of Default hereunder any receiver shall enter upon and take possession of the Facilities and hold, manage and operate the same, all Revenues of the Facilities, after the payment therefrom of current administration, operating, management and maintenance expenses incurred by the receiver and after the payment of the costs and expenses of all renewals, replacements, improvements, extensions and betterments to the buildings, structures and facilities included in the Facilities, which such receiver shall be required to make in order to maintain adequately the Facilities, together with the moneys in the funds and accounts created in Article III hereof, shall be applied from time to time to the following in the order stated:

(1) all charges, costs and expenses of executing the Indenture, including such charges, costs and expenses as may have been incurred in connection with any proceedings hereunder; and

(2) the then remaining unpaid balance of all indebtedness evidenced by the Bonds and coupons in accordance with the provisions of Section 6 hereof.

The balance, if any, then remaining after the final payment and satisfaction of all items mentioned in subdivisions (1) and (2) above shall be paid to the Trustees.

SECTION 8. Certain Rights of Bank upon Bankruptcy of Trustees.

The Bank shall be entitled and empowered, either in its own name or as a trustee of an express trust, or as attorney-in-fact for the holders of the Bonds and the coupons appurtenant thereto, or in any one or more of such capacities, to file such proof of debt, amendment of proof of debt, claim, petition or other document as may be necessary or advisable in order to have the claims of the Bank and of the holders of the Bonds and of the coupons appurtenant thereto allowed in any equity, receivership, insolvency, bankruptcy, liquidation, readjustment, reorganization or other similar proceedings relative to the Trustees. For this purpose the Bank is hereby irrevocably appointed the true and lawful attorney-in-fact of the respective holders of the Bonds and of the coupons appurtenant thereto (and the successive holders of the Bonds and of the coupons appurtenant thereto by taking and holding the same shall be conclusively deemed to have so appointed the Bank) with authority to make and file in the respective names of the holders of the Bonds any such proof of debt, amendment of proof of debt, claim, petition or other document in any such proceedings, and to receive payment of any sums becoming distributable on account thereof, and to execute any such other papers and documents and to do and perform any and all acts and things for and on behalf of the holders of the Bonds and of the coupons appurtenant thereto as may be necessary or advisable in the opinion of the Bank in order to have the respective claims of the Bank and of the holders of the Bonds and of said coupons allowed in any such proceeding and to receive payment of and on account of such claims. However, nothing

consent to any plan of reorganization or compromise or otherwise take any action of any character in any such proceeding to waive or change in any way any right of any holder of Bonds or coupons appurtenant thereto.

SECTION 9. Direction of Remedial Proceedings by the Bondholders.

Anything in the Indenture to the contrary notwithstanding, the holders of not less than a majority in principal amount of the Bonds at the time outstanding

shall be authorized and empowered and have the right, by an instrument or concurrent instruments in writing delivered to the Bank (1) to direct the time, method, and place of conducting any proceeding for any remedy to be taken by the Bank or available to the Bank or available to the holders of the Bonds, or exercising any trust or power conferred upon the Bank hereunder or (2) on behalf of the holders of the Bonds then outstanding, to consent to the waiver of any Event of Default or its consequences, and the Bank shall waive any Event of Default and its consequences upon the written request of the holders of such majority.

SECTION 10. Suits or Actions by Bondholders; Any Bondholder

May Enforce Overdue Payment of his Bond or Interest Thereon. No holder of any of the Bonds shall have any rights to institute any suit, action or proceeding in equity or at law for the execution of any trust hereunder or for any other remedy hereunder unless such holder previously shall have given to the Bank written notice of the Event of Default on account of which such suit, action or proceeding is to be instituted, and unless also the holders of not less than a majority

in principal amount of the Bonds then outstanding shall have made written request of the Bank after the right to exercise such powers or right of action, as the case may be, shall have accrued, and shall have afforded the Bank a reasonable opportunity either to proceed to exercise the powers hereinabove granted or to institute such action, suit or proceeding in its or their name, and the Bank shall have refused or neglected to comply with such request within a reasonable time. It is understood and intended that no one or more holders of the Bonds hereby secured shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Indenture, or to enforce any right hereunder except in the manner herein provided; that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the benefit of all holders of such outstanding Bonds and coupons; and that any individual rights of action or other right given to one or more of such holders by law are restricted by this Indenture to the rights and remedies herein provided.

Notwithstanding any other provision of this Indenture, the right of any holder of a Bond to receive payment of the principal of and interest on such Bond, on or after the respective due dates expressed in such Bond, or to institute suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such holder, except that no holder of any such Bond shall have the right to institute any such suit, if and to the extent that the institution or prosecution thereof or the entry of judgment therein would, under applicable

law, result in the surrender, impairment, waiver, or loss of the lien of the Indenture upon any property (real or personal, tangible or intangible, movable or immovable) subject to the lien of the Indenture.

SECTION - 11. Costs and Expenses of Certain Suits. The Trustees, the Bank and the holders of the Bonds agree that the court may in its discretion require, in any suit for the enforcement of any right or remedy under the Indenture, or in any suit against the Bank for any action taken or omitted by it as the Bank, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; provided, that the provisions of this Section shall not apply to any suit instituted by the Bank, to any suit instituted by any Bondholder, or group of Bondholders, holding in the aggregate more than ten per centum in principal amount of the Bonds then outstanding, or to any suit instituted by any Bondholder for the enforcement of the payment of the principal of or interest on any Bond or coupon, on or after the respective due dates expressed in such Bond or coupon.

SECTION - 12. Remedies Not Exclusive. No remedy by the terms of the Indenture conferred upon or reserved to the Bank or the holders of the Bonds is intended to be exclusive of any other remedy so conferred or reserved or to be exclusive of other remedies now or hereafter existing at law or in equity or by statute, and each and

every such remedy shall be cumulative and shall be in addition to any other remedy given hereunder to the Bank or to the holders of the Bonds or now or hereafter existing at law or in equity or by statute? Every such right, power and remedy given hereunder or by law or in equity or by statute may be exercised from time to time and as often as may be deemed expedient.

SECTION 13. Effect of Delay or Omission; Waiver of Default.

No delay or omission of the Bank or of any holder of the Bonds to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein.

The Bank may waive any default or Event of Default which in its opinion shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions of the Indenture or before the completion of the enforcement of any remedy under the Indenture and shall waive any default or Event of Default if required to do so by the provisions of Section 9 hereof. No such waiver shall extend to or affect any other existing or subsequent default or Event of Default or impair any rights or remedies consequent thereon.

SECTION 14. Effect of Abandonment of Proceedings on Default.

In case any proceeding taken by the Bank or the holders of the Bonds on account of any Event of Default shall have been discontinued or abandoned for any reason, then and in every such case the Trustees, the Bank and the Bondholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Bank shall continue as though no such proceeding had been taken.

ARTICLE VII

CONCERNING THE BANK AND THE PAYING AGENTS

SECTION 1. Qualification of Bank; Resignation or Removal Thereof; Successor Thereto. There shall at all times be a trustee hereunder (such trustee being herein defined and referred to as the "Bank"), which shall at all times be a corporation organized and doing business under the laws of the United States or of any State of the United States, which (a) is a bank or trust company authorized under such laws to exercise corporate trust powers, (b) is subject to supervision or examination by Federal or State authority, and (c) shall have at all times a combined capital and surplus of not less than five million dollars; provided that the Bank shall be a corporation having its principal place of business in Oklahoma City, Oklahoma, so long as there is a corporation having such office and which meets the foregoing requirements and is not otherwise disqualified hereunder. If the Bank publishes reports of condition at least annually, pursuant to law or to the requirement of the aforesaid supervising or examining authority, then for the purposes of this paragraph the combined capital and surplus of the Bank at any time shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Bank may resign at any time by giving not less than sixty (60) days' notice to the Trustees, and the Regents, and by publishing a notice of resignation once within five (5) days after the giving of such notice in the same newspapers in which notice of redemption of Bonds are to be published pursuant to provisions herein.

In case at any time any of the following shall occur:

1) the Bank shall cease to be eligible in accordance with the provisions hereof and shall fail to resign after written request therefor has been given to the Bank by the Trustees or by any Bondholder who has been a bona fide holder of a Bond for at least six (6) months; or
(2) the Bank shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Bank or of its property shall be appointed, or any public officer shall take charge or control of the Bank or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, then, in any such case, the Trustees may remove the Bank by an instrument in writing authorized by resolution of the Trustees or signed by a majority of the Trustees then in office, or any such Bondholder may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Bank. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe and as may be required by law, remove the Bank.

The Bank may be removed at any time by the Trustees upon the written request or upon the affirmative vote of the holders of a majority in principal amount of the Bonds then outstanding or their attorneys-in-fact duly authorized.

In the event of resignation, removal, disability or refusal to act of the Bank, a successor may be appointed by the holders of a majority in principal amount of the Bonds then outstanding by an instrument or concurrent instruments in writing signed by such holders or their attorneys-in-fact duly authorized; provided, nevertheless, that it is hereby

agreed and declared, that in case at any time there shall be a vacancy in the office of the Bank hereunder, the Trustees by an instrument shall appoint a successor to fill such vacancy until a new Bank shall be appointed by the Bondholders as herein authorized; and any new Bank appointed by the Trustees shall, immediately and without further act, be superseded by a Bank appointed by such Bondholders.

The resigning Bank, if within fifty (50) days after the publication of notice of its resignation, no successor Bank shall have been appointed and shall accept such appointment, may petition any court of competent jurisdiction for the appointment of a successor Bank, or any Bondholder who has been a bona fide holder of a Bond for at least six (6) months may, on behalf of himself and others similarly situated, petition any such court for the appointment of a successor Bank. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe and as may be required by law, appoint a successor Bank having the qualifications required hereby.

Any successor Bank shall meet the qualifications of the preceding provisions of this section. Such successor Bank shall execute, acknowledge and deliver to the Bank last in office, and also to the Trustees, an instrument in writing accepting such appointment hereunder, and thereupon such new Bank, without any further act, deed or conveyance, shall become fully vested with all the estate, properties, rights, powers, trusts, duties and obligations of its predecessor in trust hereunder, with like effect as if originally named as Bank herein; but such predecessor shall, nevertheless, on the written request of the Trustees or such successor Bank, execute and deliver an instrument transferring to

such successor Bank all the estate, properties, rights, powers, trusts, duties and obligations of its predecessor in trust hereunder and shall deliver all property and moneys held by it to such successor Bank.

Any corporation into which the Bank may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which the Bank shall be a party, shall be the successor Bank under this Indenture without the execution or filing of any paper or any further act on the part of the parties hereto, anything herein to the contrary notwithstanding; provided such corporation meets the qualifications of this section.

SECTION 2 . Duties of Bank; Reliance on Certificates and Opinions. Prior to an Event of Default as defined in Section 1 of Article VI hereof and after the curing or waiving of all such Events of Default, the Bank (1) shall not be liable except for the performance of such duties as are specifically set out in the Indenture and (2) subject to the provisions of Section 3 hereof, may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, in the absence of bad faith on the part of the Bank, upon certificates or opinions conforming to the requirements of the Indenture. In case of an Event of Default as defined in Section 1 of Article VI hereof, the Bank shall exercise such rights and powers vested in it by the Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

No provision of this Indenture shall be construed to relieve the Bank from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that the Bank shall at all times: (1) be protected from liability for any error of judgment made in good faith by a responsible officer or officers (as defined in Section 2 of Article VI hereof) unless it shall be proved that the Bank was negligent in ascertaining the pertinent facts; and (2) be protected with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the holders of not less than a majority in principal amount of the Bonds then outstanding

relating to the time, method and place of conducting any proceeding for any remedy available to the Bank, or to be taken by it, or exercising any trust or power conferred upon the Bank, under the Indenture.

SECTION 3. Evidence of Compliance with the Conditions

Precedent; Examination of Evidence by the Trustees. The Trustees will furnish, or will cause to be furnished, to the Bank evidence of compliance with the conditions precedent, if any, provided for in the Indenture (including any covenants compliance with which constitutes a condition precedent) which relate to the authentication and delivery of the Bonds, to the release or the release and substitution of property subject to the lien of the Indenture, to the satisfaction and discharge of the Indenture, or to any other action to be taken by the Bank at the

request or upon the application of the Trustees. Such evidence shall consist of the following: (1) certificates or opinions made by a Trustee or Trustees, stating that such conditions precedent have been complied with; (2) an opinion of counsel (who may be of counsel for the Trustees) stating that in his opinion such conditions precedent have been complied with; and (3) any other certificates or opinions expressly required hereby.

The Bank shall examine the evidence furnished to it pursuant to the preceding paragraph hereof, and any evidence furnished to it pursuant to any other provisions of the Indenture, to determine whether or not such evidence conforms to the requirements of the Indenture.

SECTION 4. Statement by Bank of Funds and Accounts and Other Matters. Not more than 90 days after the close of each Fiscal Year the Bank shall furnish the Trustees a statement setting forth in respect to such Fiscal Year, (a) all transactions relating to the receipt, disbursement, and application of all moneys received by the Bank pursuant to the terms of the Indenture, (b) the amount held by the Bank at the end of such Fiscal Year to the credit of each Fund and account provided for in the Indenture, (c) a brief description of all obligations held by the Bank as an investment of moneys in any Fund or account hereunder as of the end of such Fiscal Year, (d) the principal amount of Bonds purchased by the Bank during such Fiscal Year from moneys available therefor in any Fund pursuant to the provisions of the Indenture and the respective purchase prices of such Bonds, (e) the principal amount of Bonds redeemed or retired during such Fiscal Year

and the redemption prices thereof, if any, and (f) any other information which the Trustees may reasonably request.

SECTION 5. The Bank to Maintain List of Bondholders; Certain Duties of the Bank With Respect Thereto. The Bank shall preserve, in as current a form as is reasonably practicable, all information as to the names and addresses of the holders of the Bonds (a) furnished to it by any Paying Agent hereunder pursuant to the provisions of Section 9 hereof; (b) received by it in the capacity as a Paying Agent (if so acting) under the Indenture; and (c) filed with it within two preceding years pursuant to the provisions of the next sentence hereof. Any holder of the Bonds may file his name and address with the Bank for inclusion upon such list. The Bank may (a) destroy any list furnished to it pursuant to the provisions of Section 9 hereof upon receipt of a new list so furnished; (2) destroy any information received by it as a Paying Agent (if so acting) hereunder upon delivering to itself as the Bank not earlier than forty-five days after an interest payment date of the Bonds, a list containing the names and addresses of the holders of Bonds obtained from such information since the delivery of the next previous list, if any; and (3) destroy any list delivered to itself as the Bank hereunder which was compiled from information received by it as Paying Agent (if so acting) hereunder upon receipt of a new list so delivered. At reasonable times and under reasonable regulation established by the Bank, said list may be inspected and copied by the Trustees or by the holders or owners (or a designated representative thereof) of ten per cent or more in principal amount of bonds then outstanding, such ownership and the authority of any such designated representative to be evidenced to the satisfaction of the Bank.

SECTION 6. Bank May File Proofs of Claims and Other Papers and Documents. The Bank may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Bank and of the Bondholders allowed in any judicial proceedings relative to the Trustees, their creditors, or their property.

SECTION 7. Bank Not Liable for Acts of Trustees; No Representations by Bank. The Bank shall not be responsible or have any liability for any act of the Trustees collectively or of any act of any one or more of the Trustees. The Bank shall not be responsible in any manner whatsoever for the correctness of the recitals, statements and representations in the Indenture and any and all supplements thereto or in the Bonds (except its Certificate of Authentication thereon) or in the coupons, all of which are made by the Trustees solely. The Bank makes no representation as to the value or condition of the Trust Estate or any part thereof, or as to the right, title and interest of the Trustees in the property constituting the Trust Estate or as to the security afforded by any agreement, contract, lease or other instrument assigned to the Bank hereunder, or as to the validity of the Indenture or of the Bonds issued hereunder, and the Bank shall incur no liability or responsibility in respect of any such matters. Except for the duties and obligations imposed upon it by the Utility Service Agreements and the Operation and Maintenance Contract referred to in the preamble hereto, the Bank shall have no obligation to fulfill or carry out any agreements of the Trustees or of any lessor or lessee under any lease, sublease or other instrument, assigned to the Bank under the Indenture.

SECTION 8. Additional Trustees or Co-trustees under the Indenture. If at any time it shall be desirable in the opinion of the Trustees or the Bank to have an additional trustee or trustees as co-trustee or co-trustees under this Indenture, either individual or corporate, or if the holders of not less than a majority of the aggregate principal amount of the Bonds then outstanding shall in writing so request, the Bank shall, subject to the approval of the Trustees, which approval the Trustees shall not unreasonably withhold, select such co-trustee or co-trustees. The Bank and the Trustees shall unite in appointing such co-trustee or co-trustees of all or any of the property or cash (if any) at the time subject hereto, jointly with the Bank, or its successor or successors, or to act as a separate trustee or trustees hereunder of any of such property or cash. The Trustees hereby irrevocably appoint the Bank its agent, without any further act by the Trustees, at any time during the continuance of an Event of Default to select and appoint any such additional co-trustee or co-trustees and to execute, deliver and perform any and all instruments and agreements necessary or proper in connection therewith. The rights, powers, duties and obligations conferred or imposed upon the Bank and such co-trustee or co-trustees or any of them shall be conferred or imposed upon and exercised or performed by the Bank, or the Bank and co-trustee or co-trustees jointly, except to the extent

that under any law or any jurisdiction in which any particular act or acts are to be performed, the Bank shall be incompetent or unqualified to perform such act or acts, in which event such rights, powers, duties and obligations shall be exercised and performed by such co-trustee or co-trustees and the instrument of appointment of any such co-trustee or co-trustees shall expressly and specifically so provide. Upon such appointment and upon the recording of the instrument of appointment wherever this Indenture is required by law to be recorded, the rights of the Bank with respect to any or all of the property constituting the Trust Estate shall immediately, and without further evidence of transfer, vest in such co-trustee or co-trustees according to the terms of such appointment, but the Bank and the Trustees shall, nevertheless, execute, acknowledge and deliver to such co-trustee or co-trustees such conveyances and transfers as may be proper to vest or confirm said rights in the co-trustee or co-trustees. Any co-trustee may resign or be removed by the Bank hereunder; and any vacancy in the office of co-trustee may be filled in the manner above provided for the appointment of the original co-trustee or co-trustees, or, if it is not then desirable to fill the vacancy, the vacancy need not be filled. All the immunities provided by this Indenture in respect of the Bank shall apply to each and every co-trustee. Subject to the provisions of Section 2 hereof, neither the Bank nor any co-trustee shall be liable for any default or act of omission of the other.

SECTION 9. Paying Agents; Paying Agents to Hold Moneys in Trust and to Furnish List of Bondholders. All Bonds, whether in coupon or registered form, and all coupons, shall be payable at the

principal office of the Bank, as Paying Agent therefor. If any Bond in coupon form is payable at the office of a Paying Agent located in a city other than that in which the principal office of the Bank is located, the Trustees will at all times keep in those cities in which such other Paying Agent is located, an office or agency (which may be the office in each such respective city of such Paying Agent in such city) at which such Bond in coupon form and attached coupons may be presented for payment. The Trustees will from time to time give written notice to the Bank of the location of each such office or agency if the appointment thereof was made by the Trustees without the prior knowledge of the Bank.

Each Paying Agent shall hold in trust for the benefit of the Bondholders and the Bank all sums held by such Paying Agent for the payment of the principal of and interest on the Bonds, and shall give to the Bank notice of any default by the Trustees in the making of any such payment. Anything in this paragraph to the contrary notwithstanding, the Trustees may, at any time, for the purpose of obtaining a satisfaction and discharge of the Indenture, or for any other reason, cause to be paid to the Bank all sums held in trust by any Paying Agent hereunder as required by this paragraph, such sums to be held by the Bank upon the trusts herein contained, and such Paying Agent shall thereupon be released from all further liability with respect to such sums.

Each Paying Agent shall furnish to the Bank semi-annually in each year during the periods July 15 to July 31, inclusive and January 15 to January 31, inclusive, commencing with the period July 15 to July 31, 1971, and at such other times as the Bank may request in writing, within thirty days after receipt by the Paying Agent of any such request, a list or lists in such form as the Bank may reasonably

require containing all information in the possession or control of such Paying Agent as to the names and addresses of the holders of the Bonds obtained by such Paying Agent since the date as of which the next previous list, if any, was furnished by such Paying Agent to the Bank. Any such list may be dated as of a date not more than fifteen days prior to the time such information is furnished or caused to be furnished and need not include information received after such date.

SECTION 10. Bank and Paying Agents May Buy, Hold, Sell or Deal in Bonds and Coupons and Other Indebtedness of Trustees. The Bank and its directors, officers, employees or agents, and each Paying Agent and its directors, officers, employees or agents, may in good faith buy, sell, own, hold and deal in any of the Bonds or coupons issued under the provisions of the Indenture and may join in any action which any Bondholder may be entitled to take, with like effect as if such Bank or Paying Agent were not the Bank or a Paying Agent, as the case may be, under the Indenture. The Bank or any Paying Agent may in good faith hold any other form of indebtedness of the Trustees; own, accept or negotiate any drafts, bills of exchange, acceptances or obligations thereof; and make disbursements therefor and enter into any commercial or business arrangement therewith; all without any liability on the part of the Bank or such Paying Agent for any real or apparent conflict of interest by reason of any such actions.

SECTION 11. Reimbursement of Bank and Paying Agents for

Fees, Expenses and Charges. The Bank shall be entitled to reimbursement for all fees, expenses, charges, counsel fees and other disbursements reasonably incurred by it in the performance of its duties and powers under the Indenture, including those of its attorneys, agents and employees. The Bank shall have a lien for such reimbursement on the moneys pledged to secure the Bonds hereunder at any time held by it hereunder, prior to the lien or claim of the holders of the Bonds on all such moneys. Each Paying Agent shall also be entitled to reimbursement for all fees, expenses and charges reasonably incurred by it the performance of its duties hereunder.

ARTICLE VIII

SUPPLEMENTAL BOND INDENTURE

SECTION 1. The Bank and the Authority may, from time to time and at any time, without the consent of the holders of any of the bonds, enter into indentures supplemental hereto which, in the opinion of the Bank (whose opinion shall be conclusive upon the Authority, and the holders of any Bond) shall not be inconsistent with the terms and provisions hereof for any of the purposes heretofore specifically authorized in this Bond Indenture, and in addition thereto for the following purposes:

- (a) To cure any ambiguity or formal defect, inconsistency or omission in this Bond Indenture or to clarify matters or questions arising thereunder; or
- (b) To issue additional bonds in such amounts and subject to such restrictions hereinabove contained and to fix all of the details with respect thereto in accordance with Article IV hereof; or
- (c) To add additional covenants and agreements of the Authority for the purpose of further securing the payment of the Bonds; and
- (d) To prescribe further limitations and restrictions upon the issuance of additional bonds and the incurring of indebtedness by the Trustees payable from the Trust Estate which are not detrimental to the interests of the holders of the outstanding Bonds and additional parity Bonds;
- (e) To confirm as further assurance any pledge of additional revenues, monies, securities, funds or any real, personal or mixed properties.

In addition, the provisions of this Bond Indenture may be amended in any particular with the written consent of the holders of not less than 75% of the Bonds then outstanding which would be adversely affected by such amendment, provided, however, that no such amendment may be adopted which decreases the percentage of Bonds required to approve an amendment, nor which permits a change in the date of payment of the principal of any Bonds or of any installment of interest thereon or the reduction in the principal or redemption price thereof or the rate or rates of interest thereon without the consent of the holders of the Bonds affected thereby.

Copies of any Supplemental Indenture amending the Bond Indenture shall be filed with the Bank, the Financial Consultant, the original purchasers of the 1970 Bonds, and filed in the office of the County Clerk of the County in which the Facilities are situated, before such amendment may become effective.

SECTION 2. The Bank shall be entitled to receive, and shall be fully protected in relying upon the opinion of counsel, who may be counsel for the Authority, as conclusive evidence that any such proposed Supplemental Indenture complies with the provisions of this Bond Indenture, and that it is proper for the Bank, under the provisions of this Article, to join in the execution of such Supplemental Indenture.

SECTION 3. Upon the execution of any Supplemental Indenture pursuant to the provisions of this Article, this Bond Indenture shall be and be deemed to be supplemented, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Bond Indenture, of the Bank, the Authority and holders of Bonds then outstanding shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such modification and amendments.

ARTICLE IX

MISCELLANEOUS AND DEFEASANCE

SECTION 1. All terms, provisions, conditions, covenants, warranties and agreements contained herein shall be binding upon the successors and assigns of the Authority and shall be deemed and considered to be covenants running with the estate or interests in the lands affected; and all such terms, provisions, conditions, covenants, warranties and agreements shall likewise inure to the benefit of the Bank, its successors or substitutes in trust and assigns, and to the benefit of everyone who may at any time be a beneficiary hereunder, including the holder of any Bond issued hereunder. The illegality or invalidity of any provisions or part of this Bond Indenture shall in no way affect any of the other provisions and parts hereof.

SECTION 2. All expenses and obligations, and all debts, damages, judgments, decrees or liabilities, incurred by any trustee, temporary or permanent or both, or incurred by any receiver and any of the foregoing incurred by any agent, servant or employee of the aforesaid trustees or receiver, in the execution of the purpose of this Bond Indenture, shall be solely chargeable to and payable out of the Trust Estate. In

no event shall any trustee, temporary or permanent, or any receiver, in any manner be individually liable for any damage, or for breach of contract or obligations caused by, arising from, incident to, or growing out of the execution of this Bond Indenture, nor shall they or any of them be liable for the acts or omission of each other, or of any agent, servant or employee of the aforesaid trustees, or of another such trustee or of any receiver; provided, however, that the foregoing shall not apply to any breach of trust of any such trustee or receiver.

SECTION 3. When any Bond secured by the Bond Indenture shall have become due and payable in accordance with its terms, or shall have been duly called for redemption, or irrevocable instructions to call such Bond for redemption shall have been given by the Authority to the Bank and the whole amount of the principal and interest premium, if any, so due and payable upon such Bond and coupons pertaining thereto shall be paid to, or sufficient moneys shall be held by the Bank or Banks of Payment for such purpose, such Bond shall no longer be outstanding hereunder. When all Bonds secured by the Bond Indenture shall have become due and payable in accordance with their terms, or shall have been duly called for redemption, or irrevocable instructions to call such Bonds for redemption shall have been given by the Authority to the Bank and the whole amount of the principal and interest and the premium, if any, so due and payable upon such Bonds and coupons pertaining thereto then outstanding shall be paid to, or sufficient moneys shall be held by, the Bank or the Banks of Payment for such purpose, and provision shall also be made for paying all other sums payable hereunder by the Authority, then, and in that case, the right, title and interest of the Bank shall thereupon cease, determine and become void, and the Bank in such case, on demand of the Authority, shall release this Bond Indenture and shall execute such documents to evidence such release as may be reasonably required by the Authority, and shall turn over to the Authority any surplus moneys in any account in the Bond Fund, and all balances remaining in any other funds and accounts other than moneys held for redemption or payment of bonds or coupons; otherwise, this Bond Indenture shall be, continue and remain in full force and effect.

Moneys held by the Bank pursuant to this Section may at the direction of the Trustees be invested so as to mature in the amounts and at the times necessary to pay the principal of and interest and premium on the Bonds. If any such moneys shall be so invested, they shall be invested in securities in which moneys in the Bond Fund may be invested pursuant to Section 2 of Article III hereof; provided however, that no such moneys shall be invested in savings accounts or certificates of deposit, and provided further, such moneys shall also be invested in full faith and credit direct and general obligations of any State, or unlimited tax direct and general obligations of any political subdivisions of any State, to the payment of which the full faith and credit of such political subdivision is pledged; provided that at the time of purchase, such obligations are rated in either of the two highest rating categories by two nationally recognized bond rating agencies and are legal investment for fudiciaries in Oklahoma.

SECTION 4. The Bond Indenture may be simultaneously executed in as many counterparts as may be requested by the Bank. Each such counterpart so executed shall be deemed to be an original, and all together shall constitute but one and the same Bond Indenture.

IN WITNESS WHEREOF, the Authority has caused this Bond Indenture to be executed by its Chairman and Secretary, and the Bank for itself, its successor or successors, has by its execution hereof, signified its acceptance of the trust hereby created and imposed, all as of the day and year first above written.

TRUSTEES OF THE OKLAHOMA UNIVERSITY
DEVELOPMENT AUTHORITY

By: *H. Hasler*
Chairman

ATTEST:

R. D. [Signature]
Secretary

(SEAL)

THE FIRST NATIONAL BANK AND TRUST COMPANY OF
OKLAHOMA CITY, OKLAHOMA CITY, OKLAHOMA

By: *R. D. Kay*

ATTEST:

Streeten B. Flynn, Jr
Cashier

STATE OF OKLAHOMA)
)SS
COUNTY OF CLEVELAND)

BEFORE ME, the undersigned, a Notary Public in and for said State, on the 21st day of December, 1970, personally appeared H. O. Harder, Chairman, and R. Boyd Gunning, Secretary of the Trustees of the Oklahoma University Development Authority, the makers of the above and foregoing instrument of writing, and to me further known to be the identical persons who subscribed the names of the makers thereof to the foregoing instrument, and acknowledged to me that they executed the same as their free and voluntary act and deed, and as the free and voluntary act and deed of the said Authority for the uses and purposes therein mentioned and set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year aforesaid.

Helen D. Whitten

Notary Public

(SEAL)

My commission expires November 19, 1971.

STATE OF OKLAHOMA)
)SS
COUNTY OF OKLAHOMA)

BEFORE ME, the undersigned, a Notary Public, in and for said State, on the 21st day of December, 1970, personally appeared R. G. Kemp, to me known to be a Vice-President of The First National Bank and Trust Company of Oklahoma City, Oklahoma, and to me further known to be the identical person who subscribed the name of said Bank as one of the makers thereof, to the foregoing instrument as its Vice-President, and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of said Bank, for the uses and purposes therein mentioned and set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year aforesaid.

Helen V. Wynn

Notary Public

(SEAL)

My Commission Expires: 7-14-74

My commission expires _____.

OKLAHOMA UNIVERSITY DEVELOPMENT AUTHORITY
 PAYMENT REQUISITION FROM CONSTRUCTION FUND

FROM: Trustees of the Oklahoma University Development Authority
 TO: The First National Bank and Trust Company of
 Oklahoma City, Oklahoma, Trustee

DATE: _____

Pursuant to the provisions of the Bond Indenture, dated as of December 1, 1970, by and between the Trustees of the Oklahoma University Development Authority and The First National Bank and Trust Company of Oklahoma City, Oklahoma City, Oklahoma, as Trustee, you are directed to pay Creditor from the Construction Fund of said Authority as indicated below, the amounts shown for the purposes set forth in this Requisition.

CREDITOR	TRUST NO. ITEM NO.
----------	-----------------------

DATE	PURPOSE	AMOUNT
------	---------	--------

AUTHORIZATION AND CERTIFICATE OF
 CHAIRMAN AND SECRETARY

With reference to the above requisition, the undersigned certifies:

1. That obligations in the stated accounts have been incurred by the Oklahoma University Development Authority and that each item thereof is a proper charge against the Authority's Construction Fund and has not been paid.
2. That there has not been filed with or served upon the Oklahoma University Development Authority notice of any lien, right to lien, or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to any of the persons, firms or corporations named in such requisition, which has not been released or will not be released simultaneously with the payment of such obligation.
3. That such requisition contains no item representing payment on account of any retained percentages which the Authority is at the date of such certificate entitled to retain.

Dated: _____

Submit in Duplicate:

- 1 to Bank
- 1 to Authority

Chairman	
Secretary	

FINANCING STATEMENT

NAME OF DEBTOR: THE TRUSTEES OF THE OKLAHOMA UNIVERSITY DEVELOPMENT AUTHORITY


ADDRESS OF DEBTOR: ADMINISTRATION BUILDING, UNIVERSITY OF OKLAHOMA CAMPUS,
NORMAN, OKLAHOMA


NAME OF SECURED PARTY: THE FIRST NATIONAL BANK AND TRUST COMPANY OF OKLAHOMA
CITY, OKLAHOMA CITY, OKLAHOMA, AS TRUSTEE

ADDRESS OF SECURED PARTY: OKLAHOMA CITY, OKLAHOMA


This Financing Statement covers Revenues and personal property pledged under and pursuant to the terms of a Bond Indenture, dated as of December 1, 1970 by and between the Debtor and the Secured Party and recorded in the office of the County Clerk of Oklahoma County, Oklahoma, in Book 3965, Page 680. The collateral secures the Oklahoma University Development Authority Utility Revenue Bonds, Series 1970, in the aggregate principal amount of \$6,000,000, dated December 1, 1970. Proceeds and Products of the collateral are covered, including fees, charges, revenues, income, rents, receipts, issues and benefits.

TRUSTEES OF THE OKLAHOMA UNIVERSITY
DEVELOPMENT AUTHORITY, DEBTOR


Chairman


Secretary

THE FIRST NATIONAL BANK AND TRUST COMPANY OF
OKLAHOMA CITY, OKLAHOMA CITY, OKLAHOMA,
SECURED PARTY


Authorized Officer

THE TRUSTEES OF THE OKLAHOMA UNIVERSITY DEVELOPMENT AUTHORITY MET IN SPECIAL SESSION, AFTER PROPER NOTICE HAVING BEEN GIVEN, AT THE OFFICE OF THE AUTHORITY, NORMAN, OKLAHOMA, ON THE 4TH DAY OF JANUARY, 1971, AT 12:00 O'CLOCK NOON.

PRESENT: H. O. Harder, R. Boyd Gunning, T. R. Benedum, G. L. Cross, P. K. McCarter, Ward S. Merrick and T. H. McCasland.

ABSENT: Earl Sneed.

Others Present: H. K. Calvert, President of Board of Regents; Houston Huff, Member of Regents; Dr. Leonard Eliel, Interim Vice-President of Okla. Univ. Medical Center.

THEREUPON, Trustee Benedum introduced a Resolution which was read in full by the Secretary, and upon motion by Trustee Benedum, seconded by Trustee T. H. McCasland, said Resolution was adopted by the following vote:

AYE: Harder, Gunning, Benedum, Cross, McCarter, Merrick and McCasland.

NAY: None.

Said Resolution was thereupon signed by the Chairman, attested by the Secretary and is as follows:

RESOLUTION

A RESOLUTION APPROVING THE EXECUTION OF VARIOUS DOCUMENTS RELATED TO THE ISSUANCE OF \$6,000,000 TRUSTEES OF THE OKLAHOMA UNIVERSITY DEVELOPMENT AUTHORITY UTILITY REVENUE BONDS, SERIES 1970; AUTHORIZING THE ISSUANCE OF SAID BONDS; APPROVING THE FORM OF AN INDENTURE TO SECURE THE SAME, AUTHORIZING ITS EXECUTION, AND CONTAINING OTHER PROVISIONS RELATED TO THE SUBJECT.

WHEREAS, pursuant to 70 O.S. 1961, § 3306, as amended, the University of Oklahoma Medical Center consists of all medical facilities and related activities of the University of Oklahoma located at Oklahoma City; and

WHEREAS, the operation of the University of Oklahoma Medical Center is under the control and supervision of the Regents; and

WHEREAS, heating and cooling services are essential to the proper and efficient performance of the duties and obligations of the Regents in the operation of the University of Oklahoma Medical Center and related facilities; and

WHEREAS, this Authority has determined to acquire and construct facilities required for the provision of heating and cooling services to the University of Oklahoma Medical Center and certain buildings housing institutions related thereto (hereinafter the initial facilities to be constructed are called the "Project" and together with all additions, betterments, improvements thereto and extensions thereof hereafter constructed or acquired by the Authority and all real and personal property of the Authority of or pertaining thereto called the "Facilities"); and

WHEREAS, to pay the cost of the Project and to capitalize certain reserve requirements, this Authority has determined to issue its Utility Revenue Bonds, Series 1970 (hereinafter called "1970 Bonds") dated as of December 1, 1970 in the aggregate principal amount of \$6,000,000, under and pursuant to the terms of a Bond Indenture dated as of December 1, 1970 by and between this Authority and The First National Bank and Trust Company of Oklahoma City, Oklahoma (hereinafter together with all supplements thereto called the "Bond Indenture" or the "Indenture"); and

WHEREAS, the proceeds of the 1970 Bonds will be used for the purpose of paying for the Project and such Bonds shall be paid from revenues received by this Authority under certain Utility Service Agreements (hereinafter mentioned); and

WHEREAS, the Trustees of the Authority have determined to secure the payment of the principal of and interest on indebtedness to be issued for said Project by executing and delivering the Bond Indenture to The First National Bank and Trust Company of Oklahoma City, Oklahoma City, Oklahoma, as Trustee.

NOW, THEREFORE, BE IT RESOLVED BY THE TRUSTEES OF THE OKLAHOMA UNIVERSITY DEVELOPMENT AUTHORITY that the Trustees do hereby declare, certify, ratify, confirm, affirm, approve, instruct, direct, resolve, adopt and authorize as follows:

1. The Trustees hereby ratify, validate, confirm and approve the entering into and the execution by them on the 9th day of November, 1970, with Kay Engineering Co.--Oklahoma, a Corporation, of a Construction Contract. The Trustees hereby further ratify, validate, confirm and approve the Construction Contract and the terms, provisions and conditions thereof.
2. The Trustees hereby ratify, validate, confirm and approve the entering into and execution by them as of December 1, 1970 with the Board of Regents of the University of Oklahoma, an Agreement whereby the Authority agreed to assume the obligation of the Regents to the Oklahoma City Urban Renewal Authority under the terms of a Contract dated as of August 12, 1970. The Trustees hereby further ratify, validate, confirm and approve the respective terms, provisions and conditions of the said Agreement.
3. The Trustees hereby ratify, validate, confirm and approve the entering into and the execution by them of an Agreement proposed by John Nuveen & Co. dated November 28, 1970 whereby John Nuveen & Co. agreed to purchase all of the 1970 Bonds issued by the Authority, as set out in the Agreement dated November 28, 1970. The Trustees hereby further ratify, validate, confirm and approve said Agreement and the terms, provisions and conditions thereof.
4. The Trustees hereby ratify, validate, confirm and approve the entering into and the execution by them as of December 1, 1970 with the Board of Regents of the University of Oklahoma, of a Lease Agreement whereby the Board of Regents of the University of Oklahoma agree to lease a site for the construction of the heating and cooling plant thereon. The Trustees hereby further ratify, validate, confirm and approve the said Lease Agreement and the terms, provisions and conditions thereof.
5. The Trustees hereby ratify, validate, confirm and approve the entering into and the execution by them as of December 1, 1970 with the Board of Regents of the University of Oklahoma, of an Operation and Maintenance Contract whereby the Board of Regents of the University of Oklahoma agree to operate and maintain the Project. The Trustees hereby further ratify, validate, confirm and approve the said Operation and Maintenance Contract and the respective terms, provisions and conditions thereof.
6. The Trustees hereby ratify, validate, confirm and approve the entering into and execution by them as of December 1, 1970 with the Board of Regents of the University of Oklahoma, of a Utility Service Agreement whereby the Board of Regents agree to purchase heating and cooling services from the Authority. The Trustees hereby further ratify, validate, confirm and approve the Utility Service Agreement and the respective terms, provisions and conditions thereof.
7. The Trustees hereby ratify, validate, confirm and approve the entering into and execution by them as of December 1, 1970 with the Oklahoma Medical Research Foundation, of a Utility Service Agreement whereby the Oklahoma Medical Research Foundation agrees to purchase heating and cooling services from the Authority. The Trustees hereby further ratify, validate, confirm and approve the Utility Service Agreement and the respective terms, provisions and conditions thereof.
8. The Trustees hereby ratify, validate, confirm and approve the entering into and execution by them as of December 1, 1970 with The State of Oklahoma Department of Public Health, of a Utility Service Agreement whereby the State of Oklahoma Department of Public Health agrees to purchase heating and cooling services from the Authority. The Trustees hereby further ratify, validate, confirm and approve the Utility Service Agreement and the respective terms, provisions and conditions thereof.
9. The Trustees hereby authorize the execution by them of the final Official Statement and Prospectus, as submitted to them at this meeting and as approved by counsel to the Authority. The Trustees hereby certify that the information which precedes the signatures of the Trustees contained in said final Official Statement is as of this date hereof true and correct in all material respects and does not contain any untrue or misleading statement and does not omit to state a material fact necessary to make said final Official Statement and the statements and information therein contained, not misleading. The Trustees hereby authorize John Nuveen & Co. to use said final Official Statement in effecting sales of the 1970 Bonds.

10. The Trustees hereby ratify, validate, confirm and approve the entering into and the execution by them as of December 1, 1970 of the \$6,000,000 Trustees of the Oklahoma University Development Authority Utility Revenue Bonds, Series 1970, Bond Indenture, with The First National Bank and Trust Company of Oklahoma City, Oklahoma City, Oklahoma, which will be recorded in the books and records of the County Clerk of Oklahoma County. The Trustees hereby further ratify, validate, confirm and approve the said Bond Indenture and the respective terms, provisions and conditions thereof.

11. The Trustees hereby ratify, validate, confirm and approve the form of the 1970 Bonds as set forth in the Bond Indenture. The Trustees hereby ratify, validate, confirm and approve the execution and the attesting by H. O. Harder and R. Boyd Gunning, by means of their signatures and facsimile signatures on the 1970 Bonds and the coupons pertaining thereto, and the imprinting on the 1970 Bonds of a facsimile of the seal of the Oklahoma University Development Authority. The Trustees hereby certify that the facsimile signature of H. O. Harder appearing on the 1970 Bonds is a true copy and facsimile of the signature of H. O. Harder, and that the facsimile signature of R. Boyd Gunning appearing on the coupons of the 1970 Bonds is a true copy and facsimile of the signature of R. Boyd Gunning; and that the facsimile of the seal of the Oklahoma University Development Authority appearing on said 1970 Bonds is a true copy and facsimile of the seal of said Authority.

12. The Bank is hereby authorized to authenticate the 1970 Bonds as set forth on the Order executed December 21, 1970 by H. O. Harder, Chairman of the Oklahoma University Development Authority, and R. Boyd Gunning, Secretary of the Oklahoma University Development Authority, and the Bank is further directed to follow the instructions of said Order.


13. The Bank is further authorized to deliver on January 6, 1971, the 1970 Bonds as set forth on the above-mentioned Order to John Nuveen & Co., upon payment to the Bank of the purchase price of \$5,785,200, plus accrued interest to January 6, 1971, the date of delivery of and payment therefor. The Trustees hereby resolve that upon such authentication, delivery and payment for the 1970 Bonds, said Bonds shall thereupon be deemed to be issued by the Trustees under the Bond Indenture. The Bank is hereby directed to deposit the proceeds of the 1970 Bonds, including the accrued interest thereon, in accordance with said Order and the provisions of the Bond Indenture.

14. The Trustees hereby resolve that any one or more of the Trustees may execute such further documents or take such further action as upon the advice of counsel to the Trustees he or they shall deem necessary or desirable in order to execute the issuance, delivery and payment of the 1970 Bonds in accordance with the terms of the Bond Indenture.

PASSED AND APPROVED this 4th day of January, 1971.


Chairman

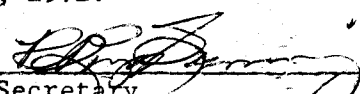
ATTEST:


Secretary
(SEAL)

STATE OF OKLAHOMA)
)SS
COUNTY OF CLEVELAND)

I, the undersigned, the duly qualified and acting Secretary of the Trustees of the Oklahoma University Development Authority of said County and State hereby certify that the attached copy of Resolution is a true and complete copy of said Resolution duly adopted by said Trustees of the Authority on the date therein set out and recorded in my office and the proceedings had by said Authority in the adoption of said Resolution.

WITNESS MY HAND this 4th day of January, 1971.


Secretary

JOHN NUVEEN & CO.

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INTEREST EXEMPT, IN THE OPINION OF BOND COUNSEL, FROM ALL PRESENT FEDERAL INCOME TAXES

NEW ISSUE

RATING

OFFICIAL STATEMENT

S E P - A

January 6, 1971

\$6,000,000

THE TRUSTEES OF THE OKLAHOMA UNIVERSITY DEVELOPMENT AUTHORITY

(an agency of the State of Oklahoma)

7 1/8% and 7 1/4% Utility Revenue Bonds, Series 1970

DETAILS: Dated December 1, 1970; due July 1, as shown below; principal and interest (July 1, 1971 and semi-annually thereafter on January 1 and July 1) payable at The First National Bank and Trust Company of Oklahoma City, Oklahoma City, Oklahoma, at Chemical Bank, New York City, or at the fiscal agency of the State of Oklahoma in New York City; coupon bonds of \$5,000 denomination, registrable as to principal only or fully registered bonds in denominations of \$5,000 or any multiple thereof and convertible into coupon form; total issue - \$6,000,000.

REDEMPTION PROVISIONS: The Bonds of this series maturing on July 1, 2000 are redeemable prior to maturity on July 1, 1985 or thereafter, as a whole at any time or in part by lot from time to time on any interest payment date, at the following respective redemption prices (expressed as a percentage of the principal amount redeemed) if redeemed from any monies other than monies required by the Bond Indenture to be credited to the Sinking Fund Account created thereby or Surplus Revenues as defined in the Bond Indenture, together with the interest accrued on the principal amount redeemed to the date fixed for redemption:

Period During which Redeemed (both dates inclusive)	Redemption Price
7/1/85 to 7/1/87	104 %
7/2/87 to 7/1/89	103 1/2
7/2/89 to 7/1/91	103
7/2/91 to 7/1/93	102 1/2
7/2/93 to 7/1/95	102
7/2/95 to 7/1/97	101 1/2
7/2/97 and thereafter but prior to maturity	101

The Bonds of this series maturing on July 1, 2000 are also redeemable prior to maturity, in part by lot from time to time, at a redemption price equal to the principal amount redeemed, on July 1, 1986 and on each July 1 thereafter if redeemed from monies required by the Bond Indenture to be credited to the Sinking Fund Account created thereby or on July 1, 1985 or any interest payment date thereafter if redeemed from Surplus Revenues as defined in the Bond Indenture, together in each case with interest accrued on the principal amount redeemed to the date fixed for redemption.

All the Bonds of this series (including bonds maturing on July 1, 2000) are redeemable prior to maturity, at any time in whole or in part in inverse order of maturity or by lot within a maturity, from insurance proceeds, expropriation awards and the proceeds of the sale of the Facilities, at a redemption price equal to the principal amount required plus an amount equal to one year's interest at the rate payable on the Bond redeemed if such redemption is made prior to July 1, 1985 and at the respective redemption prices set forth in the table above if such redemption is made on July 1, 1985 or thereafter. (see page 13 of this Official Statement)

- BOND INDENTURE TRUSTEE - The First National Bank and Trust Company of Oklahoma City, Oklahoma City, Oklahoma
- BOND COUNSEL - George J. Fagin Law Offices, Oklahoma City and Wood King Dawson Love & Sabatine, New York City
- ENGINEERS - Carnahan & Thompson Engineers, Oklahoma City

SECURITY: The Bonds will be special obligations of the Authority secured by a first mortgage on the Authority's heating and cooling system and payable from a first charge and lien upon the revenues of said system. Heating and cooling service will be sold to the University of Oklahoma and other entities at the University Medical Center in Oklahoma City. The University will account for over 80% of sales initially. Other initial customers will be the Oklahoma State Department of Health and the Oklahoma Medical Research Foundation.

AMOUNTS, COUPON RATES, MATURITIES, YIELDS AND PRICES - due July 1

7 1/8%	7 1/8%	7 1/8%
\$70,000 1973 4.50% (106.14)	\$ 90,000 1977 5.50% (108.78)	\$130,000 1982 6.60% (104.18)
75,000 1974 4.75 (107.58)	100,000 1978 5.75 (108.28)	140,000 1983 6.70 (103.56)
80,000 1975 5.00 (108.47)	105,000 1979 6.00 (107.41)	150,000 1984 6.80 (102.84)
85,000 1976 5.25 (108.86)	115,000 1980 6.20 (106.57)	165,000 1985 6.90 (102.04)
	125,000 1981 6.40 (105.48)	
	7 1/4%	
	\$4,570,000 2000/* (7.25%) 100.00	

* See Redemption Provisions; () Approximate, as of January 1, 1971

no representation as to yield, where the price on bonds is less than par value, refers to gross yield and does not reflect the effect of any applicable tax on capital gains. Statements herein contained are based upon information furnished us from official or other sources. While we do not guarantee their correctness, we believe them to be reliable and have ourselves relied upon them.

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SHORT STATEMENT

The Authority The Authority is an express public trust and an agency of the State of Oklahoma. The beneficiary of the trust is the University of Oklahoma, and the Authority's principal purpose is to provide and finance facilities of every nature which may be useful in the development of the University. The Authority can incur indebtedness only with the approval of the University's Board of Regents.

University of Oklahoma The University of Oklahoma has two campuses, the main campus at Norman and the University Medical Center at Oklahoma City, which under Oklahoma law receive separate budgetary allocations of the Legislature's consolidated appropriation for higher education. The University Medical Center includes all of the University's health and medical education facilities; it has the only Medical School in the State and will have the only Dental School (now under development) in the State. Its facilities include hospitals, clinics, classroom buildings and laboratories.

Purpose of Issue The Purpose of this Financing is to provide a central heating and cooling service for the University Medical Center and other groups located adjacent thereto. The Project to be financed by these \$6,000,000 Bonds will include the first phase of the heating and cooling system with provision for easy expansion to the second phase; Project facilities will include a central plant, steam boilers, water chillers and about 3,000 feet of distribution tunnels, all sized to allow a doubling of capacity merely by the installation of additional steam boilers and water chillers. The first phase facilities will be used to capacity within one year of their completion (expected by March 1, 1972) by buildings now in use ^{or} now under construction and scheduled for completion in 1972.

The Oklahoma Health Center The Oklahoma Health Center is the common name given to a \$180,000,000 complex (35 to 40 buildings) of health and medical facilities being developed in Oklahoma City about one mile southwest of the State Capitol Building (completion is envisioned by 1980). Its 205-acre site includes the University Medical Center, certain other adjacent health and medical facilities and two adjacent urban renewal areas. Expansion of the University Medical Center will provide the greater part of the growth, and other public and private non-profit organizations are expected to locate and expand facilities there.

Security Security: The Bonds will be special obligations of the Authority and will be secured by a first mortgage, lien and charge upon the properties and revenues of the heating and cooling system. The Project will be built upon lands, rights-of-way and easements leased, assigned and granted from the University for so long as the Bonds may be outstanding. The University has also contracted to operate and maintain the heating and cooling system. The University's utility service charges will account for over 80% of Project revenues in the first phase. The other initial customers of the heating and cooling system will be the Oklahoma State Department of Health and the Oklahoma Medical Research Foundation (a private non-profit corporation whose site was provided by the State Legislature and initial building built by State-wide public subscription).

Utility Service Agreements Utility Service Agreements: The Authority has entered into a Utility Service Agreement with each of the initial customers of its heating and cooling system, providing that rates shall be adjusted monthly if necessary to assure that the Authority's revenues are at least adequate to provide for payment of debt service, operation and maintenance costs, and deposits to the funds and reserves as provided in the Indenture and to meet the other requirements of the Bond Indenture. The Utility Service Agreements are for a term of one year (due to certain provisions of the Oklahoma Constitution) and are automatically renewed unless one-year notice is given of intention not to renew. Heating and cooling service for all buildings of the initial customers existing or under construction at the University Medical Center as of December 1, 1970 are included in the initial Utility Service Agreements (except that the Foundation's agreement pertains to heating service only and also excludes a six-story Foundation office tower building). Each initial customer agrees to not purchase heating and cooling services for its buildings at the University Medical Center from anyone other than the Authority, and to not build a heating and cooling system to provide services to its buildings at the Oklahoma Health Center, as long as their Utility Service Agreement is in effect (or, in the case of the Foundation, unless notice of termination has been given), except for such services that are beyond the capacity of the Project. The University retains the right, upon three years' written notice, to demand and receive all or part of the services of the Project sold or disposed of to the other parties.

Capitalized Interest Capitalized Interest: Bond proceeds in an amount equal to 18 months' interest (to June 1, 1972) will be deposited in the Bond Fund Interest Account. Project completion is expected February 1, 1972. All initial customers are required to pay utility service charges when heating and cooling service is available and the University on June 1, 1972 if for any reason service has not yet commenced.

Capitalized Bond Reserve Capitalized Reserve: Bond proceeds in an amount equal to maximum annual debt service will be deposited in the Bond Fund Reserve Account.

The Bonds are offered when, as and if issued and subject to acceptance by the Underwriter, to approval of Bond Counsel, to prior sale, and to withdrawal, cancellation or modification of the offer without notice.

This Official Statement which includes the Cover Page and Short Statement, does not constitute an offer to sell these Bonds in any state to any person to whom it is unlawful to make such offer in such state. No dealer, salesman or other person has been authorized to give any information or to make any representations, other than those contained in this Official Statement, issued in connection with the offering of these Bonds and, if given or made, such information or representations must not be relied upon.

Reference is made to the Bond Indenture between the Authority and The First National Bank and Trust Company of Oklahoma City authorizing and securing these Bonds, the Engineering Report prepared by Carnahan & Thompson in connection with the proposed improvements, and certain other basic documents (the Utility Service Agreements, Operation and Maintenance Contract and Lease) copies of which are available for examination at the Chicago office of the Underwriter.

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OFFICIAL STATEMENT

\$6,000,000
THE TRUSTEES OF THE OKLAHOMA UNIVERSITY DEVELOPMENT AUTHORITY
(an agency of the State of Oklahoma)
Utility Revenue Bonds, Series 1970

Oklahoma City, Oklahoma
January 6, 1971

This Official Statement is furnished in connection with the offering of \$6,000,000 principal amount of Utility Revenue Bonds, Series 1970 (the "Bonds"), of The Trustees of the Oklahoma University Development Authority (the "Authority").

THE AUTHORITY

The Authority is an express public trust and an agency of the State of Oklahoma existing and incurring indebtedness under the authority of Title 60, Oklahoma Statutes 1961, Sections 176-180, inclusive, as amended, and the Oklahoma Trust Act. The University of Oklahoma (herein referred to as the "University") is the beneficiary of the trust and said beneficial interest was accepted by the Board of Regents of the University of Oklahoma on April 11, 1969.

Authority may incur indebtedness only with the approval of its beneficiary, the University.

The Authority is the operating entity for a number of different projects, including the project to be constructed from the proceeds of the Bonds. No financial interrelationship exists between the various projects. To date the Authority has issued a total of \$2,406,000 bonds and notes to finance projects for the University and the University of Oklahoma ~~Foundation, Inc.~~ and the revenues for the payment of such indebtedness is derived from the receipt of various fees and rentals. ~~from these parties.~~

The present Trustees of the Authority are as follows:

<u>Name</u>	<u>Occupation and Place of Residence</u>
Mr. H. O. Harder	- <u>Chairman</u> ; Oil Business, Retired Tulsa, Oklahoma
Mr. R. Boyd Gunning	- <u>Secretary</u> ; Executive Director Oklahoma University Development Authority Norman, Oklahoma
Mr. T. R. Benedum	- <u>Member</u> ; Attorney, Norman, Oklahoma
Dr. George L. Cross	- <u>Member</u> ; President Emeritus, The University of Oklahoma Norman, Oklahoma
Dr. Pete Kyle McCarter	- <u>Member</u> ; Acting President, The University of Oklahoma Norman, Oklahoma
Mr. T. H. McCasland	- <u>Member</u> ; Oil Properties, Duncan, Oklahoma
Mr. Ward S. Merrick	- <u>Member</u> ; Oil Properties, Ardmore, Oklahoma
Dr. Earl Sneed	- <u>Member</u> ; Senior Vice President The Liberty National Bank and Trust Company Oklahoma City, Oklahoma

PURPOSE OF ISSUE

The Oklahoma Health Center is the common name given to an area in which it has been anticipated that a \$180,000,000 network of buildings will be erected by autonomous health institutions, both public and private, located in proximity to each other in Oklahoma City on a 205-acre site presently encompassing the University of Oklahoma Medical Center (which is the only comprehensive medical teaching institution in the State of Oklahoma) and two adjacent urban renewal redevelopment projects. The rapidly expanding University of Oklahoma Medical Center will serve as the nucleus for the development of the public and private hospitals, state and local health departments, and health and medical research and education facilities that shall comprise the Oklahoma Health Center. The Oklahoma Medical Research Foundation and the United States Veterans Administration Hospital are presently located in this area. To minimize the duplication of facilities and services in the Oklahoma Health Center and effect sizable economies in both capital investment and operational overhead, the location of certain central or shared facilities is anticipated.

The Authority will construct a heating and cooling system (herein called the "heating and cooling system") required for the provision of heating and cooling service (herein called the "heating and cooling service") to the various institutions at the University Medical Center. The Authority shall immediately require such services. The land and easements necessary for the construction of the heating and cooling system will be leased, assigned and granted from the University for a term expiring when the Bonds or additional indebtedness are retired, or provision is made therefor.

PROPOSED IMPROVEMENTS

It is anticipated that a fully developed Oklahoma Health Center will require a heating and cooling system capable of providing heating and cooling service to some 35 to 40 buildings. Consequently, the engineers for the Authority (Carnahan & Thompson Engineers of Oklahoma City) have designed a system capable of allowing for development in phases that correspond with the actual development of the Oklahoma Health Center. The initial phase of the heating and cooling system development (herein referred to as the "Project"), which will be financed from the proceeds of the Bonds, will provide for the following:

1. The development of the entire plant site, 500 feet by 300 feet in size.
2. The construction of a 2-story building (100 feet by 100 feet including 4 floors of offices on one end) and related facilities sufficient to accommodate three water chillers (of 1,000 ton, 2,000 ton and 3,000 ton capacities) and three steam boilers of 60,000 pounds/hour capacity each.
3. The purchase and installation of two water chillers (1,000 ton and 2,000 ton capacities) and two steam boilers.
4. The installation of two 3,000 ton cooler tower cells.
5. The construction of 3,000 feet of concrete tunnels (distribution system) to serve the initial customers. Such tunnels are sufficient to allow for the development of the first half of the Oklahoma Health Center without major additional tunnel expense.
6. The installation of the miscellaneous auxiliary and support equipment, such as emergency electrical power producing equipment and emergency fuel storage facilities.

As additional demand for heating and cooling service develops, the initial heating and cooling system can be expanded in increments until the ultimate design capacity of 18,000 tons of chilled water and 360,000 pounds of steam per hour is reached. The ultimate "firm capacity," which is defined as the capacity of the facility with largest units inoperative, is 15,000 tons of chilled water and 300,000 pounds of steam per hour.

DISPOSITION OF BOND PROCEEDS

Firm bids were received on August 1, 1970 for development of the plant site, construction of the plant, construction of the distribution system and the provision and installation of the necessary equipment. Firm contracts have been entered into for this work, and 100% performance bonds covering parts and labor have been posted by all contractors. The allocation of Bond proceeds to the costs of the Project, based upon the firm bids, is expected to be as follows:

Construction and Equipment	\$4,026,000	
Contingencies	201,300	
Engineering Fee	253,700	
Soil Testing & Miscellaneous	<u>157,000</u>	\$4,638,000
Capitalized Interest (18 months)		649,819
Capitalized Bond Fund Reserve Account (maximum annual debt service)		517,425
Capitalized Working Capital Fund		100,000
Bond Discount		214,800 ✓
Legal, Fiscal, Printing & Miscellaneous Costs		<u>63,500</u> ✓
Total Capital Costs of Project		\$6,183,544
Less: Interest Earnings during Construction		<u>183,544</u>
Amount of Bond Issue		<u><u>\$6,000,000</u></u>

UTILITY SERVICE AGREEMENTS

The Authority has entered into Utility Service Agreements with the University, the Department of Health and the Foundation, which agreements are for the period December 1, 1970 to June 30, 1971, with automatic renewals on the successive July 1 of each year for one-year periods to including June 30, 2000, or such other date as the entire indebtedness of the heating and cooling system is paid. Any customer may elect not to renew such contract upon one-year's written notice, because of certain provisions of the Oklahoma Constitution subjecting State contracts to annual appropriations.

Heating and cooling service to all buildings of the initial customers existing or under construction at the University Medical Center as of December 1, 1970 are included in the initial Utility Service Agreements (except that the Foundation's agreement pertains to heating service only and also excludes a six-story Foundation office tower building). Each of the agreements also contains covenants and agreements by the customer: (a) to not purchase heating and cooling services for its buildings at or adjacent to the University Medical Center from anyone other than the Authority as long as the Utility Service Agreement is in effect, except for such services that are beyond the capacity of the Project; and (b) to not build a heating and cooling system to provide services to its buildings at the Oklahoma Health Center as long as the Utility Service Agreement is in effect (or, in the case of the Foundation, unless notice of termination has been given), except for such services that are beyond the capacity of the Project.

Each of the Utility Service Agreements provides that the customer shall commence purchase of heating and cooling service from the Authority when that service becomes available. The University also covenants and agrees to commence payments to the Authority no later than June 1, 1972, regardless of whether heating and cooling service is yet available, or on such earlier date as that service may be available. To the extent legislative appropriations are not available for the required payments to the Authority prior to the operation of the heating and cooling system, the University further agrees and covenants to utilize for such payments: (a) any other legally available funds; (b) up to \$300,000 available therefor under the terms of an agreement with the Trustees of the University of Oklahoma Medical Center Trust Fund; and (c) the receipts from charges to be levied against the students and ~~faculty of the University of Oklahoma Medical Center, among others.~~ (The University of Oklahoma Medical Center Trust Fund is a fund created and contributed to by the faculty physicians practicing at the Medical Center. The Trustees of this Fund have agreed to the temporary use of up to \$300,000 therefrom. As of June 30, 1970, the balance in the Fund was in excess of \$300,000.)

The Authority covenants and agrees not to terminate service to a customer except for non-payment of charges or other breaches of the Utility Service Agreement which the Authority deems are material. Notwithstanding such covenant, the University shall have the right, upon three years' written notice, to require the Authority to pull back all or part of the heating and cooling service sold to the other customers.

The Authority and the customer agree in each Utility Service Agreement that rates and charges shall be at least adequate to provide revenues sufficient to provide promptly and fully for: (a) the payment of Bond interest, principal and mandatory Sinking Fund Account calls and the establishment and maintenance of the Bond Fund Reserve Account as specified in the Bond Indenture; (b) the payment of all costs of operation and maintenance of the heating and cooling system; and (c) the establishment and maintenance of all other funds and reserves as specified in the Bond Indenture and to meet the other requirements of the Bond Indenture. The Utility Service Agreements provide for semi-annual apportionment and determination of the "Cost-of-Service" rates on the basis of the amounts, types and conditions of service, and monthly "Base Rate Adjustments" are to be made to provide for increases or decreases in costs or for any other contingencies.

The University and the Department of Health agree to pay their respective rates and charges from any legally available revenues (which include budgeted and unrestricted or undesignated revenues). The Foundation's obligation to pay is not subject to such restriction.

The loss of any customer will require the Authority to raise the "Cost-of-Service" rates for the remaining customers in order to reapportion the factors for debt service and reserves, plus any non-variable operating costs. Since the University will take over 80% initially of the heating and cooling system's output, the Utility Service Agreements with the other customers contain a provision that their rates may not be increased by more than 100% over the previous year as a result of the loss of any customer(s); the Utility Service Agreement with the University does not contain such a limitation. *↳ who have purchased 50% or more OF THE SERVICES*

The Utility Service Agreements contain provisions governing the manner in which heating and cooling service shall be provided and received and factors that govern the billing procedures.

The Utility Service Agreements may not be amended without the consent of the Trustee.

OPERATION AND MAINTENANCE CONTRACT

The Authority and the University have entered into an Operation and Maintenance Contract (herein referred to as the "Operation and Maintenance Contract") whereby the University agrees to operate and maintain the Authority's heating and cooling system. The Operation and Maintenance Contract is for the period December 1, 1970 to June 30, 1971, with automatic renewals on each succeeding July 1 for one year periods until the entire indebtedness of the heating and cooling system is paid, cancellable on one-year's notice by the University.

The University has agreed to: (1) operate and maintain said system in first-class condition and to keep the facilities in good repair and working order; (2) make recommendations as to capital expenditures required for improvements, modernization and expansion; (3) submit a statement and certification thereof, on a monthly basis, for operation and maintenance expenses; (4) keep said system free of all judgments, liens, mortgages and incumbrances of any nature; (5) not commit or allow any waste with respect to the heating and cooling system; and (6) institute and diligently prosecute proceedings in Eminent Domain for the condemnation of lands or interests necessary for improvements or betterments to the heating and cooling system approved by the University.

The Authority has agreed to: (1) issue the Bonds and acquire and install the heating and cooling system; (2) issue additional indebtedness (to the extent possible and as approved by the University) and make all expenditures necessary for the provision of satisfactory service; (3) compute, prepare, bill and collect the monthly charges to each customer of the heating and cooling system which shall be sufficient to enable the Authority to pay the principal of and interest on the Bonds and to comply with all other requirements of the Indenture; (4) carry the insurance, and apply the proceeds thereof, as required by the Indenture; (5) keep proper books and records and cause monthly statements and annual audits to be prepared; (6) reimburse the University for expenses incurred in the operation and maintenance of the heating and cooling system; and (7) cause a written annual report of a professional engineer to be made concerning the condition of the heating and cooling system including recommendations regarding maintenance, repairs, extensions and improvements in accordance with the terms of the Indenture.

The Operation and Maintenance Contract may not be amended without the consent of the Trustee.

THE LEASE AGREEMENT

The Authority has entered into a Lease Agreement (herein referred to as the "Lease") with the University whereby the University will lease, assign, and grant the land, right-of-way, and easements on, or through, which facilities of the Authority will be located. The term of the Lease Agreement commences on December 1, 1970 and ends on June 30, 2000, or such other date that all indebtedness of the Authority payable from the revenues of the heating and cooling system has been paid or provision for the payment has been made. The Lease Agreement specifically provides that the University consents and agrees that the leasehold interest may be pledged as security for the Bonds.

The Lease may not be amended without the consent of the Trustee.

ESTIMATED OPERATIONS

Initial Phase of Service: The construction contracts specify completion of the Project within 400 calendar days of issuance of the work order, which the Authority intends to complete in January, 1971 upon sale and delivery of the Bonds. It is estimated that the Project will be completed before March 1, 1972 and heating and cooling service established before March 1, 1972. Existing buildings to be served then include six major structures and a number of minor structures aggregating 910,000 square feet of floor space (of which about 209,000 square feet will be cooled as well as heated). By August 1, 1972, completion of the University's new Training Hospital and the Department of Health's Office and Laboratory Building will add 455,000 square feet to both the heating and cooling loads. This will bring the heating load to 100% of firm capacity (rated capacity less production from the largest boiler) and the cooling load to 93% of rated capacity.

Second Phase of Service: With the addition of one 60,000 pounds/hour steam boiler and one 3,000 ton water chiller, the firm heating capacity and the rated cooling capacity of the Project would be doubled. The Authority's consulting engineers have estimated the capital cost of these improvements at \$600,000. The University's building program would indicate that the second phase may be needed by 1974.

Ultimate Plan of Service: It is anticipated that the Oklahoma Health Center will continue to grow, both by expansion of the University Medical Center and by the location there of other health and medical organizations, to an anticipated 35 to 40 buildings by 1980. It is also anticipated that these additional facilities and organizations would use the Authority's heating and cooling system, and that this ultimately will necessitate a doubling or tripling of the second phase capabilities, including the construction of additional tunnels and plant building space as well as the installation of additional steam boilers and water chillers.

Cost of Service: The Authority's consulting engineers have estimated the operation and maintenance costs of the heating and cooling system for the 12 months ending June 30, 1973 at \$350,594. To this would have to be added debt service requirements of \$503,213 and a Renewal and Replacement Reserve Fund deposit of \$25,000, for a total annual budget of \$878,807. It is estimated that the University's charges will comprise over 80% of initial phase revenues.

Appendices:

Appendix I contains the June 30, 1969 balance sheet and a three-year summary of operations through June 30, 1969 for the University Medical Center. (June 30, 1970 figures are not yet available.)

Appendix II contains a general description of the Project prepared by the Authority's consulting engineers.

INITIAL CUSTOMERS

University Medical Center: The University Medical Center is a part of the University and is governed by the University's Board of Regents, but under Oklahoma law it also is a constituent of the State System of Higher Education separate from the University's main campus at Norman, Oklahoma. As such, it receives a separate budgetary apportionment from the State Regents for Higher Education, which under the Oklahoma Constitution apportions the Legislature's consolidated appropriation for higher education. The Director of the University Medical Center is also an Executive Vice President of the University.

Since 1929, all of the University's medical departments, hospitals, outpatient clinics and medical libraries have been consolidated at the University Medical Center, which now includes the University's School of Medicine, School of Nursing, School of Health, School of Dentistry (under development), School of Health Related Professions (under development) and a division of the Graduate College. The staff of the University Medical Center includes about 250 full-time and 950 part-time faculty members. Principal facilities include two hospitals totaling 409 beds, two major academic buildings, a medical research building and various smaller structures, with an aggregate floor space of 810,000 square feet. The 200-bed \$14,000,000 Teaching Hospital now under construction will add another 295,000 square feet of space. Nine other projects are planned for construction at the University Medical Center by 1975 at a total cost in excess of \$52,000,000.

The 488-bed Veterans Administration Hospital and the Foundation's 20-bed research hospital, both located in the Oklahoma Health Center, also are used by the students for practical and clinical training.

The Department of Health: The Department of Health is responsible for the administration of various health programs, both preventive and regulatory, of the State of Oklahoma and, to some extent, of the Federal Government. Its functions include such diverse tasks as testing toxicity of household products, hospital planning and development, testing milk and water quality, statistical vital record services, and child and mental health services. Its 160,000 square foot \$4,500,000 building will contain nine stories of offices and three floors of laboratories and will bring together the Department's main facilities which for several years have been located in a number of scattered buildings in the Oklahoma City area. Construction started July 15, 1970, and is scheduled for completion in April, 1972. The Department is a part of the State government and also derives a substantial part of its budget from the Federal Government.

The Foundation: The Foundation is an independent, privately financed, non-profit corporation engaged in the study of diseases which destroy the functions of the human body. Land for the Foundation was provided by the State Legislature in 1947, and funds for a 50-laboratory building were raised in two years by statewide subscriptions. Additions were made in 1952, 1964 and 1969, and it recently completed a six-story office tower building (about 55,000 square feet) which will free more room in its main building for laboratory space. The new office tower building will not be connected to the system. Its annual budget is derived from contributions and from grants received through application and award on a nationwide competitive basis. The Foundation conducts the most extensive health-and-medical research program at the Oklahoma Health Center.

SCHEDULE OF DEBT SERVICE REQUIREMENTS

Maturity Date <u>July 1</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
1971	\$ -0-	\$ -0- **	\$ -0- **
1972	-0-	36,101.05**	36,101.05**
1973	70,000	433,212.50	503,212.50
1974	75,000	428,225.00	503,225.00
1975	80,000	422,881.25	502,881.25
1976	85,000	417,181.25	502,181.25
1977	90,000	411,125.00	501,125.00
1978	100,000	404,712.50	504,712.50
1979	105,000	397,587.50	502,587.50
1980	115,000	390,106.25	505,106.25
1981	125,000	381,912.50	506,912.50
1982	130,000	373,006.25	503,006.25
1983	140,000	363,743.75	503,743.75
1984	150,000	353,768.75	503,768.75
1985	165,000	343,081.25	508,081.25
1986	175,000*	331,325.00	506,325.00
1987	190,000*	318,637.50	508,637.50
1988	200,000*	304,862.50	504,862.50
1989	220,000*	290,362.50	510,362.50
1990	235,000*	274,412.50	509,412.50
1991	250,000*	257,375.00	507,375.00
1992	270,000*	239,250.00	509,250.00
1993	290,000*	219,675.00	509,675.00
1994	310,000*	198,650.00	508,650.00
1995	335,000*	176,175.00	511,175.00
1996	360,000*	151,887.50	511,887.50
1997	390,000*	125,787.50	515,787.50
1998	415,000*	97,512.50	512,512.50
1999	450,000*	67,425.00	517,425.00
2000	480,000*	34,800.00	514,800.00
Totals	\$6,000,000	\$8,244,782.30	\$14,244,782.30

* Annual mandatory Sinking Fund Account calls.

** Interest to and including June 1, 1972 will be capitalized and paid from Bond proceeds.

THE BOND INDENTURE

Reference is made to the Bond Indenture (herein referred to as the "Indenture") authorizing and securing the Bonds for full details of all of its terms and conditions. The following summary is a brief outline of certain provisions contained in the Indenture and is not to be considered as a full statement thereof.

Bonds are an obligation of the Authority payable solely from the Trust Estate. They are an indebtedness of the State of Oklahoma nor of the Board of Regents of the University of Oklahoma, nor are they a personal obligation of the individual Trustees of the Oklahoma University Development Authority.

Disposition of Bond Proceeds; Construction Fund: Accrued interest to the date of the sale of the Bonds shall be deposited in the Bond Fund. The remaining Proceeds of the Bonds shall be deposited by the Trustee as follows: (a) in the Bond Fund Interest Account the sum of \$649,819 (equal to interest on the Bonds to and including June 1, 1972); (b) in the Bond Fund Reserve Account the sum of \$517,425 (equal to maximum combined interest and principal requirement in any future year); (c) in the Working Capital Fund the sum of \$100,000; and (d) in the Construction Fund the remainder of such proceeds. All moneys deposited in the Construction Fund shall be applied to the payment of the costs and expenses incurred in connection with the issuance of the Bonds and the costs of acquisition and construction of the Project. Moneys may be withdrawn from the Construction Fund as construction progresses, only upon proper certification having been received by the Trustee. Upon completion of the Project, any moneys remaining in the Construction Fund shall be transferred by the Trustee, first to make up any deficiency in the Bond Fund, then to the Repair and Replacement Fund to the extent of \$100,000 and any then remaining balance to the Capital Improvement Fund.

Funds Established by the Indenture: The Indenture establishes the following funds to be held and administered by the Trustee:

1. The Revenue Fund.
2. The Bond Fund with an Interest Account, Principal Account, Sinking Fund Account and Reserve Account.
3. The Working Capital Fund.
4. The Repair and Replacement Fund.
5. The Capital Improvement Fund.

Allocation of Revenues: The Authority will pay into the Revenue Fund to be held by the Trustee upon receipt thereof all income, revenues and receipts from the ownership and operation of the Project. The Trustee will pay monthly on the 25th day of each month from the Revenue Fund certain fixed amounts for deposit in the various funds and accounts therein in the following order of priority:

To the Interest Account in the Bond Fund an amount equal to one-sixth of the next installment of interest on the Bonds, to the extent not previously deposited therein from Interest Proceeds.

To the Principal Account in the Bond Fund an amount equal to one-twelfth of the next serial installment of principal on the Bonds.

To the Sinking Fund Account in the Bond Fund commencing in July, 1985, one-twelfth of such amounts as shall be sufficient to redeem by call for redemption on July 1 in each year commencing in 1986 the Bonds maturing in the year 2000 in the annual amounts set forth in the Schedule of Debt Service Requirements on page 9 of this Official Statement.

To the Reserve Account in the Bond Fund to the extent required to maintain said Reserve Account in the required amount (i.e., an amount equal to maximum annual debt service).

To the Working Capital Fund such amount as shall be required to maintain a balance in said Working Capital Fund equal to the estimated costs of operation and maintenance for the Project during the then next ensuing three months, such moneys to be used to pay said costs of operation and maintenance, including reimbursements to the University under the Operation and Maintenance Contract.

To the Repair and Replacement Fund, commencing June 25, 1972, all remaining moneys in the Revenue Fund up to an annual amount equal to 1/4th of the required balance until the required balance is established or re-established (the required balance is \$100,000 or such greater amount recommended from time to time by the Consulting Engineers).

To the Capital Improvement Fund the balance of such revenues.

The Capital Improvement Fund moneys shall be used for the above purposes at any time that Revenue Fund moneys are insufficient therefor, and so long as not needed for such purposes may be used by the Authority for any or a combination of the following purposes:

- (a) to pay the costs of improvements, extensions and additions to the Authority's heating and cooling system (whether or not a part of the steam and chilled water project);
- (b) the retirement of Bonds in advance of maturity by call (if Bonds are then callable from such moneys) or open market purchases at a price not exceeding the next succeeding call price for refunding purposes; and (c) the accumulation of moneys for either such application in the future.

Additional Bonds: After the issuance, sale and delivery of the Bonds, and for so long as any Bonds remain outstanding, the Authority shall not issue any additional parity bonds, except as hereafter set forth. The Authority may issue additional bonds payable from the revenues derived from the Trust Estate *pari passu* with the Bonds provided:

1. The Authority is not in default in meeting any of the agreements, covenants and obligations to be performed by the Authority under the Indenture.
2. The Bonds to be issued are required to provide satisfactory service to the contracting institutions receiving heating and/or cooling service prior to the issuance of additional bonds, or if additional Utility Service Agreements are signed or the existing Utility Service Agreements are amended to allow for the issuance of said Bonds, to provide additional heating and cooling service to existing institutions or to provide heating and cooling service to additional contracting institutions.
3. A Certified Public or Municipal Accountant shall certify to the Trustee with the approval of the Authority, that the net revenues derived from the heating and cooling system owned and operated by the Authority for the fiscal year next preceding the fiscal year in which such additional bonds are issued shall have been at least equal to the annual amount required to be paid or accrued into the Bond Fund for the payment of debt service requirements on all bonds then outstanding. In addition, a Consulting Engineer shall certify to the Trustee Bank, with the approval of the Authority, that the estimated net revenues to be derived from the then existing heating and cooling system and the additional heating and cooling facilities to be constructed, shall, in the fiscal year following the date of the initial use of such additional heating and cooling facilities, be at least equal to the annual amount required for the payment of debt service requirements on all bonds then outstanding and the additional bonds to be issued. The term "net revenues" shall mean the gross revenues derived from the operation of the heating and cooling system by the Authority after the deduction of operation and maintenance expenses.
4. The Board of Regents of the University of Oklahoma gives prior approval to the issuance of the additional bonds.
5. The existing Utility Service Agreements are amended to reflect the additional bonds.

Nothing herein contained shall be construed as preventing the Authority from issuing refunding bonds, nor as preventing the Authority from issuing obligations payable from and constituting a lien or charge on the revenues junior and inferior to the Bonds, so long as their issuance is approved in advance by the Board of Regents of the University of Oklahoma.

When the event additional bonds are issued, the supplemental bond indenture authorizing such additional bonds shall, among other things, provide that all amounts derived from the operation of the additional facilities shall be deposited in the Revenue Fund. In addition, there shall be deposited in the Bond Fund Reserve Account, in full at the time of delivery of such additional bonds, the amount required to provide a minimum balance in said reserve equal to the maximum annual debt service requirements on all Bonds and additional bonds to be outstanding. An amount equal to 2% of all additional bonds issued shall, in full at the time of delivery or accumulated within sixty months of the issuance of such bonds, be deposited in the Repair and Replacement Fund.

Investment of Funds: Moneys in the Construction Fund shall, at the direction of the Authority, be invested by the Trustee in direct general obligations of the U. S. Government; certain U. S. Government Agency obligations; and bank or savings accounts or time certificates of deposit or certificates of deposit of a bank having a capital and paid-in surplus of at least \$15,000,000. The interest income from such investment shall be deposited in the Construction Fund.

Moneys contained in the Revenue Fund, the Bond Fund (except the Reserve Account therein) and the Working Capital Fund shall be continuously invested and reinvested by the Trustee in securities that shall mature not later than the respective dates, as estimated when the moneys in said Funds shall be required for the purposes intended, but in no event more than twenty-four months.

Moneys contained in the Bond Fund Reserve Account, Capital Improvement Fund and the Repair and Maintenance Fund shall be continuously invested and reinvested by the Trustee in securities that shall mature within no more than five years.

The moneys contained in the Funds of the Authority may be invested in direct general obligations of, or obligations the payment of the principal and interest of which are unconditionally guaranteed by, the United States of America; bonds, debentures or notes issued by any of the following Federal agencies: Bank for Cooperatives, Federal Land Banks, or Federal or Government National Mortgage Associations, including Participation Certificates; Public Housing Bonds, or Project Notes, ~~fully secured by contracts with the~~ United States of America; and bank savings accounts, or time certificates of deposits, or certificates of deposit, provided that such accounts or certificates are collaterally secured by securities which themselves are previously described as being eligible and have a market value at least equal to the amount held in such bank savings accounts or held under such certificates of deposit and are in or issued by a bank having capital and surplus of not less than \$15,000,000.

Interest earnings of the Construction Fund and on the capitalized interest shall be transferred to the Construction Fund during the period of construction. Interest earnings on all other Funds shall be accumulated in said respective Funds until the balance in each of said Funds is equal to the required amount, and thereafter to the Construction Fund during the period of construction, and thereafter to the Revenue Fund.

Particular Covenants: In the Bond Indenture, the Authority covenants and agrees as follows:

1. The Authority will punctually pay all principal and interest requirements on the Bonds.
2. The Authority will not create any mortgage, pledge, lien or charge or other encumbrance upon the trust estate, other than the mortgage created by the Indenture and any supplements thereto which would authorize and secure additional bonds, if any are issued; no evidence of indebtedness secured by the trust estate may be issued except the Bonds, additional bonds, and indebtedness junior and inferior to the Bonds.
3. The Authority will pay or cause to be paid any governmental charges lawfully imposed upon the trust estate and will keep the trust estate from all judgments, mechanics' and material liens and all other encumbrances.
4. The Authority shall proceed with all reasonable dispatch to complete the Project; shall at all times operate or cause to be operated the heating and cooling system in an efficient manner and at a reasonable cost; shall keep the facilities in good repair, working order, and condition; and shall make all necessary repairs, renewals, replacements, additions, extensions and betterments thereto, so that at all times the business of the Authority shall be properly and advantageously conducted.
5. The Authority agrees that the heating and cooling service produced by the Authority shall be disposed of solely for the benefit of the Authority and that the revenues derived from the operation and ownership of the facilities shall be sufficient to meet all requirements of the Bond Indenture and shall be disposed of in the manner specified therein.
6. The Authority shall fix, maintain, and collect rates and charges for all services furnished and supplied by the Authority, which shall be fair and non-discriminatory, and adequate to provide sufficient revenues for all purposes required by the Bond Indenture, and shall not furnish or supply any service or commodity free of charge to any person, firm, or corporation, public or private; and shall promptly enforce the payment of any and all accounts owed to the Authority by reason of its ownership and operation of the facilities by discontinuing service and/or filing suit therefor within sixty days after any such accounts are due.

7. The Authority may sell, lease, or otherwise dispose of all or substantially all of the facilities, provided that simultaneously therewith, provision is made for the redemption of all of the Bonds then outstanding; and the Authority may dispose of any portion of the facilities or properties thereof, which have been declared by the Authority and certified by the Consulting Engineer as being unserviceable, inadequate, obsolete, or unfit to be used, or no longer required for the operation of the Authority's business.
8. The Authority shall keep the facilities insured to the extent available, at reasonable cost with responsible insurers with policies payable to the Authority and the Trustee as their respective interests may appear against risks of direct physical loss, damage, or destruction of the properties, at least to the extent that similar insurance is usually carried by private corporations operating like properties, and shall at all times keep the facilities insured against loss of use and occupancy from any of the aforesaid hazards, in such an amount as shall provide for not less than 400 days after a 100-day exclusionary period, a coverage equal to the net earnings which are prevented by such loss, plus such fixed charges and expenses as must necessarily continue during the period of such loss, to the extent that such fixed charges and expenses would have been earned had not such loss occurred.
9. The Authority shall keep proper books of account and within ninety days after the close of each fiscal year of the Authority, it shall cause its accounts to be audited by independent Certified Public or Municipal Accountants and a copy of such audit shall be filed promptly with the Trustee and sent to any holder of the Bonds who requests the same in writing.
10. The Authority shall retain a firm of independent engineers on a continuous basis for the purpose of providing the Authority with engineering counsel in the operation of the facilities as requested. In addition to other prescribed duties, the Consulting Engineers shall, not later than 180 days after the closing of each fiscal year make a physical inspection of the facilities and prepare a report based upon such examination and a survey of the management of the business of the facilities and the operation and maintenance of its properties and state if the Authority has complied with the Indenture; a copy of such report shall be filed with the Trustee and a copy shall be mailed to any bondholder requesting same in writing.
11. The Authority shall not expend any of the income, revenues, receipts, profits, and other moneys of the facilities for any extensions, betterments, and improvements thereto which are not economically sound or which shall not properly and advantageously contribute to the conduct of the business in an efficient and economical manner.
12. The Authority will not consent to the rescission, alteration, amendment or modification of the Utility Service Agreements, the Operation and Maintenance Contract or the Lease except: (a) with the written consent of the Trustee, which consent may be given only if, in the opinion of the Trustee, such action would not impair the effectiveness of said document as part of the security for the payment of the Bonds or reduce the income or increase the expenses of the Authority, and would not materially adversely affect the rights of the holders of the Bonds; (b) as may be necessary in connection with the issuance of additional bonds; or (c) with the written consent of the holders of two-thirds in aggregate principal amount of the Bonds then outstanding.
13. The Authority will not consent to the assignment or transfer of the Utility Service Agreements, the Operation and Maintenance Contract or the Lease without consent of the Trustee.

Redemption of Bonds: The Bonds shall be subject to redemption prior to maturity as set forth under "Redemption Provisions" on the cover page of this Official Statement, provided, however, that all Bonds of whatever maturity shall be subject to redemption in whole or in part at any time, in inverse order of maturities or by lot within a maturity, if such redemption is made: (a) from insurance proceeds; (b) from expropriation awards; and (c) from the proceeds of the sale of the Corporation's properties to be acquired and constructed from the proceeds of the Bonds. In the event that such redemption is made in accordance with this provision, such redemption shall be made at the principal amount redeemed, the interest accrued thereon to the redemption date, and (a) if such redemption is made prior to July 1, 1985, a premium on each bond so redeemed equal to one year's interest thereon; and (b) if such redemption is made on or after the first date upon which such bond would otherwise be subject to redemption, the same premiums as set forth for refunding purposes on the cover page of this Official Statement.

Receivership or Temporary Trustee: The Bond Indenture provides the bondholders, in the event of default, with the normal remedies, such as acceleration of maturities and receivership.

LITIGATION

There is no litigation pending against the Authority, nor to the knowledge of its members or counsel, threatened, which in any way questions or affects the validity of the Bonds, or any proceedings or transactions relating to their issuance and sale.

MISCELLANEOUS

The covenants and agreements of the Authority with the holders of the Bonds are fully set forth in the Bond Indenture and reference is hereby made to that document for a more complete statement of the rights and obligations of the bondholders and the Authority. Neither this Official Statement, nor any statement which may have been made orally or in writing is to be construed as a contract with the holders of any of the Bonds.

OKLAHOMA UNIVERSITY DEVELOPMENT AUTHORITY

/s/ *H. H. ...*
Chairman

(SEAL)

Attest:

/s/ *R. D. ...*
Secretary

The issuance of the Official Statement by the Oklahoma University Development Authority is hereby approved this 6th day of January, 1976, pursuant to resolution duly adopted.

BOARD OF REGENTS OF THE UNIVERSITY OF OKLAHOMA

/s/ *Chas. Calvert*
President

(SEAL)

Attest:

/s/ *Barbara A. James*
Secretary

MEDICAL CENTER OPERATIONS

INCOME:

	Year Ended June 30, 1969	%	Year Ended June 30, 1968	%	Year Ended June 30, 1967	%
Education and General:						
Student Fees	\$ 453,189.90	2.3	\$ 422,522.00	2.1	\$ 289,463.80	1.7
State Appropriations	6,363,331.00	31.8	5,506,933.00	27.8	4,907,955.90	28.2
Gifts and Grants: Fed.	1,471,861.74	7.4	4,915,378.72	24.8	4,253,906.33	24.4
State	341,518.95	1.7	439,839.08	2.2	386,100.30	2.2
Private	449,428.09	2.2	489,429.78	2.5	844,795.78	4.8
Sales and Services	5,286,834.60	26.5	3,433,274.73	17.3	2,498,745.61	14.4
Hospital Services	5,613,134.94	28.1	4,602,288.74	23.3	4,137,133.89	23.8
Other Income	- -	- -	- -	- -	80,391.30	.5
Total Education and General	19,979,299.22	100.0	19,809,666.05	100.0	\$17,398,492.91	100.0
Endowment & Loan Fund	3,984.01*	- -	4,937.80	- -	554.87	- -
Endowment Gifts	17,002.23	- -	26,540.78	- -	85,950.99	- -
Plant Funds:					7,010,945.90	- -
State Appropriations	- -	- -	- -	- -	142,648.01	- -
Federal Grants	7,937,152.00	- -	7,500.00	- -	- -	- -
TOTAL INCOME	\$27,929,469.44	- -	\$19,848,644.63	- -	\$24,638,592.68	- -

EXPENDITURES BY FUNCTION:

Education and General:						
Administration and General	\$ 2,550,619.42	12.5	\$ 2,758,082.26	13.8	\$ 2,235,199.57	13.4
Instruction	6,997,793.09	34.4	5,027,326.93	25.2	3,880,948.45	23.3
Hospitals and Clinics	8,320,236.84	40.9	8,475,212.63	42.5	6,886,891.73	41.3
Organized Research	683,560.99	3.4	2,045,503.77	10.2	2,257,723.50	13.6
Extension	46,090.33	.2	32,208.56	.2	30,650.19	.2
Library	155,341.89	.8	134,666.06	.7	117,583.32	.7
Operation & Maintenance of Physical Plant	1,587,273.66	7.8	1,476,273.95	7.4	1,252,410.20	7.5
Total Education and General	20,340,916.22	100.0	19,949,274.16	100.0	16,661,406.96	100.0
Student Aid	3,208.69	- -	7,538.20	- -	80,891.30	- -
Construction	2,550,065.14	- -	565,415.14	- -	497,909.64	- -
TOTAL EXPENDITURES	\$22,894,190.05	- -	\$20,522,227.50	- -	\$17,240,207.90	- -

EXPENDITURES BY OBJECT:

Education & General:						
Salaries & Wages	\$14,241,691.93	70.0	\$12,392,093.21	62.1	\$10,535,808.86	63.2
Supplies & General Expense	5,319,017.23	26.1	6,392,801.13	32.1	{ 5,321,757.06 }	{ 32.0 }
Travel	92,041.09	.5	180,910.80	.9	- -	- -
Utilities	167,315.31	.8	173,650.07	.9	170,788.15	1.0
Equipment	520,850.66	2.6	809,818.95	4.0	633,052.89	3.8
Total Education and General	20,340,916.22	100.0	19,949,274.16	100.0	16,661,406.96	100.0
Student Aid	3,208.69	- -	7,538.20	- -	80,891.30	- -
Building Construction	2,550,065.14	- -	565,415.14	- -	497,909.64	- -
TOTAL EXPENDITURES	\$22,894,190.05	- -	\$20,522,227.50	- -	\$17,240,207.90	- -

Source: University's Financial Reports

THE UNIVERSITY OF OKLAHOMA MEDICAL CENTER
BALANCE SHEET
JUNE 30, 1969

ASSETS

I. CURRENT FUNDS:			
A.	Educational and General:		
	Cash		\$ 706,773.78
	Accounts Receivable	\$ 3,176,684.17	
	Less Prov. for Doubtful Accounts	750,000.00	
	Less Medicare Current Financing	<u>56,000.00</u>	2,370,684.17
	Inventories:		
	Pharmacy	90,789.21	
	Alcohol Vault	<u>3,131.68</u>	93,920.89
	Other Assets - Organizational Consultant Fees		<u>14,063.40</u>
	Total Current Funds		\$ 3,185,442.24
II. PLANT FUNDS:			
A.	Unexpended Plant Funds:		5,783,156.72
B.	Fixed Assets:		
	Land	243,945.98	
	Buildings	11,343,778.35	
	Fixed Building Equipment	131,242.64	
	Architects Fees	442,185.43	
	Improvements other than Buildings	26,601.00	
	Equipment	4,976,385.02	
	Motor Vehicles	45,959.00	
	Radium Needles and Plaques	36,000.00	
	Library Books	345,902.31	
	Less Accumulated Depreciation	<u>5,414,156.61</u>	
	Total Fixed Assets		12,177,843.12
	Total Plant Funds		17,960,999.84
III. AUXILIARY FUNDS:			
A.	Inventories:		
	Stockroom Stock	129,672.02	
	Physical Plant Stock	<u>39,990.32</u>	169,662.34
B.	Cash		<u>23,503.77</u>
	Total Auxiliary Funds		193,166.11
IV. RESEARCH FUND:			
	Cash		<u>248,696.68</u>
	Total Research Fund		248,696.68
V. TEACHING AND TRAINING FUND:			
	Cash		<u>191,972.90</u>
	Total Teaching and Training		191,972.90
VI. LOAN AND SCHOLARSHIP FUND:			
	Cash		7,860.05
	Student Loans	202,927.16	
	Stock-Carport, Inc.	<u>26,000.00</u>	228,927.16
	Total Loan and Scholarship Funds		236,787.21
VII. AGENCY RELATED FUNDS:			
	Cash		<u>284,703.71</u>
	TOTAL ASSETS		<u>\$ 22,301,768.69</u>

THE UNIVERSITY OF OKLAHOMA MEDICAL CENTER
BALANCE SHEET
JUNE 30, 1969

LIABILITIES AND FUND BALANCES

I.	EDUCATIONAL AND GENERAL:		
	Accounts Payable	\$	43,915.62
	Deferred Income		47,939.66
	Fund Balance		<u>3,093,586.96</u>
	Total Educational and General		\$ 3,185,442.24
II.	PLANT FUNDS:		
	Unencumbered Funds		5,783,156.72
	Fund Balance		<u>12,177,843.12</u>
	Total Plant Funds		17,960,999.84
III.	AUXILIARY FUNDS:		
	Fund Balance		193,166.11
	Total Auxiliary Funds		193,166.11
IV.	RESEARCH FUNDS:		
	Fund Balance		248,696.68
V.	TEACHING AND TRAINING FUND:		
	Fund Balance		191,972.90
VI.	LOAN AND SCHOLARSHIP FUND:		
	Fund Balance		236,787.21
VII.	AGENCY RELATED FUNDS:		
	Fund Balance		<u>284,703.71</u>
	TOTAL LIABILITIES AND FUND BALANCES		<u>\$ 22,301,768.69</u>

NOTE: This balance sheet is presented on a modified accrual basis.

UNIVERSITY OF OKLAHOMA MEDICAL CENTER
Oklahoma City, Oklahoma

GENERAL DESCRIPTION

of

CENTRAL STEAM & CHILLED
WATER PLANT

prepared by

CARNAHAN & THOMPSON ENGINEERS
Oklahoma City, Oklahoma

Project No. 1013

November 28, 1970

I N D E X

- A. HISTORY
- B. SUMMARY OF OVERALL DESIGN
- C. SCOPE OF THE INITIAL DESIGN
- D. CONTINUITY OF SERVICE
- E. FUTURE EXPANSION
- F. BUILDING & LANDSCAPING
- G. BUILDING HEATING & COOLING COSTS
- H. MAINTENANCE COSTS
- I. RELIABILITY - PLANT & PIPE LINE

A. HISTORY:

The University of Oklahoma Medical Center originated with the establishment of University Hospital in 1918. Ten years later, the School of Medicine was moved from Norman to Oklahoma City into new facilities constructed in the Medical Center for this purpose. At that time, a central heating plant was constructed and connected through a tunnel system carrying steam piping to all of the buildings. Children's Hospital was added in 1934, and this and all subsequent buildings were connected to the central heating plant.

A program of adding cooling was begun following World War II. This has resulted in one large 360 ton chiller in the old central heating plant, the largest size that could be put in the only available space, with several buildings being connected to it by chilled water piping placed in the tunnels along with the steam piping. Some other areas received local chilled water plants, but in most areas the need has been accommodated in a limited way by the installation of numerous small window-mounted cooling units.

When the Oklahoma Health Sciences Foundation, Inc. was organized in 1965 for the purpose of coordinating the planning and development of the Center, the planners advised that the old central plant had no spare capacity for planned new construction, and that its age and condition considered together with its undesirable location made construction of a new facility mandatory. The Foundation began expansion planning predicated on the provision of central steam and chilled water from new facilities in a new location. The studies were initiated to determine the best solution to the problem. Negotiations were conducted with Central Energy Systems of Texas, a private enterprise group. Harry Bovay & Associates, Consulting Engineers of Houston reviewed all possibilities and prepared a report in November 1967 entitled "Evaluation of Proposals for a Central Steam & Chilled Water Plant". This report terminated the negotiations with Central Energy. A negotiation was then conducted with Thermal Systems, Inc., a subsidiary of Oklahoma Natural Gas Co. engaged in supplying similar services to urban commercial buildings in Tulsa and Oklahoma City. These negotiations were terminated in June 1969 following Oklahoma Health Sciences Foundation recommendations that cost would be prohibitive because of unacceptable investment cost guarantees which were being required by Thermal Systems in order that

they might initially build an over-sized facility based not on present needs, but on future probable needs.

Finally, a review of all the foregoing was made by Carnahan & Thompson Engineers acting for the Board of Regents of the University of Oklahoma. This resulted in a report dated June 17, 1969 showing definite advantages in favor of a University owned and operated facility, pointing out that the need for chilled water and steam supply was immediate for both existing and planned buildings, and recommending that engineering design for construction be authorized as soon as possible. This resulted in the design of the initial project described herein.

B. SUMMARY OF OVERALL DESIGN:

The central steam and chilled water plant and the associated underground distribution system will provide all requirements for these utility services within the Oklahoma Health Center site, some 4000' east and west by 3000' north and south, involving some 40 individual buildings.

The Plant is to be located in the center of the south side of the site, with a looped distribution system strategically located to provide chilled water and steam service to the various buildings, with the minimum of investment cost consistent with continuity of service.

The eastern half of the tunnel loop is included in the initial project, along with the basic elements of the Plant.

The ultimate Plant load is estimated to be 18,000 tons of chilled water refrigeration and 300,000# of steam per hour. Chilled water will leave the plant at 40°F, and under heavy loading conditions, will be returned at 52°F. Steam will be provided at all the Customer service points at a minimum pressure of 130# per sq. in. The chilled water temperatures are appropriate for all types and designs of air conditioning systems and the steam pressure is adequate for all types of heating apparatus, including the operation of steam laundry equipment, sterilizers in hospitals, cooking, and other building uses.

C. SCOPE OF THE INITIAL DESIGN:

The Plant facilities are sited on a piece of ground about 500' east and west by 300' north and south, the two major components consisting of the Plant building and the cooling tower assembly.

The ultimate Plant building will be 100' x 200', with the cooling tower located on the ground behind the Plant building.

The initial construction involves a plant building 100' x 100' consisting of a basement floor and a main operating floor; each having approximately 20' head room. In the west end of this space, a 4-story section of rooms exists which houses the management, operation, and control offices for the entire project, along with water treating laboratory, drawings and records room, meter maintenance shop, locker rooms, shower rooms, and similar facilities.

The water chillers will be of the steam turbine driven centrifugal type, discharging the exhaust steam into steam condensers, the ultimate heat dissipating apparatus being induced draft water cooling towers. Steam will be generated in water tube boilers at 250# per sq. in. dry and saturated, the basic fuel being natural gas with oil standby.

The initial Plant will contain one 1000 ton and one 2000 ton water chilling unit, two 60,000 lb/hr steam boilers, two 3000 ton capacity cooling tower cells, and appropriate auxiliary equipment.

When the Plant is first placed on-the-line, it is estimated that the chilled water load will be about 2800 tons, and the maximum steam load will be in the vicinity of 60,000# per hr. Thus the plant will begin operation nearly fully loaded to installed chilled water capacity and firm steam capacity, the most favorable condition for economical operation. Additional generating capacity may be obtained at the very minimum cost as set forth later in this description.

The initial building will have room for one additional 3000 ton chiller, and one additional 60,000# per hr. boiler.

All piping within and close to the Plant is designed for ultimate plant capacity.

With reference to the distribution system, the chilled water supply and return mains, the steam supply main, and the steam condensate return main will be in underground tunnels provided with proper drainage and adequate ventilation. The eastern portion of the pipeline loop included in this project is designed for full ultimate capacity to serve this area of the site.

Valved service connections are placed at strategic locations for connection to future buildings without interruption of services to the original customers along the line.

D. CONTINUITY OF SERVICE:

The initial facilities can provide 60,000# steam per hour (firm steam capacity) with one boiler operating at full load, the second boiler off-the-line. Auxiliary facilities are in keeping with this type of operation.

Chilled water service (firm) for emergency loads will be available in the capacity of 1000 tons. After the first addition of units is made, the firm capacity will increase to 3000 tons, and the firm steam capacity will increase to 120,000 lb. per hr.

The Plant is equipped with a Diesel engine generator sized to provide emergency power for operations during a disaster. Features have been incorporated in the design in order that the Plant may operate for 10 days isolated from utility systems fuel, electrical energy, and water supply producing 1000 tons of refrigeration and 60,000# steam per hr. continuously.

E. FUTURE EXPANSION:

The initial building is adequate to house one additional chiller and one additional boiler. Thus Plant capacity may be doubled by the addition of one 3000 ton water chilling unit and one 60,000# per hr. boiler. As previously mentioned, a spare 3000 ton cooling tower cell is included in the initial construction. This expansion of units may be obtained at a total cost of about \$600,000.00.

The east end of the initial building has a removable end wall section to accommodate future expansion 100' to the east, which would house four additional water chillers and four additional boilers. The cooling tower yard is sized to receive four additional 3000 ton cells.

As load develops in the western portion of the site, the other half of the looped pipeline system will be constructed. The second half of this pipeline loop will bring the distribution system capacity up to 18,000 tons, and 300,000# steam per hour. Portions of this western loop will be constructed as soon as load in the area justifies the expenditure.

F. BUILDING & LANDSCAPING:

The building and the associated cooling tower enclosure have been designed in an Architectural mode under the guidance of the master planning group and consulting architectural personnel, and in keeping with the other new construction in this Medical Center. The Plant site and the existing terrain have been developed in such a manner as to present a most pleasing landscape effect including shrubs, trees, fountains, and decorative illumination. The external appearance of the site will be such that the project will appear more as a conventional building rather than as a power plant, since no mechanical features, such as smoke-stacks and cooling towers, will be visible from the ground level.

G. BUILDING HEATING & COOLING COSTS:

When service is available from the initial new plant, the old existing plant will be removed from service, terminating all costs associated with it, there being no existing debts against it. The quantity of steam and chilled water which it supplied will be purchased from the new facility. The operating cost to produce the same quantity of steam and chilled water will be approximately one-half of what it has been in the discontinued plant.

The services purchased from the new facility will provide building heating and cooling at a substantially lower cost than can be obtained in any other manner. Diversity of the peak heating and cooling loads between grouped buildings allows serving a load larger than the total of the individual building loads. Planning for future buildings can continue, as in the past, without allocating expensive space for boiler rooms, chiller rooms, smoke stacks, cooling towers, and the associated mechanical apparatus and operating personnel. The fact that this will provide the lowest cost for building heating and cooling is substantiated by records of actual installations such as the University of Notre Dame, Northwestern University, Yale University, University of Alberta, California Institute of Technology, University of Oklahoma, University of Washington, Southern Methodist University, and Oklahoma State University.

In addition to being better and lower in cost than individual building units, this Medical Center central plant enjoys a cost advantage in comparison to private enterprise central systems being built in Urban areas. These include exemption from taxes, an institutional power rate lower than is available to private enterprise, and the absence of a profit requirement. The value of these factors is borne out by the fact that there are no known installations of privately owned central plants serving medical centers, universities, or similar institutions.

H. MAINTENANCE COSTS:

The apparatus and the piping systems to be incorporated into the new Plant and the tunnel system are of the highest quality available, consistent with the long-term reduced maintenance costs.

As an illustration - the centrifugal water chilling units will be Carrier Model 17-M, known throughout the world as the "work-horse of the industry". This is an old and proven design of high efficiency. New and proven products are included where possible - for example, epoxy reinforced fiberglass pipe will be used in the steam condensate return system, a mechanical circuit which has been for many years vulnerable to high maintenance by virtue of the never ending corrosive action of the waters on metal pipes.

Automatic controls of the most modern and practical design have been incorporated in order that the Plant may be operated with the minimum of personnel. Surveillance and alarm devices are strategically located throughout the various operating devices in order to give ample warning of malfunctioning and erratic operations.

I. RELIABILITY - PLANT & PIPE LINE:

Reliability of the plant is a very important requirement in consideration of the hospital loads being served and their own requirements for continuous service. It is also necessary to maintain reliability so that ordinary mechanical difficulties will not interrupt services to customers and thereby reduce revenue to the plant. With these requirements in mind, the engineering design has built reliability into the combining of components into the system. This has been done in a manner not only to assure reliability in operation, but to provide the means for most economical operation under conditions when the loads on the plant are less than the maximum installed capacity. The following tabulation illustrates this redundancy:

1. Plant Auxiliaries:

<u>Item</u>	<u>Number Installed</u>	<u>Minimum Required</u>
Fuel Oil Tanks	3	1
Fuel Oil Pumps	2	1
Air Compressors	2	1

<u>Item</u>	<u>Number Installed</u>	<u>Minimum Required</u>
Air Receivers	2	1
Compressed Air Dryers	2	1
Steam Condensate Transfer Pumps	2	1
Boiler Feed Pumps	4	1
Hot Well Pumps (1000 Ton Chiller)	2	1
Hot Well Pumps (2000 Ton Chiller)	2	1
1000 HP Steam Turbine Lubricating Oil Pumps	2	1
1000 Ton Centrifugal Compressor Lubricating Oil Pumps	2	1
2000 HP Steam Turbine Lubricating Oil Pumps	2	1
2000 Ton Centrifugal Compressor Lubricating Oil Pumps	2	1
Combustion Air & Building Ventilat- ing Supply Fans	4	1
Chilled Water Distribution Pumps (1-Turbine Drive, 1-Motor Drive)	2	1
Water Softeners	2	1
Expansion Tanks	2	1
Tunnel Exhaust Fans	3	1
Boiler Chemical Feeders	2	1
City Water Supply Meters	2	1
Deaerating Feed Water Heater	Bypass piping	
Boiler Fuel - Natural Gas & Oil	Natural Gas & Oil	
Electrical Power Service	Diesel Engine-Gen. Standby	
Emergency Water Supply	2 days in tower basins	

2. Pipe Line System:

The initial construction involves a 1-way run of pipe line from the Plant to the remote northern loads in an amount of 3000 linear feet. Each of the 4 pipe circuits in the tunnel, that is - chilled water supply, chilled water return, steam supply, steam condensate return - have isolating valves in each pipe at approximately 300 foot intervals, with large size air inlet valves on the top of the run at the uphill end of the pipe, and large size bleeder valves at the bottom of the run on the downhill end of the section. In the event of leakage repairs can thus be made very quickly in a matter only of a few hours.

Pipe Line Flow-Pressure Control Installation: Is located at the end of the line and is equipped with a duplex inlet strainer system for continuity of service.

Sump pumps within the tunnel are duplex for continuity of service.

Ultimately, the distribution system will consist of a looped installation which will allow flow from either direction in the event of a pipe line interruption wherein work must be accomplished on one of the 300 ft. isolation sections.

ADDENDUM NO. 1

to

UNIVERSITY OF OKLAHOMA MEDICAL CENTER
Oklahoma City, Oklahoma

GENERAL DESCRIPTION

of

CENTRAL STEAM & CHILLED
WATER PLANT

prepared by

CARNAHAN & THOMPSON ENGINEERS
Oklahoma City, Oklahoma

Project No. 1013

December 9, 1970

ADD - the following Section.

J. CONSTRUCTION COST SUMMARY:

<u>Item</u>	<u>Amount *</u>
Building	\$ 762,000
Towers and Site Work	525,955
Tunnels	712,045
Insulation	154,000
Electrical	225,000
Boilers	550,000
Chillers	525,000
Controls	35,000
Piping	<u>537,000</u>

Original Construction Contract: \$4,026,000

* Approximate breakdown of cost of various work items.

ADD - the following Section.

K. SUMMARY - EXPENSES & REVENUE:

Refer to the attached tabulation sheets.

First Six Months of Operation - 1/1/72 to 6/30/72:

Revenue	\$ 136,380
Expenses	60,760
Available for Debt Retirement	<u>\$ 75,620</u>
Debt Requirement	<u>38,600</u>
Carryover	\$ 37,020

Next Twelve Months of Operation: 7/1/72 to 6/30/73:

Revenue	\$ 909,000
Expenses	350,594
Previous Debt Fund	<u>\$ 558,406</u>
Debt Requirement	<u>37,020</u>
Carryover	<u>\$ 595,426</u>
	<u>535,726</u>
Carryover	\$ 59,700

ADD - the following Section.

L. EMERGENCY REPAIR & REPLACEMENT: Possible cost items listed below are a remote possibility under unusual circumstances. It would be most unlikely for more than one item to occur in any one year. All of the items listed would be covered by insurance, and ultimately a high percentage of the loss would be paid for by the insurance carrier. For expeditious action in an emergency, a fund of \$100,000 in reserve would enable operations to be promptly restored while negotiating settlement with the insurance firms.

<u>Damaged Item</u>	<u>Approx. Repairs or Replacement</u>
Water chiller freeze-up	\$50,000
Steam turbine rotor failure	20,000
Boiler - burn-out	25,000
Fuel Gas Explosion	30,000
Cooling Tower - Fire	60,000
 Piping damage - improper chemical treatment	 75,000
Transformer failure	10,000
Switchgear burn-out	30,000

Prepared by:

CARNAHAN & THOMPSON ENGINEERS
Oklahoma City, Oklahoma

TABULATION SHEET

Initial 6 Months, 1/1/72 to 6/30/72

	Jan.	Feb.	Mar.	Apr.	May	June
REVENUE	\$ 2,300	\$ 3,450	\$ 6,000	\$ 19,630	\$ 35,000	\$ 70,000
EXPENSE- Personnel	\$ 3,125	\$ 3,125	\$ 3,125	\$ 3,875	\$ 3,875	\$ 3,875
Utilities	0	0	1,875	4,200	9,300	20,625
Operations	\$ 200	\$ 200	\$ 835	\$ 835	\$ 835	\$ 835
Maintenance	0					
Total Expense	\$ 3,325	\$ 3,325	\$ 5,835	\$ 8,910	\$ 14,010	\$ 25,355
Net Available for Debt.	\$ (1,025)	\$ 125	\$ 165	\$ 10,720	\$ 20,990	\$ 44,645
Cumulative		\$ (900)	\$ (735)	\$ 9,985	\$ 30,975	\$ 75,620
Debt Requirement						\$ 38,600
Carryover						\$ 37,020

Next Fiscal Year, 7/1/72 to 6/30/73

	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
REVENUE	\$ 94,700	\$ 94,700	\$ 87,100	\$ 79,500	\$ 72,000	\$ 64,400	\$ 56,800	\$ 56,800	\$ 64,400	\$ 72,000	\$ 79,500	\$ 87,100
EXPENSE- Personnel	\$ 5,250	\$ 5,250	\$ 5,250	\$ 5,250	\$ 5,250	\$ 5,250	\$ 5,250	\$ 5,250	\$ 5,250	\$ 5,250	\$ 5,250	\$ 5,250
Utilities	\$ 27,660	\$ 27,660	\$ 25,455	\$ 23,350	\$ 21,044	\$ 18,842	\$ 16,536	\$ 16,536	\$ 18,742	\$ 20,944	\$ 23,150	\$ 25,355
Operations	\$ 835	\$ 835	\$ 835	\$ 835	\$ 835	\$ 835	\$ 1,835	\$ 835	\$ 835	\$ 835	\$ 835	\$ 835
Maintenance	\$ 530	\$ 620	\$ 690	\$ 760	\$ 850	\$ 850	\$ 2,850	\$ 850	\$ 850	\$ 850	\$ 850	\$ 850
Total Expense	\$ 34,275	\$ 34,365	\$ 32,230	\$ 30,095	\$ 27,979	\$ 25,777	\$ 26,471	\$ 23,471	\$ 25,677	\$ 27,879	\$ 30,085	\$ 32,290
Net Available for Debt	\$ 60,425	\$ 60,335	\$ 54,870	\$ 49,405	\$ 44,021	\$ 38,623	\$ 30,329	\$ 33,329	\$ 38,723	\$ 44,121	\$ 49,415	\$ 54,810
Cumulative	\$ 97,445	\$ 157,780	\$ 212,650	\$ 262,055	\$ 306,076	\$ 344,699	\$ 375,028	\$ 408,357	\$ 447,080	\$ 491,201	\$ 540,616	\$ 595,426
Debt Requirement												\$ 535,726
Carryover												\$ 59,700

* NOTE: Jan. & Feb. 1972 are scheduled for acceptance trials, operator instructions, and service connections.

March 1972 is scheduled as the first revenue producing month of operation.

CONTRACT OR SALE OF LAND FOR REDEVELOPMENT
BY THE BOARD OF REGENTS OF THE UNIVERSITY OF OKLAHOMA

AGREEMENT (hereinafter called "Agreement") made on or as of the 12th day August, 19 70, by and between the Oklahoma City Urban Renewal Authority, a public body corporate of the State of Oklahoma (hereinafter called "Agency") having its office at 15 North Robinson in the City of Oklahoma City, State of Oklahoma, and the Board of Regents of the University of Oklahoma a public body corporate, (hereinafter called "Public Body") having its office at 660 Parrington Oval in the City of Norman, State of Oklahoma.

WITNESSETH:

WHEREAS, in the furtherance of the objectives of the Urban Redevelopment Law, the Agency has undertaken a program for the clearance and reconstruction or rehabilitation of slum and blighted areas in the City of Oklahoma City (hereinafter called "City"), and in this connection is engaged in carrying out an urban renewal project known as the "University Medical Center Urban Renewal Project No. Okla. R-20" (hereinafter called "Project"), in an area (hereinafter called "Project Area") located in the City; and

WHEREAS, as of the date of the Agreement there has been prepared and approved by the Agency an Urban Renewal Plan for the project consisting of the University Medical Center Urban Renewal Plan approved by the City Council of the City on October 13, 1964, (which plan is incorporated herein by reference and which plan, as so amended, and as it may hereafter be further amended from time to time pursuant to law, and as so constituted from time to time, is, unless otherwise indicated by the context, hereinafter called "Urban Renewal Plan"), and a copy of the Urban Renewal Plan, as constituted on the date of the agreement, has been recorded in the Office of the Clerk of the City of Oklahoma City, State of Oklahoma; and

WHEREAS, in order to enable the Agency to achieve the objectives of the Urban Renewal Plan, and particularly to make land in the Project Area available (after acquisition and clearance by the Agency for redevelopment by a public entity for and in accordance with the uses specified in the Urban Renewal Plan, both the Federal Government and the City have undertaken to provide, and have provided, substantial aid and assistance to the Agency through a Contract for Loan and Capital Grant dated October 21, 1965, in the case of the Federal Government, and a Cooperation Agreement dated May 13, 1965, in the case of the City.

NOW, THEREFORE, each of the parties hereto, for and in consideration of the promises and the mutual obligations herein, does hereby covenant and agree with the other, as follows:

ARTICLE I. GENERAL TERMS OF CONVEYANCE OF SCHEDULE "A" PROPERTY.

Sec. 1. Sale and Purchase Price. Subject to all the terms, covenants, and conditions of the Agreement, the Agency will sell certain real property in the Project Area, more particularly described in Schedule "A" annexed hereto and made a part hereof (which property, as so described, is hereinafter called "Schedule 'A' Property"), to the Public Body for, and the Public Body will purchase the Schedule "A" Property and pay to the Agency therefor, the amount of Eighteen Thousand Two Hundred Seventy-six and 30/100 Dollars (\$18,276.30), subject to final adjustment by survey at the time of conveyance based upon a unit price of twenty-one cents (21¢) per square foot, hereinafter called "Purchase Price."

Sec. 2. Conveyance. The Agency shall convey to the Public Body, upon payment in full of the Purchase Price by the Public Body, title to the Property by Special Warranty Deed (hereinafter called "Deed"). Such conveyance shall, in addition to all other conditions, covenants, and restrictions set forth or referred to elsewhere in the Agreement, be subject to:

- (a) all easements of record
- (b) and excluding all oil and gas and other related minerals

Sec. 3. Delivery of Deed. The Agency shall deliver the Deed and possession of the Schedule "A" Property to the Public Body on August 1, 19 70, or on such earlier date as the parties hereto may mutually agree in writing. Conveyance shall be made at the office of the Agency, 15 North Robinson, Oklahoma City, Oklahoma, and the Public Body shall accept such conveyance and pay to the Agency at such time and place the Purchase Price.

Sec. 4. Up-to-date abstracts will be prepared at the Authority's expense and delivered to the attorney of the Public Body's choice. The Public Body shall pay for all documentary stamps and all recording fees.

ARTICLE II. PREPARATION OF SCHEDULE "A" PROPERTY FOR REDEVELOPMENT

Sec. 1. Preparation of Schedule "A" Property. The Agency shall, prior to conveyance of the Schedule "A" Property and without expense to the Public Body, prepare the Schedule "A" Property for redevelopment which preparation shall consist of the following:

- (a) vacation of those streets and alleys necessary for redevelopment of this property (i. e., those vacations as shown in Exhibit URP III, Land Acquisition Map, University Medical Center Urban Renewal Plan)

Sec. 2. Other Action by Agency Relating to Preparation. The Agency shall, without expense to the Public Body and prior to the completion of the Improvements as hereinafter defined (or at such earlier time or times as the Public Body shall find, and by timely notice in writing inform the Agency, is necessary to enable the Public Body to construct or complete the Improvements in accordance with the provisions of the Agreement), provide or cause to be provided the following:

NONE

ARTICLE III. CONSTRUCTION OF IMPROVEMENTS

Sec. 1. Construction Required. The Public Body will redevelop the Property shown in both Schedule "A" and Schedule "B" (hereinafter collectively referred to as "Property") by construction thereon a building for the University of Oklahoma Medical Center. (hereinafter called the "Improvements") and all plans and specifications and all work by the Public Body with respect to such redevelopment of the Property and the construction or the making of other improvements thereon, if any, shall be in conformity with the Urban Renewal Plan, the Agreement, and all applicable State and local laws. Upon written request of the Agency from time to time, the Public Body will deliver to the Agency, to be retained by the Agency, plans with respect to the Improvements to be constructed or otherwise made by the Public Body on the Property, in sufficient completeness and detail to show that the Improvements and construction thereof will be in

in accordance with the provisions of the Urban Renewal Plan and the Agreement.

Sec. 2. Time for Construction. The Public Body agrees for itself, its successors and assigns, and every successor in interest to the Property, or any part thereof, and the Deed shall contain covenants on the part of the Public Body for itself and such successors and assigns, that the Public Body shall begin the redevelopment of the Property through the construction of the Improvements thereon, within 6 months from the date of the Deed, and diligently proceed to complete such construction within 36 months from such date. It is intended and agreed, and the Deed shall so expressly provide, that the agreements and covenants of the Agreement pertaining to the Improvements shall be covenants running with the land and that they shall, in any event, and without regard to technical classification or designation, legal or otherwise, and except only as otherwise specifically provided in the Agreement, be, to the fullest extent permitted by law, and equity, binding for the benefit of the community and the Agency and enforceable by the Agency and the City against the Public Body, its successors and assigns, and every successor in interest to the Property, or any part thereof or any interest therein.

Sec. 3. Report on Progress. Subsequent to conveyance of the Schedule "A" Property or any part thereof, to the Public Body, and until construction of the Improvements has been completed, the Public Body shall, upon written request of the Agency, make, in such detail as may reasonably be required by the Agency, and forward to the Agency a report in writing as to the actual progress of the Public Body with respect to such construction. During such period, the work of the Public Body shall be subject to inspection by the Agency.

Sec. 4. Access to Schedule "A" Property. Prior to delivery of possession of the Schedule "A" property to the Public Body, the Agency shall permit the Public Body access thereto, whenever and to the extent necessary to carry out the purposes of this and other sections or provisions of the Agreement; and, subsequent to such delivery, the Public Body shall permit access to the Schedule "A" Property by the Agency and the City whenever and to the extent necessary to carry out the purposes of this and other sections or provisions of the Agreement.

Sec. 5. Certificate of Completion. Promptly after completion of the Improvements in accordance with the provisions of the Agreement, the Agency shall furnish the Public

Be / with an appropriate instrument so certifying. Such certification by the Agency shall be (and it shall be so provided in the Deed and in the certification itself) a conclusive determination of satisfaction and termination of the agreements and covenants in the Agreement and in the Deed with respect to the obligations of the Public Body, its successors and assigns, and every successor in interest to the Property, to construct the Improvements and the dates for the beginning and completion thereof. All certifications provided for in this Section shall be in such form as will enable them to be recorded with the Clerk of the Registry of Deeds for Oklahoma County, State of Oklahoma.

ARTICLE IV. LAND USES

Sec. 1. Restrictions on Land Use. The Public Body agrees for itself, its successors and assigns, and every successor in interest to the Property or any part thereof, and the Deed shall contain covenants on the part of the Public Body for itself, and such successors and assigns, that the Public Body, and such successors and assigns, shall:

- (a) devote the property to, and only to and in accordance with, the applicable uses specified in the Urban Renewal Plan; and
- (b) not discriminate upon the basis of race, color, creed or national origin in the sale, lease, or rental or in the use or occupancy of the Property or any improvements erected or to be erected thereon, or any part thereof.

Sec. 2. Effect of Covenants; Period of Duration. It is intended and agreed, and the Deed shall so expressly provide, that the agreements and covenants provided in Article IV shall be covenants running with the land and that they shall, in any event, and without regard to technical classification or designation, legal or otherwise, and except only as otherwise specifically provided in the Agreement, be, to the fullest extent permitted by law and equity, binding for the benefit and in favor of, and enforceable by, the Agency, its successors and assigns, the City, and the United States (in the case of the covenant provided in subdivision (b) of Section 1 of this Article IV), against the Public Body, its successors and assigns, and every successor in interest to the Property or any part thereof or any interest therein, and any party in possession or occupancy of the Property or any part thereof. It is further intended and agreed that

the agreement and covenant provided in subdivision (a) of Section 1 of this Article IV shall remain in effect until January 1, 1990, (at which time such agreement and covenant shall terminate), and subdivision (b) of such Section 1 shall remain in effect without limitations as to time.

Sec. 3. Enforceability by Agency, the City and United States. In amplification, and not in restriction, of the provisions of Section 2 of this Article IV, it is intended and agreed that the Agency and the City shall be deemed beneficiaries of the Agreements and covenants provided in Section 1 of this Article IV, and the United States shall be deemed a beneficiary of the covenant provided in subdivision (b) of such Section 1, both for and in their or its own right and also for the purposes of protecting the interests of the community and the other parties, public or private, in whose favor or for whose benefit such agreements and covenants have been provided. Such agreements and covenants shall (and the Deed shall so state) run in favor of the Agency, the City and the United States for the entire period during which such agreements and covenants shall be in force, without regard to whether the Agency, the City or the United States is or has been an owner of any land or interest therein, to, or in favor of, which such agreements and covenants relate. The Agency and the City shall have the right, in the event of any breach of any such agreement or covenant, and the United States shall have the right, in the event of any breach of the covenant provided in subdivision (b) of Section 1 of this Article IV, to exercise all the rights and remedies, to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breach of agreement or covenant, to which it or any other beneficiaries of such agreement or covenant may be entitled.

ARTICLE V. PROHIBITIONS AGAINST ASSIGNMENT AND TRANSFER

Sec. 1. Representation as to Redevelopment. The Public Body represents and agrees that its purchase of the Property shall be for the purpose of redevelopment of the Property in accordance with the Urban Renewal Plan and the Agreement.

Sec. 2. Prohibition Against Transfer of Property and Assignment. The Public Body has not made or created, and will not, prior to the proper completion of the Im-

vements, as certified by the Agency, make or create, or suffer to be made or created; (a) any total or partial sale, conveyance, or lease of the Property, or any part thereof or interest therein, or (b) any assignment of the Agreement, or any part thereof, or (c) any agreement to do any of the foregoing, without the prior written approval of the Agency. Such approval shall be on such condition as the Agency may in its exclusive discretion determine, including, but not limited to, the assumption by the proposed transferee, by instrument in writing, for itself and its successors and assigns, and for the benefit of the Agency, of all obligations of the Public Body under the Agreement.

ARTICLE VI. REMEDIES

Sec. 1. Notice of Default. In the event of any default under or breach of any of the terms or conditions of the Agreement by either party hereto, or any successor or assign of, or successor in interest to the Property, such party or successor shall upon written notice from the other proceed to remedy or cure such default or breach within thirty (30) days after receipt of such notice. In case such action is not taken or diligently pursued or the default or breach shall not be cured or remedied within a reasonable time, the aggrieved party may institute such proceedings as may be necessary or desirable in its opinion to cure or remedy such default or breach or to obtain damages therefor, including but not limited to proceedings to compel specific performance by the party in default or breach of its obligations.

Sec. 2. Termination by Public Body. In the event that the Agency does not tender conveyance of the Property or possession thereof in the manner and condition, and by the date, provided in the Agreement and any such failure shall not be cured within thirty (30) days after written demand by the Public Body, then the Agreement shall at the option of the Public Body be terminated, and neither the Agency nor the Public Body shall have any further rights against or liability to the other under the Agreement.

Sec. 3. Termination by Agency. In the event that prior to conveyance of the Property to the Public Body and in violation of the Agreement the Public Body (and any successor in interest) assigns or attempts to assign the Agreement or any rights herein or in the Property, or the Public Body does not pay the Purchase Price for and take

to the Property upon proper tender of conveyance by the Agency pursuant to the Agreement, then the Agreement and any rights of the Public Body or any successor or assign of the Public Body or transferee of the Property under the Agreement or arising therefrom, with respect to the Agency or the Property, shall at the option of the Agency be terminated by the Agency. In such event, except for the right of the Agency to damages for such breach afforded by law, neither the Public Body (or assignee or transferee) nor the Agency shall have any further rights against or liability to the other under the Agreement.

Sec. 4. Delays Beyond Control of Parties. For the purposes of the Agreement, neither the Agency nor the Public Body, as the case may be, nor any successor of either of them shall be considered in breach of or in default under its obligations with respect to the preparation of the Property for redevelopment, or the beginning and completion of construction of the Improvements, or progress in respect thereto, in the event of enforced delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not restricted to, acts of God, acts of the public enemy, acts of the Government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather, or delays of subcontractors due to such causes; it being the purpose and intent of this provision that, in the event of the occurrence of any such enforced delay, the time or times for performance of the obligations of the Agency with respect to construction of the Improvements, as the case may be,

shall be extended for the period of the enforced delay; provided, that the party seeking the benefit of the provisions of this Section shall, within ten (10) days after the beginning of such enforced delay, have first notified the other party thereof in writing, and of the cause or causes thereof and requested an extension for the period of the enforced delay.

Sec. 5. Rights and Remedies Cumulative. The rights and remedies of the parties to the Agreement, whether provided by law or by the Agreement, shall be cumulative, and the exercise by either party of any one or more of such remedies shall not preclude the exercise by it, at the same or different times, of any other such remedies.

for the same default or breach, or of any of its remedies for any other default or breach, or of any of its remedies for any other default or breach by the other party. No waiver made by either party with respect to the performance, or manner or time thereof, or any obligation of the other party or any condition of its own obligation under the Agreement shall be considered a waiver of any rights of the party making the waiver with respect to the particular obligation of the other party or condition to its own obligation beyond those expressly waived and to the extent thereof, or a waiver in any respect in regard to any other rights of the party making the waiver or any other obligations of the other party. No such waiver shall be valid unless it is in writing duly signed by the party waiving the right or rights.

ARTICLE VII. MISCELLANEOUS PROVISIONS

Sec. 1. Conflict of Interest. No member, official, or employee of the Agency shall have any personal interest, direct or indirect, in the Agreement, nor shall any member, official, or employee participate in any decision relating to the Agreement which affects his personal interests or the interests of any corporation, partnership, or association in which he is, directly or indirectly, interested. No member, official, or employee of the Agency shall be personally liable to the Public Body or any successor in interest in the event of any default or breach by the Agency or for any amount which may become due to the Public Body or successor or on any obligations under the terms of the Agreement.

Sec. 2. Equal Employment Opportunity. The Public Body, for itself, and its successors, and assigns, agrees that it will include the following provisions of this Section 2 in every contract or purchase order which may hereafter be entered into between the Public Body and any party (hereinafter in this Section called "Contractor") for or in connection with the construction of the Improvements, or any part thereof, provided for in the Agreement unless such contract or purchase order is exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965:

"Sec. _____. Equal Employment Opportunity. During the performance of this contract, the Contractor agrees with the Public Body as follows:

- (a) The Contractor will not discriminate against any employee or applicant for employment because of race, creed, color, religion, sex or national origin. The Contractor will take affirmative action to ensure that applicants are employed and that employees are treated during

employment, without regard to their race, creed, color, religion, sex, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Agency setting forth the provisions of this non-discrimination clause.

- (b) The Contractor will, in all solicitations, or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, religion, sex or national origin.
- (c) The Contractor will send to each labor union or representative of workers with which the Contractor has a collective bargaining agreement or other contract or understanding, a notice, to be provided, advising the labor union or worker's representative of the Contractor's commitments under Section 202 of the Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- (d) The Contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- (e) The Contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor or the Secretary of Housing and Urban Development pursuant thereto, and will permit access to the Contractor's books, records, and accounts by the Agency, the Secretary of Housing and Urban Development, and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- (f) In the event of the Contractor's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be cancelled, terminated, or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
- (g) The Contractor will include the provisions of Paragraph (a) through (g) of this Section in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any construction contract, sub-contract or purchase order as the Agency or the Department of Housing and Urban Development may direct as a means of enforcing such provisions, including sanctions for noncompliance; Provided, however, that in the event the Con-

tractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Agency or the Department of Housing and Urban Development, the Contractor may request the United States to enter into such litigation to protect the interests of the United States."

For the purpose of including such provisions in any construction contract or purchase order, as required by this Section 2, the term "Public Body" and the term "Contractor" may be changed to reflect appropriately the name or designation of the parties to such contract or purchase order.

Sec. 3. Notice. A notice or communication under the Agreement by either party to the other shall be sufficiently given or delivered if dispatched by registered mail, postage prepaid, return receipt requested, and:

- (a) in the case of a notice or communication to the Public Body, is addressed as follows: 660 Parrington Oval, Norman, Oklahoma 73069.
- (b) in the case of a notice or communication to the Agency, is addressed as follows: 15 North Robinson, Suite 506, Oklahoma City, Oklahoma 73102.

or is addressed in such other way in respect to either party as that party may from time to time designate in writing dispatched as provided in this Section.

Sec. 4. Agreement Survives Conveyance. None of the provisions of this Agreement is intended to or shall be merged by reason of any deed transferring title to the Property from the Agency to the Public Body or any successor in interest, and any such deed shall not be deemed to affect or impair the provisions and covenants of the Agreement.

Sec. 5. Counterparts. The Agreement is executed in 3 counterparts, each of which shall be deemed to be an original, and such counterparts, shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Agency has caused the Agreement to be duly executed in its behalf and its seal to be hereunto affixed and attested; and the Public Body has caused the same to be duly executed in its behalf.

EXECUTED THIS 23rd day of July, 19 70.

(SEAL)

OKLAHOMA CITY URBAN RENEWAL
AUTHORITY, Agency

ATTEST:

J. M. Lamson
Secretary

By *Jim Lovabrup*

BOARD OF REGENTS OF THE UNIVERSITY
OF OKLAHOMA, Public Body

APPROVED as to legal form
and adequacy.

Wm J. [unclear]
Attorney

BY *Charles Albert*

APPROVED as to legal form
and adequacy.

Ray Sullivan
Attorney

SCHEDULE "A" PROPERTY

ALL of Lots Six (6) and Seven (7), Block Twenty-one (21), OAK PARK ADDITION to Oklahoma City, Oklahoma.

ALL of Lots Ten (10) and Eleven (11), Block Twenty-one (21), OAK PARK ADDITION to Oklahoma City, Oklahoma.

ALL of Lots Twelve (12) and Thirteen (13), Block Twenty-one (21), OAK PARK ADDITION to Oklahoma City, Oklahoma.

ALL of Lots Fourteen (14), Fifteen (15) and Sixteen (16), Block Twenty-one (21), OAK PARK ADDITION to Oklahoma City, Oklahoma.

ALL of Lots Twenty-one (21), Twenty-two (22), Twenty-three (23), and Twenty-four (24), Block Twenty-one (21), OAK PARK ADDITION to Oklahoma City, Oklahoma.

ALL of Lots Twenty-five (25) and Twenty-six (26), Block Twenty-one (21), OAK PARK ADDITION to Oklahoma City, Oklahoma.

ALL of Lots Twenty-seven (27) and Twenty-eight (28), Block Twenty-one (21), OAK PARK ADDITION to Oklahoma City, Oklahoma.

ALL of Lots Thirty-three (33) and Thirty-four (34), Block Twenty-one (21), OAK PARK ADDITION to Oklahoma City, Oklahoma.

ALL of Lots Thirty-seven (37) and Thirty-eight (38), Block Twenty-one (21), OAK PARK ADDITION to Oklahoma City, Oklahoma.

ALL of Lots Thirty-nine (39) and Forty (40), Block Twenty-one (21), OAK PARK ADDITION to Oklahoma City, Oklahoma.

SCHEDULE "B" PROPERTY

ALL of Lot One (1) and the East One-half (E/2 of Lot Two (2), Block Twenty-one (21) OAK PARK ADDITION to Oklahoma City, Oklahoma.

ALL of Lot Three (3) and the West One-half (W/2) of Lot Two (2), Block Twenty-one (21) OAK PARK ADDITION to Oklahoma City, Oklahoma.

ALL of Lots Four (4) and Five (5), Block Twenty-one (21) OAK PARK ADDITION to Oklahoma City, Oklahoma.

ALL of Lots Eight (8) and Nine (9), Block Twenty-one (21) OAK PARK ADDITION to Oklahoma City, Oklahoma.

ALL of Lots Seventeen (17), Eighteen (18), Nineteen (19) and Twenty (20), Block Twenty-one (21) OAK PARK ADDITION to Oklahoma City, Oklahoma.

ALL of Lots Twenty-nine (29) and Thirty (30), Block Twenty-one (21) OAK PARK ADDITION to Oklahoma City, Oklahoma.

ALL of Lots Thirty-one (31) and Thirty-two (32), Block Twenty-one (21) OAK PARK ADDITION to Oklahoma City, Oklahoma.

ALL of Lots Thirty-five (35) and Thirty-six (36), Block Twenty-one (21) OAK PARK ADDITION to Oklahoma City, Oklahoma.

SPECIAL WARRANTY DEED

Book 3763
Page 80
Oklahoma County
Office
County Clerk

KNOWN ALL MEN BY THESE PRESENTS, THAT:

(1) WHEREAS, an Urban Renewal Plan (which, together with all modifications thereof made after the date of this Deed in accordance with applicable law, is hereinafter referred to as the "Urban Renewal Plan") for the University Medical Center Urban Renewal Project, Okla. R-20 (hereinafter referred to as the "Project") has been adopted and approved by the City Council of the City of Oklahoma City on October 21, 1965, which Urban Renewal Plan, as it exists on the date hereof, is recorded in the Office of the City Clerk of Oklahoma City (hereinafter referred to as the "Recorder"); and,

(2) WHEREAS, the Oklahoma City Urban Renewal Authority is owner and holder of record of title to certain real property located in the Project area; and,

(3) WHEREAS, pursuant to the Urban Renewal Plan and the Oklahoma Urban Redevelopment Law, the Oklahoma City Urban Renewal Authority is authorized to sell individual portions of land in the Project area.

NOW, THEREFORE, THIS DEED, made this 16th day of December, in the year 1970, by and between the Oklahoma City Urban Renewal Authority (hereinafter referred to as the "Grantor"), acting herein pursuant to the above mentioned Law, and the Board of Regents of the University of Oklahoma (hereinafter referred to as the "Grantee"), a public agency.

WITNESSETH, that for and in consideration of the sum of Eighteen Thousand Two Hundred Seventy-six and 30/100 Dollars (\$ 18,276.30), and other good and valuable consideration, receipt whereof is hereby acknowledged, the Grantor does, by this Special Warranty Deed, grant and convey unto the Grantee to have and to hold fee simple title, less and except oil and gas and other related minerals, together with all and singular, the hereditaments and appurtenances thereunto belonging or in any wise appertaining, in and to the following described land and premises, situated in Oklahoma City, Oklahoma County, and known and distinguished as:

All of Lots Six (6) and Seven (7), Block Twenty-One (21), OAK PARK ADDITION to Oklahoma City, Oklahoma.

All of Lots Ten (10) and Eleven (11), Block Twenty-One (21), OAK PARK ADDITION to Oklahoma City, Oklahoma.

All of Lots Twelve (12) and Thirteen (13), Block Twenty-One (21) OAK PARK ADDITION to Oklahoma City, Oklahoma.

All of Lots Fourteen (14), Fifteen (15) and Sixteen (16), Block Twenty-One (21), OAK PARK ADDITION to Oklahoma City, Oklahoma.

All of Lots Twenty-One (21), Twenty-Two (22), Twenty-Three (23), and Twenty-Four (24), Block Twenty-One (21), OAK PARK ADDITION to Oklahoma City, Oklahoma.

All of Lots Twenty-Five (25) and Twenty-Six (26), Block Twenty-One (21), OAK PARK ADDITION to Oklahoma City, Oklahoma.

All of Lots Twenty-Seven (27) and Twenty-Eight (28), Block Twenty-One (21), OAK PARK ADDITION to Oklahoma City, Oklahoma.

All of Lots Thirty-three (33) and Thirty-Four (34), Block Twenty-One (21), OAK PARK ADDITION to Oklahoma City, Oklahoma.

All of Lots Thirty-Seven (37) and Thirty-Eight (38), Block Twenty-One (21), OAK PARK ADDITION to Oklahoma City, Oklahoma.

All of Lots Thirty-Nine (39) and Forty (40), Block Twenty-One (21), OAK PARK ADDITION to Oklahoma City, Oklahoma.

together with all improvements thereon and all appurtenances thereunto belonging, and warrant the title to the same to be free, clear and discharged of and from all former grants, charges, taxes, judgments, mortgages, and other liens and encumbrances of whatsoever nature made or suffered to be made by the grantor, less and except all easements and restrictions of record.

TO HAVE AND TO HOLD said described premises unto the said Grantee, its successors and assigns forever.

AND, the Grantor covenants that it will warrant specially the property hereby conveyed, and that it will execute such further assurances thereof as may be requisite: Provided, however, that this Deed is made and executed upon and is subject to certain express conditions and covenants, said conditions and covenants being a part of the consideration for the property hereby conveyed and are to be taken and construed as running with the land, and the Grantee hereby binds itself and its successors, assigns, grantees and lessees forever to these covenants and conditions which covenants and conditions are as follows:

FIRST: The Grantee shall devote the property hereby conveyed, and the following described property, being the remainder of Block Twenty-one (21) OAK PARK ADDITION, (all of which proper is hereinafter referred to as "Property"), to-wit:

All of Lots 1, 2, 3, 4, 5, 8, 9, 17, 18, 19, 20, 29, 30, 31, 32, 35, and 36 of Block Twenty-one (21), OAK PARK ADDITION.

only to the uses specified in the applicable provisions of the Urban Renewal Plan. Pursuant to the Urban Renewal Plan, the general land use category applicable to said property is public-institutional.

SECOND: The Grantee shall redevelop the property by construction of improvements thereon in accordance with the Urban Renewal Plan. All construction plans shall conform to the Urban Renewal Plan, and upon request of the Grantor from time to time, the Grantee will deliver to the Grantor, to be retained by the Grantor, construction plans with respect to such improvements in sufficient completeness and detail to show that the improvements and construction thereof will be in accordance with the Urban Renewal Plan and the Contract of Sale dated the 24th day of March, 1970, between the parties hereto, (hereinafter referred to as the "Contract of Sale") which Contract of Sale is duly filed in the City Clerk's Office in Oklahoma County, Oklahoma.

THIRD: The Grantee shall commence promptly the construction of the aforesaid improvements on the property hereby conveyed and in accordance with the said construction plans and shall prosecute diligently the construction of said improvements to completion: Provided, that in any event, construction shall commence within six months from the date of this deed and shall be completed within thirty-six months from the commencement of such construction.

FOURTH: Until the Grantor certifies that all the aforesaid improvements specified to be done and made by the Grantee have been completed, the Grantee shall have no power to convey the property hereby conveyed or any part thereof without the prior written consent of the Grantor.

FIFTH: The Grantee agrees for itself and any successor in interest no to discriminate upon the basis of race, color, creed, or national origin in the sale, lease, or rental or in the use or occupancy of the property hereby conveyed or any part thereof or of any improvements erected or to be erected thereon or any part thereof.

The covenants and agreements contained in the covenant numbered FIRST shall terminate on January 1, 2000. The covenants and agreements contained in covenants numbered SECOND, THIRD, and FOURTH shall terminate on the date the Grantor issues the Certificate of Completion as herein provided. The covenant numbered FIFTH shall remain in effect without any limitation as to time.

In case of the breach or violation of any one of the covenants numbered SECOND, THIRD, and FOURTH, at any time prior to the time the Grantor certifies that all building construction and other physical improvements have been completed and in case the Grantee does not proceed to cure, end, or remedy such breach or violation within 30 days after written demand by the Grantor so to do, or such action is not taken or diligently pursued or the breach or violation is not cured, ended or remedied within a reasonable time, the Grantor may institute such proceedings as may be necessary or desirable in its opinion to cure, remedy, or end such breach or violation or to obtain damages therefor, including but not limited to proceedings to compel specific performance.

The Grantor shall be deemed a beneficiary of covenants numbered FIRST through FIFTH, the City of Oklahoma City shall be deemed a beneficiary of covenants numbered FIRST and FIFTH, and such covenants shall run in favor of the Grantor, the City of Oklahoma City, and the United States for the entire period during which such covenants shall be in force and effect, without regard to whether the Grantor, the City of Oklahoma, and the United States is or remains an owner of any land or interest therein to which such covenants relate. As such a beneficiary, the Grantor, in the event of any breach of any such covenant, the City of Oklahoma City, in the event of breach of the covenants numbered FIRST and FIFTH, and the United States in the event of any breach of the covenant numbered FIFTH, shall have the right to exercise all the rights and remedies, and to maintain any actions at law or suits in equity or other proper proceedings to enforce the curing of such breach to which beneficiaries of such covenant may be entitled.

Promptly after the completion of the above-mentioned improvements in accordance with the provisions of the construction plans, the Grantor will furnish the Grantee with an appropriate instrument so certifying in accordance with the terms of the Contract of Sale. Such certification (and it shall be so provided in the certification itself) shall be a conclusive determination of satisfaction and termination of the agreements and covenants in the Contract of Sale and in this Deed obligating the Grantee and its successors and assigns, with respect to the construction of the improvements and the dates for beginning and completion thereof.

The certification provided for in the paragraph next above shall be in such form as will enable it to be recorded in the proper office for the recordation of deeds and other instruments pertaining to the property hereby conveyed. If the Grantor shall refuse or fail to provide such certification, the Grantor shall, with thirty (30) days after written request by the Grantee provide the Grantee has failed to duly complete said improvements and what measures or acts will be necessary in the opinion of the Grantor, for the Grantee to take or perform in order to obtain such certification.

The Grantor certifies that all conditions precedent to the valid execution and delivery of this Special Warranty Deed on its part have been complied with and that all things necessary to constitute this Special Warranty Deed its valid, binding and legal agreement on the terms and conditions and for the purposes set forth herein have been done and performed and have happened, and that the execution and delivery of this Special Warranty Deed on its part have been and are in all respects authorized in accordance with law. The Grantee similarly certifies with reference to its execution and delivery of this Special Warranty Deed.

RESOLUTION

WHEREAS, it has been determined that heating and cooling services are essential to the proper and efficient performance of the duties and work of the Regents in the operation of the University of Oklahoma Medical Center and related facilities; and

WHEREAS, the Trustees of the Oklahoma University Development Authority have determined to acquire and construct facilities required for the provision of heating and cooling services to the University of Oklahoma Medical Center and certain buildings housing institutions related thereto that could be served by the Regents which are contained in the Oklahoma Health Center; and

WHEREAS, to pay the cost of constructing the necessary facilities to provide the heating and cooling services, and to capitalize certain reserve requirements, the Trustees of the Oklahoma University Development Authority have determined to issue Utility Revenue Bonds, Series 1970 dated December 1, 1970 in the aggregate principal amount of \$6,000,000.00 under and pursuant to the terms of a Bond Indenture dated as of December 1, 1970 by and between the Oklahoma University Development Authority and The First National Bank and Trust Company of Oklahoma City, Oklahoma; and

WHEREAS, John Nuveen & Company has agreed to purchase all of the bonds issued by the Oklahoma University Development Authority for the construction of the necessary facilities for providing the heating and cooling services, as set out in an agreement dated November 28, 1970.

WHEREAS, the Chairmen or Heads of the Departments or Divisions of the University of Oklahoma Medical Center acting in their official capacity with the Oklahoma Medical Center Trust and the Trustees of the University of

Oklahoma Medical Center Trust Fund have met on this 21st day of December, 1970 and have considered the actions of the Regents of the University of Oklahoma, the Oklahoma University Development Authority and the proposal of John Nuveen & Company; and

WHEREAS, the said Chairmen and said Department or Division Heads acting in their official capacity with the Trust and the Trustees believe it is to the best interest of the University of Oklahoma Medical Center to have constructed a heating and cooling facility to supply all heating and cooling services for the Medical Center; and

WHEREAS, the said Chairmen and said Department or Division Heads acting in their official capacity with the Trust and Trustees realize that the Regents are committed to begin paying for services from the heating and cooling facility on June 1, 1972 whether or not services are available; and

WHEREAS, the funds of the Regents are limited in what may be applied to such payments; and

WHEREAS, the said Chairmen and said Department or Division Heads acting in their official capacity with the Trust and Trustees are willing to commit the resources of the University of Oklahoma Medical Center Trust Fund to enable the Regents to make payments to the Oklahoma University Development Authority when said payments become due after June 1, 1972 and before the heating and cooling facility begins operation in the event that the Regents do not have other sources of revenue that are legally available.

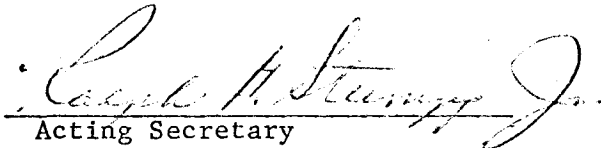
NOW, THEREFORE, in consideration of the Regents entering into its agreements with the Oklahoma University Development Authority to enable the Authority to construct the heating and cooling facilities, the Chairmen and said Division Heads acting in their official capacity with the Trust and the Trustees of the University of Oklahoma Medical Center Trust Fund do hereby

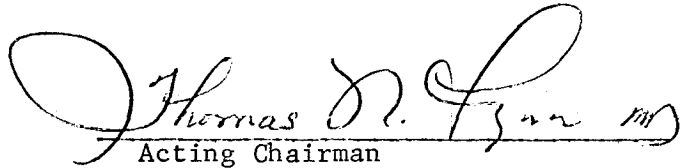
agree and covenant that they shall on the 1st day of June, 1972 and the 1st day of each month thereafter until the heating and cooling facility begins operations, pay to the Regents of the University of Oklahoma from the Trust a sum sufficient for Regents to meet the debt service obligations of the Utility Revenue Bonds of 1970 to the Oklahoma University Development Authority if the Regents do not have other funds legally available for such purposes; however, the obligation of the Trust shall not exceed Three Hundred Thousand (\$300,000.00) Dollars.

That it is specifically understood and agreed that this agreement shall terminate automatically on the date that the heating and cooling facility first shall provide any heating or cooling services to the University of Oklahoma Medical Center facilities; and

That the Chairmen and Department or Division Heads acting in their official capacity with the Trust and Trustees hereby authorize the Trustees to approve and execute, on behalf of the Trust, any necessary agreements to carry out the intent of this resolution.

Adopted and Approved at a special meeting this 21st day of December, 1970.


Acting Secretary


Acting Chairman


STATE OF OKLAHOMA

SS:

COUNTY OF OKLAHOMA

CERTIFICATE
OF THE ACTING SECRETARY OF THE TRUST

This is to certify that attached hereto is a true and correct copy
of a resolution passed by the Trustees of the University of Oklahoma
Medical Center Trust Fund on December 21, 1970.


Assistant Secretary

AGREEMENT

This Agreement is made this 21st day of December, 1970, by and between the Regents of the University of Oklahoma, hereinafter called Regents and the Trustees of the University of Oklahoma Medical Center Trust Fund, hereinafter called Trustees.

WITNESSETH:

WHEREAS, it has been determined that heating and cooling services are essential to the proper and efficient performance of the duties and work of the Regents in the operation of the University of Oklahoma Medical Center and related facilities; and

WHEREAS, the Trustees of the Oklahoma University Development Authority have determined to acquire and construct facilities required for the provision of heating and cooling services to the University of Oklahoma Medical Center and certain buildings housing institutions related thereto that could be served by the Regents which are contained in the Oklahoma Health Center; and

WHEREAS, to pay the cost of constructing the necessary facilities to provide the heating and cooling services, and to capitalize certain reserve requirements, the Trustees of the Oklahoma University Development Authority have determined to issue Utility Revenue Bonds, Series 1970 dated December 1, 1970 in the aggregate principal amount of \$6,000,000.00 under and pursuant to the terms of a Bond Indenture dated as of December 1, 1970 by and between the Oklahoma University Development Authority and The First National Bank and Trust Company of Oklahoma City, Oklahoma; and

WHEREAS, John Nuveen & Company has agreed to purchase all of the bonds issued by the Oklahoma University Development Authority for the

construction of the necessary facilities for providing the heating and cooling services; as set out in an agreement dated November 28, 1970.

WHEREAS, the Chairmen and Heads of the Departments and Divisions of the University of Oklahoma Medical Center acting in their official capacity with the Oklahoma Medical Center Trust Fund and the Trustees of the University of Oklahoma Medical Center Trust Fund, have met on this 31st day of December, 1970 and have considered the actions of the Regents of the University of Oklahoma, the Oklahoma University Development Authority and the proposal of John Nuveen & Company; and

WHEREAS, the Chairmen and the Department Heads or Division Heads acting in their official capacity with the Oklahoma Medical Center Trust Fund and the Trustees believe it is to the best interest of the University of Oklahoma Medical Center to have constructed a heating and cooling facility to supply all heating and cooling services for the Medical Center; and

WHEREAS, the Chairmen and the Department Heads or Division Heads acting in their official capacity with the Oklahoma Medical Center Trust Fund and the Trustees realize that the Regents are committed to begin paying for services from the heating and cooling facility on June 1, 1972 whether or not services are available; and

WHEREAS, the funds of the Regents are limited in what may be applied to such payments; and

WHEREAS, the Chairmen and the Department Heads or Division Heads acting in their official capacity with the Oklahoma Medical Center Trust Fund and the Trustees are willing to commit the resources of the University of Oklahoma Medical Center Trust Fund to enable the Regents to make payments to the Oklahoma

University Development Authority when said payments become due after June 1, 1972 and before the heating and cooling facility begins operation in the event that the Regents do not have other sources of revenue that are legally available; and

WHEREAS, the Chairmen and Department Heads acting in their official capacity with the Oklahoma Medical Center Trust and the Trustees have duly and properly met and authorized the Trustees to enter into all proper agreements to carry out the intent of their Resolution.

NOW, THEREFORE, the Regents and the Trustees agree as follows:

The Regents agree that they shall enter into all necessary agreements with the Oklahoma University Development Authority to enable the Authority to construct on Block 21 in Oak Park Addition to Oklahoma City, Oklahoma, a facility to provide heating and cooling services to the University of Oklahoma Medical Center in order that the present building and those under construction may be properly heated and cooled.

The Regents further agree with the Trustees that if the heating and cooling facility is not completed, and service is not being provided by June 1, 1972, that the Regents shall use all funds they have available for expenditure at the Medical Center that may be lawfully applied to the payment of the Regents' debt service obligation to the Oklahoma University Development Authority arising out of the Utility Revenue Bonds of 1970 before requesting assistance from the Trustees to meet that obligation.

The Regents specifically agree that if such funds are available ^{for expenditure} at the Medical Center, that may be lawfully applied to the debt service obligation, that the Regents shall not divert these funds to other uses before application to the debt service obligation in order that the Regents could then request

assistance from the Trustees.

The Trustees agree in consideration of the agreements made by the Regents as set out above, that they shall, if the Regents do not have sufficient funds available from sources of revenue that may be lawfully applied to the payment of the obligation into the Oklahoma University Development Authority, that beginning on the 1st day of June, 1972 and on the first of each month thereafter until the heating and cooling facilities begin operations, pay to the Regents from the funds of Trust, a sum sufficient for the Regents to meet the debt service obligation of the Utility Revenue Bonds of 1970 to the Oklahoma University Development Authority. However, it is specifically agreed by both Parties that the Trust's obligation under this agreement shall not exceed the sum of Three Hundred Thousand Dollars (\$300,000.00).

Further, the Regents agree that if the Trustees make any payment or transfer any property to the Regents as a result of this agreement, that the Regents shall, when funds become available that may be lawfully applied to such a purpose, repay the Trust for the moneys or properties paid or transferred to the Regents. It is agreed that such repayment shall be without interest or

~~any other penalty.~~ *at the same rate of interest as is on the said revenue bonds.*

That further, the Parties specifically agree that this agreement shall terminate automatically and without further action of either party, on the date that the heating and cooling facility to be constructed by the Oklahoma University Development Authority shall first provide any heating or cooling services to the University of Oklahoma Medical Center facilities.

IN WITNESS WHEREOF, the Regents have caused this instrument to be signed by their President and Secretary and their seal affixed, and the

Trustees have each signed this instrument all on the day and year first above written.

ATTEST:

Barbara H. James
Secretary

REGENTS OF THE UNIVERSITY OF OKLAHOMA

Harold C. Cline
President

TRUSTEES OF THE OKLAHOMA MEDICAL CENTER
TRUST FUND

Leonard P. Deuel

Laura M. Starnes

I Receive me by J. M. Smith, Proxy

OPERATION AND MAINTENANCE CONTRACT

THIS OPERATION AND MAINTENANCE CONTRACT (hereinafter called "Operation Contract") dated as of December 1, 1970, by and between the BOARD OF REGENTS OF THE UNIVERSITY OF OKLAHOMA (hereinafter called "Regents") and the TRUSTEES OF THE OKLAHOMA UNIVERSITY DEVELOPMENT AUTHORITY (hereinafter called "Authority"), a public trust created under the authority of and pursuant to the provisions of Title 60, Oklahoma Statutes 1961, Sections 176 to 180, as amended and supplemented, and the Oklahoma Trust Act.

WITNESSETH:

WHEREAS, pursuant to 70 O.S. 1961, § 3306, as amended, the University of Oklahoma Medical Center consists of all medical facilities and related activities of the University of Oklahoma located at Oklahoma City; and

WHEREAS, the Authority has determined to acquire and construct facilities required for the provision of heating and cooling services to the University of Oklahoma Medical Center and certain buildings housing institutions related thereto (hereinafter the initial facilities to be acquired or constructed are called the "Project" which together with all additions, betterments, improvements thereto and extensions thereof hereafter constructed or acquired by the Authority called the "Facilities"); and

WHEREAS, to pay the cost of the Project and to capitalize certain reserve requirements, the Authority has determined to issue its Utility Revenue Bonds, Series 1970 (hereinafter called "Bonds") dated December 1, 1970 in the aggregate principal amount of \$6,000,000 under and pursuant to the terms of a Bond Indenture (hereinafter together with all supplements thereto called the "Indenture") dated as of December 1, 1970 by and between the Authority and The First National Bank and Trust Company of Oklahoma City, Oklahoma (hereinafter called "Bank"); and

WHEREAS, in consideration of the Authority's agreement to acquire and install the Project, the Regents entered into a Lease Agreement by and between the Regents and the Authority dated as of December 1, 1970 (hereinafter called "Lease") whereby the Regents leased a certain parcel of land located in the vicinity of the University of Oklahoma Medical Center Campus for the purpose of constructing the heating and cooling plant thereon to the Authority to enable the Authority to secure the Bonds by a first mortgage and pledge of its leasehold interest in the said real property and a first mortgage and pledge of its interest in the Facilities and the proceeds, fees, charges, revenues, income, rents, receipts, issues and benefits (hereinafter called the "Revenues" and together with the Authority's interest in the Facilities and the Authority's leasehold interest in the said real property called the "Trust Estate"); and

WHEREAS, in further consideration of the Authority's agreement to the acquisition and construction of the Project, the Regents have determined to operate and maintain the Facilities for and on behalf of the Authority;

NOW, THEREFORE, the Authority and the Regents agree as follows:

SECTION 1. The term of this Operation Contract shall be from the first day of December, 1970, to the thirtieth day of June, 1971. Until the Bonds and all additional parity bonds, or any other indebtedness secured by the Trust Estate are retired in full, this Operation Contract shall be automatically renewed on July 1, 1971 and on the first day of each July thereafter, for annual periods ending on the June 30th following

each such renewal, each such renewal to be accomplished by the Regents continuing to operate and maintain the Facilities, as herein described, after 12:01 A.M. on July 1 of that annual period. If the Regents determine that they do not intend to continue to operate and maintain the Facilities after the next 12:01 A.M., July 1, they shall give notice in writing, to that effect, at least one (1) year in advance of the said July 1.

SECTION 2. In consideration of the agreements of the Regents, the Authority hereby covenants and agrees during the term of this Operation Contract to enact and maintain the following monthly procedures:

1. The Authority shall determine the monthly revenue requirements, including the principal and interest requirements on the Bonds and on any indebtedness of the Authority payable from the revenues of the Facilities which is incurred in order to provide satisfactory service (as defined in the Utility Service Agreement dated as of December 1, 1970 by and between the Regents and the Authority); the amount necessary to meet all reserve requirements on the Bonds and said indebtedness; expenses of the Authority pertaining to the Facilities; and the operation and maintenance expenses of the Authority related to the Facilities as certified to by the Regents in accordance with Section 4, subparagraph 1 hereof.
2. The Authority shall determine on a monthly basis, the revenue requirements, including a complete statement of the items listed in subparagraph (1) immediately preceding; the Cost-of-Service rates and the Base Rate Adjustment , either "plus" or "minus", required to provide the necessary

revenue requirements (as defined in the above-mentioned Utility Service Agreement); and the composite and total billing required for each customer of the Authority. Upon the determination of the above, the Authority shall submit a bill for services to each customer with which Utility Service Agreements have been contracted, including the Regents.

3. The Authority shall collect the revenues derived from the above billing, including those of the Regents, and deposit them in the Oklahoma University Development Authority Utility Revenue Fund (established and maintained pursuant to the terms of the Indenture and hereinafter referred to as "Revenue Account"); to be maintained with the Bank.
4. The Authority shall reimburse the Regents from the moneys paid pursuant to the Indenture into the Working Capital Fund created thereby for the expenses incurred by the Regents in the operation and maintenance of the Facilities. Said reimbursement shall take place upon the submission to the Bank of an itemized claim of expenses incurred, with approval by the Authority or its designated agent endorsed thereon.

SECTION 3. The Regents and the Authority hereby further agree that the Authority has the sole power and responsibility to establish and adjust the rates, fees and charges for heating, cooling and related services provided by the Facilities to be administered by the Regents.

SECTION 4. The Regents covenant and agree during the term of this Operation Contract as follows:

1. To physically operate and maintain the Facilities in first-class condition, keep them in good repair and make recommendations to the Authority as to capital

improvements required for the Facilities, including improvements, modernization and expansion thereto, all limited to and payable with the moneys provided by the Authority and within the limits of the money provided by the Authority.

2. To submit to the Bank and to the Authority a statement and certification thereof, on a monthly basis, for the operation and maintenance expenses related to the Facilities.
3. To protect and hold the Authority harmless for damages due to injury to person or property for which the Regents may be legally responsible and arising by reason of the Regents' operation, maintenance, repair, replacements, extensions and improvements of the Facilities.
4. Not to commit or allow any waste with respect to any of the Facilities.
5. To comply faithfully and fully with and abide by every statute, rule, order and regulation now in force or hereafter enacted by any competent government agency or authority with respect to or affecting the Facilities or the operation and maintenance thereof and to keep the Facilities and the Revenues and all parts thereof free from judgments, mechanics' and materialmen's liens and free from all other mortgages, liens, claims, demands and incumbrances of whatever nature or character to the end that the priority of the mortgages and pledges provided for in the aforesaid Indenture may at all times be maintained and preserved free from any claim or liability. The provisions set out in this sub-paragraph of this Section 4 shall not prevent the transfer of possession or control of the Trust Estate or any part thereof to temporary Trustees or receivers for operation thereof in accordance with the provisions of the Indenture securing the payment of Bonds issued by the Authority.

6. To promptly institute and diligently prosecute appropriate proceedings in eminent domain for the condemnation of lands or interest therein necessary for construction or acquisition of any improvement or betterment to or extension of the properties of the Trust Estate which have been approved by the Regents, the cost and such expenses of such proceedings and the award of damages as a result thereof to be paid by the Authority, unless otherwise agreed to by the parties hereto, title to all such property to be taken in the name of the Regents and upon acquisition to become a part of the properties leased to the Authority under the Lease and to be included in the Trust Estate.

SECTION 5. In consideration of the agreements of the Regents, the Authority hereby further covenants and agrees during the term of the Lease set out in Section 1 above as follows:

1. To issue the Bonds and to expend the proceeds thereof for the purpose of acquiring and installing the Project, all in accordance with the terms of the Indenture.
2. To enforce and carry out the Utility Service Agreements entered into by it with respect to the facilities.
3. To issue only such additional bonds on a parity with the Bonds or otherwise secured by the Trust Estate as may be necessary to insure the provision of satisfactory service as defined in the above-mentioned Utility Service Agreement, to the extent possible and as approved by the Regents.

4. To do all things necessary and proper to perform the purposes of the Authority within the scope of the powers and duties set forth in the Trust Indenture and within the scope of the Indenture securing the payment of the Bonds issued by the Authority, including the payment of principal and interest and the accumulation of various reserve requirements of said Bonds, as required in the Indenture.
5. To do any and all things required to be done by it under the terms of this Agreement and to cooperate with the Regents to the end that the Facilities may be efficiently operated and maintained.
6. To cause a written annual report to be made by a professional engineer concerning the condition of the Facilities and containing recommendations regarding maintenance, repairs, extensions and improvements thereto, in accordance with the terms of the Indenture. The cost of such report shall be considered an operation and maintenance expense.
7. To carry, as long as any Bonds or additional parity bonds of the Authority secured by a mortgage and pledge of the Authority's interest in the Facilities and the Revenues therefrom are outstanding, the insurance required to be carried by the Authority under the terms of the Indenture and to apply the proceeds of any such insurance in accordance with the terms of the Indenture.
8. To keep proper books of record and account of all transactions relating to the Trust Estate in accordance with the terms of the Indenture and to cause monthly statements and annual audits to be furnished to the Authority and other designated parties in accordance with the terms of the Indenture.

9. To be bound by and keep and perform all covenants, acts and things by it to be kept and performed according to the true intent and meaning of the Indenture, the Trust Indenture creating the Authority and this Operation Contract.

SECTION 6. From and after the issuance of the Bonds, this Operation Contract shall not be assignable by either party; provided that the Authority's rights hereunder may be pledged and assigned as security and payment for the Bonds, and any change of Trustees of the Authority or the taking of possession or control of leased properties for operation thereof in accordance with the provisions of any Indenture securing the payment of Bonds issued by the Authority, including the Indenture, shall not be considered as an assignment prohibited by the provisions hereof. This Operation Contract shall not be amended without the written consent of the Bank.

SECTION 7. Bonds issued by the Authority pursuant to the Indenture shall not constitute an indebtedness of the State of Oklahoma or of the Board of Regents of the University of Oklahoma, nor shall such Bonds be the personal obligations of the Authority, but such Bonds shall be special and limited obligations of the Authority, payable solely from the Trust Estate.

SECTION 8. Provisions of this Operation Contract shall be deemed separable. If it shall ever be held by a court of competent jurisdiction that any one or more sections, clauses or provisions of this Operation Contract is invalid or ineffective for any reason, such holding shall not affect the validity and effectiveness of the remaining sections, clauses and provisions hereof.

SECTION 9. In the event of the Authority's default under the Indenture, which default results in the appointment of temporary or permanent receivers or Trustees of the Trust Estate of the Authority, the Regents hereby agree to perform with respect to such receivers or Trustees, all covenants and agreements herein undertaken with respect to the Authority.

SECTION 10. The Regents shall not be obligated under this Operation Contract to do anything not within its powers as authorized by law.

IN WITNESS WHEREOF, the Regents have caused this instrument to be signed by their President and Secretary and their seal affixed and the Authority has caused this instrument to be signed by its Chairman and Secretary and its seal affixed, all as of the day and year first above written.

THE BOARD OF REGENTS OF THE
UNIVERSITY OF OKLAHOMA

Cherrett Collier
President

ATTEST:

Barbara H. Jones
Secretary

(SEAL)

TRUSTEES OF THE OKLAHOMA UNIVERSITY
DEVELOPMENT AUTHORITY

H. H. Hardin
Chairman

ATTEST:

R. D. Bunn
Secretary

(SEAL)

STATE OF OKLAHOMA)
)SS
COUNTY OF CLEVELAND)

BEFORE ME, the undersigned, a Notary Public in and for said State, on the 21st day of December, 1970, personally appeared Horace K. Calvert, President, and Barbara James, Secretary of the Board of Regents of the University of Oklahoma, and to me further known to be the identical persons who subscribed the name of said Board as one of the makers thereof, to the foregoing instrument as its President and Secretary, respectively, and acknowledged to me that they executed the same as their free and entirely voluntary act and deed and as the free and voluntary act and deed of said Board, for the uses and purposes therein mentioned and set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year aforesaid.

Helen H. Whitten
Notary Public

(SEAL)
My commission expires November 19, 1971.

STATE OF OKLAHOMA)
)SS
COUNTY OF CLEVELAND)

BEFORE ME, the undersigned, a Notary Public, in and for said State, on the 21st day of December, 1970, personally appeared H. O. Harder, Chairman, and R. Boyd Gunning, Secretary of the Trustees of the Oklahoma University Development Authority, and to me further known to be the identical persons who subscribed the names of said maker thereof to the foregoing instrument and acknowledged to me that they executed the same as their free and voluntary act and deed, and as the free and voluntary act and deed of the said Authority for the uses and purposes therein mentioned and set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year aforesaid.

Helen H. Whitten
Notary Public

(SEAL)
My commission expires November 19, 1971.

UTILITY SERVICE AGREEMENT

This Utility Service Agreement (hereinafter called "Agreement") dated as of December 1, 1970, by and between the Board of Regents of The University of Oklahoma (hereinafter called "Regents") and the Trustees of the Oklahoma University Development Authority (hereinafter called "Authority"), a public trust created under the authority of and pursuant to the provisions of Title 60, Oklahoma Statutes 1961, Sections 176 to 180, as amended and supplemented, and the Oklahoma Trust Act.

WITNESSETH:

WHEREAS, pursuant to 70 O.S. 1961, § 3306, as amended, the University of Oklahoma Medical Center consists of all medical facilities and related activities of the University of Oklahoma located at Oklahoma City; and

WHEREAS, the Authority has determined to acquire and construct facilities required for the provision of heating and cooling services to the University of Oklahoma Medical Center and certain buildings housing institutions related thereto (hereinafter the initial facilities to be acquired or constructed are called the "Project" which together with all additions, betterments, improvements thereto and extensions thereof hereafter constructed or acquired by the Authority called the "Facilities"); and

WHEREAS, to pay the cost of the Project and to capitalize certain reserve requirements, the Authority has determined to initially issue its Utility Revenue Bonds, Series 1970 (hereinafter called "Bonds") dated as of December 1, 1970 in the aggregate principal amount of \$6,000,000, under and pursuant to the terms of a Bond Indenture (hereinafter together with all supplements thereto called the "Indenture") dated as of December 1, 1970 by and between the Authority and The First National Bank and Trust Company of Oklahoma City, Oklahoma (hereinafter called "Bank"); and

WHEREAS, in consideration of the Authority's agreement to acquire and install the Project, the Regents have determined to purchase heating and cooling services from the Authority.

NOW, THEREFORE, THE AUTHORITY AND THE REGENTS AGREE AS FOLLOWS:

1. The Regents hereby agree to purchase from the Authority and the Authority hereby agrees to furnish, all steam, chilled water and other services required to provide the central heating and cooling for the buildings of the University of Oklahoma Medical Center Campus in Oklahoma City. The term of this Utility Service Agreement shall be from the first day of December, 1970, to the thirtieth day of June, 1971. Until the Bonds and all additional parity bonds, or any other indebtedness secured by the Trust Estate (which term as used herein shall mean the Trust Estate as defined in the Indenture) are retired in full, this Utility Service Agreement shall be automatically renewed on July 1, 1971 and on the first day of July thereafter, for annual periods ending on the June 30th following each such renewal, each such renewal to be accomplished automatically unless notice in writing is given as hereinafter provided. If the Regents determine that they do not wish the contract to be automatically renewed after any then next ensuing 12:01 A.M.,

July 1, they shall give notice in writing, to that effect, at least one (1) year in advance of the said July 1 by serving said notice on the Authority and the Bank. The Regents hereby agree to not purchase heating and cooling services for the University of Oklahoma Medical Center Campus from anyone other than the Authority as long as this contract is in effect, except for such services that are beyond the design capacity of this Project. The Regents further agree to not build a heating and cooling system to provide services to the University of Oklahoma Medical Center and buildings related thereto as long as this contract is in effect, except for such services that are beyond the design capacity of this Project.

2. "Satisfactory Service" as used herein shall mean the supplying of heating and cooling services sufficient in quantity to meet the needs of the buildings existing or under construction on the University of Oklahoma Medical Center Campus as of December 1, 1970. The Regents hereby agree to cooperate in all ways necessary to assist the Authority in furnishing satisfactory service.

3. The Regents hereby agree to pay for said heating and cooling services, rates and charges to be determined by the Authority and reviewed by the Authority according to other provisions herein. Such rates and charges shall in all events be fixed so that, together with any moneys derived by the Authority from other sources pertaining to the Facilities, revenues shall be produced sufficient (1) to provide in each year for the principal and interest and reserve requirements for such year on the Bonds and any indebtedness of the Authority payable from the revenues of the Facilities which is incurred in order to provide satisfactory service as hereinbefore defined, and (2) to meet the Repair and Replacement Fund, Working Capital Fund and Capital Improvement Fund requirements on the Bonds in the amounts and at the times specified in the Indenture, including the payment of operation and maintenance expenses of or related to the Facilities.

4. The Regents' liability for payment for heating and cooling services actually provided under this Agreement shall be subject to an appropriation having been made by the Legislature of the State of Oklahoma from which its obligations hereunder may lawfully be discharged, or there being other moneys lawfully available from which such obligations may be discharged. The Regents agree (1) to apply such other moneys to the extent required to satisfy their obligations hereunder and (2) to include in their budgets required to be submitted to the Oklahoma State Regents for Higher Education or to such other board, officer or body compiling budgetary requirements for submission to the said Legislature, amounts sufficient to enable them to meet their obligations hereunder.

5. The Regents hereby agree to commence payments to the Authority on June 1, 1972, regardless of whether the heating and cooling service is yet available, or on such earlier date that service may be available. The payments from the Regents for any period on and after June 1, 1972 and prior to the actual provision of services shall be payable only from moneys which are then legally available for such purposes or if the moneys then legally available are not sufficient to meet the obligations of the Authority related to the Facilities, then from charges which shall be assessed by the Regents against the students and/or faculty of the University of Oklahoma Medical Center or other member institutions, organizations or agencies which are included in the area known as the Oklahoma Health Center and which have entered into participation agreements with the Regents, in an amount sufficient to meet the obligations of the Authority related to the Facilities.

6. The Authority reserves the right to sell or otherwise dispose of heating

and cooling services produced by the Project and not required initially by the Regents, however, the Regents shall have the right, upon three (3) years written notice delivered on any renewal date to demand and receive all or part of the services of the Project sold or disposed of to others.

7. The rates to be paid by the Regents to the Authority shall consist of "Cost of Service" rates and "Base Rate Adjustment". Cost of Service rates shall be established by the Authority, with the assistance of professional engineers, prior to the original provision of heating and cooling, i.e. steam and chilled water, service and initially as set out on Appendix A. Such rates, which shall be reviewed by the Authority and the professional engineers and, if required, adjusted each June and December, shall be maintained at a level sufficient to provide revenues no less than that required to meet the requirements of paragraph (3) above. Such Cost of Service rates shall be based on the amount, type, and conditions of the service as provided in Appendix B. The rates shall be applied at each metered point of service.

8. The Cost of Service rates may be adjusted on a monthly "plus" or "minus" basis as a percentage of the monthly dollar billing, derived from said Cost of Service Rates, without limitation, through the application of a "Base Rate Adjustment".

9. A "plus" Base Rate Adjustment could result and shall be enforced when the revenues derived from the Cost of Service rates are not sufficient to meet the requirements of paragraph (3) above.

10. A "minus" Base Rate Adjustment could result when the revenues derived from the Cost of Service rates are in excess of the amounts necessary to meet the requirements of paragraph (3) above.

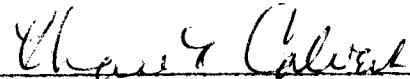
11. The Conditions of Service and Customer's Instructions attached hereto as Appendix B are incorporated herein. For the purposes of said Appendix, the term "Design Demand Peak" defined in said Appendix for chilled water service shall initially be 2,326 tons and for steam service shall initially be 20,000 lbs. per hour. The Design Demand Peaks may be changed by agreement of the parties hereto.

12. In the event of the Authority's default under the Indenture, which default results in the appointment of temporary or permanent receivers or Trustees of the Trust Estate of the Authority, the Regents hereby agree to perform with respect to such receivers or Trustees, all covenants and agreements herein undertaken with respect to the Authority.

13. The Authority hereby agrees to not terminate service to the Regents except for non-payment of charges or for breaches of this Agreement as determined by the Authority to be material.

IN WITNESS WHEREOF, the Regents have caused this instrument to be signed by their President and Secretary and their seal affixed and the Authority has caused this instrument to be signed by its Chairman and Secretary and its seal affixed, all as of the day and year first above written.

THE BOARD OF REGENTS OF THE UNIVERSITY
OF OKLAHOMA



President

ATTEST:



Secretary

(SEAL)

TRUSTEES OF THE OKLAHOMA UNIVERSITY
DEVELOPMENT AUTHORITY



Chairman

ATTEST:



Secretary

(SEAL)

STATE OF OKLAHOMA)
)SS
COUNTY OF CLEVELAND)

BEFORE ME, the undersigned, a Notary Public in and for said State, on the 21st day of December, 1970, personally appeared Horace K. Calvert, President, and Barbara James, Secretary of the Board of Regents of the University of Oklahoma, and to me further known to be the identical persons who subscribed the name of said Board as one of the makers thereof, to the foregoing instrument as its President and Secretary, respectively, and acknowledged to me that they executed the same as their free and entirely voluntary act and deed and as the free and voluntary act and deed of said Board, for the uses and purposes therein mentioned and set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year aforesaid.

(SEAL)

My commission expires November 19, 1971.

Helen D. Whitten
Notary Public

STATE OF OKLAHOMA)
)SS
COUNTY OF CLEVELAND)

BEFORE ME, the undersigned, a Notary Public, in and for said State, on the 21st day of December, 1970, personally appeared H. O. Harder, Chairman, and R. Boyd Gunning, Secretary of the Trustees of the Oklahoma University Development Authority, and to me further known to be the identical persons who subscribed the names of said maker thereof to the foregoing instrument and acknowledged to me that they executed the same as their free and voluntary act and deed, and as the free and voluntary act and deed of the said Authority for the uses and purposes therein mentioned and set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year aforesaid.

My commission expires November 19, 1971.

Helen D. Whitten
Notary Public

(SEAL)

R A T E S C H E D U L E

STEAM

Demand Charge: \$75.00 per 1,000 lbs. per hour per month
(Minimum \$75.00)

Consumption: \$1.00 per 1,000 lbs.

CHILLED WATER

Demand Charge: \$3.00 per ton per month
(Minimum \$300.00)

Consumption: \$.03 per ton-hour

Differential temperature adjustment applied monthly
to Consumption:

plus 3% per degree below 12°F
or minus 3% per degree above 14°F

APPENDIX B

CONDITIONS OF SERVICE
AND
CUSTOMER'S INSTRUCTIONS

I. DEFINITIONS

A. Ton: As used herein, references to a "ton" of refrigeration capacity are intended to refer to a "ton" of refrigeration capacity as defined in the 1965-66 Guide and Data Book published by the American Society of Heating, Refrigerating and Air Conditioning Engineers, being the equivalent of the cooling capacity of one ton of ice melting in a period of twenty-four hours (i.e. 288,000 Btu, or an average of 12,000 Btu/hr.)

B. Ton-Hours: Likewise, in accordance with the definitions contained in said 1965-66 Guide and Data Book, a "ton-hour" of chilled water as used herein is intended to refer to the quantity of chilled water delivered by Owner to Customer at the chilled water delivery point at a temperature which will produce the equivalent of 12,000 Btu of cooling in Customer's Facilities (from point of delivery thereto to point of redelivery to Owner) over a period of one-hour, also taking into account, of course, the temperature of the quantities of chilled water redelivered by Customer to Owner at the chilled water redelivery point, and measured and calculated on the basis of the aggregate Btu gain occurring in the quantities of chilled water delivered by Owner to Customer between the chilled water delivery point and the chilled water redelivery point provided for herein and in accordance with the procedures and methods provided for herein.

C. Owner: As used herein, "Owner" refers to Oklahoma University Development Authority or its designate.

D. Customer: As used herein, "Customer" refers to the party with whom Owner has entered into the service agreement to which this is attached and incorporated as Appendix B.

E. Service Agreement: As used herein, "Service Agreement" refers to that Utility Service Agreement to which this is attached and incorporated as Appendix B, entered into between Owner and Customer whereby Owner agrees to furnish steam for heating (and processing) and chilled water for cooling and Customer agrees to purchase same in accordance with the terms and conditions of the agreement and the conditions of service and Customer's instructions herein.

II. NATURE, AVAILABILITY & REQUIREMENTS RELATING TO USE OF SERVICE

A. Steam Plant: Owner will render heating service from a central steam plant and a distribution system providing a primary supply of saturated steam to its customers for heating and processing, at a pressure ranging from 125 to 100 psig depending on point of delivery and the load on the system.

Condensate shall be pumped from the premises by the Customer to the Owner's condensate return mains and thence back to the Central Plant at a normal pressure of 25 psig, but in no event to exceed 50 psig, at a minimum temperature of 180°F. No condensate from process steam which is contaminated shall be pumped back into the Owner's condensate return system but shall be disposed of by Customer. No Customer may tap into or otherwise interfere with the flow of such condensate without the prior written permission of Owner.

B. Steam Service: Steam Service may be purchased from Owner for all heating and processing purposes by the use of customer-owned equipment which is connected or can be connected to Owner's steam distribution system after Owner and Customer

have executed a written service agreement. Owner may refuse to accept condensate from Customer if condensate has been contaminated by Customer. Customer shall not do any water treatment nor add any chemicals or foreign substances into the water being used in its heating and cooling system without the prior written consent and approval of Owner, such approval not to be unreasonably withheld by Owner.

C. Cooling Plant: The Owner will render cooling service by means of water chillers, pumps, and associated facilities located at its central plant and by a chilled water distribution system, designed to deliver chilled water at the Customer's point of delivery at 40 to 42°F, and at pressures varying from 120 psig to a maximum of 200 psig and to receive back the chilled water at Customer's point of return at approximately 55°F. Customer shall furnish controls to maintain a programmed water temperature differential of 14°F, plus or minus 1°F above delivery temperature after use by the Customer at point of return of chilled water to Owner's system. Customer will return the chilled water to Owner at the point of return at a sufficient pressure to meet the pressure requirement of Owner's chilled water return system. No Customer may tap into, use or otherwise interfere with such chilled or return water in any way which may raise or lower its temperature beyond the above stated limits. Customer shall not in any way contaminate the chilled water while same is in Customer's custody and control.

D. Cooling Service: Chilled water service may be purchased from Owner for the cooling requirements of buildings which are connected or can be connected to the Owner's chilled water distribution system when the Customer and Owner have executed the Utility Service Agreement.

E. Preparation of Customer's Piping System to Receive Service: This service condition pertains to the cleanliness of the Customer's chilled water, steam

and steam condensate piping systems and connected heat transfer apparatus, both new systems and existing systems.

After the Customer's chilled water piping system is completed and before it is connected to the Owner's service lines, the piping shall be washed clean. The cleaning solution shall be trisodiumphosphate and water, concentration as recommended by the chemical manufacturers for this duty. This solution shall be pumped through the piping at such a rate as to remove oil, mill scale, etc. Discard and drain. Repeat this operation twice. At the end of the second flushing period, check ph of water in system (Litmus paper) and if not neutral, repeat flushing or neutralize with appropriate chemical. Any leaks which develop as a result of the cleaning operation shall be repaired by the Customer.

After the customer's steam and steam condensate piping system is completed, it shall be cleaned as set forth below, before the steam condensate return piping is connected to the Owner's return system.

Steam service shall be connected to the Customer's system and placed into operation, with all condensate from the Customer's system dumped to waste, until the return line flow is clear of mill scale, oil, pipe dope and all debris. Steam used for this cleaning operation will be billed to the Customer at \$1.00 per 1000 pounds total charge. Any leaks which develop shall be repaired by the Customer.

F. Flow Control - Chilled Water Loads: The flow of chilled water through the Customer's heat transfer systems shall be automatically stopped when the air conditioning systems are turned off. The automatic valves shall be capable of 100% shutoff at differential pressure up to 75 psig. In the event that freeze protection is desired on a dormant coil, 10% of design flow through a manual bypass valve, around the automatic valve will be allowed.

III. METERS & SPACE REQUIREMENTS

The Owner will furnish, install and maintain meter runs and consumption meters best suited to the service requirements. The Customer will furnish, install and maintain such pressure regulating valves or pumps required to change inlet and return pressures or flows.

The metering devices are to be checked for accuracy in accordance with generally accepted methods at least once every year by the Owner in the presence of Customer's representative.

Customer will provide, without charge, adequate space if required on its premises for the housing of and access to such measuring equipment and appurtenances.

IV. OWNER'S SERVICE LINES

The Owner will install its service lines to a location at the outside wall of the basement or foundation of Customer's building, determined by the Owner to be convenient and practicable, and will extend such service lines through a sleeve provided and installed by the Customer in such basement wall or foundation to the point of the Owner's metering facilities. The point on the discharge side of the Owner's meters, (for recording consumption of steam and chilled water by Customer) shall constitute the point of delivery of service, the point on the inlet side of the Owner's meter installed to record condensate return shall constitute the condensate return point and the point where Owner extends its service lines to receive chilled water from Customer shall constitute the point of return of chilled water. Steam service will normally be supplied to the Customer's building through a single supply line and a single condensate return line. Chilled water service will normally be supplied to the Customer's building through a single supply line and a single return line.

For reasons of Owner's economy, conditions on the Owner's distribution system, improvement of service conditions, or volume of the Customer's requirements, the Owner may at its option install more than one service line for steam service, or chilled water service, or both.

The Owner reserves the right to determine the location of any service line, and to avoid misunderstanding, the Customer, before starting work, shall consult the Owner as to the exact location of the point of service termination (or delivery point). Owner agrees to act reasonably in respect to the determination of the location of said line.

Any change requested by the Customer in the point of delivery of service or location of Owner's service facilities, provided such change is approved by the Owner, will be made at the expense of the Customer, who shall reimburse the Owner for the actual cost of such change.

V. OWNER'S PROPERTY

The service line, meters, and service equipment installed by the Owner shall remain the property of the Owner.

The service stop valve and meter stop valves shall be operated only by authorized personnel of the Owner, except that the service stop valve and meter stop valves may be closed by the Customer after shutoff. The Owner shall be notified immediately of such shutoff. The Owner's representative, if requested, shall exhibit his written authority.

The Customer shall be responsible for the safekeeping of the Owner's property on his premises. No person, except a duly authorized employee of the Owner, shall be permitted to break or replace an Owner seal or lock, or to alter or interfere with the operation of meters or its connections, (a steam meter, a water meter)

regulators, or any other item of service equipment installed by the Owner.

VI. CUSTOMER'S PROPERTY

The Customer will furnish, install and maintain, where required, on the service side of the meter, such pumps and regulating devices as are necessary to maintain pressure and flow conditions required by Customer equipment and return at distribution operating pressure conditions which will meet the requirements herein.

The Customer shall provide (without cost to Owner) suitable space for the installation, inspection, protection, and maintenance of Owner's meters and other necessary service equipment within Customer's premises, at a location acceptable to Owner and as near the point of delivery as practicable. Where electricity or instrument air is required for the operation of the Owner's meters or meter regulating valves, the Customer shall furnish and install wiring, piping, and equipment necessary to provide such service.

The Customer shall also furnish, install and maintain all facilities required for his utilization of service as shown on Pages 12-16 of this Appendix B.

Except as otherwise provided herein, all repairs to Customer's piping and equipment shall be made by the Customer. The Customer shall give immediate notice to the Owner of any leakage or escape of steam or chilled water.

The Customer shall give the Owner reasonable advance notice of intention materially to increase or decrease his load. Changes and alternations to provide proper metering in such cases shall be governed by Owner's requirements applying to new installations.

The Owner shall not be required to supply steam service until the Customer's

installation shall have been approved by any local authority having jurisdiction over the same, and the Owner further reserves the right to withhold its service, or discontinue its service, whenever such installation or part thereof is deemed by the Owner to be unsafe, inadequate or unsuitable for receiving the Owner's service, or to interfere with or impair the continuity or quality of the Owner's service to the Customer or to others.

VII. ACCESS TO PREMISES

The Owner's duly authorized representative shall have the right of access to all the Owner's property on the premises of the Customer and on all other premises, with respect to which the Customer has secured easements, at all reasonable times for the purpose of installing service lines, inspecting, protecting, maintaining, and replacing where necessary, its service lines meters, and service equipment, removing its property, or any other proper purpose.

VIII. LIABILITY

The Owner will endeavor at all times to provide a regular and uninterrupted supply of service throughout the year on a twenty-four (24) hour per day basis, but does not warrant or guarantee uninterrupted service and shall not be liable for any damages caused or resulting from an interruption in service. Nor shall the Owner be liable for any injury or damage resulting in any way from the supply or use of the steam or chilled water or the presence of its equipment on the Customer's premises, and neither by inspection or non-rejection, nor in any other way, does the Owner give any warranty, expressed or implied, as to the adequacy, safety or other characteristics of any structures, equipment, wires, mains, pipes, appliances, or devices owned, installed or maintained by the Customer or leased by the Customer from third parties.

IX. NOTICES

The Customer shall give the Owner five (5) days prior written notice to turn on or turn off steam or chilled water service.

X. METERING & BILLING

A. Measurement of Steam Service: Metering of the Customer's usage of steam (supply and return of condensate) will be determined by use of Owner's flow meters which will record the Customer's usage. Customer shall return no less than 95% of condensate volume per month to Owner. Owner may penalize Customer for returning less than the indicated 95% of condensate at a penalty rate equivalent to 0.40 times the average steam consumption rate for such shortage.

B. Measurement of Chilled Water Service: Metering of the Customer's usage of chilled water supply and return will utilize a device which measures and records chilled water flow and water temperature difference to be converted to ton-hours. Customer shall return all of the chilled water volume delivered by Owner to Customer. Owner may penalize Customer for not returning all of the chilled water at a penalty rate equal to two times the cost to Owner of water furnished to Owner by its supplier.

C. Billing Demand: The billing demand for steam and for chilled water services in which the DEMAND CHARGE is computed, shall be the largest number of pounds of steam, or ton-hours of refrigeration, in any sixty (60) minute period during the month; provided, however, that the billing demand shall be not less than the highest billing demand established during the preceding eleven (11) months; and provided further that the billing demand in any month shall not be less than eighty (80) percent of the Service Design Peak. The Service Design Peak shall be the maximum rate of delivery based on the Customer's requirements, and as agreed between Customer and Owner as set forth in the Service Agreement.

D. Meter Reading & Billing Period: The regular meter reading and billing period shall be a calendar month. The Owner reserves the right to read meters and render bills at any other intervals of time.

E. Bills Based Upon Estimated Usage of Service: Should the meter record be interrupted at any time and for any reason, the quantities of steam or chilled water to be billed for such period of interruption will be estimated from meter records immediately before and after the period of interruption.

F. Payment of Bills: Bills of the Owner for service are due on presentation and payable within fifteen (15) days thereafter.

XI RATES

A. Steam Service: The monthly charge for steam service shall be based on a two-part rate consisting of a Demand Charge and a Consumption Charge as contained in the Rate Schedule attached to the Service Agreement. The Demand Charge shall be computed on the basis of the Steam Billing Demand as defined hereunder in Section C of Article X. Such charge is due and payable each and every month without regard as to whether steam was delivered during the month. The Consumption Charge shall be computed based on the volumes of steam delivered during the month to Customer.

B. Chilled Water Service: The monthly charge for chilled water service shall be based on a two-part rate schedule consisting of a Demand Charge and a Consumption Charge as contained in the Rate Schedule attached to the Service Agreement. The Demand Charge shall be computed based on the chilled water billing demand as defined herein in Section C of Article X. Such charge is due and payable each month without regard as to whether chilled water was delivered during the month. The Consumption Charge shall be computed based on the ton-hours of cooling delivered during the month to Customer.

C. Chilled Water Temperature Differential: The differential temperature used for chilled water consumption adjustment will be computed as that temperature which, when applied to the metered total quantity of water delivered during the month, would produce the ton-hours of consumption metered during the same period.

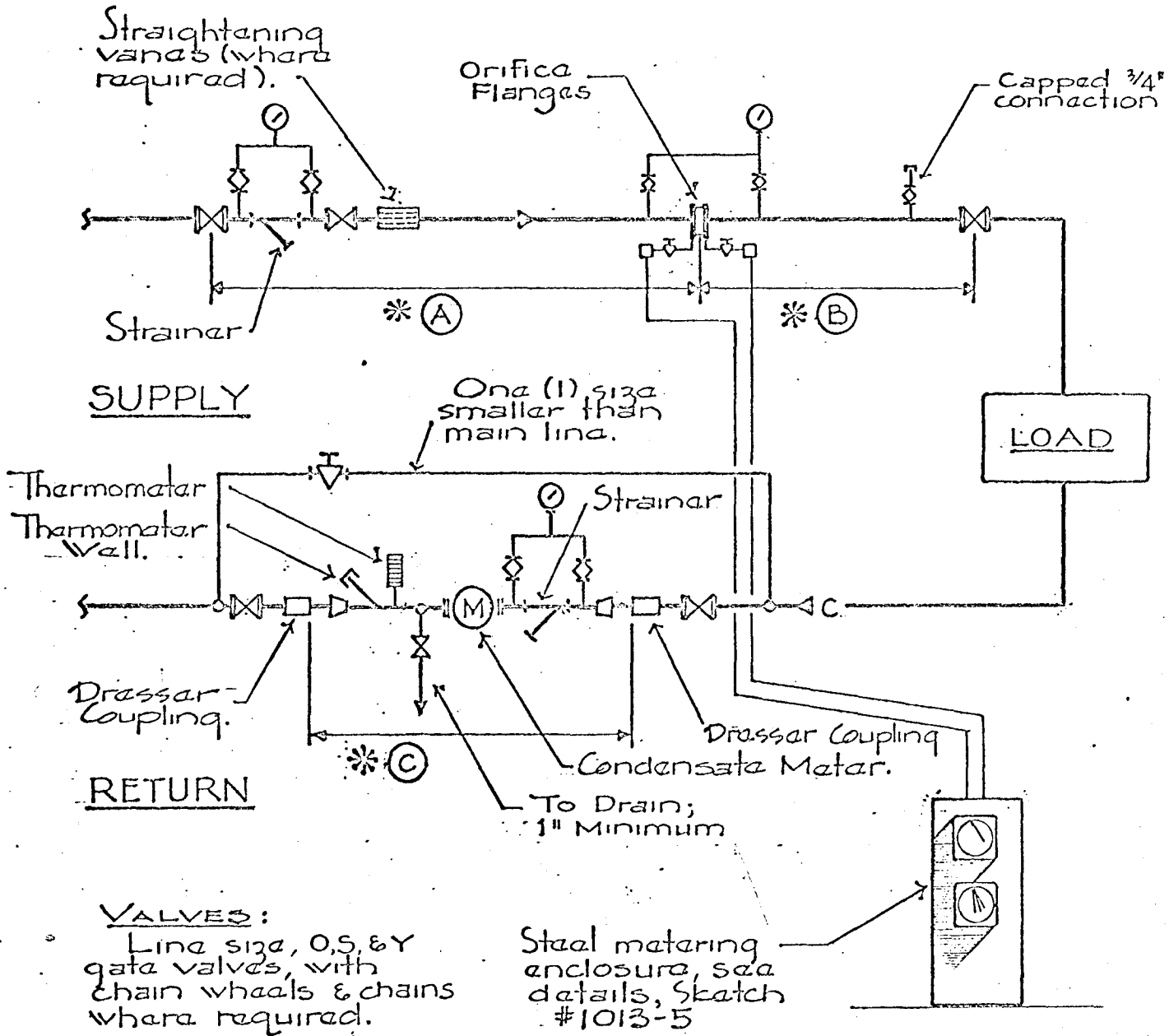
D. Exhaust Air From Customer's Buildings: The tunnel system will be maintained at a slight negative pressure by exhaust fans located near the central plant; the air being discharged to atmosphere after flowing through the plant building. Customers are encouraged to take advantage of this exhaust facility, and discharge exhaust air into the tunnel system. Air exhausted into the tunnel shall be relatively clean, free from strong odors, radioactive materials, bacteria, virus, and at a temperature not to exceed 80°F. Normal toilet exhaust air systems and normal building exhaust air will be acceptable. Kitchen exhaust, laundry exhaust, laboratories exhaust and similar air streams will not be acceptable.

Owner reserves the right to accept and/or reject any exhaust air stream, and assumes no obligation for reversal of flow into the Customer's exhaust air system.

The Customer agrees to not provide heating and cooling service (on a re-sell basis) without the permission of the Owner.

STEAM METERING STATION

125 P.S.I.G. 1.5[#]/SQ.IN. LOSS/100 FT. MAX.



VALVES:
Line size, O.S. & Y gate valves, with chain wheels & chains where required.

* Depends on line size, see schedule.
(Sketch #1013-2)

REVISED 7-15-1970

SKETCH #1013-1

PREPARED BY:

CARNAHAN & THOMPSON

ENGINEERS

OCTOBER 14, 1969

STEAM FLOW METERS

125 P.S.I.G. — 1.5#/SQ.IN. LOSS/100 FT. MAX.

SIZE: INCHES	LBS. PER HOUR	Loss/ 100 FT. LBS.	VELOCITY FT./ MINUTE	30 DIAM. UPSTREAM * (A) MIN.	3 DIAM. DOWNSTREAM * (B) MIN.	RETURN DIM. * (C)
3"	750	0.06	500	9'	1'	6'-6"
3"	4300	1.50	2800	9'	1'	
4"	4600	0.40	1600	10'	2'	
4"	9500	1.50	3300	10'	2'	
6"	10,000	0.25	1600	15'	2'	
6"	30,000	1.50	4000	15'	2'	
8"	31,000	0.50	3000	20'	3'	
8"	63,000	1.50	5200	20'	3'	

* See piping illustrations on following drawings: sketch #1013-1

REVISED 7-15-1970

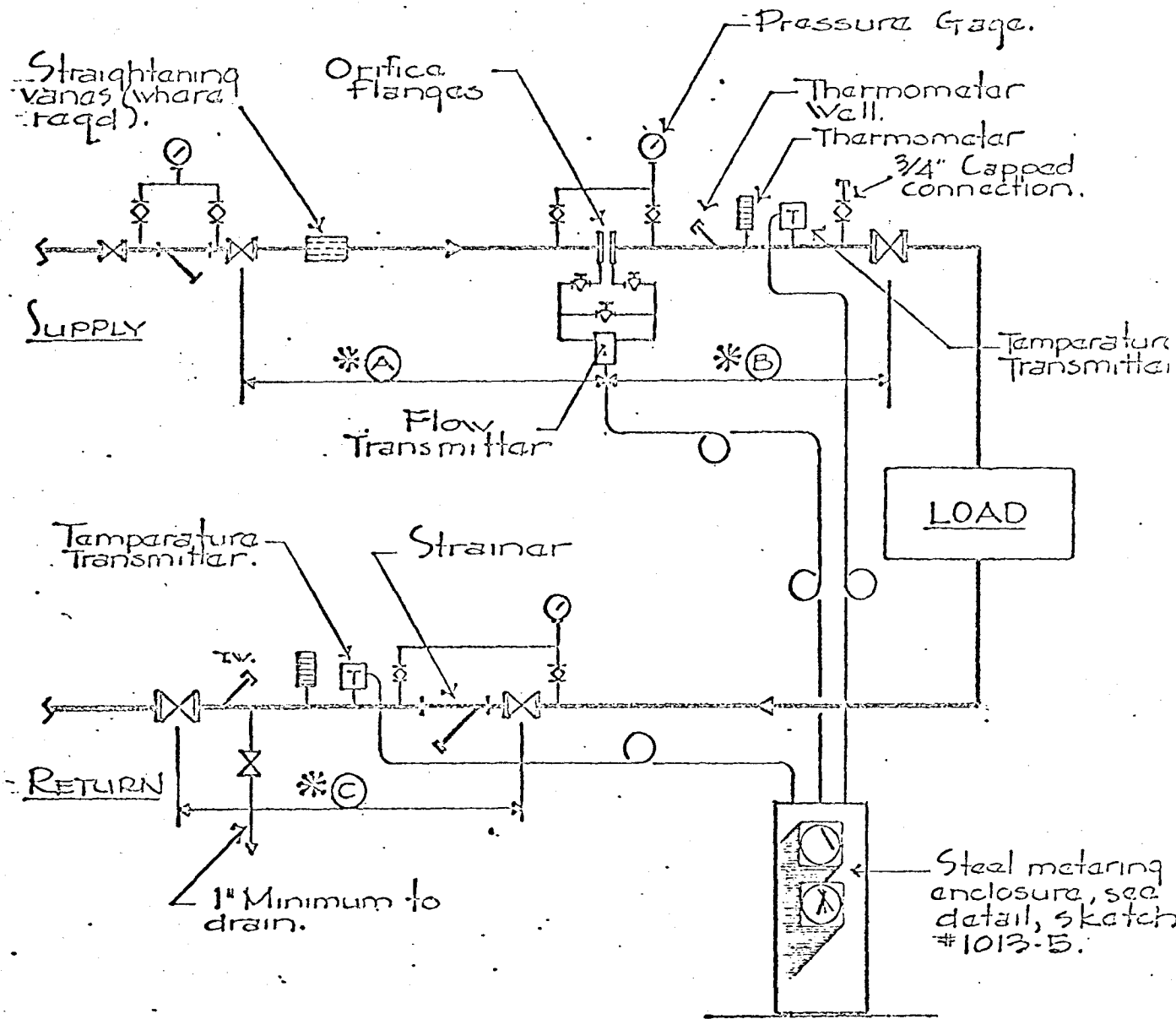
SKETCH #1013-2

PREPARED BY:

CARNAHAN & THOMPSON
ENGINEERS

OCTOBER 14, 1969

CHILLED WATER METERING STATION



Notes:

1. Valves shall be line size, lug-type butterfly with gear operators. Chain wheels and chains shall be provided where required.
2. Orifice flanges, temp. and pressure sensing devices shown in this illustration must be in a room provided within Customer's building or in run-out tunnel.

* Depends on pipe size, see schedule

REVISED 7-15-1970

SKETCH #1013-3 PREPARED BY: CARNAHAN & THOMPSON ENGINEERS OCTOBER 14, 1969

ORIFICE METERS

SLIP-ON TYPE ORIFICE FLANGES - STRAIGHT PIPE : 30 DIAM. UPSTREAM, 3 DIAM. DOWNSTREAM

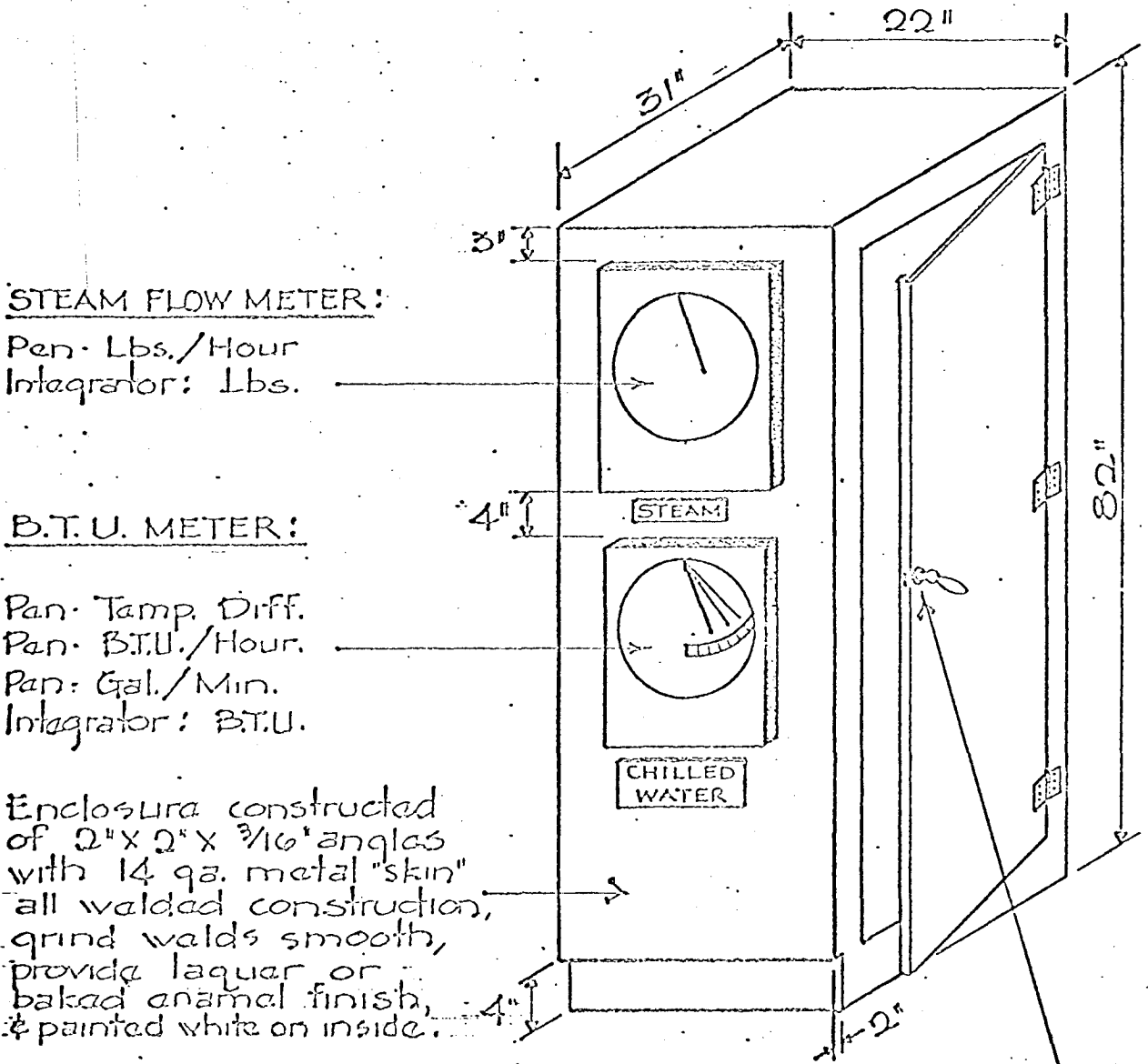
CHILLED WATER - 1.72 G.P.M./TON (40° TO 54°)

PIPE SIZE	TONS	LOSS PER 100 FT.	G.P.M.	UPSTREAM FT. REQ'D * (A) MIN.	DOWNSTREAM FT. REQ'D * (B) MIN.	RETURN FT. REQ'D * (C)
3'	35	1.74	60	9'	1'	3'
3"	81	8.32	140	9'	1'	3'
4"	87	2.53	150	10'	2'	3'-6"
4"	163	8.00	280	10'	2'	3'-6"
6"	174	1.24	300	15'	2'	4'
6"	494	8.50	850	15'	2'	4'
8"	521	2.48	900	20'	3'	4'-6"
8"	930	7.20	1600	20'	3'	4'-6"
10'	990	2.69	1700	25'	3'	4'-8"
10"	1860	8.58	3200	25'	3'	4'-8"
12'	2030	4.21	3500	30'	4'	5'
12"	2900	8.15	5000	30'	4'	5'
14"	2900	5.03	5000	35'	4'	6'
14"	4060	9.38	7000	35'	4'	6'

* See piping illustrations on following drawings:
Sketch #1013-3.

REVISED: 7-15-70
 SKETCH #1013
 PREPARED BY
 CARNAHAN &
 ENGINEERS
 OCTOBER 1970

METERING ENCLOSURE STEAM AND CHILLED WATER



STEAM FLOW METER:

Pen. Lbs./Hour
Integrator: Lbs.

B.T.U. METER:

Pan. Temp. Diff.
Pan. B.T.U./Hour
Pan: Gal./Min.
Integrator: B.T.U.

Enclosure constructed of 2" x 2" x 3/16" angles with 14 ga. metal "skin" all welded construction, grind welds smooth, provide laquer or baked enamel finish, & painted white on inside.

14 ga. door, both sides channel break edges for stiffness, provide locking handles, both doors.
Doors: 6'-4" hi x 2'-1" w.

Notes:

1. Use seven (7) day charts.
2. Meters shall have locking covers.
3. Enclosure shall be located within customers building or in tunnel.

REVISED: 7-15-70

SKETCH #1013-5

PREPARED BY:

CARNAHAN & THOMPSON
ENGINEERS

OCTOBER 14, 1969

BOND INDENTURE
\$6,000,000 TRUSTEES OF THE OKLAHOMA UNIVERSITY DEVELOPMENT AUTHORITY
UTILITY REVENUE BONDS, SERIES 1970

KNOW ALL MEN BY THESE PRESENTS:

THIS BOND INDENTURE, for the convenience of the parties hereto dated as of the 1st day of December, 1970, but actually entered into on the date hereinafter set out, by and between The Trustees of the OKLAHOMA UNIVERSITY DEVELOPMENT AUTHORITY (hereinafter called "Authority"), and THE FIRST NATIONAL BANK AND TRUST COMPANY OF OKLAHOMA CITY, OKLAHOMA, a national banking association duly organized and doing business under the laws of the United States of America and having its principal office in The City of Oklahoma City, Oklahoma, which is authorized under such laws to exercise corporate trust powers (said banking association and any other Bank or Trust Company appointed as successor thereto under this Indenture, or by Supplemental Indenture, being hereinafter sometimes referred to as the "Bank").

WITNESSETH:

WHEREAS, the Oklahoma University Development Authority has been created by a Trust Indenture dated as of April 11, 1969, designating certain individuals as Trustees of the Oklahoma University Development Authority for the use and benefit of the University of Oklahoma (hereinafter called "Beneficiary"), under authority of and pursuant to the provisions of Title 60, Oklahoma Statutes 1961, Sections 176 to 180, as amended, the Oklahoma Trust Act, and other applicable statutes and laws of the State of Oklahoma; and

WHEREAS, pursuant to 70 O.S. 1961, § 3306, as amended, the University of Oklahoma Medical Center consists of all medical facilities and related activities of the University of Oklahoma located at Oklahoma City; and

WHEREAS, the operation of the University of Oklahoma Medical Center is under the control and supervision of the Regents; and

WHEREAS, heating and cooling services are essential to the proper and efficient performance of the duties and obligations of the Regents in the operation of the University of Oklahoma Medical Center and related facilities; and

WHEREAS, the Authority has determined to acquire and construct facilities required for the provision of heating and cooling services to the University of Oklahoma Medical Center and certain buildings housing institutions related thereto (hereinafter the initial facilities to be constructed are called the "Project" and together with all additions, betterments, improvements thereto and extensions thereof hereafter constructed or acquired by the Authority and all real and personal property of the Authority of or pertaining thereto called the "Facilities"); and

WHEREAS, to pay the cost of the Project and to capitalize certain reserve requirements, the Authority has determined to issue its Utility Revenue Bonds, Series 1970 (hereinafter called "1970 Bonds") dated as of December 1, 1970 in the aggregate principal amount of \$6,000,000, under and pursuant to the terms of this Bond Indenture (hereinafter together with all supplements thereto called the "Bond Indenture" or the "Indenture"); and

WHEREAS, the proceeds of the 1970 Bonds will be used for the purpose of paying for the Project and such Bonds shall be paid from revenues received by the Authority under certain Utility Service Agreements (hereinafter mentioned), and shall be secured by a first mortgage on the Trust Estate (hereinafter defined); and

WHEREAS, the Authority has entered into a Utility Service Agreement dated as of December 1, 1970, by and between the Authority and the Board of Regents of the University of Oklahoma (hereinafter called "Regents"), (said Agreement being hereinafter referred to as "Regents' Utility Service Agreement"); and

WHEREAS, the Authority has entered into a Utility Service Agreement dated as of December 1, 1970 by and between the Authority and The Oklahoma Medical Research Foundation (hereinafter called "Foundation"), (said Agreement being hereinafter referred to as "Foundation Utility Service Agreement"); and

WHEREAS, the Authority has entered into a Utility Service Agreement dated as of December 1, 1970, by and between the State of Oklahoma, Department of Public Health (hereinafter called "Department"), and the Authority (said Utility Service Agreement being referred to hereinafter as "Public Health Department Utility Service Agreement"); and

WHEREAS, the Authority has entered into a Lease Agreement by and between the Authority and the Regents dated as of December 1, 1970 (hereinafter called "Lease"), whereby the Regents have leased a certain parcel of land for the purpose of constructing the heating and cooling plant thereon to the Authority; and

WHEREAS, the Authority desires to secure the 1970 Bonds by a mortgage and pledge of said leasehold interest in the said real property and a first mortgage and pledge of its interest in the Facilities and the gross proceeds, fees, charges, revenues, income, rents, receipts, issues and benefits (hereinafter called the "Revenues" and together with the Authority's interest in the Facilities and the Authority's leasehold interest in the said real property called the "Trust Estate"); and

WHEREAS, the Authority has entered into an Operation and Maintenance Contract dated as of December 1, 1970 with the Regents whereby the Regents have agreed to operate and maintain the Facilities on and in behalf of the Authority; and

WHEREAS, the Authority has full right and lawful authority to enter into this Bond Indenture and to perform and observe the provisions hereof to be performed and observed; and

WHEREAS, all things necessary to render the 1970 Bonds, when executed by the Chairman and Secretary of the Authority and authenticated by the Bank, the valid, binding, legal and negotiable obligations of the Authority, and to render this Indenture valid and sufficient to secure the payment thereof, have been done and performed and the execution and issuance of the 1970 Bonds and of this Indenture have in all respects been authorized; and

WHEREAS, upon compliance with the provisions and conditions hereinafter in this Indenture set forth the Authority may issue hereunder and secure hereby further and additional Bonds payable on a parity with the 1970 Bonds from the Revenues and equally and ratably secured by the mortgage and pledge hereby created on the Trust Estate (the 1970 Bonds and any and all such further and additional Bonds are hereinafter in the Indenture called the "Bonds", except in Article II hereof, where the term "Bonds" means only the 1970 Bonds);

NOW, THEREFORE, in consideration of the payment by the Bank to the Authority of the sum of \$1.00, the receipt of which is hereby acknowledged, and in consideration of the acceptance by the Bank of this Indenture and the Trust hereby created, as evidenced by all sums and liabilities at any time secured hereby, including interest and attorneys' fees, with respect to all of the foregoing and also any and all sums for which the Bank may be or become obligated to pay for or on behalf of the Authority arising in connection with their duties under this Bond Indenture, whether by agreement or by operation of law, and to secure and assure the strict, full and prompt performance and observance by the Authority of each and every covenant, warranty and agreement undertaken by it herein, the Authority does by these presents, grant, bargain, sell, alien, remise, release, convey, transfer, assign, confirm, set over, mortgage and pledge unto the Bank, its successors in trust and assigns,

- (a) Its leasehold interest in the following real estate in Oklahoma County, Oklahoma: Block 21, Amended Plat of Oak Park Addition, City of Oklahoma City, Oklahoma; together with all the improvements thereon, and with any personal property belonging to the Authority located upon, in or about said premises, and all revenues from all such real estate and improvements thereon and personal property located thereon (which leasehold interest was created by a Lease Agreement dated as of December 1, 1970 by and between the Regents and the Authority, a copy of which is attached hereto as Schedule A); and
- (b) All its interest in the Project, the Facilities, the Revenues of

the Facilities and the Utility Service Agreements.

TO HAVE AND TO HOLD all and singular, the aforesaid Trust Estate, including all additional property which by the terms hereof, has or may become subject to the lien of this Indenture, under the Bank, its successors in trust and assigns, forever; IN TRUST, nevertheless, for the equal and proportionate benefit and security of all present and future holders of the Bonds issued pursuant to the provisions and secured by the Indenture, without preference, priority, or distinction as to lien or otherwise of any one of the Bonds over any other or others of the Bonds, to the end that each holder of the Bonds has the same rights, privileges and lien under and by virtue of the Indenture; and conditioned, however, that if the Authority shall well and truly pay or cause to be paid fully and promptly when due all the Bonds and other indebtedness, liabilities, obligations and sums at any time secured hereby, including interest and attorneys' fees, and shall promptly, faithfully and strictly keep, perform and observe or cause to be kept, performed and observed all of the covenants, warranties and agreements contained herein to be by them kept, performed and observed, then and in such event this Indenture shall be and become void and of no further force and effect, otherwise the same shall remain in full force and effect.

The Authority covenants and agrees with, and does hereby covenant unto the Bank, that it has good right and lawful authority to mortgage, pledge, transfer, assign and otherwise involve the Trust Estate to the extent and in the manner herein provided; that the Trust Estate is free and clear of all liens, claims, demands, encumbrances, taxes, special assessments and governmental charges which could or might in any way adversely affect or prejudice the rights, interest, powers and privileges hereby vested in and conferred upon the Bank; and that the Authority will not suffer any lien or encumbrance upon the Trust Estate pledged under the provisions hereof, or any part thereof, superior to the security or lien hereof to accrue or be created or do or suffer any act or thing whereby the security hereof may be diminished or impaired, and will keep the Trust Estate in good operating condition and repair. The Authority further covenants and agrees to forever defend the title to each and every part and parcel of the Trust Estate against the claims and demands of all persons whomsoever.

ARTICLE I

DEFINITIONS

SECTION 1. In each and every place in and throughout this Indenture whenever the following terms, or any of them, are used, the same, unless the context shall indicate another or different meaning or intent, shall have the following meanings:

(a) "Authority" means Oklahoma University Development Authority.

(b) "Trustees" means the persons presently occupying the office of Trustees of Oklahoma University Development Authority, so long as they are in office, or their successors, as created by and provided for in the Trust Indenture dated April 11, 1969, and recorded in the offices of the County Clerks of the Counties of Cleveland and Oklahoma, State of Oklahoma. The word "Trustees" (the plural form of Trustee) shall not be used in this Indenture in any other manner than to refer to the Trustees of the Authority.

(c) "Temporary trustee" (singular or plural) means any person or persons acting in a temporary capacity, because of an Event of Default and pursuant to Article VI hereof.

(d) "Bank" means The First National Bank and Trust Company of Oklahoma City, or one or more other national banking associations duly organized and doing business under the laws of the United States of America and having a principal office in the City of Oklahoma City, Oklahoma, and authorized under such laws to exercise corporate trust powers, appointed by this Indenture or by supplemental indenture as Indenture Trustee and the successor of any such Bank, or any other corporation which may at any time be substituted in its place, which shall perform the duties herein set forth to be performed by the Bank for and on behalf of the Trustees and the holders of Bonds. Although the Bank is acting as an Indenture Trustee, it shall not be referred to by any nomenclature using the word "Trustee" so as to avoid confusion with those entities defined in (b) and (c) of this Section.

(e) "Indenture" shall mean collectively this instrument, as the same shall be modified or amended by any amendment thereto or by any supplemental indenture hereto.

(f) "Bonds" (whether the first letter of such word be capitalized or not) mean all bonds, whether term or serial, authorized by and issued under the provisions of this Indenture and any supplemental indenture and "1970 Bonds" shall mean all Bonds issued pursuant to Article II hereof; provided that the term "Bonds" when used in Article II hereof shall mean only the 1970 Bonds.

(g) "Paying Agent" or "Bank of Payment" or "Banks of Payment" shall mean any paying agent for the Bonds, and its successor or successors and any other corporation which may at any time be substituted in its place pursuant to this Indenture.

(h) "Lease" shall mean the lease dated as of December 1, 1970 between the Authority and the Regents of the University of Oklahoma, a copy of which is attached hereto as Schedule A, and any or all amendments or modifications thereto as may hereafter be made.

(i) "Project" means the initial facilities constructed pursuant to this Indenture.

(j) "Facilities" means the Project, together with all additions, betterments, improvements thereto and extensions thereof hereafter constructed or acquired by the Authority, including, without limitation, the Project, the Lease, and all easements, rights of way and other properties, real, personal or mixed.

(k) "Revenues" means the gross proceeds, fees, charges, revenues, income, rents, receipts, issues and benefits of the Facilities derived by the Authority from the ownership and operation.

(l) "Trust Estate" means all rights, title and interest of the Authority in the Facilities, the Authority's leasehold interest in the real estate leased to the Authority pursuant to the terms of the above-mentioned Lease, the Revenues, and the Authority's interest in the Utility Service Agreements.

(m) "Beneficiary" means the University of Oklahoma.

(n) "Surplus Revenues" shall mean the moneys in the Capital Improvement Fund (as created and defined herein) available for the retirement of Bonds or purchase of Bonds on the open market as provided in Clause ii, Paragraph i, Section 1, Article III, hereof.

SECTION 2. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. The words "Bond", "Holder" and "Person" shall include the plural as well as the singular number unless the context shall otherwise indicate. The word "Person" shall include corporations, associations and natural persons unless the context shall otherwise indicate.

ARTICLE II

AUTHORIZATION, TERMS AND CONDITIONS OF BONDS

SECTION 1. There is hereby established and created a series of the Bonds to be known as "Trustees of the Oklahoma University Development Authority, Utility Revenue Bonds, Series 1970", in the aggregate principal amount of \$6,000,000. The coupon Bonds of such series shall be dated December 1, 1970, shall be numbered 1 to 1200, inclusive, shall be of the denomination of \$5,000 each, and shall be registerable as to principal only, and if registered as to principal, may be reconverted into bearer Bonds in the manner and with the effect more specifically provided in the Provision for Registration and Reconversion contained in the Form of Coupon Bond set out in Article II, Section 4 of this Indenture. The Bonds shall bear interest and shall mature as to principal according to the following schedule:

<u>Maturity Date</u> <u>July 1</u>	<u>Principal</u>	<u>Interest Rate</u>
1971	-0-	-
1972	-0-	-
1973	\$70,000	7-1/8%
1974	75,000	7-1/8%
1975	80,000	7-1/8%
1976	85,000	7-1/8%
1977	90,000	7-1/8%
1978	100,000	7-1/8%
1979	105,000	7-1/8%
1980	115,000	7-1/8%
1981	125,000	7-1/8%
1982	130,000	7-1/8%
1983	140,000	7-1/8%
1984	150,000	7-1/8%
1985	165,000	7-1/8%
2000	4,570,000	7-1/4%

Interest on the Bonds shall be payable July 1, 1971 and semi-annually thereafter on January 1 and July 1 of each year until the principal amount of the Bonds is paid. Both principal of and interest on the coupon Bonds shall be payable in any coin or currency of the United States of America, which, on the respective dates of payment thereof, is legal tender for the payment of public and private debts at the Chemical Bank, New York, New York, or at the option of the holder at The First National Bank and Trust Company, Oklahoma City, Oklahoma or at the option of the holder, at the Fiscal Agency of the State of Oklahoma in the City of New York, New York, (hereinafter called "Banks of Payment"). Unless in fully registered form, interest on the Bonds falling due on or prior to maturity shall be payable only upon presentation to a Bank of Payment of appropriate semi-annual interest coupons to be attached to each Bond.

Principal and interest on the fully registered Bonds shall be payable by the Bank as Registrar. Payments of principal and interest due on any such fully registered Bonds shall be remitted to the person appearing as registered owner on the Registrar's registration books. The Registrar shall be promptly notified of all payments of principal by the other Banks of Payment.

The Bonds of this series maturing on July 1, 2000, are redeemable prior to maturity on July 1, 1985 or thereafter, as a whole at any time, or in part by lot from time to time on any interest payment date, at the following respective redemption prices (expressed as a percentage of the principal amount redeemed) if redeemed from any moneys other than moneys required by Section 1(e) of Article III hereof to be credited to the Sinking Fund Account created thereby or Surplus Revenues as defined herein, together with the interest accrued on the principal amount redeemed to the date fixed for redemption:

<u>Period during which redeemed (both dates inclusive)</u>	<u>Redemption Price</u>
July 1, 1985 to July 1, 1987	104 %
July 2, 1987 to July 1, 1989	103½%
July 2, 1989 to July 1, 1991	103 %
July 2, 1991 to July 1, 1993	102½%
July 2, 1993 to July 1, 1995	102 %
July 2, 1995 to July 1, 1997	101½%
July 2, 1997 and thereafter but prior to maturity	101 %

The Bonds of this series maturing on July 1, 2000 are also redeemable prior to maturity in part by lot from time to time, at a redemption price equal to the principal amount redeemed, on July 1, 1986, and on each July 1 thereafter, if redeemed from moneys required by Section 1(e) of Article III hereof to be credited to the Sinking Fund Account created thereby, or on July 1, 1985, or on any interest payment date thereafter, if redeemed from Surplus Revenues as defined herein, together in each case with the interest accrued on the principal amount redeemed to the date fixed for redemption.

All the Bonds of this series (including Bonds maturing on July 1, 2000) are redeemable prior to maturity at any time, in whole or in part, in inverse order of maturities and by lot within a maturity, from insurance proceeds, expropriation awards and the proceeds of the sale of the Facilities, at a redemption price equal to the principal amount redeemed plus an amount equal to one year's interest at the rate payable on the Bond redeemed if such redemption is made prior to July 1, 1985 and at the respective redemption prices set forth in the table above if such redemption is made on July 1, 1985 or thereafter.

Notice of redemption of fully registered Bonds shall be given by the Bank not less than thirty (30) days prior to date fixed for redemption by notice sent by registered mail to the registered holder or holders of the Bonds to be redeemed, directed to the addresses shown on the registration books of the Bank. For the purpose of selection and redemption of fully registered Bonds, the Bank shall assign a separate number or numbers for each \$5,000 principal amount.

Notice of such redemption of coupon Bonds shall be given by publication at least thirty days prior to the date fixed for the redemption thereof of one such notice in one issue of a daily newspaper of general circulation printed in the English language and of general circulation in The City of Oklahoma City, Oklahoma, and of one such notice in one issue of The Daily Bond Buyer, a financial journal published in New York, New York or in lieu of publication in The Daily Bond Buyer, in some other newspaper specializing in financial matters printed in the English language and customarily published on each business day and of general circulation in either of the cities of New York, New York and Chicago, Illinois.

Prior to the dates fixed for redemption, funds shall be deposited in the Banks of Payment sufficient to pay the Bonds called and accrued interest thereon plus any premiums required. Upon the happening of the above conditions, the Bonds thus called shall not bear interest from and after their redemption date.

The Bonds are issuable in form of coupon bonds in the denomination of \$5,000 and in the form of registered Bonds without coupons in denomination of any whole multiple of \$5,000.

The coupon Bonds, upon surrender thereof at the principal office of the Bank with all unmatured coupons attached, may, at the option of the holder thereof, without charge to the holder of the Bonds for the first exchange, be exchanged for an equal aggregate principal amount of registered Bonds of the same series and maturity.

The fully registered Bonds, which shall always be in any whole multiple of \$5,000, upon surrender thereof at the principal office of the Bank may, at the option of the registered owner thereof, and without charge to the holder of the Bond for the first exchange, be exchanged for an equal aggregate principal amount of coupon Bonds of the same series and maturity with appropriate coupons attached, or of fully registered Bonds of the same series and maturity in any whole \$5,000 portion of said principal amount of the fully registered Bonds.

Each fully registered Bond shall be transferable only upon books of the Registrar, which shall be kept for the purpose at the principal office of the Bank, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Bank, duly executed by the registered owner or by his duly authorized attorney. Upon the transfer of any such fully registered Bond, the Authority shall issue in the name of the transferee a new fully registered Bond or Bonds or, at the option of the transferee, coupon Bonds, with appropriate coupons attached, of the same aggregate principal amount, series and maturity as the surrendered Bond.

The Authority, the Bank and each Paying Agent may deem and treat the person in whose name any fully registered Bond shall be registered upon the books of the Authority as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal or redemption price, if any, of and interest on such fully registered Bond and payment of principal, redemption price, or interest to the registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Authority, nor the Bank or any Paying Agent shall be affected by any notice to the contrary.

In all cases in which the privilege of exchanging the Bonds or transferring fully registered Bonds is exercised, the Authority shall execute and the Bank shall authenticate and deliver the Bonds in accordance with the provisions of this Indenture. All Bonds and coupons surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bank. Neither the Authority nor the Bank shall be required to register, transfer or exchange the Bonds for a period of ten days next preceding an interest payment date on the Bonds or next preceding any selection of the Bonds to be redeemed.

EXECUTION OF BONDS

SECTION 2. The Bonds shall be executed with the facsimile signature of the Chairman of the Authority, attested by the Secretary of the Authority and shall have

the seal of the Authority printed thereon. Interest on the coupon Bonds falling due on and prior to maturity shall be represented by appropriate interest coupons to be attached thereto, which coupons shall be executed with the facsimile signatures of said Chairman and Secretary. The Secretary, by the execution of the Bonds and the Chairman, by filing a public official's certificate of manual signature, shall be considered to have adopted as and for their own proper signatures their respective facsimile signatures appearing on said coupons.

REGISTRATION

SECTION 3. The 1970 coupon Bonds shall be registerable as to principal only on books to be kept for such purpose by the Bank, as Registrar, and if registered as to principal, may be reconverted into bearer Bonds in the manner and with the effect more specifically provided in the Provision for Registration and Reconversion contained in the Form of coupon Bond set out in the following section hereof.

SECTION 4. The 1970 Bonds, the coupons appurtenant thereto, the certificate of authentication to be endorsed thereon and the endorsements to appear on the back thereof are to be in substantially the following form:

(Form of Coupon Bond)

UNITED STATES OF AMERICA
STATE OF OKLAHOMA

TRUSTEES OF THE OKLAHOMA UNIVERSITY DEVELOPMENT AUTHORITY
UTILITY REVENUE BOND, SERIES 1970

No. _____

\$5,000

The Trustees of the Oklahoma University Development Authority (hereinafter called "Authority"), an agency of the State of Oklahoma and a regularly constituted authority of the Board of Regents of the University of Oklahoma, duly created and existing under the laws of said State, for value received hereby promise to pay to the bearer, or if this Bond be then registered, to the registered owner hereof (subject to the right of prior redemption hereinafter in this Bond expressly provided for), but solely from the Trust Estate hereinafter mentioned, the principal sum of Five Thousand Dollars (\$5,000) on July _____, upon the presentation and surrender hereof and to pay interest thereon from the date hereof until paid, but solely from said Trust Estate, at the rate of _____ per cent (%) per annum. All such interest shall be payable on July 1, 1971 and semiannually thereafter on January 1 and July 1 of each year. Both the principal of and interest on this Bond are payable in any coin or currency of the United States of America, which, at the time of payment thereof, is legal tender for the payment of public and private debts, at The First National Bank and Trust Company of Oklahoma City, Oklahoma, and Chemical Bank, New York, New York, or at the option of the holder at the fiscal agency of the State of Oklahoma in New York, New York, (hereinafter called "Banks of Payment"). Interest on this Bond falling due on or prior to maturity shall be payable only upon presentation to any Bank of Payment of appropriate semiannual interest coupons attached to this Bond.

This Bond may be registered as to principal only, and if registered as to principal, may be reconverted into a bearer bond, in the manner and with the effect recited on the back hereof, by the Registrar. Subject to the Provision for Registration and Reconversion endorsed hereon and contained in the Bond Indenture, this Bond shall be negotiable and pass by delivery.

This Bond is one of the duly authorized series of Trustees of the Oklahoma University Development Authority Utility Revenue Bonds, Series 1970, aggregating Six Million Dollars (\$6,000,000) issued for the purpose of paying the costs of acquiring and constructing facilities for providing heating and cooling services to the University of Oklahoma Medical Center and certain buildings housing institutions related thereto (said facilities, together with all additions, betterments, improvements thereto and extensions thereof hereafter constructed or acquired by the Authority being hereinafter referred to as the "Facilities"). All of said Bonds are issued under and equally and ratably secured both as to principal and interest by a Bond Indenture dated as of December 1, 1970, executed by the Authority and The First National Bank and Trust Company of Oklahoma City, Oklahoma, in Oklahoma City, Oklahoma (hereinafter called "Bank" or "Registrar"), to which Bond Indenture reference is hereby made for a more complete description of the Revenues and the Authority's interest in the Facilities thereby mortgaged and pledged, constituting the Trust Estate, the nature and extent of the security, a statement of the terms and conditions on which said Bonds are issued and secured, the rights of the holders thereof, and the conditions under which bonds may be issued in the future payable from the Trust Estate on a parity with this Bond and for the other matters set forth therein.

The Bonds of this series maturing on July 1, 2000, are redeemable prior to maturity on July 1, 1985 or thereafter, as a whole at any time, or in part by lot from time to time on any interest payment date, at the following respective redemption prices (expressed as a percentage of the principal amount redeemed) if redeemed from any

moneys other than moneys required by the Bond Indenture to be credited to the Sinking Fund Account created thereby or Surplus Revenues as defined in the Bond Indenture, together with the interest accrued on the principal amount redeemed to the date fixed for redemption:

<u>Period during which redeemed (both dates inclusive)</u>	<u>Redemption Price</u>
July 1, 1985 to July 1, 1987	104%
July 2, 1987 to July 1, 1989	103½%
July 2, 1989 to July 1, 1991	103 %
July 2, 1991 to July 1, 1993	102½%
July 2, 1993 to July 1, 1995	102 %
July 2, 1995 to July 1, 1997	101½%
July 2, 1997 and thereafter, but prior to maturity	101 %

The Bonds of this series maturing on July 1, 2000 are also redeemable prior to maturity in part by lot from time to time, at a redemption price equal to the principal amount redeemed, on July 1, 1986, and on each July 1 thereafter, if redeemed from moneys required by the Bond Indenture to be credited to the Sinking Fund Account created thereby or on July 1, 1985, or on any interest payment date thereafter, if redeemed from Surplus Revenues as defined in the Bond Indenture, together in each case with the interest accrued on the principal amount redeemed to the date fixed for redemption.

All the Bonds of this series (including Bonds maturing on July 1, 2000) are redeemable prior to maturity at any time, in whole or in part, in inverse order of maturities and by lot within a maturity, from insurance proceeds, expropriation awards and the proceeds of the sale of the Facilities, at a redemption price equal to the principal amount redeemed plus an amount equal to one year's interest at the rate payable on the Bond redeemed if such redemption is made prior to July 1, 1985 and at the respective redemption prices set forth in the table above if such redemption is made on July 1, 1985 or thereafter.

Notice of such redemption shall be given by publication at least thirty days prior to the date fixed for the redemption thereof of one such notice in one issue of a daily

newspaper of general circulation printed in the English language and of general circulation in The City of Oklahoma City, Oklahoma, and of one such notice in one issue of The Daily Bond Buyer, a financial journal published in New York, New York or in lieu of publication in The Daily Bond Buyer, in some other newspaper specializing in financial matters printed in the English language and customarily published on each business day and of general circulation in either of the cities of New York, New York or Chicago, Illinois.

The Bonds are issued in the form of coupon Bonds in the denomination of \$5,000 and in the form of registered Bonds without coupons in denomination of any whole multiple of \$5,000. The holder of any coupon Bond may surrender the same with all unmatured coupons attached to the Bond, in exchange for an equal aggregate principal amount of registered Bonds, without coupons, in any denomination which is a multiple of \$5,000, or a combination of coupon Bonds and registered Bonds, in the manner and subject to the conditions provided in the Bond Indenture. In like manner, the owner of any registered Bond or Bonds without coupons may surrender the same in exchange for any equal aggregate principal amount of coupon Bonds with appropriate coupons attached or a combination of coupon Bonds and registered Bonds, in a like aggregate amount.

This Bond is not an indebtedness of the State of Oklahoma, nor of the Board of Regents of the University of Oklahoma, nor is it a personal obligation of the Trustees of the Oklahoma University Development Authority, but it is an obligation of the Authority payable solely from the Trust Estate.

This Bond shall not be entitled to any benefit under the Bond Indenture or become valid or obligatory for any purpose until it shall have been authenticated by the signature of an Authorized Officer of the Bank on the certificate of authentication endorsed hereon.

IN WITNESS WHEREOF, the Trustees of the Oklahoma University Development Authority have caused this Bond to be executed on behalf of the Authority by the facsimile signature of the Chairman, attested by the Secretary of the Authority, and have caused the seal of the Authority to be printed hereon and have also caused the coupons hereto attached to be executed with the facsimile signatures of said Chairman and Secretary, all as of the 1st day of December, 1970.

TRUSTEES OF THE OKLAHOMA UNIVERSITY
DEVELOPMENT AUTHORITY

By: _____
Chairman

Secretary

(SEAL)

CERTIFICATE OF AUTHENTICATION

This Bond is one of an issue described in the Bond Indenture herein mentioned.

THE FIRST NATIONAL BANK AND TRUST COMPANY
OF OKLAHOMA CITY, OKLAHOMA

By: _____
Authorized Officer

(Form of Coupon)

No. _____ \$ _____

On _____, 19 ____, the Trustees of the Oklahoma University
Development Authority will pay to bearer, unless the Bond mentioned below shall have
been called for previous redemption and provision for payment thereof shall have been
duly made, solely from the Trust Estate therein described upon presentation and sur-
render hereof, the sum of _____ Dollars at The
First _____ National Bank and Trust Company of Oklahoma City, Oklahoma, and Chemical Bank,
New York, New York, or at the option of the bearer, at the fiscal agency of the State of
Oklahoma in New York, New York, in any coin or currency of the United States of America
which, at the time of payment, is legal tender for the payment of public and private debts,
for the interest then due upon their Trustees of the Oklahoma University Development
Authority Utility Revenue Bond, Series 1970, dated as of December 1, 1970, Number _____.

TRUSTEES OF THE OKLAHOMA UNIVERSITY
DEVELOPMENT AUTHORITY

Chairman

Secretary

PROVISION FOR REGISTRATION AND RECONVERSION

This Bond may be registered as to principal only on the books of the Trustees of the Oklahoma University Development Authority kept by the within-mentioned Bank, as Registrar, upon presentation hereof to the Registrar, which shall make notation of such registration on said books and in the registration blank below, and this Bond may thereafter be transferred only upon an assignment duly executed by the registered owner or his attorney in such form as shall be satisfactory to the Registrar, such transfer to be made on such books and endorsed hereon by the Registrar. This Bond when registered may be discharged from such registration by being registered on said books to bearer, such registration being similarly noted by the Registrar hereon, and thereby transferability hereof merely by delivery shall be restored but this Bond may again be registered and discharged from registration as before. If this Bond be registered other than to bearer, the aforesaid Trustees, said Registrar, the Banks of Payment and the within-mentioned Bank may treat the registered holder hereof, or if it shall be registered to bearer or not be registered, the aforesaid Trustees, said Registrar, said Banks of Payment and said Bank may treat the bearer hereof, as the absolute owner hereof for all purposes, including the payment hereof, and shall not be affected by any notice to the contrary. The registration of this Bond as to principal only shall not affect the transferability merely by delivery of the coupons attached hereto, which coupons shall continue to be payable to bearer. The cost of all registrations and reconversions of this Bond shall be paid by the issuer hereof, provided that, as a condition of any such registration or reconversion and upon instructions of the issuer hereof, the Registrar may require the payment of a sum sufficient to reimburse the issuer hereof for any stamp tax or other government charge that may be imposed thereon.

<u>Date of Registration</u>	<u>Name of Registered Owner</u>	<u>Signature of Registrar</u>
_____	_____	_____
_____	_____	_____

(Form of Fully Registered Bond)

UNITED STATES OF AMERICA
STATE OF OKLAHOMA

TRUSTEES OF THE OKLAHOMA UNIVERSITY DEVELOPMENT AUTHORITY
UTILITY REVENUE BONDS, SERIES 1970

No. _____

\$ _____

The Trustees of the Oklahoma University Development Authority (hereinafter called "Authority"), an agency of the State of Oklahoma and a regularly constituted authority of the Board of Regents of the University of Oklahoma, duly created and existing under the laws of said State, for value received hereby promise to pay to _____, or registered assigns (subject to the right of prior redemption hereinafter in this Bond expressly provided for), but solely from the Trust Estate hereinafter mentioned, the principal sum of _____ Dollars on _____ upon the presentation and surrender hereof and to pay interest thereon from the interest payment date next preceding the date hereof (unless the date hereof is prior to July 1, 1971, in which event from December 1, 1970, or unless the date hereof is July 1, 1971 or any January 1 or July 1 thereafter, in which event from the date hereof) until paid, but solely from said Trust Estate, at the rate of _____ per cent (%) per annum. All such interest shall be payable on July 1, 1971 and semi-annually thereafter on January 1 and July 1 of each year. Both the principal of and interest on this Bond are payable in any coin or currency of the United States of America, which, at the time of payment thereof, is legal tender for the payment of public and private debts, at The First National Bank and Trust Company of Oklahoma City, Oklahoma.

This Bond is one of the duly authorized series of Trustees of the Oklahoma University Development Authority Utility Revenue Bonds, Series 1970, aggregating Six Million Dollars (\$6,000,000) issued for the purpose of paying the costs of acquiring and constructing

facilities for providing heating and cooling services to the University of Oklahoma Medical Center and certain buildings housing institutions related thereto (said facilities, together with all additions, betterments, improvements thereto and extensions thereof hereafter constructed or acquired by the Authority being hereinafter referred to as the "Facilities"). All of said Bonds are issued under and equally and ratably secured both as to principal and interest by a Bond Indenture dated as of December 1, 1970, executed by the Authority and The First National Bank and Trust Company of Oklahoma City, Oklahoma, in Oklahoma City, Oklahoma (hereinafter called "Bank" or "Registrar"), to which Bond Indenture reference is hereby made for a more complete description of the Revenues and the Authority's interest in the Facilities thereby mortgaged and pledged, constituting the Trust Estate, the nature and extent of the security, a statement of the terms and conditions on which said Bonds are issued and secured, the rights of the holders thereof, and the conditions under which bonds may be issued in the future payable from the Trust Estate on a parity with this Bond and for the other matters set forth therein.

The Bonds of this series maturing on July 1, 2000, are redeemable prior to maturity on July 1, 1985 or thereafter, as a whole at any time, or in part by lot from time to time on any interest payment date, at the following respective redemption prices (expressed as a percentage of the principal amount redeemed) if redeemed from any moneys other than moneys required by the Bond Indenture to be credited to the Sinking Fund Account created thereby or Surplus Revenues as defined in the Bond Indenture, together with the interest accrued on the principal amount redeemed to the date fixed for redemption:

<u>Period during which redeemed (both dates inclusive)</u>	<u>Redemption Price</u>
July 1, 1985 to July 1, 1987	104 %
July 2, 1987 to July 1, 1989	103½%
July 2, 1989 to July 1, 1991	103 %
July 2, 1991 to July 1, 1993	102½%
July 2, 1993 to July 1, 1995	102 %
July 2, 1995 to July 1, 1997	101½%
July 2, 1997 and thereafter, but prior to maturity	101 %

The Bonds of this series maturing on July 1, 2000, are also redeemable prior to maturity in part by lot from time to time, at a redemption price equal to the principal amount redeemed, on July 1, 1986, and on each July 1 thereafter, if redeemed from moneys required by the Bond Indenture to be credited to the Sinking Fund Account created thereby or on July 1, 1985, or on any interest payment date thereafter, if redeemed from Surplus Revenues as defined in the Bond Indenture, together in each case with the interest accrued on the principal amount redeemed to the date fixed for redemption.

All the Bonds of this series (including Bonds maturing on July 1, 2000) are redeemable prior to maturity at any time, in whole or in part, in inverse order of maturity and by lot within a maturity from insurance proceeds, expropriation awards and the proceeds of the sale of the Facilities, at a redemption price equal to the principal amount redeemed plus an amount equal to one year's interest at the rate payable on the Bond redeemed if such redemption is made prior to July 1, 1985 and at the respective redemption prices set forth in the table above if such redemption is made on July 1, 1985 or thereafter.

Notice of redemption shall be given by the Bank not less than thirty (30) days prior to date fixed for redemption by notice sent by registered mail to the registered holder or holders of the Bonds to be redeemed, directed to the addresses shown on the registration books of the Bank. If this Bond be of a denomination in excess of \$5,000, portions of the principal sum hereof in installments of \$5,000, or any multiple thereof may be redeemed, and if less than all of the principal sum hereof is to be redeemed, in such case upon the surrender of this Bond to the Bank there shall be issued to the registered owner hereof, without charge therefor, for the then unredeemed balance of the principal sum hereof, at the option of the owner either coupon Bonds or registered Bonds of like series, maturity and interest rate in any of the authorized denominations provided by the Bond Indenture.

This Bond is transferable, as provided in the Indenture, only upon the books of the Registrar kept for that purpose at the principal office of the Bank, by the registered owner hereof in person, or by his duly authorized attorney, upon surrender of this Bond, together with a written instrument satisfactory to the Bank duly executed by the registered owner or his duly authorized attorney, and thereupon a new registered Bond or Bonds, without coupons, and in the same aggregate principal amounts, series and maturities, shall be issued to the transferee in exchange therefor as provided in the Bond Indenture. The Authority and the Bank shall deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the principal, or redemption price thereof, and any interest due hereon, and for all other purpose, regardless of any notice to the contrary.

The Bonds are issued in the form of coupon Bonds in the denomination of \$5,000 and in the form of registered Bonds without coupons in denomination of any whole multiple of \$5,000. The holder of any coupon Bond may surrender the same with all unmatured coupons attached to the Bond, in exchange for an equal aggregate principal amount of registered Bonds, without coupons, in any denomination which is a multiple of \$5,000, or a combination of coupon Bonds and registered Bonds, in the manner and subject to the conditions provided in the Bond Indenture. In like manner and subject to said conditions, the owner of any registered Bond or Bonds, without coupons, may surrender the same in exchange for any equal aggregate principal amount of coupon Bonds with appropriate coupons attached or a combination of coupon Bonds and registered Bonds, in a like aggregate amount.

This Bond is not an indebtedness of the State of Oklahoma, nor of the Board of Regents of the University of Oklahoma, nor is it a personal obligation of the Trustees of the Oklahoma University Development Authority, but it is an obligation of the Authority payable solely from the Trust Estate.

This Bond shall not be entitled to any benefit under the Bond Indenture or become valid or obligatory for any purpose until it shall have been authenticated by the signature of an Authorized Officer of the Bank on the certificate of authentication endorsed hereon.

IN WITNESS WHEREOF, the Trustees of the Oklahoma University Development Authority have caused this Bond to be executed on behalf of the Authority by the facsimile signature of the Chairman, attested by the Secretary of the Authority, and have caused the seal of the Authority to be printed hereon, all as of the ____ day of _____, _____.

TRUSTEES OF THE OKLAHOMA UNIVERSITY
DEVELOPMENT AUTHORITY

By: _____
Chairman

Secretary

(SEAL)

CERTIFICATE OF AUTHENTICATION

This Bond is one of an issue described in the Bond Indenture herein mentioned.

THE FIRST NATIONAL BANK AND TRUST
COMPANY OF OKLAHOMA CITY, OKLAHOMA

By: _____
Authorized Officer

ASSIGNMENT

For value received the Registered Owner last listed below sells, conveys, transfers, assigns and delivers this Bond to the Assignee last listed below.

Date	Assignee	Registered Owner
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

SECTION 5. If any Bond issued hereunder or with the coupons appertaining shall become mutilated or be lost, stolen or destroyed prior to the payment thereof, a new Bond, including coupons, if any, of like tenor and date and bearing the same number, will be prepared, executed and delivered, either in exchange for and upon cancellation of the mutilated Bond and its coupons, if any, or in substitution for the Bonds and coupons, if any, lost, stolen or destroyed, but such exchange or substitution shall be made only upon receipt of satisfactory evidence of the loss, theft or destruction of such Bond and its coupons, if any, proof of ownership thereof, indemnity satisfactory to the Authority and payment of the cost of preparing such Bond and coupons.

AUTHENTICATION AND DELIVERY OF BONDS

SECTION 6. The Bank shall at the request of the Authority authenticate the Bonds. Only such of the Bonds as shall have endorsed thereon a certificate of authentication substantially in the form hereinbefore set forth, duly executed by the Bank, shall be entitled to any right or benefit under this Bond Indenture. No Bond and no coupon appertaining thereto shall be valid or obligatory for any purpose unless and until such certificate of authentication shall have been duly executed by the Bank.

Every certification by the Bank upon any Bond shall be conclusive evidence that the Bond so authenticated has been duly issued hereunder and is entitled to the benefits of the Trust hereby created.

Before the Bonds shall be authenticated and delivered by the Bank to the original purchaser thereof, there shall be filed with the Bank the following:

- (a) An order, signed by the Chairman and Secretary of the Authority, directing the authentication and delivery of the Bonds to or upon the order of the purchaser therein named, upon payment of the purchase price therein set forth;

(b) An opinion of counsel for the Authority that the Bonds and execution of this Bond Indenture and any Supplemental Bond Indenture have been duly authorized, and that all conditions precedent to the delivery of the Bonds have been fulfilled.

When the said documents shall have been filed with the Bank and when said Bonds shall have been executed and authenticated as required by this Bond Indenture, the Bank shall deliver said Bonds to the purchasers named in the order mentioned in clause (a) of this Section, but only upon payment to the Bank of the purchase price of said Bonds. The Bank shall be entitled to rely upon such order as to the names of purchasers and the amount of such purchase price.

SECTION 7. The Bonds are not an indebtedness of the State of Oklahoma, nor of the Board of Regents of the University of Oklahoma, nor personal obligations of the Trustees of the Oklahoma University Development Authority, but are obligations of the Authority payable solely from the Trust Estate.

DISPOSITION OF BOND PROCEEDS

SECTION 8. On the date of delivery of the 1970 Bonds, accrued interest received from the purchasers of the 1970 Bonds shall be deposited in the Bond Fund, hereinafter defined and created in the Bank. A sum of \$649,819 from the proceeds of the 1970 Bonds, representing capitalization of the interest requirements to and including June 1, 1972, shall be deposited in the Bond Fund Interest Account, hereinafter defined and created. A sum of \$ 517,425 from the proceeds of the 1970 Bonds, representing capitalization of the Bond Fund Reserve Account hereinafter defined and created, shall be deposited in the said Bond Fund Reserve Account. A sum of \$100,000 from the proceeds of the 1970 Bonds, representing capitalization of the Working Capital Fund, hereinafter defined and created, shall be deposited in the said Working Capital Fund. The balance of the proceeds of the 1970 Bonds shall be deposited in the Bank in the "Oklahoma University Development Authority Construction Fund", (hereinafter called "Construction Fund") which is hereby created.

Money in the Construction Fund shall be paid out in the following order and manner and for the following purposes:

(1) To pay the costs and expenses incurred in connection with the issuance of the Bonds, including Bank fees and expenses, Financial Consultant fees and attorneys' fees and expenses upon order of Chairman and Secretary of the Authority.

(2) To pay the Construction Costs of the Project upon presentation of the requisition signed by the Chairman and Secretary of the Authority and, where appropriate, by the Consulting Engineer. Such requisitions shall be in the form of Payment Requisition from Construction Fund attached hereto and made a part hereof.

Money in the Construction Fund above the current need for payment of Construction Costs shall be invested as provided hereinafter in the Section on investment of funds.

Upon completion of the Project, a certificate of completion signed by the Authority's Chairman shall be filed with the Authority. Such certificate of completion shall state the date of completion of the Project and inform the Authority that all Construction Costs have been paid, with the exceptions therein set out. Upon approval of such certificate of completion, the Authority shall file the same with the Bank. Upon receipt of such certificate of completion and payment of the Construction Costs then remaining unpaid, the Bank shall use any remaining money in the Construction Fund first to make up any deficiency in the Bond Fund, then to the Repair and Replacement Fund, as defined and created herein, to the extent of \$100,000 and then transfer any remaining moneys to the Capital Improvement Fund as defined and created herein.

ARTICLE III

FLOW OF FUNDS

SECTION 1. That from and after the issuance of any of the Bonds, the Revenues derived from the operation of the Facilities shall be used and disposed of in the following order and manner:

- (a) There is hereby created a fund, to be held by the Bank, which fund shall be known as the "Oklahoma University Development Authority Revenue Fund" (hereinafter called "Revenue Account"). Such Revenue Account shall be maintained so long as any of the Bonds are outstanding, and all monies therein shall be kept on deposit separate and apart from all other funds of the Authority as a trust fund in the custody of the Bank. From and after the delivery of the 1970 Bonds, pursuant to the terms of the Agreement, all Revenues shall be deposited daily as received and collected by the Authority in the Revenue Account.
- (b) There is hereby created in the Bank the Oklahoma University Development Authority Bond Fund (hereinafter called "Bond Fund") consisting of an Interest Account, Principal Account, Sinking Fund Account and Reserve Account. The moneys in the Bond Fund shall be used to pay the principal of and interest on the Bonds when due (including upon the mandatory redemption thereof pursuant to paragraph (c) of this Section), and shall be so used and applied to the extent necessary and without regard to which account in the Bond Fund such moneys may be credited.
- (c) The Interest Account in the Oklahoma University Development Authority Bond Fund shall be known as the "Interest Account". From and after the delivery of the 1970 Bonds, from the first Revenues on deposit in the Revenue Account each month, the Bank shall, on the 25th day of each month, transfer from the Revenue Account and cause to be deposited in the Interest Account in the Bank, a sum equal to at least one-sixth of the semi-annual interest coming due on the 1970 Bonds on the next ensuing interest payment date.

Accrued interest received from the purchasers of the 1970 Bonds and capitalized interest shall be deposited in the Interest Account and shall be credited against the sum required to be deposited therein on the first dates of transfer from the Revenue Account as required herein.

- (d) The Principal Account in the Oklahoma University Development Authority Bond Fund shall be known as the "Principal Account". From and after July 25, 1972, from the first Revenues on deposit in the Revenue Account each month, after transfers required pursuant to (c) immediately preceding, the Bank shall, on the 25th day of each month, transfer from the Revenue Account and cause to be deposited into the Principal Account in the Bank, a sum equal to at least one-twelfth of the annual principal coming due on 1970 Bonds maturing from 1973 to 1985, inclusive, on the next ensuing principal payment date.
- (e) The Sinking Fund Account in the Oklahoma University Development Authority Bond Fund shall be known as the "Sinking Fund Account". From and after July 25, 1985 on the 25th day of each month, from the first Revenues on deposit in the Revenue Account each month, after transfers required pursuant to (c) and (d) immediately preceding, the Bank shall transfer at least one twelfth of such amounts as shall be sufficient to redeem by call for redemption on July 1 in each year commencing with 1986, the 1970 Bonds maturing in the year 2000 in the amounts set forth in the following schedule and the Bank shall call the 1970 Bonds on such date and in accordance with such schedule:

<u>July 1</u>	<u>Amount</u>
1986	\$175,000
1987	190,000
1988	200,000
1989	220,000
1990	235,000
1991	250,000
1992	270,000
1993	290,000
1994	310,000
1995	335,000
1996	360,000
1997	390,000
1998	415,000
1999	450,000
2000	480,000

- (f) The Reserve Account in the Oklahoma University Development Authority Bond Fund shall be known as the "Reserve Account." From and after the delivery of the 1970 Bonds, from the first Revenues on deposit in the Revenue Account each month after transfers required pursuant to (c), (d) and (e) immediately preceding, the Bank shall, on the 25th of each month, transfer from the Revenue Account and cause to be deposited into the Reserve Account the sum necessary to maintain it at an amount equal to the maximum combined interest and principal requirement in any future year on all Bonds outstanding. Interest and principal requirement as used in this Indenture shall mean the principal requirement, Sinking Fund Account requirements and interest requirements for the year. Amounts on deposit in the Reserve Account shall be used to pay principal and interest on the Bonds as to which there would be a default if the money were not so used. Money in the Reserve Account shall be used finally to retire the last of the Bonds outstanding.
- (g) There is hereby created in the Bank for the purpose of maintaining working capital and paying the costs of operation and maintenance of the Facilities, an exclusive fund to be known as the Oklahoma

University Development Authority - Working Capital Fund (herein called "Working Capital Fund"). From and after the delivery of the 1970 Bonds, from the first Revenues on deposit in the Revenue Account each month after transfers required pursuant to (c), (d), (e) and (f) immediately preceding, the Bank shall, on the 25th of each month, transfer from the Revenue Account and cause to be deposited into the Working Capital Fund the sum necessary to maintain a balance in said Fund equal to the estimated costs of operation and maintenance of the Facilities during the then next ensuing three months. From the said Working Capital Fund, the Authority shall cause the Bank to make the monthly payments to the Regents of the costs of operation and maintenance, all pursuant to the Operation and Maintenance Contract dated as of December 1, 1970, by and between the Regents and the Authority.

- (h) There is hereby created in the Bank for the purpose of making nonannually recurring repairs and replacements, an exclusive fund to be known as the Oklahoma University Development Authority - Repair and Replacement Fund (herein called "R & R Fund"). From and after the delivery of the 1970 Bonds, the Bank shall, on the 25th of each month, transfer from the Revenue Account into the R & R Fund all the Revenues on deposit in the Revenue Account remaining each month after the transfers required pursuant to (c), (d), (e), (f) and (g) immediately preceding, until there shall be on deposit in this Fund the sum of \$100,000, or such larger amount as may be determined by the Consulting Engineer; provided that if at anytime the amount on deposit in this Fund shall be less than \$100,000, or such larger amount as shall be determined by the Consulting Engineer, the amount paid into this Fund in each year commencing with June 1, 1972 shall be the greater of \$25,000, or

one-fourth (1/4) of the amount recommended by the Consulting Engineer to be maintained in this Fund; and provided further, that no moneys need be paid into this Fund which would cause the total on deposit therein to exceed \$100,000 or any such larger amount recommended by the Consulting Engineer.

- (i) There is hereby created in the Bank for the purpose of making capital improvements, an exclusive fund to be known as the Oklahoma University Development Authority - Capital Improvement Fund (herein called "Capital Improvement Fund"). From and after the delivery of the Bonds, from the first Revenues on deposit in the Revenue Account each month after transfers required pursuant to (b), (c), (d), (e), (f), (g), and (h) immediately preceding, the Bank shall, on the 25th of each month, transfer from the Revenue Account and cause to be deposited into the Capital Improvement Fund all remaining Revenues. Moneys in the Capital Improvement Fund shall be used from time to time to make up any deficiency in the special funds described in paragraphs (b), (c), (d), (e), (f), (g) and (h) immediately preceding, and so long as not needed for such purposes, the monies in the Capital Improvement Fund may be used by the Authority for any one of or a combination of the following purposes:

- i. To pay the costs of improvements, extensions and additions to the Facilities (whether or not a part of the steam and chilled water Project); and
- ii. The retirement of Bonds in advance of maturity by call (if Bonds are then callable from such monies) or by open market purchases at a price not exceeding the next succeeding call price at which the Bonds may be refunded from any source of moneys; and
- iii. The accumulation of monies for either such application in the future; or

iv. Or for any other lawful purpose of or pertaining to the Facilities.

INVESTMENT OF FUNDS

SECTION 2. Moneys in the Construction Fund shall, at the direction of the Authority, be invested to the extent reasonably practicable, in any of the following which at the time are legal investments for the moneys proposed to be invested therein:

(a) direct obligations of the United States of America;

(b) bonds, debentures or notes issued by any of the following Federal agencies: Bank for Cooperatives, Federal Land Banks, or Federal or Government National Mortgage Associations (including Participation Certificates);

(c) bank or savings account or time certificates of deposits or certificates of deposit, open account; provided that, the bank in which such savings account is held or by whom such certificates are issued has a capital and paid-in surplus of at least fifteen million dollars.

Moneys in the Revenue Account, the Bond Fund (except the Reserve Account therein), and the Working Capital Fund, shall be continuously invested and reinvested by the Bank in securities that shall mature not later than the respective dates, as estimated when the moneys in said Funds shall be required for the purposes intended, but in no event more than twenty-four months.

Moneys contained in the Bond Fund-Reserve Account, Capital Improvement Fund and the R & R Fund shall be continuously invested and reinvested by the Bank in securities that shall mature within no more than five years.

The moneys contained in the said Funds and accounts of the Authority (except the Construction Fund) shall be invested to the extent reasonably practicable, in any of the following which at the time are legal investments for the moneys proposed to be invested therein:

(a) direct general obligations of or obligations the payment of the principal and interest of which are unconditionally guaranteed by the United States of America;

(b) bonds, debentures or notes issued by any of the following Federal agencies: Bank for Cooperatives, Federal Land Banks, or Federal or Government National Mortgage Associations (including Participation Certificates);

(c) Public Housing Bonds, or Project Notes, fully secured by contracts with the United States;

(d) bank savings account, or time certificates of deposits, or certificates of deposit, provided that such accounts or certificates are collaterally secured by securities which themselves are previously described as being eligible and have a market value at least equal to the amount held in such bank savings accounts or held under such certificates of deposit and are in or issued by a bank having capital and surplus of not less than \$15,000,000.

Interest earnings of the Construction Fund and on investments on proceeds of the 1970 Bonds paid into the Interest Account shall be transferred to the Construction Fund during the period of construction. Interest earnings on all other Funds shall be accumulated in said respective Funds until the balance in each of said Funds is equal to the required amount, and thereafter to the Construction Fund during the period of construction, and thereafter to the Revenue Account.

DEPOSITORY OF MONEYS AND SECURITY FOR DEPOSIT

SECTION 3. All Funds and Accounts (defined herein) of the Authority shall be kept in the Bank, and shall be held as special trust accounts for the benefit of the holders of the Bonds, and shall not be subject to lien or attachment by any creditors of the Authority. The uninvested money in said special trust accounts shall be continually secured as are deposits of uninvested Sinking Funds of political subdivisions of the State of Oklahoma or in the manner prescribed by Federal law for securing trust funds, which qualified securities shall have a market value of not less than the total amounts on deposit in said accounts. The Bank shall in due season prior to the dates on which principal and interest fall due, make proper arrangements with the other Banks of Payment, pursuant to which all Bonds and coupons will be paid promptly upon presentation at any Bank of Payment therefor. The First National Bank and Trust Company of Oklahoma City, Oklahoma City, Oklahoma is hereby appointed Trustee Bank (referred to as "Bank") for the purpose of this Indenture and in addition to acting as custodian of the above deposits, shall retain in its custody the policies of insurance for which provision is hereinafter made and shall have authority to enforce on behalf of the holders from time to time of the Bonds all duties required by this Indenture to be performed by the Authority and the officers and agents of the Authority.

ANNUAL REPORT OF CONSULTING ENGINEER

SECTION 4. The Authority covenants that the Consulting Engineer (referred to in Article V hereof) shall annually (not later than 180 days after the closing of each fiscal year) -

- (a) Inspect the properties of the Trust;
- (b) Report in writing to the Authority as to whether the properties of the Trust Estate have been efficiently and economically operate and maintained;
- (c) Make recommendations as to suggested repairs, replacements, extensions and improvements of the Trust Estate; and

(d) Make recommendations as to the amount to be expended annually for proper, efficient and economical operation and maintenance.

Copies of these reports and recommendations shall be sent to the Authority and the Bank and to Stifel, Nicolaus & Company, Oklahoma City, Oklahoma, Financial Consultants to the Authority for the 1970 Bonds and the original purchaser of the 1970 Bonds, and shall be available for inspection by Bondholders at the office of the Authority and Bank and shall be mailed to any bondholder requesting, in writing, a copy of said report.

ARTICLE IV

ADDITIONAL BONDS

SECTION 1. After the issuance, sale and delivery of any Bonds, and for so long as any Bonds issued pursuant to the provisions of this Indenture remain outstanding and unpaid, the Authority agrees that it will not issue any additional bonds or other obligations payable from the Trust Estate (with the exceptions set out in this Article IV), and that in no event while any of the Bonds remain outstanding will the Authority further mortgage, assign, or pledge the Trust Estate, or any part thereof, or the Revenues, or otherwise encumber or dispose of the Trust Estate or any part thereof, or the Revenues, except as is hereinafter in this Bond Indenture provided; provided, however, the Authority may issue additional bonds or obligations payable from the Trust Estate pari passu with the Bonds and equally and ratably secured therewith hereby, provided:

- (1) The Authority is not in default in meeting any of the agreements, covenants and obligations to be performed by said Authority hereunder; and
- (2) The Bonds to be issued are required to provide satisfactory service to the contracting institutions receiving heating and/or cooling services prior to the issuance of the proposed additional bonds, or if additional Utility Service Agreements are signed or the then existing Utility Service Agreements are amended to allow for the issuance of said additional Bonds, to provide additional heating and cooling service to existing institutions or to provide heating and cooling service to additional contracting institutions.

(3) A Certified Public or Municipal Accountant shall certify to the Bank with the approval of the Authority, that the net revenues derived from the heating and cooling system owned and operated by the Authority for the fiscal year next preceding the fiscal year in which such additional bonds are issued shall have been at least equal to the annual amount required to be paid or accrued into the Bond Fund for the payment of debt service requirements on all bonds then outstanding. In addition, a Consulting Engineer shall certify to the Trustee Bank, with the approval of the Authority, that the estimated net revenues to be derived from the then existing heating and cooling system and the additional heating and cooling facilities to be constructed, shall, in the fiscal year following the date of the initial use of such additional heating and cooling facilities, be at least equal to the annual amount required for the payment of debt service requirements on all bonds then outstanding and the additional bonds to be issued. The term "net revenues" shall mean the gross revenues derived from the operation of the heating and cooling system by the Authority after the deduction of operation and maintenance expenses.

(4) The Board of Regents of the University of Oklahoma gives prior approval to the issuance of the additional bonds.

(5) The Bonds to be issued are to be issued for a lawful purpose.

(6) The existing Utility Service Agreements are amended so as to reflect the issuance of the additional Bonds.

Nothing herein contained shall be construed as preventing the Authority from issuing refunding bonds, nor as preventing the Authority from issuing obligations payable from and constituting a lien or charge on the Revenues and the Trust Estate junior and inferior to the Bonds, so

long as their issuance is approved in advance by the Board of Regents of the University of Oklahoma.

SECTION 2. In the event additional bonds are issued, the supplemental bond indenture authorizing such additional bonds shall, among other things, provide that all amounts derived from the operation of the additional facilities shall be deposited in the Revenue Fund. In addition, there shall be deposited in the Bond Fund Reserve Account, in full at the time of delivery of such additional bonds, the amount required to provide a minimum balance in said reserve equal to the maximum annual debt service requirements on all Bonds and additional Bonds to be outstanding. An amount equal to 2% of all additional bonds issued shall be deposited in the R & R Fund in full at the time of delivery, or accumulated therein within sixty months of the issuance of such bonds.

ARTICLE V

PARTICULAR COVENANTS CONCERNING AUTHORITY

The Authority covenants that it will promptly pay the principal of and interest on every bond issued under the provisions of the Bond Indenture and any Supplemental Indenture at the places, on the dates and in the manner provided herein and therein and in said bonds and in the coupons thereto appertaining. The Trust Estate is hereby mortgaged and the Revenues are hereby pledged to the payment of the bonds in the manner and to the extent herein specified.

The Authority will not create any mortgage, pledge, lien or charge or other encumbrance upon the Trust Estate, other than the mortgage created by the Indenture and any supplements thereto which would authorize and secure additional bonds, if any are issued; and no evidence of indebtedness secured by the Trust Estate may be issued except the Bonds, additional bonds, and indebtedness junior and inferior to the Bonds.

The Authority covenants that all charges made by the Authority and Banks of Payment for services rendered, and for the payment of principal of and interest on the Bonds and any Authority compensation and expenses, will be paid by the Authority from Revenues and will not be required to be paid by the holders of the Bonds or coupons.

The Authority will pay or cause to be paid any governmental charges lawfully imposed upon the Trust Estate and will keep the Trust Estate from all judgments, mechanics' and materialmen's liens and all other encumbrances;

The Authority shall proceed with all reasonable dispatch to complete the Project; shall at all times operate or cause to be operated the heating and cooling system in an efficient manner and at a reasonable cost; shall keep the Facilities in good repair, working order, and condition; and shall make all necessary repairs, renewals, replacements, additions, extensions and betterments thereto, so that at all times the business of the Authority shall be properly and advantageously conducted;

The Authority agrees that the heating and cooling service produced by the Authority shall be disposed of solely for the benefit of the Authority and that the revenues derived from the operation and ownership of the Facilities shall be sufficient to meet all requirements of the Bond Indenture and shall be disposed of in the manner specified therein;

The Authority shall fix, maintain, and collect rates and charges for all services furnished and supplied by the Authority, which shall be fair and non-discriminatory, and adequate to provide sufficient revenues for all purposes required by the Bond Indenture, including the operation and maintenance of the Facilities, and shall not furnish or supply any service or commodity free of charge to any person, firm, or corporation, public or private; and shall promptly enforce the payment of any and all accounts owed to the Authority by reason of its ownership and operation of the Facilities by discontinuing service and/or filing suit therefor within sixty days after any such accounts are due;

The Authority may sell, lease, or otherwise dispose of all or substantially all of the Facilities, provided that simultaneously therewith, provision is made for the redemption of all of the Bonds then outstanding; and the Authority may dispose of any portion of the Facilities or properties thereof, which have been declared by the Authority and certified by the Consulting Engineer (referred to hereafter in this Article) as being unserviceable, inadequate, obsolete, or unfit to be used, or no longer required for the operation of the Authority's business; provided, however, that the proceeds shall be deposited into the Revenue Account.

The Authority shall keep the Facilities insured to the extent available, at reasonable cost with responsible insurers with policies payable to the Authority and the Bank as their respective interests may appear against risks of direct physical loss, damage, or destruction of the properties, at least to the extent that similar insurance is usually carried by private corporations operating like properties, and shall at all times keep the facilities insured against loss of use and occupancy from any of the aforesaid hazards, in such an amount as shall provide, for not less than 400 days after a one hundred day exclusionary period, a coverage equal to the earnings which are prevented by such loss, plus such fixed charges and expenses as must necessarily continue during the period of such loss, to the extent that such fixed charges and expenses would have been earned had not such loss occurred;

The Authority shall keep proper books of account and within ninety days after the close of each fiscal year of the Authority, it shall cause its accounts to be audited by independent Certified Public or Municipal Accountants and a copy of such audit shall be filed promptly with the Bank and sent to any holder of the Bonds who requests the same in writing and to the original purchaser of the 1970 Bonds.

The Authority shall retain a firm of independent engineers (herein called the "Consulting Engineers") on a continuous basis for the purpose of providing the Authority with engineering counsel in the operation of the facilities as requested. In addition to other prescribed duties, the Consulting Engineers shall, not later than 180 days after the closing of each fiscal year make a physical inspection of the facilities and prepare a report based upon such examination and a survey of the management of the business of the facilities and the operation and maintenance of its properties and state if the Authority has complied with the Indenture; a copy of such report shall be filed with the Bank and a copy shall be mailed to any bondholder requesting same in writing and to the original purchasers of the 1970 Bonds;

The Authority shall not expend any of the income, revenues, receipts, profits, and other moneys of the facilities for any extensions, betterments and improvements thereto which are not economically sound or which shall not properly and advantageously contribute to the conduct of the business in an efficient and economical manner;

The Authority will not consent to the rescission, alteration, amendment or modification of the Utility Service Agreements, the Operation and Maintenance Contract or the Lease except: (a) with the written consent of the Bank, which consent may be given only if, in the opinion of the Bank, such action would not impair the effectiveness of said document as part of the security for the payment of the Bonds or reduce the income or increase the expenses of the Authority and would not materially adversely affect the rights of the holders of the Bonds; (b) as may be necessary in connection with the issuance of additional bonds; or (c) with the written consent of the holders of two-thirds in aggregate principal amount of the Bonds then outstanding;

The Authority will not consent to the assignment or transfer of the Utility Service Agreements, the Operation and Maintenance Contract or the Lease without the prior written consent of the Bank.

The Bank, in its discretion, may permit the Authority to sell or exchange the property acquired, constructed and equipped by the Authority, real or personal, if in the opinion of the Authority the property so sold or exchanged shall become obsolete, worn out or unfit for use, or shall not be any longer required or useful in connection with the operation of the Trust Estate, and the consideration to be received from the sale of such property is of a value substantially equal to the value of the property so sold and to be released from the lien of this Bond Indenture; provided, however, that if the value of any property to be sold shall, in the opinion of the Bank, exceed the amount of \$5,000, the Bank shall require a certificate of the Consulting Engineer certifying as to the value thereof, and certifying that such property is either obsolete, worn out or unfit for use or no longer required or useful in connection with the operation of the Trust Estate, and that the sale or other disposition of such property will, in his opinion, redound to the benefit of the general credit and financial condition of the Trust Estate. In determining the value of the property to be released, or of any property to be received by the Authority in exchange therefor, the Bank may conclusively rely on the certificates furnished by the Consulting Engineer, and shall not be obligated to make any independent investigation with reference to the value of the properties to be released, or the property to be received in exchange therefor. In the event of any such sale, the full amount of the money consideration to be received for the property so sold is to be placed in the Revenue Account. The Bank, before permitting any sale or exchange of property, shall be furnished with a letter in writing executed by the Authority approving said sale or exchange, and such certificates of value, conveyance and opinions of counsel, who may be counsel for the Authority, as the Bank may require. The Bank shall in no event be liable for any mistake of fact or error in judgment in permitting any such sale or exchange of property.

The Authority covenants and agrees to comply with or to cause compliance with the following covenants and agreements:

First: To maintain and operate in first class condition and keep in good repair said Trust Estate and installations and all buildings, facilities and equipment now or hereafter constituting a part of the Trust Estate, and not to commit or allow any waste with respect to any of said Trust Estate; and not to remove any personal property or chattels at any time constituting a part of the Trust Estate except as expressly provided in this Bond Indenture.

Second: To faithfully and fully comply with and abide by every statute, order, rule or regulation now in force or hereafter enacted by any competent governmental agency or authority with respect to or affecting the operation of the properties and business of the Authority and the Trust Estate.

Third: To keep the Trust Estate and all parts thereof free from judgments, mechanics' and materialmen's liens and free from all other liens, claims, demands, and incumbrances of whatsoever nature or character, to the end that the priority of the mortgage and pledge of the Trust Estate as provided for in this Bond Indenture may at all times be maintained and preserved free from any claim or liability which, in the judgment of the Bank (and its determination thereof shall be final) might prevent or hamper the Authority in conducting its business or operating the Trust Estate; and the Bank, at its option and election (after first giving the Authority ten days written notice to comply therewith and failure of the Authority to so comply within said ten-day period), may defend against any and all actions or proceedings in which the validity of this Bond Indenture or the priority of the mortgage and pledge of the Trust Estate hereunder is or might be questioned, or pay or compromise such claims or demands asserted in such actions or proceedings. In paying or compromising such claims or demands, the Bank shall not in any event be deemed to have waived or released the Authority from liability for or on account of its covenants and warranties contained herein, or from its liabilities hereunder to defend the validity and priority of this Bond Indenture and the mortgage and pledge of the Trust Estate as herein

contained, and to perform such covenants and warranties.

Fourth: To comply with the terms, covenants and provisions, express or implied, of all contracts by the Authority for the use of the Trust Estate and also all other contracts and agreements affecting or involving the Trust Estate or the business of the Authority.

Fifth: Whenever and so often as requested so to do by the Bank or any bondholder, to promptly execute and deliver or cause to be executed and delivered all such other and further instruments, documents or assurances, and to promptly do or cause to be done all such other and further things, as may be necessary or reasonably required in order to further and more fully vest in the banks and the holders of the Bonds all rights, interests, powers, benefits, privileges and advantages conferred or intended to be conferred upon them by this Bond Indenture.

Sixth: Upon the request of the Bank or the holder of any Bond, from time to time to promptly take such action as may be necessary or proper to remedy or cure any defect in or cloud upon the title to the Trust Estate or any part thereof, whether now existing or hereafter developing, and to prosecute all such suits, actions and other proceedings as may be appropriate for such purpose and to indemnify and save the Bank and every holder of Bonds harmless from all loss, cost, damage and expense, including attorneys' fees, which they or either of them may ever incur by reason of any such defect, cloud, suit, action or proceedings.

Seventh: To defend against every suit, action or proceeding at any time brought against the banks and/or the Banks of Payment, or any holder of Bonds upon any claim arising out of the receipt, application or disbursement of any of the Revenues, income or proceeds from the Trust Estate or involving the banks', Banks' of Payment, or such Bondholders' rights under this Indenture; to indemnify and save harmless the banks, Banks of Payment and Bondholders against any and all liability claimed or asserted by any person whomsoever, arising out of such receipt, application or disbursement of any such

proceeds; provided, however, that either bank, Bank of Payment or any holder of Bonds at its or his election may appear in and defend against any such suit, action or proceedings; and notwithstanding any contrary provision hereof, this covenant shall continue and remain in full force and effect, even though all indebtedness, liabilities, obligations and other sums secured hereby may have been fully paid and satisfied, and this Indenture may have been released of record and the lien hereof discharged.

Eighth: That the Authority will at all times maintain the Authority's right to carry on the business of the Trust Estate, and will duly procure all renewals and replacements and improvements to, and extensions thereof and will diligently maintain, preserve and renew all the rights, powers, privileges and franchises required for the business of the Trust Estate now owned or hereafter acquired.

Ninth: So long as any bonds issued pursuant to the Bond Indenture are outstanding and unpaid, the Authority will not voluntarily consent to any amendment hereto, nor otherwise take any action which will reduce the amount of moneys made available thereunder to the Authority including without limiting the generality of the foregoing, the obligations of the Authority to operate, maintain, renew and replace the properties of the Trust Estate and to collect the rents, rates, fees and charges imposed by the Authority for the use of the Facilities of the Trust Estate and to deposit the proceeds thereof daily as collected in the Revenue Account, or which will in any manner impair or adversely affect the rights of the Authority, the Bank or the security provided by this Bond Indenture to the holders from time to time of the Bonds.

EVENTS OF DEFAULT: REMEDIES UPON
OCCURRENCE THEREOF

SECTION 1. Events of Default. Each of the following is hereby defined as and declared to be and shall constitute an "Event of Default":

(a) If payment of the principal and premium, if any (or the redemption price) of any Bond, whether at maturity or by proceedings for redemption (whether by voluntary redemption or a sinking fund redemption) or by declaration as hereinafter provided in Section 3 hereof or otherwise, shall not be made when the same shall become due and payable; or

(b) If payment of any installment of interest on any Bond shall not be made within thirty days after the same shall become due and payable; or

(c) If the respective credits to the Sinking Fund Account in the Authority's Bond Fund shall not be made or satisfied in full by the respective date or dates on which Bonds are required by the provisions of Article III hereof to be redeemed therefrom and such failure shall have continued for sixty (60) days after such date or dates; or

(d) Unless all the Bonds then outstanding shall have been called for retirement or for redemption, if any building, structure or facility included in the Facilities shall be destroyed or damaged so as to reduce the aggregate of the Revenues below the amount covenanted by Article V hereof to be produced and maintained and the Trustees do not, to the extent of the proceeds of insurance and the moneys on deposit in the R & R Fund available therefor, promptly repair or reconstruct such destroyed or damaged building, structure or facility, or do not promptly erect or substitute in place of the building, structure

or facility, destroyed or damaged other buildings, structures and facilities which produce revenues comparable to those produced by or derived with respect to the building, structure or facility destroyed or damaged, and do not subject to the lien, pledge and charge hereof and deposit in the Revenue Fund the revenues to be derived therefrom, which revenues so deposited shall constitute Revenues and be used and applied as are all other Revenues; provided that nothing in this clause shall be deemed to require the repairing, reconstruction or replacement of any building, structure or facility which at the time of such destruction or damage was unserviceable, inadequate, obsolete, worn-out or unfit to be used or no longer required for use in connection with the security and payment of the Bonds:
or

(e) If the Trustees shall fail in the due and punctual performance of any of the other of the covenants, conditions, agreements and provisions contained in the Bonds or in the Indenture on the part of the Trustees to be performed, and such failure shall continue for ninety (90) days after written notice specifying such failure and requiring the same to be remedied shall have been given to the Trustees by the Bank or to the Bank and the Trustees by the holders of not less than twenty per cent (20%) in principal amount of the Bonds then outstanding or any committee therefor; provided that if any such failure shall be such that it cannot be cured or corrected within such ninety day period, it shall not constitute an Event of Default hereunder if curative or corrective action is instituted within said period and diligently pursued until the failure of performance is cured or corrected; or

(f) If any proceedings shall be instituted with the consent or acquiescence of the Trustees for the purpose of effecting a composition between the Trustees and its creditors and if the claim of such

creditors is in any circumstance payable from the Revenues or any other moneys or assets pledged and charged in the Indenture, or for the purpose of adjusting the claims of such creditors, pursuant to any Federal or State statute now or hereafter enacted; or

(g) If an order or decree shall be entered (a) with the consent or acquiescence of the Trustees, appointing a receiver or receivers of the Facilities or of any of the buildings, structures and facilities included in the Facilities; or (b) without the consent or acquiescence of the Trustees, appointing a receiver or receivers of the Facilities or of any of the buildings, structures and facilities included in the Facilities and such order or decree having been entered, shall not be vacated or discharged or stayed on appeal within sixty (60) days after the entry thereof; or

(h) If, under the provisions of any applicable bankruptcy laws or any other law for the relief or aid of debtors, (i) any court of competent jurisdiction shall assume custody or control of the Facilities or of any of the buildings, structures and facilities included in the Facilities, and such custody or control shall not be terminated within ninety (90) days from the date of assumption of such custody or control; or (ii) any court of competent jurisdiction shall approve of any petition for the reorganization of the Facilities or rearrangement or readjustment of the obligations of the Trustees hereunder; or

(i) If the Trustees shall for any reason be rendered incapable of fulfilling their obligations hereunder.

SECTION 2. Notice to Bondholders and Others Upon Occurrence of An Event of Default. The Bank shall give by mail to all the registered holders of Bonds as their names and addresses appear upon the books of registry, to all Bondholders whose names and addresses then appear upon the list to be maintained pursuant to provisions herein at such addresses, and to the original purchasers of each series of the Bonds outstanding, written notice of all Events of Default known to the Bank, within ninety (90) days after the occurrence thereof, unless the Event of Default shall have been cured before the giving of such notice; provided that, except in the case of default in the payment of the principal of or interest on any Bond, or in the payment of any sinking fund installment required hereof, the Bank shall be protected in withholding such notice if and so long as the board of directors, the executive committee or a trust committee of directors and/or responsible officers, of the Bank in good faith determine that the withholding of such notice is in the interests of the holders of the Bonds. For the purposes of the Indenture, the term "responsible officer" when used with respect to the Bank shall mean the chairman of the board of directors, the vice-chairman of the board of directors, the chairman of the executive committee, the vice-chairman of the executive committee, the president, any vice president, the cashier, the secretary, the treasurer, any trust officer, any assistant trust officer, any second or assistant vice president, any assistant cashier, any assistant secretary, any assistant treasurer, or any other officer or assistant officer of

the Bank customarily performing functions similar to those performed by the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of his knowledge of and familiarity with the particular subject.

SECTION 3. Declaration of Principal and Interest as Due.

Upon the happening and continuance of any Event of Default specified in Section 1 hereof, then and in every case the holders of not less than twenty-five per centum (25%) in principal amount of the Bonds then outstanding by a notice in writing to the Bank and the

Trustees, or the Bank by a notice in writing to the Trustees, may declare the principal of all the Bonds then outstanding (if not then due and payable) to be due and payable immediately, and upon such declaration the same shall become due and be immediately due and payable, anything contained in the Bonds or in this Indenture to the contrary notwithstanding. If, however, at any time after the principal of the Bonds shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such Event of Default, or before the completion of the enforcement of any other remedy under this Indenture, moneys shall have accumulated in the Authority's Bond Fund sufficient to pay the principal of and any premium (or redemption price) on all matured Bonds and all Bonds (or portions of the principal amount thereof) then or theretofore

required to be redeemed pursuant to any provisions of the Indenture (excluding principal not then due except by reason of the aforesaid declaration) and all arrears of interest and interest then due, if any, upon all Bonds then outstanding and if the charges, compensation, expenses, disbursements, advances and liabilities of the Bank and all other amounts then payable by the Trustees hereunder shall have been paid or a sum sufficient to pay the same shall have been deposited with the Bank, and every other Event of Default known to the Bank in the observance or performance of any covenant, condition or agreement contained in the Bonds or in the Indenture (other than a default in the payment of the principal of such Bonds then due only because of a declaration under this section) shall have been remedied to the satisfaction of the Bank or, in the case of any Event of Default other than the nonpayment of an amount due and owing on any of the Events of Default set forth in clauses (a), (b) or (c) of Section 1 hereof, the Trustees shall be taking, or shall be causing to be taken, appropriate action in good faith to effect its cure, then and in every such case the Bank may, and upon the written request or direction of the holders of not less than a majority in principal amount of the Bonds not then due by their terms and then outstanding shall, by written notice to the Trustees, rescind and annul such declaration and its consequences. No such rescission or annulment pursuant to the next preceding sentence shall extend to or affect any subsequent default or impair any right consequent thereon.

SECTION 4. Action by Bank Upon Occurrence of Event of Default.

Upon the occurrence and continuation of an Event of Default hereunder,

then in every such case the Bank (i) for and on behalf of the holders of the Bonds, shall have the same rights hereunder which are possessed by any holders of the Bonds; (ii) shall be authorized to proceed, in its own name and as trustee of an express trust; (iii) may pursue any available remedy by action at law or suit in equity to enforce the payment of the principal and interest on the Bonds; (iv) may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of such Bank and of the holders of the Bonds allowed in any judicial proceedings relative to the Trustees, their creditors or their property or the Bonds; and (v) may, and upon the written request of the holders of not less than a majority in principal amount of the Bonds then outstanding shall proceed to protect and enforce all rights of the Bondholders and the Bank under and as permitted by the Indenture and the laws of the State of Oklahoma, by such means or appropriate judicial proceedings as shall be suitable or deemed by it most effective in the premises, including the appointment of temporary Trustees or any actions, foreclosure on the mortgage referred to herein, suit or special proceedings at law or in equity or in bankruptcy or by proceedings in the office of any board or officer having jurisdiction, or otherwise, whether for the specific enforcement of any covenant or agreement contained in the Indenture, or in aid or execution of any power granted in the Indenture or to enforce any other legal or equitable right or remedy vested in the holders of the Bonds or the Bank by this Indenture or by said laws, or for the appointment of a receiver. All rights of action (including the right to file proof of claims) under the

Indenture or under any of the Bonds or coupons may be enforced by the Bank without the possession of any of the Bonds or coupons or the production thereof in any trial or other proceedings relating thereto. Any such suit or proceeding instituted by the Bank shall be brought in its name and as trustee of an express trust without the necessity of joining as plaintiffs or defendants any holders of the Bonds, and any recovery of judgment shall be for the equal benefit of the holders of the outstanding Bonds and coupons.

In the enforcement of any remedy under the Indenture the Bank shall be entitled to sue for, enforce payment of and receive any and all amounts then or during any Event of Default becoming, and at any time remaining, due from the Trustees and unpaid for principal, premium, interest or otherwise under any of the provisions of the Indenture or of the Bonds, with interest on overdue payments if such interest then is permitted by the laws of Oklahoma, at the rate or rates of interest specified in such Bonds, together with any and all costs and expenses of collection and of all proceedings hereunder and under such Bonds, without prejudice to any other right or remedy of the Bank or of the Bondholders, and to recover and enforce judgment or decree against the Trustees, but solely as provided herein and in such Bonds, for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect in any manner provided by law, the moneys adjudged or decreed to be payable. Any such judgment shall be recovered by the Bank, in its own name and as trustee of an express trust.

SECTION 5. Appointment of Temporary Trustees. Upon the happening and continuance of an Event of Default hereunder, the Bank may appoint a temporary Trustee or Trustees. The Bank shall file a certificate with the Authority, setting out the appointment of such temporary Trustee or Trustees. Such temporary Trustee or Trustees shall without any further act or conveyance become fully vested, together with the other Trustees, with all the estate, properties, rights, powers, trusts, duties and obligations of their predecessors in trust with like effect as if originally named as Trustee under the Trust Indenture. The temporary Trustee or Trustees shall cease to have any power or authority in the event there is termination of all the defaults by which his or their appointment would have been authorized, and the permanent Trustee, temporarily supplanted, shall be automatically re-instated.

SECTION 6. Disposition of Moneys in Event of Insufficiencies in Funds and Accounts. Subject to the provisions of Section 7 hereof if at any time the moneys in the Bond Fund, the Working Capital Fund, the R & R Fund and the Capital Improvement Fund shall not be sufficient to pay the interest or principal or premium, if any (or the redemption price) of the Bonds as the same become due and payable (whether at maturity or upon proceedings for the redemption thereof or by declaration or otherwise), the moneys in said Funds, together with any other moneys then available or thereafter becoming available for such purpose, whether through the exercise of the remedies provided for in this Article VI or otherwise, shall be applied as follows:

(a) Unless the principal of all the Bonds shall have become due and payable or shall have been declared due and payable pursuant to the provisions of Section 3 hereof, all such moneys shall be applied:

First: to the payment to the persons entitled thereto of all installments of interest then due, in the order of the maturity of the installments of such interest, and if the amount available shall not be sufficient to pay in full any particular instalment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds;

Second: to the payment to the persons entitled thereto of unpaid principal which shall have become due, in the order of the dates such principal became due, with interest upon such principal from the respective dates upon which such principal became due, and, if the amount available shall not be sufficient to pay in full the principal due on any particular date, together with such interest, then to the payment first of such interest, ratably according to the amount of such interest due on such date, and then to the payment of such principal, ratably according to the amount of such principal due on such date, to the persons entitled thereto without any discrimination or preference;

and

Third: to the payment of the interest and premium, if any, on and the principal of the Bonds, to the purchase and retirement of Bonds and to the redemption of Bonds, all in accordance with the provisions of the Indenture.

(b) If the principal of all the Bonds shall have become due and payable or shall have been declared due and payable pursuant to the provisions of Section 3 hereof, all such moneys shall be applied to the payment of the principal and interest then due and unpaid, with interest on such principal as aforesaid, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds.

(c) If the principal of all the Bonds shall have been declared due and payable pursuant to the provisions of Section 3 hereof, and if such declaration shall thereafter have been rescinded and annulled pursuant to the provisions of said Section 3, then, subject to the provisions of sub-paragraph (b) above of this paragraph in the event that the principal of all the Bonds shall later become due and payable or be declared due and payable pursuant to the provisions of Section 3 hereof, the moneys then held in the Bond Fund shall be applied to the payment of the principal of and premium (or redemption price) on all matured Bonds and all Bonds (or portions of the principal amount thereof) then or theretofore required to be redeemed pursuant to any provisions of the Indenture

(excluding principal not then due except by reason of said declaration) and all arrears of interest and interest then due, if any, upon all Bonds then outstanding, and any moneys thereafter deposited in the Bond Fund, the Working Capital Fund, the R & R Fund and Capital Improvement Fund shall be applied in accordance with the provisions of Article III hereof.

Whenever moneys are to be applied by the Bank pursuant to the provisions of sub-paragraphs (a) and (b) of this section (i) such moneys shall be applied by the Bank at such times, and from time to time, as the Bank in its sole discretion shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future; (ii) the deposit of such moneys, in trust for the proper purpose, shall constitute proper application by the Bank; and (iii) the Bank shall incur no liability whatsoever to the Trustees, to any Bondholder or to any other person for any delay in applying any such moneys, so long as the Bank acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions of the Indenture as may be applicable at the time of application by the Bank.

Whenever the Bank shall exercise such discretion in applying such moneys, it shall fix the date (which shall be an interest payment date unless the Bank shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Bank shall give such notice as it may deem

appropriate of the fixing of any such date, and shall not be required to make payment to the holder of any unpaid coupon or any Bond until such coupon or such Bond and all unmatured coupons, if any, appertaining to such Bond shall be surrendered to the Bank for appropriate endorsement, or for cancellation if fully paid.

SECTION 7. Disposition of Moneys if Receiver Operates the Facilities. If upon the happening and continuance of an Event of Default hereunder any receiver shall enter upon and take possession of the Facilities and hold, manage and operate the same, all Revenues of the Facilities, after the payment therefrom of current administration, operating, management and maintenance expenses incurred by the receiver and after the payment of the costs and expenses of all renewals, replacements, improvements, extensions and betterments to the buildings, structures and facilities included in the Facilities, which such receiver shall be required to make in order to maintain adequately the Facilities, together with the moneys in the funds and accounts created in Article III hereof, shall be applied from time to time to the following in the order stated:

(1) all charges, costs and expenses of executing the Indenture, including such charges, costs and expenses as may have been incurred in connection with any proceedings hereunder; and

(2) the then remaining unpaid balance of all indebtedness evidenced by the Bonds and coupons in accordance with the provisions of Section 6 hereof.

The balance, if any, then remaining after the final payment and satisfaction of all items mentioned in subdivisions (1) and (2) above shall be paid to the Trustees.

SECTION 8. Certain Rights of Bank upon Bankruptcy of Trustees.

The Bank shall be entitled and empowered, either in its own name or as a trustee of an express trust, or as attorney-in-fact for the holders of the Bonds and the coupons appurtenant thereto, or in any one or more of such capacities, to file such proof of debt, amendment of proof of debt, claim, petition or other document as may be necessary or advisable in order to have the claims of the Bank and of the holders of the Bonds and of the coupons appurtenant thereto allowed in any equity, receivership, insolvency, bankruptcy, liquidation, readjustment, reorganization or other similar proceedings relative to the Trustees. For this purpose the Bank is hereby irrevocably appointed the true and lawful attorney-in-fact of the respective holders of the Bonds and of the coupons appurtenant thereto (and the successive holders of the Bonds and of the coupons appurtenant thereto by taking and holding the same shall be conclusively deemed to have so appointed the Bank) with authority to make and file in the respective names of the holders of the Bonds any such proof of debt, amendment of proof of debt, claim, petition or other document in any such proceedings, and to receive payment of any sums becoming distributable on account thereof, and to execute any such other papers and documents and to do and perform any and all acts and things for and on behalf of the holders of the Bonds and of the coupons appurtenant thereto as may be necessary or advisable in the opinion of the Bank in order to have the respective claims of the Bank and of the holders of the Bonds and of said coupons allowed in any such proceeding and to receive payment of and on account of such claims. However, nothing contained herein shall be deemed to give the Bank any right to accept or

consent to any plan of reorganization or compromise or otherwise take any action of any character in any such proceeding to waive or change in any way any right of any holder of Bonds or coupons appurtenant thereto.

SECTION 9. Direction of Remedial Proceedings by the Bondholders.

Anything in the Indenture to the contrary notwithstanding, the holders of not less than a majority in principal amount of the Bonds at the time outstanding

shall be authorized and empowered and have the right, by an instrument or concurrent instruments in writing delivered to the Bank (1) to direct the time, method, and place of conducting any proceeding for any remedy to be taken by the Bank or available to the Bank or available to the holders of the Bonds, or exercising any trust or power conferred upon the Bank hereunder or (2) on behalf of the holders of the Bonds then outstanding, to consent to the waiver of any Event of Default or its consequences, and the Bank shall waive any Event of Default and its consequences upon the written request of the holders of such majority.

SECTION 10. Suits or Actions by Bondholders; Any Bondholder May Enforce Overdue Payment of his Bond or Interest Thereon. No holder of any of the Bonds shall have any rights to institute any suit, action or proceeding in equity or at law for the execution of any trust hereunder or for any other remedy hereunder unless such holder previously shall have given to the Bank written notice of the Event of Default on account of which such suit, action or proceeding is to be instituted, and unless also the holders of not less than a majority

in principal amount of the Bonds then outstanding shall have made written request of the Bank after the right to exercise such powers or right of action, as the case may be, shall have accrued, and shall have afforded the Bank a reasonable opportunity either to proceed to exercise the powers hereinabove granted or to institute such action, suit or proceeding in its or their name, and the Bank shall have refused or neglected to comply with such request within a reasonable time. It is understood and intended that no one or more holders of the Bonds hereby secured shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Indenture, or to enforce any right hereunder except in the manner herein provided; that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the benefit of all holders of such outstanding Bonds and coupons; and that any individual rights of action or other right given to one or more of such holders by law are restricted by this Indenture to the rights and remedies herein provided.

Notwithstanding any other provision of this Indenture, the right of any holder of a Bond to receive payment of the principal of and interest on such Bond, on or after the respective due dates expressed in such Bond, or to institute suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such holder, except that no holder of any such Bond shall have the right to institute any such suit, if and to the extent that the institution or prosecution thereof or the entry of judgment therein would, under applicable

law, result in the surrender, impairment, waiver, or loss of the lien of the Indenture upon any property (real or personal, tangible or intangible, movable or immovable) subject to the lien of the Indenture.

SECTION - 11. Costs and Expenses of Certain Suits. The Trustees, the Bank and the holders of the Bonds agree that the court may in its discretion require, in any suit for the enforcement of any right or remedy under the Indenture, or in any suit against the Bank for any action taken or omitted by it as the Bank, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; provided, that the provisions of this Section shall not apply to any suit instituted by the Bank, to any suit instituted by any Bondholder, or group of Bondholders, holding in the aggregate more than ten per centum in principal amount of the Bonds then outstanding, or to any suit instituted by any Bondholder for the enforcement of the payment of the principal of or interest on any Bond or coupon, on or after the respective due dates expressed in such Bond or coupon.

SECTION - 12. Remedies Not Exclusive. No remedy by the terms of the Indenture conferred upon or reserved to the Bank or the holders of the Bonds is intended to be exclusive of any other remedy so conferred or reserved or to be exclusive of other remedies now or hereafter existing at law or in equity or by statute, and each and

every such remedy shall be cumulative and shall be in addition to any other remedy given hereunder to the Bank or to the holders of the Bonds or now or hereafter existing at law or in equity or by statute. Every such right, power and remedy given hereunder or by law or in equity or by statute may be exercised from time to time and as often as may be deemed expedient.

SECTION 13. Effect of Delay or Omission; Waiver of Default.

No delay or omission of the Bank or of any holder of the Bonds to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein.

The Bank may waive any default or Event of Default which in its opinion shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions of the Indenture or before the completion of the enforcement of any remedy under the Indenture and shall waive any default or Event of Default if required to do so by the provisions of Section 9 hereof. No such waiver shall extend to or affect any other existing or subsequent default or Event of Default or impair any rights or remedies consequent thereon.

SECTION 14. Effect of Abandonment of Proceedings on Default.

In case any proceeding taken by the Bank or the holders of the Bonds on account of any Event of Default shall have been discontinued or abandoned for any reason, then and in every such case the Trustees, the Bank and the Bondholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Bank shall continue as though no such proceeding had been taken.

ARTICLE VII

CONCERNING THE BANK AND THE PAYING AGENTS

SECTION 1. Qualification of Bank; Resignation or Removal

Thereof; Successor Thereto. There shall at all times be a trustee hereunder (such trustee being herein defined and referred to as the "Bank"), which shall at all times be a corporation organized and doing business under the laws of the United States or of any State of the United States, which (a) is a bank or trust company authorized under such laws to exercise corporate trust powers, (b) is subject to supervision or examination by Federal or State authority, and (c) shall have at all times a combined capital and surplus of not less than five million dollars; provided that the Bank shall be a corporation having its principal place of business in Oklahoma City, Oklahoma, so long as there is a corporation having such office and which meets the foregoing requirements and is not otherwise disqualified hereunder. If the Bank publishes reports of condition at least annually, pursuant to law or to the requirement of the aforesaid supervising or examining authority, then for the purposes of this paragraph the combined capital and surplus of the Bank at any time shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Bank may resign at any time by giving not less than sixty (60) days' notice to the Trustees, and the Regents, and by publishing a notice of resignation once within five (5) days after the giving of such notice in the same newspapers in which notice of redemption of Bonds are to be published pursuant to provisions herein.

In case at any time any of the following shall occur:

1) the Bank shall cease to be eligible in accordance with the provisions hereof and shall fail to resign after written request therefor has been given to the Bank by the Trustees or by any Bondholder who has been a bona fide holder of a Bond for at least six (6) months; or
(2) the Bank shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Bank or of its property shall be appointed, or any public officer shall take charge or control of the Bank or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, then, in any such case, the Trustees may remove the Bank by an instrument in writing authorized by resolution of the Trustees or signed by a majority of the Trustees then in office, or any such Bondholder may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Bank. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe and as may be required by law, remove the Bank.

The Bank may be removed at any time by the Trustees upon the written request or upon the affirmative vote of the holders of a majority in principal amount of the Bonds then outstanding or their attorneys-in-fact duly authorized.

In the event of resignation, removal, disability or refusal to act of the Bank, a successor may be appointed by the holders of a majority in principal amount of the Bonds then outstanding by an instrument or concurrent instruments in writing signed by such holders or their attorneys-in-fact duly authorized; provided, nevertheless, that it is hereby

agreed and declared, that in case at any time there shall be a vacancy in the office of the Bank hereunder, the Trustees by an instrument shall appoint a successor to fill such vacancy until a new Bank shall be appointed by the Bondholders as herein authorized; and any new Bank appointed by the Trustees shall, immediately and without further act, be superseded by a Bank appointed by such Bondholders.

The resigning Bank, if within fifty (50) days after the publication of notice of its resignation, no successor Bank shall have been appointed and shall accept such appointment, may petition any court of competent jurisdiction for the appointment of a successor Bank, or any Bondholder who has been a bona fide holder of a Bond for at least six (6) months may, on behalf of himself and others similarly situated, petition any such court for the appointment of a successor Bank. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe and as may be required by law, appoint a successor Bank having the qualifications required hereby.

Any successor Bank shall meet the qualifications of the preceding provisions of this section. Such successor Bank shall execute, acknowledge and deliver to the Bank last in office, and also to the Trustees, an instrument in writing accepting such appointment hereunder, and thereupon such new Bank, without any further act, deed or conveyance, shall become fully vested with all the estate, properties, rights, powers, trusts, duties and obligations of its predecessor in trust hereunder, with like effect as if originally named as Bank herein; but such predecessor shall, nevertheless, on the written request of the Trustees or such successor Bank, execute and deliver an instrument transferring to

uch successor Bank all the estate, properties, rights, powers, trusts, duties and obligations of its predecessor in trust hereunder and shall deliver all property and moneys held by it to such successor Bank.

Any corporation into which the Bank may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which the Bank shall be a party, shall be the successor Bank under this Indenture without the execution or filing of any paper or any further act on the part of the parties hereto, anything herein to the contrary notwithstanding; provided such corporation meets the qualifications of this section.

SECTION 2 . Duties of Bank; Reliance on Certificates and Opinions. Prior to an Event of Default as defined in Section 1 of Article VI hereof and after the curing or waiving of all such Events of Default, the Bank (1) shall not be liable except for the performance of such duties as are specifically set out in the Indenture and (2) subject to the provisions of Section 3 hereof, may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, in the absence of bad faith on the part of the Bank, upon certificates or opinions conforming to the requirements of the Indenture. In case of an Event of Default as defined in Section 1 of Article VI hereof, the Bank shall exercise such rights and powers vested in it by the Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

No provision of this Indenture shall be construed to relieve the Bank from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that the Bank shall at all times: (1) be protected from liability for any error of judgment made in good faith by a responsible officer or officers (as defined in Section 2 of Article VI hereof) unless it shall be proved that the Bank was negligent in ascertaining the pertinent facts; and (2) be protected with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the holders of not less than a majority in principal amount of the Bonds then outstanding

relating to the time, method and place of conducting any proceeding for any remedy available to the Bank, or to be taken by it, or exercising any trust or power conferred upon the Bank, under the Indenture.

SECTION 3. Evidence of Compliance with the Conditions Precedent; Examination of Evidence by the Trustees. The Trustees will furnish, or will cause to be furnished, to the Bank evidence of compliance with the conditions precedent, if any, provided for in the Indenture (including any covenants compliance with which constitutes a condition precedent) which relate to the authentication and delivery of the Bonds, to the release or the release and substitution of property subject to the lien of the Indenture, to the satisfaction and discharge of the Indenture, or to any other action to be taken by the Bank at the

request or upon the application of the Trustees. Such evidence shall consist of the following: (1) certificates or opinions made by a Trustee or Trustees, stating that such conditions precedent have been complied with; (2) an opinion of counsel (who may be of counsel for the Trustees) stating that in his opinion such conditions precedent have been complied with; and (3) any other certificates or opinions expressly required hereby.

The Bank shall examine the evidence furnished to it pursuant to the preceding paragraph hereof, and any evidence furnished to it pursuant to any other provisions of the Indenture, to determine whether or not such evidence conforms to the requirements of the Indenture.

SECTION 4. Statement by Bank of Funds and Accounts and Other Matters. Not more than 90 days after the close of each Fiscal Year the Bank shall furnish the Trustees a statement setting forth in respect to such Fiscal Year, (a) all transactions relating to the receipt, disbursement, and application of all moneys received by the Bank pursuant to the terms of the Indenture, (b) the amount held by the Bank at the end of such Fiscal Year to the credit of each Fund and account provided for in the Indenture, (c) a brief description of all obligations held by the Bank as an investment of moneys in any Fund or account hereunder as of the end of such Fiscal Year, (d) the principal amount of Bonds purchased by the Bank during such Fiscal Year from moneys available therefor in any Fund pursuant to the provisions of the Indenture and the respective purchase prices of such Bonds, (e) the principal amount of Bonds redeemed or retired during such Fiscal Year

and the redemption prices thereof, if any, and (f) any other information which the Trustees may reasonably request.

SECTION 5. The Bank to Maintain List of Bondholders; Certain Duties of the Bank With Respect Thereto. The Bank shall preserve, in as current a form as is reasonably practicable, all information as to the names and addresses of the holders of the Bonds (a) furnished to it by any Paying Agent hereunder pursuant to the provisions of Section 9 hereof; (b) received by it in the capacity as a Paying Agent (if so acting) under the Indenture; and (c) filed with it within two preceding years pursuant to the provisions of the next sentence hereof. Any holder of the Bonds may file his name and address with the Bank for inclusion upon such list. The Bank may (a) destroy any list furnished to it pursuant to the provisions of Section 9 hereof upon receipt of a new list so furnished; (2) destroy any information received by it as a Paying Agent (if so acting) hereunder upon delivering to itself as the Bank not earlier than forty-five days after an interest payment date of the Bonds, a list containing the names and addresses of the holders of Bonds obtained from such information since the delivery of the next previous list, if any; and (3) destroy any list delivered to itself as the Bank hereunder which was compiled from information received by it as Paying Agent (if so acting) hereunder upon receipt of a new list so delivered. At reasonable times and under reasonable regulations established by the Bank, said list may be inspected and copied by the Trustees or by the holders or owners (or a designated representative thereof) of ten per cent or more in principal amount of Bonds then outstanding, such ownership and the authority of any such designated representative to be evidenced to the satisfaction of the Bank.

SECTION 6. Bank May File Proofs of Claims and Other Papers and Documents. The Bank may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Bank and of the Bondholders allowed in any judicial proceedings relative to the Trustees, their creditors, or their property.

SECTION 7. Bank Not Liable for Acts of Trustees; No Representations by Bank. The Bank shall not be responsible or have any liability for any act of the Trustees collectively or of any act of any one or more of the Trustees. The Bank shall not be responsible in any manner whatsoever for the correctness of the recitals, statements and representations in the Indenture and any and all supplements thereto or in the Bonds (except its Certificate of Authentication thereon) or in the coupons, all of which are made by the Trustees solely. The Bank makes no representation as to the value or condition of the Trust Estate or any part thereof, or as to the right, title and interest of the Trustees in the property constituting the Trust Estate or as to the security afforded by any agreement, contract, lease or other instrument assigned to the Bank hereunder, or as to the validity of the Indenture or of the Bonds issued hereunder, and the Bank shall incur no liability or responsibility in respect of any such matters. Except for the duties and obligations imposed upon it by the Utility Service Agreements and the Operation and Maintenance Contract referred to in the preamble hereto, the Bank shall have no obligation to fulfill or carry out any agreements of the Trustees or of any lessor or lessee under any lease, sublease or other instrument, assigned to the Bank under the Indenture.

SECTION 8. Additional Trustees or Co-trustees under the Indenture. If at any time it shall be desirable in the opinion of the Trustees or the Bank to have an additional trustee or trustees as co-trustee or co-trustees under this Indenture, either individual or corporate, or if the holders of not less than a majority of the aggregate principal amount of the Bonds then outstanding shall in writing so request, the Bank shall, subject to the approval of the Trustees, which approval the Trustees shall not unreasonably withhold, select such co-trustee or co-trustees. The Bank and the Trustees shall unite in appointing such co-trustee or co-trustees of all or any of the property or cash (if any) at the time subject hereto, jointly with the Bank, or its successor or successors, or to act as a separate trustee or trustees hereunder of any of such property or cash. The Trustees hereby irrevocably appoint the Bank its agent, without any further act by the Trustees, at any time during the continuance of an Event of Default to select and appoint any such additional co-trustee or co-trustees and to execute, deliver and perform any and all instruments and agreements necessary or proper in connection therewith. The rights, powers, duties and obligations conferred or imposed upon the Bank and such co-trustee or co-trustees or any of them shall be conferred or imposed upon and exercised or performed by the Bank, or the Bank and co-trustee or co-trustees jointly, except to the extent

that under any law or any jurisdiction in which any particular act or acts are to be performed, the Bank shall be incompetent or unqualified to perform such act or acts, in which event such rights, powers, duties and obligations shall be exercised and performed by such co-trustee or co-trustees and the instrument of appointment of any such co-trustee or co-trustees shall expressly and specifically so provide. Upon such appointment and upon the recording of the instrument of appointment wherever this Indenture is required by law to be recorded, the rights of the Bank with respect to any or all of the property constituting the Trust Estate shall immediately, and without further evidence of transfer, vest in such co-trustee or co-trustees according to the terms of such appointment, but the Bank and the Trustees shall, nevertheless, execute, acknowledge and deliver to such co-trustee or co-trustees such conveyances and transfers as may be proper to vest or confirm said rights in the co-trustee or co-trustees. Any co-trustee may resign or be removed by the Bank hereunder; and any vacancy in the office of co-trustee may be filled in the manner above provided for the appointment of the original co-trustee or co-trustees, or, if it is not then desirable to fill the vacancy, the vacancy need not be filled. All the immunities provided by this Indenture in respect of the Bank shall apply to each and every co-trustee. Subject to the provisions of Section 2 hereof, neither the Bank nor any co-trustee shall be liable for any default or act of omission of the other.

SECTION 9. Paying Agents; Paying Agents to Hold Moneys in Trust and to Furnish List of Bondholders. All Bonds, whether in coupon or registered form, and all coupons, shall be payable at the

principal office of the Bank, as Paying Agent therefor. If any Bond in coupon form is payable at the office of a Paying Agent located in a city other than that in which the principal office of the Bank is located, the Trustees will at all times keep in those cities in which such other Paying Agent is located, an office or agency (which may be the office in each such respective city of such Paying Agent in such city) at which such Bond in coupon form and attached coupons may be presented for payment. The Trustees will from time to time give written notice to the Bank of the location of each such office or agency if the appointment thereof was made by the Trustees without the prior knowledge of the Bank.

Each Paying Agent shall hold in trust for the benefit of the Bondholders and the Bank all sums held by such Paying Agent for the payment of the principal of and interest on the Bonds, and shall give to the Bank notice of any default by the Trustees in the making of any such payment. Anything in this paragraph to the contrary notwithstanding the Trustees may, at any time, for the purpose of obtaining a satisfaction and discharge of the Indenture, or for any other reason, cause to be paid to the Bank all sums held in trust by any Paying Agent hereunder as required by this paragraph, such sums to be held by the Bank upon the trusts herein contained, and such Paying Agent shall thereupon be released from all further liability with respect to such sums.

Each Paying Agent shall furnish to the Bank semi-annually in each year during the periods July 15 to July 31, inclusive and January 15 to January 31, inclusive, commencing with the period July 15 to July 31, 1971, and at such other times as the Bank may request in writing, within thirty days after receipt by the Paying Agent of any such request, a list or lists in such form as the Bank may reasonably

require containing all information in the possession or control of such Paying Agent as to the names and addresses of the holders of the Bonds obtained by such Paying Agent since the date as of which the next previous list, if any, was furnished by such Paying Agent to the Bank. Any such list may be dated as of a date not more than fifteen days prior to the time such information is furnished or caused to be furnished and need not include information received after such date.

SECTION 10. Bank and Paying Agents May Buy, Hold, Sell or Deal in Bonds and Coupons and Other Indebtedness of Trustees. The Bank and its directors, officers, employees or agents, and each Paying Agent and its directors, officers, employees or agents, may in good faith buy, sell, own, hold and deal in any of the Bonds or coupons issued under the provisions of the Indenture and may join in any action which any Bondholder may be entitled to take, with like effect as if such Bank or Paying Agent were not the Bank or a Paying Agent, as the case may be, under the Indenture. The Bank or any Paying Agent may in good faith hold any other form of indebtedness of the Trustees; own, accept or negotiate any drafts, bills of exchange, acceptances or obligations thereof; and make disbursements therefor and enter into any commercial or business arrangement therewith; all without any liability on the part of the Bank or such Paying Agent for any real or apparent conflict of interest by reason of any such actions.

SECTION 11. Reimbursement of Bank and Paying Agents for Fees, Expenses and Charges. The Bank shall be entitled to reimbursement for all fees, expenses, charges, counsel fees and other disbursements reasonably incurred by it in the performance of its duties and powers under the Indenture, including those of its attorneys, agents and employees. The Bank shall have a lien for such reimbursement on the moneys pledged to secure the Bonds hereunder at any time held by it hereunder, prior to the lien or claim of the holders of the Bonds on all such moneys. Each Paying Agent shall also be entitled to reimbursement for all fees, expenses and charges reasonably incurred by it the performance of its duties hereunder.

ARTICLE VIII

SUPPLEMENTAL BOND INDENTURE

SECTION 1. The Bank and the Authority may, from time to time and at any time, without the consent of the holders of any of the bonds, enter into indentures supplement hereto which, in the opinion of the Bank (whose opinion shall be conclusive upon the Authority, and the holders of any Bond) shall not be inconsistent with the terms and provisions hereof for any of the purposes heretofore specifically authorized in this Bond Indenture, and in addition thereto for the following purposes:

- (a) To cure any ambiguity or formal defect, inconsistency or omission in this Bond Indenture or to clarify matters or questions arising thereunder; or
- (b) To issue additional bonds in such amounts and subject to such restrictions hereinabove contained and to fix all of the details with respect thereto in accordance with Article IV hereof; or
- (c) To add additional covenants and agreements of the Authority for the purpose of further securing the payment of the Bonds; and
- (d) To prescribe further limitations and restrictions upon the issuance of additional bonds and the incurring of indebtedness by the Trustees payable from the Trust Estate which are not detrimental to the interests of the holders of the outstanding Bonds and additional parity Bonds;
- (e) To confirm as further assurance any pledge of additional revenues, monies, securities, funds or any real, personal or mixed properties.

In addition, the provisions of this Bond Indenture may be amended in any particular with the written consent of the holders of not less than 75% of the Bonds then outstanding which would be adversely affected by such amendment, provided, however, that no such amendment may be adopted which decreases the percentage of Bonds required to approve an amendment, nor which permits a change in the date of payment of the principal of any Bonds or of any installment of interest thereon or the reduction in the principal or redemption price thereof or the rate or rates of interest thereon without the consent of the holders of the Bonds affected thereby.

Copies of any Supplemental Indenture amending the Bond Indenture shall be filed with the Bank, the Financial Consultant, the original purchasers of the 1970 Bonds, and filed in the office of the County Clerk of the County in which the Facilities are situated, before such amendment may become effective.

SECTION 2. The Bank shall be entitled to receive, and shall be fully protected in relying upon the opinion of counsel, who may be counsel for the Authority, as conclusive evidence that any such proposed Supplemental Indenture complies with the provisions of this Bond Indenture, and that it is proper for the Bank, under the provisions of this Article, to join in the execution of such Supplemental Indenture.

SECTION 3. Upon the execution of any Supplemental Indenture pursuant to the provisions of this Article, this Bond Indenture shall be and be deemed to be supplemented, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Bond Indenture, of the Bank, the Authority and holders of Bonds then outstanding shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such modification and amendment.

ARTICLE IX

MISCELLANEOUS AND DEFEASANCE

SECTION 1. All terms, provisions, conditions, covenants, warranties and agreements contained herein shall be binding upon the successors and assigns of the Authority and shall be deemed and considered to be covenants running with the estate or interests in the lands affected; and all such terms, provisions, conditions, covenants, warranties and agreements shall likewise inure to the benefit of the Bank, its successors or substitutes in trust and assigns, and to the benefit of everyone who may at any time be a beneficiary hereunder, including the holder of any Bond issued hereunder. The illegality or invalidity of any provisions or part of this Bond Indenture shall in no way affect any of the other provisions and parts hereof.

SECTION 2. All expenses and obligations, and all debts, damages, judgments, decrees or liabilities, incurred by any trustee, temporary or permanent or both, or incurred by any receiver and any of the foregoing incurred by any agent, servant or employee of the aforesaid trustees or receiver, in the execution of the purpose of this Bond Indenture, shall be solely chargeable to and payable out of the Trust Estate. In

no event shall any trustee, temporary or permanent, or any receiver, in any manner be individually liable for any damage, or for breach of contract or obligations caused by, arising from, incident to, or growing out of the execution of this Bond Indenture, nor shall they or any of them be liable for the acts or omission of each other, or of any agent, servant or employee of the aforesaid trustees, or of another such trustee or of any receiver; provided, however, that the foregoing shall not apply to any breach of trust of any such trustee or receiver.

SECTION 3. When any Bond secured by the Bond Indenture shall have become due and payable in accordance with its terms, or shall have been duly called for redemption, or irrevocable instructions to call such Bond for redemption shall have been given by the Authority to the Bank and the whole amount of the principal and interest premium, if any, so due and payable upon such Bond and coupons pertaining thereto shall be paid to, or sufficient moneys shall be held by the Bank or Banks of Payment for such purpose, such Bond shall no longer be outstanding hereunder. When all Bonds secured by the Bond Indenture shall have become due and payable in accordance with their terms, or shall have been duly called for redemption, or irrevocable instructions to call such Bonds for redemption shall have been given by the Authority to the Bank and the whole amount of the principal and interest and the premium, if any, so due and payable upon such Bonds and coupons pertaining thereto then outstanding shall be paid to, or sufficient moneys shall be held by, the Bank or the Banks of Payment for such purpose, a provision shall also be made for paying all other sums payable hereunder by the Authority, then, and in that case, the right, title and interest of the Bank shall thereupon cease, determine and become void, and the Bank in such case, on demand of the Authority, shall release this Bond Indenture and shall execute such documents to evidence such release as may be reasonably required by the Authority, and shall turn over to the Authority any surplus moneys in any account in the Bond Fund, and all balances remaining in any other funds and accounts other than moneys held for redemption or payment of bonds or coupons; otherwise, this Bond Indenture shall be, continue and remain in full force and effect.

Moneys held by the Bank pursuant to this Section may at the direction of the Trustees be invested so as to mature in the amounts and at the times necessary to pay the principal of and interest and premium on the Bonds. If any such moneys shall be so invested, they shall be invested in securities in which moneys in the Bond Fund may be invested pursuant to Section 2 of Article III hereof; provided however, that no such moneys shall be invested in savings accounts or certificates of deposit, and provided further, such moneys shall also be invested in full faith and credit direct and general obligations of any State, or unlimited tax direct and general obligations of any political subdivisions of any State, to the payment of which the full faith and credit of such political subdivision is pledged; provided that at the time of purchase, such obligations are rated in either of the two highest rating categories by two national recognized bond rating agencies and are legal investment for fudiciaries in Oklahoma.

SECTION 4. The Bond Indenture may be simultaneously executed in as many counterparts as may be requested by the Bank. Each such counterpart so executed shall be deemed to be an original, and all together shall constitute but one and the same Bond Indenture.

IN WITNESS WHEREOF, the Authority has caused this Bond Indenture to be executed by its Chairman and Secretary, and the Bank for itself, its successor or successors, has by its execution hereof, signified its acceptance of the trust hereby created and imposed, all as of the day and year first above written.

TRUSTEES OF THE OKLAHOMA UNIVERSITY
DEVELOPMENT AUTHORITY

By: *Ho Hansen*
Chairman

ATTEST:

[Signature]
Secretary

(SEAL)

THE FIRST NATIONAL BANK AND TRUST COMPANY OF
OKLAHOMA CITY, OKLAHOMA CITY, OKLAHOMA

By: *R. J. Kay*

ATTEST:

Streeten B. Flynn Jr
Cashier

STATE OF OKLAHOMA)
)SS
COUNTY OF CLEVELAND)

BEFORE ME, the undersigned, a Notary Public in and for said State, on the 21st d
of December, 1970, personally appeared H. O. Harder, Chairman, and R. Boyd Gunning,
Secretary of the Trustees of the Oklahoma University Development Authority, the makers
of the above and foregoing instrument of writing, and to me further known to be the
identical persons who subscribed the names of the makers thereof to the foregoing instru
ment, and acknowledged to me that they executed the same as their free and voluntary ac
and deed, and as the free and voluntary act and deed of the said Authority for the uses
and purposes therein mentioned and set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the
day and year aforesaid.

Helen D. Whitten

Notary Public

(SEAL)

My commission expires November 19, 1971.

STATE OF OKLAHOMA)
)SS
COUNTY OF OKLAHOMA)

BEFORE ME, the undersigned, a Notary Public, in and for said State, on the 21st d
of December, 1970, personally appeared R. G. Kamp, to me known to be
Vice-President of The First National Bank and Trust Company of Oklahoma City, Oklahoma
City, Oklahoma, and to me further known to be the identical person who subscribed the
name of said Bank as one of the makers thereof, to the foregoing instrument as its Vice-
President, and acknowledged to me that he executed the same as his free and voluntary
act and deed and as the free and voluntary act and deed of said Bank, for the uses and
purposes therein mentioned and set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the
day and year aforesaid.

Helen V. Wynn

Notary Public

(SEAL)

My Commission Expires: 7-14-74
My commission expires _____.

OKLAHOMA UNIVERSITY DEVELOPMENT AUTHORITY
 PAYMENT REQUISITION FROM CONSTRUCTION FUND

FROM: Trustees of the Oklahoma University Development Authority
 TO: The First National Bank and Trust Company of
 Oklahoma City, Oklahoma, Trustee

DATE: _____

Pursuant to the provisions of the Bond Indenture, dated as of December 1, 1970 by and between the Trustees of the Oklahoma University Development Authority and The First National Bank and Trust Company of Oklahoma City, Oklahoma City, Oklahoma, as Trustee, you are directed to pay Creditor from the Construction Fund of said Authority as indicated below, the amounts shown for the purposes set forth in this Requisition.

CREDITOR	TRUST NO. ITEM NO.

DATE	PURPOSE	AMOUNT

AUTHORIZATION AND CERTIFICATE OF
 CHAIRMAN AND SECRETARY

With reference to the above requisition the undersigned certifies:

1. That obligations in the stated accounts have been incurred by the Oklahoma University Development Authority and that each item thereof is a proper charge against the Authority's Construction Fund and has not been paid.
2. That there has not been filed with or served upon the Oklahoma University Development Authority notice of any lien, right to lien, or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to any of the persons, firms or corporations named in such requisition, which has not been released or will not be released simultaneously with the payment of such obligation.
3. That such requisition contains no item representing payment on account of any retained percentages which the Authority is to retain on the date of such certificate entitled to retain.

Dated: _____

 Chairman

 Secretary

Submit in Duplicate:

- 1 to Bank
- 1 to Authority

THE TRUSTEES OF THE OKLAHOMA UNIVERSITY DEVELOPMENT AUTHORITY MET IN SPECIAL SESSION, AFTER PROPER NOTICE HAVING BEEN GIVEN, AT THE OFFICE OF THE AUTHORITY, NORMAN, OKLAHOMA, ON THE 4TH DAY OF JANUARY, 1971, AT 12:00 O'CLOCK NOON.

PRESENT: H. O. Harder, R. Boyd Gunning, T. R. Benedum, G. L. Cross, P. K. McCarter, Ward S. Merrick and T. H. McCasland.

ABSENT: Earl Sneed.

Others Present: H. K. Calvert, President of Board of Regents; Houston Huff, Member of Regents; Dr. Leonard Eliel, Interim Vice-President of Okla. Univ. Medical Center.

THEREUPON, Trustee Benedum introduced a Resolution which was read in full by the Secretary, and upon motion by Trustee Benedum, seconded by Trustee T. H. McCasland, said Resolution was adopted by the following vote:

AYE: Harder, Gunning, Benedum, Cross, McCarter, Merrick and McCasland.

NAY: None.

Said Resolution was thereupon signed by the Chairman, attested by the Secretary and is as follows:

RESOLUTION

A RESOLUTION APPROVING THE EXECUTION OF VARIOUS DOCUMENTS RELATED TO THE ISSUANCE OF \$6,000,000 TRUSTEES OF THE OKLAHOMA UNIVERSITY DEVELOPMENT AUTHORITY UTILITY REVENUE BONDS, SERIES 1970; AUTHORIZING THE ISSUANCE OF SAID BONDS; APPROVING THE FORM OF AN INDENTURE TO SECURE THE SAME, AUTHORIZING ITS EXECUTION, AND CONTAINING OTHER PROVISIONS RELATED TO THE SUBJECT.

WHEREAS, pursuant to 70 O.S. 1961, § 3306, as amended, the University of Oklahoma Medical Center consists of all medical facilities and related activities of the University of Oklahoma located at Oklahoma City; and

WHEREAS, the operation of the University of Oklahoma Medical Center is under the control and supervision of the Regents; and

WHEREAS, heating and cooling services are essential to the proper and efficient performance of the duties and obligations of the Regents in the operation of the University of Oklahoma Medical Center and related facilities; and

WHEREAS, this Authority has determined to acquire and construct facilities required for the provision of heating and cooling services to the University of Oklahoma Medical Center and certain buildings housing institutions related thereto (hereinafter the initial facilities to be constructed are called the "Project" and together with all additions, betterments, improvements thereto and extensions thereof hereafter constructed or acquired by the Authority and all real and personal property of the Authority of or pertaining thereto called the "Facilities"); and

WHEREAS, to pay the cost of the Project and to capitalize certain reserve requirements, this Authority has determined to issue its Utility Revenue Bonds, Series 1970 (hereinafter called "1970 Bonds") dated as of December 1, 1970 in the aggregate principal amount of \$6,000,000, under and pursuant to the terms of a Bond Indenture dated as of December 1, 1970 by and between this Authority and The First National Bank and Trust Company of Oklahoma City, Oklahoma (hereinafter together with all supplements thereto called the "Bond Indenture" or the "Indenture"); and

WHEREAS, the proceeds of the 1970 Bonds will be used for the purpose of paying for the Project and such Bonds shall be paid from revenues received by this Authority under certain Utility Service Agreements (hereinafter mentioned); and

WHEREAS, the Trustees of the Authority have determined to secure the payment of the principal and interest on indebtedness to be issued for said Project by executing and delivering the Bond Indenture to The First National Bank and Trust Company of Oklahoma City, Oklahoma City, Oklahoma, as Trustee.

NOW, THEREFORE, BE IT RESOLVED BY THE TRUSTEES OF THE OKLAHOMA UNIVERSITY DEVELOPMENT AUTHORITY that the Trustees do hereby declare, certify, ratify, confirm, affirm, approve, instruct, direct, resolve, adopt and authorize as follows:

1. The Trustees hereby ratify, validate, confirm and approve the entering into and the execution by them on the 9th day of November, 1970, with Kay Engineering Co.--Oklahoma, a Corporation, of a Construction Contract. The Trustees hereby further ratify, validate, confirm and approve the Construction Contract and the terms, provisions and conditions thereof.
2. The Trustees hereby ratify, validate, confirm and approve the entering into and execution by them as of December 1, 1970 with the Board of Regents of the University of Oklahoma, an Agreement whereby the Authority agreed to assume the obligation of the Regents to the Oklahoma City Urban Renewal Authority under the terms of a Contract dated as of August 12, 1970. The Trustees hereby further ratify, validate, confirm and approve the respective terms, provisions and conditions of the said Agreement.
3. The Trustees hereby ratify, validate, confirm and approve the entering into and the execution by them of an Agreement proposed by John Nuveen & Co. dated November 28, 1970 whereby John Nuveen & Co. agreed to purchase all of the 1970 Bonds issued by the Authority, as set out in the Agreement dated November 28, 1970. The Trustees hereby further ratify, validate, confirm and approve said Agreement and the terms, provisions and conditions thereof.
4. The Trustees hereby ratify, validate, confirm and approve the entering into and the execution by them as of December 1, 1970 with the Board of Regents of the University of Oklahoma, of a Lease Agreement whereby the Board of Regents of the University of Oklahoma agree to lease a site for the construction of the heating and cooling plant thereon. The Trustees hereby further ratify, validate, confirm and approve the said Lease Agreement and the terms, provisions and conditions thereof.
5. The Trustees hereby ratify, validate, confirm and approve the entering into and the execution by them as of December 1, 1970 with the Board of Regents of the University of Oklahoma, of an Operation and Maintenance Contract whereby the Board of Regents of the University of Oklahoma agree to operate and maintain the Project. The Trustees hereby further ratify, validate, confirm and approve the said Operation and Maintenance Contract and the respective terms, provisions and conditions thereof.
6. The Trustees hereby ratify, validate, confirm and approve the entering into and execution by them as of December 1, 1970 with the Board of Regents of the University of Oklahoma, of a Utility Service Agreement whereby the Board of Regents agree to purchase heating and cooling services from the Authority. The Trustees hereby further ratify, validate, confirm and approve the Utility Service Agreement and the respective terms, provisions and conditions thereof.
7. The Trustees hereby ratify, validate, confirm and approve the entering into and execution by them as of December 1, 1970 with the Oklahoma Medical Research Foundation, of a Utility Service Agreement whereby the Oklahoma Medical Research Foundation agrees to purchase heating and cooling services from the Authority. The Trustees hereby further ratify, validate, confirm and approve the Utility Service Agreement and the respective terms, provisions and conditions thereof.
8. The Trustees hereby ratify, validate, confirm and approve the entering into and execution by them as of December 1, 1970 with The State of Oklahoma Department of Public Health, of a Utility Service Agreement whereby the State of Oklahoma Department of Public Health agrees to purchase heating and cooling services from the Authority. The Trustees hereby further ratify, validate, confirm and approve the Utility Service Agreement and the respective terms, provisions and conditions thereof.
9. The Trustees hereby authorize the execution by them of the final Official Statement and Prospectus, as submitted to them at this meeting and as approved by counsel to the Authority. The Trustees hereby certify that the information which precedes the signatures of the Trustees contained in said final Official Statement is as of this date hereof true and correct in all material respects and does not contain any untrue or misleading statement and does not omit to state a material fact necessary to make said final Official Statement and the statements and information therein contained, not misleading. The Trustees hereby authorize John Nuveen & Co. to use said final Official Statement in effecting sales of the 1970 Bonds.

10. The Trustees hereby ratify, validate, confirm and approve the entering into and the execution by them as of December 1, 1970 of the \$6,000,000 Trustees of the Oklahoma University Development Authority Utility Revenue Bonds, Series 1970, Bond Indenture, with The First National Bank and Trust Company of Oklahoma City, Oklahoma City, Oklahoma, which will be recorded in the books and records of the County Clerk of Oklahoma County. The Trustees hereby further ratify, validate, confirm and approve the said Bond Indenture and the respective terms, provisions and conditions thereof.

11. The Trustees hereby ratify, validate, confirm and approve the form of the 1970 Bonds as set forth in the Bond Indenture. The Trustees hereby ratify, validate, confirm and approve the execution and the attesting by H. O. Harder and R. Boyd Gunning, by means of their signatures and facsimile signatures on the 1970 Bonds and the coupons pertaining thereto, and the imprinting on the 1970 Bonds of a facsimile of the seal of the Oklahoma University Development Authority. The Trustees hereby certify that the facsimile signature of H. O. Harder appearing on the 1970 Bonds is a true copy and facsimile of the signature of H. O. Harder, and that the facsimile signature of R. Boyd Gunning appearing on the coupons of the 1970 Bonds is a true copy and facsimile of the signature of R. Boyd Gunning; and that the facsimile of the seal of the Oklahoma University Development Authority appearing on said 1970 Bonds is a true copy and facsimile of the seal of said Authority.

12. The Bank is hereby authorized to authenticate the 1970 Bonds as set forth on the Order executed December 21, 1970 by H. O. Harder, Chairman of the Oklahoma University Development Authority, and R. Boyd Gunning, Secretary of the Oklahoma University Development Authority, and the Bank is further directed to follow the instructions of said Order.

13. The Bank is further authorized to deliver on January 6, 1971, the 1970 Bonds as set forth on the above-mentioned Order to John Nuveen & Co., upon payment to the Bank of the purchase price of \$5,785,200, plus accrued interest to January 6, 1971, the date of delivery of and payment therefor. The Trustees hereby resolve that upon such authentication, delivery and payment for the 1970 Bonds, said Bonds shall thereupon be deemed to be issued by the Trustees under the Bond Indenture. The Bank is hereby directed to deposit the proceeds of the 1970 Bonds, including the accrued interest thereon, in accordance with said Order and the provisions of the Bond Indenture.

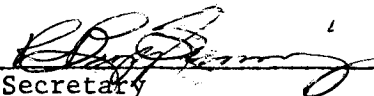
14. The Trustees hereby resolve that any one or more of the Trustees may execute such further documents or take such further action as upon the advice of counsel to the Trustees he or they shall deem necessary or desirable in order to execute the issuance, delivery and payment of the 1970 Bonds in accordance with the terms of the Bond Indenture.

PASSED AND APPROVED this 4th day of January, 1971.



Chairman

ATTEST:

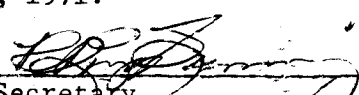


Secretary
(SEAL)

STATE OF OKLAHOMA)
)SS
COUNTY OF CLEVELAND)

I, the undersigned, the duly qualified and acting Secretary of the Trustees of the Oklahoma University Development Authority of said County and State hereby certify that the attached copy of Resolution is a true and complete copy of said Resolution duly adopted by said Trustees of the Authority on the date therein set out and recorded in my office and the proceedings had by said Authority in the adoption of said Resolution.

WITNESS MY HAND this 4th day of January, 1971.



Secretary

JOHN NUVEEN & CO.

Incorporated • Business Established 1898

INTEREST EXEMPT, IN THE OPINION OF BOND COUNSEL, FROM ALL PRESENT FEDERAL INCOME TAXES

NEW ISSUE

RATING

OFFICIAL STATEMENT

S & P - A

January 6, 1971

\$6,000,000
 THE TRUSTEES OF THE OKLAHOMA UNIVERSITY DEVELOPMENT AUTHORITY
 (an agency of the State of Oklahoma)
 7 1/8% and 7 1/4% Utility Revenue Bonds, Series 1970

DETAILS: Dated December 1, 1970; due July 1, as shown below; principal and interest (July 1, 1971 and semi-annually thereafter on January 1 and July 1) payable at The First National Bank and Trust Company of Oklahoma City, Oklahoma City, Oklahoma, at Chemical Bank, New York City, or at the fiscal agency of the State of Oklahoma in New York City; coupon bonds of \$5,000 denomination, registrable as to principal only or fully registered bonds in denominations of \$5,000 or any multiple thereof and convertible into coupon form; total issue - \$6,000,000.

REDEMPTION PROVISIONS: The Bonds of this series maturing on July 1, 2000 are redeemable prior to maturity on July 1, 1985 or thereafter, as a whole at any time or in part by lot from time to time on any interest payment date, at the following respective redemption prices (expressed as a percentage of the principal amount redeemed) if redeemed from any monies other than monies required by the Bond Indenture to be credited to the Sinking Fund Account created thereby or Surplus Revenues as defined in the Bond Indenture, together with the interest accrued on the principal amount redeemed to the date fixed for redemption:

Period During which Redeemed (both dates inclusive)	Redemption Price
7/1/85 to 7/1/87	104 %
7/2/87 to 7/1/89	103 1/2
7/2/89 to 7/1/91	103
7/2/91 to 7/1/93	102 1/2
7/2/93 to 7/1/95	102
7/2/95 to 7/1/97	101 1/2
7/2/97 and thereafter but prior to maturity	101

The Bonds of this series maturing on July 1, 2000 are also redeemable prior to maturity, in part by lot from time to time, at a redemption price equal to the principal amount redeemed, on July 1, 1986 and on each July 1 thereafter if redeemed from monies required by the Bond Indenture to be credited to the Sinking Fund Account created thereby or on July 1, 1985 or any interest payment date thereafter if redeemed from Surplus Revenues as defined in the Bond Indenture, together in each case with interest accrued on the principal amount redeemed to the date fixed for redemption.

All the Bonds of this series (including bonds maturing on July 1, 2000) are redeemable prior to maturity, at any time in whole or in part in inverse order of maturity or by lot within a maturity, from insurance proceeds, expropriation awards and the proceeds of the sale of the Facilities, at a redemption price equal to the principal amount required plus an amount equal to one year's interest at the rate payable on the Bond redeemed if such redemption is made prior to July 1, 1985 and at the respective redemption prices set forth in the table above if such redemption is made on July 1, 1985 or thereafter. (see page 13 of this Official Statement)

- BOND INDENTURE TRUSTEE - The First National Bank and Trust Company of Oklahoma City, Oklahoma City, Oklahoma
- BOND COUNSEL - George J. Fagin Law Offices, Oklahoma City and Wood King Dawson Love & Sabatine, New York City
- ENGINEERS - Carnahan & Thompson Engineers, Oklahoma City

SECURITY: The Bonds will be special obligations of the Authority secured by a first mortgage on the Authority's heating and cooling system and payable from a first charge and lien upon the revenues of said system. Heating and cooling service will be sold to the University of Oklahoma and other entities at the University Medical Center in Oklahoma City. The University will account for over 80% of sales initially. Other initial customers will be the Oklahoma State Department of Health and the Oklahoma Medical Research Foundation.

AMOUNTS, COUPON RATES, MATURITIES, YIELDS AND PRICES - due July 1

7 1/8%		7 1/8%		7 1/8%	
\$70,000	1973 4.50% (106.14)	\$ 90,000	1977 5.50% (108.78)	\$130,000	1982 6.60% (104.18)
75,000	1974 4.75 (107.58)	100,000	1978 5.75 (108.28)	140,000	1983 6.70 (103.56)
80,000	1975 5.00 (108.47)	105,000	1979 6.00 (107.41)	150,000	1984 6.80 (102.84)
85,000	1976 5.25 (108.86)	115,000	1980 6.20 (106.57)	165,000	1985 6.90 (102.04)
		125,000	1981 6.40 (105.48)		
		7 1/4%			
		\$4,570,000 2000/* (7.25%) 100.00			

* See Redemption Provisions; () Approximate, as of January 1, 1971

ny representation as to yield, where the price on bonds is less than par value, refers to gross yield and does not reflect the effect of any applicable tax on capital gains. statements herein contained are based upon information furnished us from official or other sources. While we do not guarantee their correctness, we believe them to be reliable and have ourselves relied upon them.

SHORT STATEMENT

The Authority

The Authority is an express public trust and an agency of the State of Oklahoma. The beneficiary of the trust is the University of Oklahoma, and the Authority's principal purpose is to provide and finance facilities of every nature which may be useful in the development of the University. The Authority can incur indebtedness only with the approval of the University's Board of Regents.

University of Oklahoma

The University of Oklahoma has two campuses, the main campus at Norman and the University Medical Center at Oklahoma City, which under Oklahoma law receive separate budgetary allocations of the Legislature's consolidated appropriation for higher education. The University Medical Center includes all of the University's health and medical education facilities; it has the only Medical School in the State and will have the only Dental School (now under development) in the State. Its facilities include hospitals, clinics, classroom buildings and laboratories.

Purpose of Issue

The Purpose of this Financing is to provide a central heating and cooling service for the University Medical Center and other groups located adjacent thereto. The Project to be financed by these \$6,000,000 Bonds will include the first phase of the heating and cooling system with provision for easy expansion to the second phase; Project facilities will include a central plant, steam boilers, water chillers and about 3,000 feet of distribution tunnels, all sized to allow a doubling of capacity merely by the installation of additional steam boilers and water chillers. The first phase facilities will be used to capacity within one year of their completion (expected by March 1, 1972) by buildings now in use ^{NSAR} or now under construction and scheduled for completion in 1972.

The Oklahoma Health Center

The Oklahoma Health Center is the common name given to a \$180,000,000 complex (35 to 40 buildings) of health and medical facilities being developed in Oklahoma City about one mile southwest of the State Capitol Building (completion is envisioned by 1980). Its 205-acre site includes the University Medical Center, certain other adjacent health and medical facilities and two adjacent urban renewal areas. Expansion of the University Medical Center will provide the greater part of the growth, and other public and private non-profit organizations are expected to locate and expand facilities there.

Security

Security: The Bonds will be special obligations of the Authority and will be secured by a first mortgage, lien and charge upon the properties and revenues of the heating and cooling system. The Project will be built upon lands, rights-of-way and easements leased, assigned and granted from the University for so long as the Bonds may be outstanding. The University has also contracted to operate and maintain the heating and cooling system. The University's utility service charges will account for over 80% of Project revenues in the first phase. The other initial customers of the heating and cooling system will be the Oklahoma State Department of Health and the Oklahoma Medical Research Foundation (a private non-profit corporation whose site was provided by the State Legislature and initial building built by State-wide public subscription).

Utility Service Agreements

Utility Service Agreements: The Authority has entered into a Utility Service Agreement with each of the initial customers of its heating and cooling system, providing that rates shall be adjusted monthly if necessary to assure that the Authority's revenues are at least adequate to provide for payment of debt service, operation and maintenance costs, and deposits to the funds and reserves as provided in the Indenture and to meet the other requirements of the Bond Indenture. The Utility Service Agreements are for a term of one year (due to certain provisions of the Oklahoma Constitution) and are automatically renewed unless one-year notice is given of intention not to renew. Heating and cooling service for all buildings of the initial customers existing or under construction at the University Medical Center as of December 1, 1970 are included in the initial Utility Service Agreements (except that the Foundation's agreement pertains to heating service only and also excludes a six-story Foundation office tower building). Each initial customer agrees to not purchase heating and cooling services for its buildings at the University Medical Center from anyone other than the Authority, and to not build a heating and cooling system to provide services to its buildings at the Oklahoma Health Center, as long as their Utility Service Agreement is in effect (or, in the case of the Foundation, unless notice of termination has been given), except for such services that are beyond the capacity of the Project. The University retains the right, upon three years' written notice, to demand and receive all or part of the services of the Project sold or disposed of to the other parties.

Capitalized Interest

Capitalized Interest: Bond proceeds in an amount equal to 18 months' interest (to June 1, 1972) will be deposited in the Bond Fund Interest Account. Project completion is expected February 1, 1972. All initial customers are required to pay utility service charges when heating and cooling service is available and the University on June 1, 1972 if for any reason service has not yet commenced.

Capitalized Bond Reserve

Capitalized Reserve: Bond proceeds in an amount equal to maximum annual debt service will be deposited in the Bond Fund Reserve Account.

The Bonds are offered when, as and if issued and subject to acceptance by the Underwriter, to approval of Bond Counsel, to prior sale, and to withdrawal, cancellation or modification of the offer without notice.

This Official Statement which includes the Cover Page and Short Statement, does not constitute an offer to sell these Bonds in any state to any person to whom it is unlawful to make such offer in such state. No dealer, salesman or other person has been authorized to give any information or to make any representations, other than those contained in this Official Statement, issued in connection with the offering of these Bonds and, if given or made, such information or representations must not be relied upon.

Reference is made to the Bond Indenture between the Authority and The First National Bank and Trust Company of Oklahoma City authorizing and securing these Bonds, the Engineering Report prepared by Carnahan & Thompson in connection with the proposed improvements, and certain other basic documents (the Utility Service Agreements, Operation and Maintenance Contract and Lease) copies of which are available for examination at the Chicago office of the Underwriter.

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OFFICIAL STATEMENT

\$6,000,000
THE TRUSTEES OF THE OKLAHOMA UNIVERSITY DEVELOPMENT AUTHORITY
(an agency of the State of Oklahoma)
Utility Revenue Bonds, Series 1970

Oklahoma City, Oklahoma
January 6, 1971

This Official Statement is furnished in connection with the offering of \$6,000,000 principal amount of Utility Revenue Bonds, Series 1970 (the "Bonds"), of The Trustees of the Oklahoma University Development Authority (the "Authority").

THE AUTHORITY

The Authority is an express public trust and an agency of the State of Oklahoma existing and incurring indebtedness under the authority of Title 60, Oklahoma Statutes 1961, Sections 176-180, inclusive, as amended, and the Oklahoma Trust Act. The University of Oklahoma (herein referred to as the "University") is the beneficiary of the trust and said beneficial interest was accepted by the Board of Regents of the University of Oklahoma on April 11, 1969.

Authority may incur indebtedness only with the approval of its beneficiary, the University.

The Authority is the operating entity for a number of different projects, including the project to be constructed from the proceeds of the Bonds. No financial interrelationship exists between the various projects. To date the Authority has issued a total of \$2,406,000 bonds and notes to finance projects for the University and the University of Oklahoma ~~Foundation, Inc.~~ *vs* and the revenues for the payment of such indebtedness is derived from the receipt of various fees and rentals, ~~from these parties.~~ *etc*

The present Trustees of the Authority are as follows:

<u>Name</u>	<u>Occupation and Place of Residence</u>
Mr. H. O. Harder	- <u>Chairman</u> ; Oil Business, Retired Tulsa, Oklahoma
Mr. R. Boyd Gunning	- <u>Secretary</u> ; Executive Director Oklahoma University Development Authority Norman, Oklahoma
Mr. T. R. Benedum	- <u>Member</u> ; Attorney, Norman, Oklahoma
Dr. George L. Cross	- <u>Member</u> ; President Emeritus, The University of Oklahoma Norman, Oklahoma
Dr. Pete Kyle McCarter	- <u>Member</u> ; Acting President, The University of Oklahoma Norman, Oklahoma
Mr. T. H. McCasland	- <u>Member</u> ; Oil Properties, Duncan, Oklahoma
Mr. Ward S. Merrick	- <u>Member</u> ; Oil Properties, Ardmore, Oklahoma
Dr. Earl Sneed	- <u>Member</u> ; Senior Vice President The Liberty National Bank and Trust Company Oklahoma City, Oklahoma

PURPOSE OF ISSUE

The Oklahoma Health Center is the common name given to an area in which it has been anticipated that a \$180,000,000 network of buildings will be erected by autonomous health institutions, both public and private, located in proximity to each other in Oklahoma City on a 205-acre site presently encompassing the University of Oklahoma Medical Center (which is the only comprehensive medical teaching institution in the State of Oklahoma) and two adjacent urban renewal redevelopment projects. The rapidly expanding University of Oklahoma Medical Center will serve as the nucleus for the development of the public and private hospitals, state and local health departments, and health and medical research and education facilities that shall comprise the Oklahoma Health Center. The Oklahoma Medical Research Foundation and the United States Veterans Administration Hospital are presently located in this area. To minimize the duplication of facilities and services in the Oklahoma Health Center and effect sizable economies in both capital investment and operational overhead, the location of certain central or shared facilities is anticipated.

The Authority will construct a heating and cooling system (herein called the "heating and cooling system") required for the provision of heating and cooling service (herein called the "heating and cooling service") to the various institutions at the University Medical Center. The Authority shall immediately require such services. The land and easements necessary for the construction of the heating and cooling system will be leased, assigned and granted from the University for a term expiring when the Bonds or additional indebtedness are retired, or provision is made therefor.

PROPOSED IMPROVEMENTS

It is anticipated that a fully developed Oklahoma Health Center will require a heating and cooling system capable of providing heating and cooling service to some 35 to 40 buildings. Consequently, the engineers for the Authority (Carmahan & Thompson Engineers of Oklahoma City) have designed a system capable of allowing for development in phases that correspond with the actual development of the Oklahoma Health Center. The initial phase of the heating and cooling system development (herein referred to as the "Project"), which will be financed from the proceeds of the Bonds, will provide for the following:

1. The development of the entire plant site, 500 feet by 300 feet in size.
2. The construction of a 2-story building (100 feet by 100 feet including 4 floors of offices on one end) and related facilities sufficient to accommodate three water chillers (of 1,000 ton, 2,000 ton and 3,000 ton capacities) and three steam boilers of 60,000 pounds/hour capacity each.
3. The purchase and installation of two water chillers (1,000 ton and 2,000 ton capacities) and two steam boilers.
4. The installation of two 3,000 ton cooler tower cells.
5. The construction of 3,000 feet of concrete tunnels (distribution system) to serve the initial customers. Such tunnels are sufficient to allow for the development of the first half of the Oklahoma Health Center without major additional tunnel expense.
6. The installation of the miscellaneous auxiliary and support equipment, such as emergency electrical power producing equipment and emergency fuel storage facilities.

As additional demand for heating and cooling service develops, the initial heating and cooling system can be expanded in increments until the ultimate design capacity of 18,000 tons of chilled water and 360,000 pounds of steam per hour is reached. The ultimate "firm capacity," which is defined as the capacity of the facility with largest units inoperative, is 15,000 tons of chilled water and 300,000 pounds of steam per hour.

DISPOSITION OF BOND PROCEEDS

Firm bids were received on August 1, 1970 for development of the plant site, construction of the plant, construction of the distribution system and the provision and installation of the necessary equipment. Firm contracts have been entered into for this work, and 100% performance bonds covering parts and labor have been posted by all contractors. The allocation of Bond proceeds to the costs of the Project, based upon the firm bids, is expected to be as follows:

Construction and Equipment	\$4,026,000	
Contingencies	201,300	
Engineering Fee	253,700	
Soil Testing & Miscellaneous	157,000	\$4,638,000
Capitalized Interest (18 months)		649,819
Capitalized Bond Fund Reserve Account (maximum annual debt service)		517,425
Capitalized Working Capital Fund		100,000
Bond Discount		214,800
Legal, Fiscal, Printing & Miscellaneous Costs		63,500
Total Capital Costs of Project		\$6,183,544
Less: Interest Earnings during Construction		183,544
Amount of Bond Issue		\$6,000,000

UTILITY SERVICE AGREEMENTS

The Authority has entered into Utility Service Agreements with the University, the Department of Health and the Foundation, which agreements are for the period December 1, 1970 to June 30, 1971, with automatic renewals on the successive July 1 of each year for one-year periods to including June 30, 2000, or such other date as the entire indebtedness of the heating and cooling system is paid. Any customer may elect not to renew such contract upon one-year's written notice, because of certain provisions of the Oklahoma Constitution subjecting State contracts to annual appropriations.

Heating and cooling service to all buildings of the initial customers existing or under construction at the University Medical Center as of December 1, 1970 are included in the initial Utility Service Agreements (except that the Foundation's agreement pertains to heating service only and also excludes a six-story Foundation office tower building). Each of the agreements also contains covenants and agreements by the customer: (a) to not purchase heating and cooling services for its buildings at or adjacent to the University Medical Center from anyone other than the Authority as long as the Utility Service Agreement is in effect, except for such services that are beyond the capacity of the Project; and (b) to not build a heating and cooling system to provide services to its buildings at the Oklahoma Health Center as long as the Utility Service Agreement is in effect (or, in the case of the Foundation, unless notice of termination has been given), except for such services that are beyond the capacity of the Project.

Each of the Utility Service Agreements provides that the customer shall commence purchase of heating and cooling service from the Authority when that service becomes available. The University also covenants and agrees to commence payments to the Authority no later than June 1, 1972, regardless of whether heating and cooling service is yet available, or on such earlier date as that service may be available. To the extent legislative appropriations are not available for the required payments to the Authority prior to the operation of the heating and cooling system, the University further agrees and covenants to utilize for such payments: (a) any other legally available funds; (b) up to \$300,000 available therefor under the terms of an agreement with the Trustees of the University of Oklahoma Medical Center Trust Fund; and (c) the receipts from charges to be levied against the students and faculty of the University of Oklahoma Medical Center, among others. (The University of Oklahoma Medical Center Trust Fund is a fund created and contributed to by the faculty physicians practicing at the Medical Center. The Trustees of this Fund have agreed to the temporary use of up to \$300,000 therefrom. As of June 30, 1970, the balance in the Fund was in excess of \$300,000.)

The Authority covenants and agrees not to terminate service to a customer except for non-payment of charges or other breaches of the Utility Service Agreement which the Authority deems are material. Notwithstanding such covenant, the University shall have the right, upon three years' written notice, to require the Authority to pull back all or part of the heating and cooling service sold to the other customers.

The Authority and the customer agree in each Utility Service Agreement that rates and charges shall be at least adequate to provide revenues sufficient to provide promptly and fully for: (a) the payment of Bond interest, principal and mandatory Sinking Fund Account calls and the establishment and maintenance of the Bond Fund Reserve Account as specified in the Bond Indenture; (b) the payment of all costs of operation and maintenance of the heating and cooling system; and (c) the establishment and maintenance of all other funds and reserves as specified in the Bond Indenture and to meet the other requirements of the Bond Indenture. The Utility Service Agreements provide for semi-annual apportionment and determination of the "Cost-of-Service" rates on the basis of the amounts, types and conditions of service, and monthly "Base Rate Adjustments" are to be made to provide for increases or decreases in costs or for any other contingencies.

The University and the Department of Health agree to pay their respective rates and charges from any legally available revenues (which include budgeted and unrestricted or undesignated revenues). The Foundation's obligation to pay is not subject to such restriction.

The loss of any customer will require the Authority to raise the "Cost-of-Service" rates for the remaining customers in order to reapportion the factors for debt service and reserves, plus any non-variable operating costs. Since the University will take over 80% initially of the heating and cooling system's output, the Utility Service Agreements with the other customers contain a provision that their rates may not be increased by more than 100% over the previous year as a result of the loss of any customer(s); the Utility Service Agreement with the University does not contain such a limitation. *who have purchased 50% or more OF THE SERVICES*

The Utility Service Agreements contain provisions governing the manner in which heating and cooling service shall be provided and received and factors that govern the billing procedures.

The Utility Service Agreements may not be amended without the consent of the Trustee.

OPERATION AND MAINTENANCE CONTRACT

The Authority and the University have entered into an Operation and Maintenance Contract (herein referred to as the "Operation and Maintenance Contract") whereby the University agrees to operate and maintain the Authority's heating and cooling system. The Operation and Maintenance Contract is for the period December 1, 1970 to June 30, 1971, with automatic renewals on each succeeding July 1 for one year periods until the entire indebtedness of the heating and cooling system is paid, cancellable on one-year's notice by the University.

The University has agreed to: (1) operate and maintain said system in first-class condition and to keep the facilities in good repair and working order; (2) make recommendations as to capital expenditures required for improvements, modernization and expansion; (3) submit a statement and certification thereof, on a monthly basis, for operation and maintenance expenses; (4) keep said system free of all judgments, liens, mortgages and incumbrances of any nature; (5) not commit or allow any waste with respect to the heating and cooling system; and (6) institute and diligently prosecute proceedings in Eminent Domain for the condemnation of lands or interests necessary for improvements or betterments to the heating and cooling system approved by the University.

The Authority has agreed to: (1) issue the Bonds and acquire and install the heating and cooling system; (2) issue additional indebtedness (to the extent possible and as approved by the University) and make all expenditures necessary for the provision of satisfactory service; (3) compute, prepare, bill and collect the monthly charges to each customer of the heating and cooling system which shall be sufficient to enable the Authority to pay the principal of and interest on the Bonds and to comply with all other requirements of the Indenture; (4) carry the insurance, and apply the proceeds thereof, as required by the Indenture; (5) keep proper books and records and cause monthly statements and annual audits to be prepared; (6) reimburse the University for expenses incurred in the operation and maintenance of the heating and cooling system; and (7) cause a written annual report of a professional engineer to be made concerning the condition of the heating and cooling system including recommendations regarding maintenance, repairs, extensions and improvements in accordance with the terms of the Indenture.

The Operation and Maintenance Contract may not be amended without the consent of the Trustee.

THE LEASE AGREEMENT

The Authority has entered into a Lease Agreement (herein referred to as the "Lease") with the University whereby the University will lease, assign, and grant the land, right-of-way, and easements on, or through, which facilities of the Authority will be located. The term of the Lease Agreement commences on December 1, 1970 and ends on June 30, 2000, or such other date that all indebtedness of the Authority payable from the revenues of the heating and cooling system has been paid or provision for the payment has been made. The Lease Agreement specifically provides that the University consents and agrees that the leasehold interest may be pledged as security for the Bonds.

The Lease may not be amended without the consent of the Trustee.

ESTIMATED OPERATIONS

Initial Phase of Service: The construction contracts specify completion of the Project within 400 calendar days of issuance of the work order, which the Authority intends to complete in January, 1971 upon sale and delivery of the Bonds. It is estimated that the Project will be completed before March 1, 1972 and heating and cooling service established before March 1, 1972. Existing buildings to be served then include six major structures and a number of minor structures aggregating 910,000 square feet of floor space (of which about 209,000 square feet will be cooled as well as heated). By August 1, 1972, completion of the University's new Training Hospital and the Department of Health's Office and Laboratory Building will add 455,000 square feet to both the heating and cooling loads. This will bring the heating load to 100% of firm capacity (rated capacity less production from the largest boiler) and the cooling load to 93% of rated capacity.

Second Phase of Service: With the addition of one 60,000 pounds/hour steam boiler and one 3,000 ton water chiller, the firm heating capacity and the rated cooling capacity of the Project would be doubled. The Authority's consulting engineers have estimated the capital cost of these improvements at \$600,000. The University's building program would indicate that the second phase may be needed by 1974.

Ultimate Plan of Service: It is anticipated that the Oklahoma Health Center will continue to grow, both by expansion of the University Medical Center and by the location there of other health and medical organizations, to an anticipated 35 to 40 buildings by 1980. It is also anticipated that these additional facilities and organizations would use the Authority's heating and cooling system, and that this ultimately will necessitate a doubling or tripling of the second phase capabilities, including the construction of additional tunnels and plant building space as well as the installation of additional steam boilers and water chillers.

Cost of Service: The Authority's consulting engineers have estimated the operation and maintenance costs of the heating and cooling system for the 12 months ending June 30, 1973 at \$350,594. To this would have to be added debt service requirements of \$503,213 and a Renewal and Replacement Reserve Fund deposit of \$25,000, for a total annual budget of \$878,807. It is estimated that the University's charges will comprise over 80% of initial phase revenues.

Appendices:

Appendix I contains the June 30, 1969 balance sheet and a three-year summary of operations through June 30, 1969 for the University Medical Center. (June 30, 1970 figures are not yet available.)

Appendix II contains a general description of the Project prepared by the Authority's consulting engineers.

INITIAL CUSTOMERS

University Medical Center: The University Medical Center is a part of the University and is governed by the University's Board of Regents, but under Oklahoma law it also is a constituent of the State System of Higher Education separate from the University's main campus at Norman, Oklahoma. As such, it receives a separate budgetary apportionment from the State Regents for Higher Education, which under the Oklahoma Constitution apportions the Legislature's consolidated appropriation for higher education. The Director of the University Medical Center is also an Executive Vice President of the University.

Since 1929, all of the University's medical departments, hospitals, outpatient clinics and medical libraries have been consolidated at the University Medical Center, which now includes the University's School of Medicine, School of Nursing, School of Health, School of Dentistry (under development), School of Health Related Professions (under development) and a division of the Graduate College. The staff of the University Medical Center includes about 250 full-time and 950 part-time faculty members. Principal facilities include two hospitals totaling 409 beds, two major academic buildings, a medical research building and various smaller structures, with an aggregate floor space of 810,000 square feet. The 200-bed \$14,000,000 Teaching Hospital now under construction will add another 295,000 square feet of space. Nine other projects are planned for construction at the University Medical Center by 1975 at a total cost in excess of \$52,000,000.

The 488-bed Veterans Administration Hospital and the Foundation's 20-bed research hospital, both located in the Oklahoma Health Center, also are used by the students for practical and clinical training.

The Department of Health: The Department of Health is responsible for the administration of various health programs, both preventive and regulatory, of the State of Oklahoma and, to some extent, of the Federal Government. Its functions include such diverse tasks as testing toxicity of household products, hospital planning and development, testing milk and water quality, statistical vital record services, and child and mental health services. Its 160,000 square foot \$4,500,000 building will contain nine stories of offices and three floors of laboratories and will bring together the Department's main facilities which for several years have been located in a number of scattered buildings in the Oklahoma City area. Construction started July 15, 1970, and is scheduled for completion in April, 1972. The Department is a part of the State government and also derives a substantial part of its budget from the Federal Government.

The Foundation: The Foundation is an independent, privately financed, non-profit corporation engaged in the study of diseases which destroy the functions of the human body. Land for the Foundation was provided by the State Legislature in 1947, and funds for a 50-laboratory building were raised in two years by statewide subscriptions. Additions were made in 1952, 1964 and 1969, and it recently completed a six-story office tower building (about 55,000 square feet) which will free more room in its main building for laboratory space. The new office tower building will not be connected to the system. Its annual budget is derived from contributions and from grants received through application and award on a nationwide competitive basis. The Foundation conducts the most extensive health-and-medical research program at the Oklahoma Health Center.

SCHEDULE OF DEBT SERVICE REQUIREMENTS

Maturity Date <u>July 1</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
1971	\$ -0-	\$ -0- **	\$ -0- **
1972	-0-	36,101.05**	36,101.05**
1973	70,000	433,212.50	503,212.50
1974	75,000	428,225.00	503,225.00
1975	80,000	422,881.25	502,881.25
1976	85,000	417,181.25	502,181.25
1977	90,000	411,125.00	501,125.00
1978	100,000	404,712.50	504,712.50
1979	105,000	397,587.50	502,587.50
1980	115,000	390,106.25	505,106.25
1981	125,000	381,912.50	506,912.50
1982	130,000	373,006.25	503,006.25
1983	140,000	363,743.75	503,743.75
1984	150,000	353,768.75	503,768.75
1985	165,000	343,081.25	508,081.25
1986	175,000*	331,325.00	506,325.00
1987	190,000*	318,637.50	508,637.50
1988	200,000*	304,862.50	504,862.50
1989	220,000*	290,362.50	510,362.50
1990	235,000*	274,412.50	509,412.50
1991	250,000*	257,375.00	507,375.00
1992	270,000*	239,250.00	509,250.00
1993	290,000*	219,675.00	509,675.00
1994	310,000*	198,650.00	508,650.00
1995	335,000*	176,175.00	511,175.00
1996	360,000*	151,887.50	511,887.50
1997	390,000*	125,787.50	515,787.50
1998	415,000*	97,512.50	512,512.50
1999	450,000*	67,425.00	517,425.00
2000	480,000*	34,800.00	514,800.00
Totals	\$6,000,000	\$8,244,782.30	\$14,244,782.30

* Annual mandatory Sinking Fund Account calls.

** Interest to and including June 1, 1972 will be capitalized and paid from Bond proceeds.

THE BOND INDENTURE

Reference is made to the Bond Indenture (herein referred to as the "Indenture") authorizing and securing the Bonds for full details of all of its terms and conditions. The following summary is a brief outline of certain provisions contained in the Indenture and is not to be considered as a full statement thereof.

Bonds are an obligation of the Authority payable solely from the Trust Estate. They are an indebtedness of the State of Oklahoma nor of the Board of Regents of the University of Oklahoma, nor are they a personal obligation of the individual Trustees of the Oklahoma University Development Authority.

Disposition of Bond Proceeds; Construction Fund: Accrued interest to the date of the sale of the Bonds shall be deposited in the Bond Fund. The remaining Proceeds of the Bonds shall be deposited by the Trustee as follows: (a) in the Bond Fund Interest Account the sum of \$649,819 (equal to interest on the Bonds to and including June 1, 1972); (b) in the Bond Fund Reserve Account the sum of \$517,425 (equal to maximum combined interest and principal requirement in any future year); (c) in the Working Capital Fund the sum of \$100,000; and (d) in the Construction Fund the remainder of such proceeds. All moneys deposited in the Construction Fund shall be applied to the payment of the costs and expenses incurred in connection with the issuance of the Bonds and the costs of acquisition and construction of the Project. Moneys may be withdrawn from the Construction Fund as construction progresses, only upon proper certification having been received by the Trustee. Upon completion of the Project, any moneys remaining in the Construction Fund shall be transferred by the Trustee, first to make up any deficiency in the Bond Fund, then to the Repair and Replacement Fund to the extent of \$100,000 and any then remaining balance to the Capital Improvement Fund.

Funds Established by the Indenture: The Indenture establishes the following funds to be held and administered by the Trustee:

1. The Revenue Fund.
2. The Bond Fund with an Interest Account, Principal Account, Sinking Fund Account and Reserve Account.
3. The Working Capital Fund.
4. The Repair and Replacement Fund.
5. The Capital Improvement Fund.

Allocation of Revenues: The Authority will pay into the Revenue Fund to be held by the Trustee upon receipt thereof all income, revenues and receipts from the ownership and operation of the Project. The Trustee will pay monthly on the 25th day of each month from the Revenue Fund certain fixed amounts for deposit in the various funds and accounts therein in the following order of priority:

To the Interest Account in the Bond Fund an amount equal to one-sixth of the next installment of interest on the Bonds, to the extent not previously deposited therein from Interest Proceeds.

To the Principal Account in the Bond Fund an amount equal to one-twelfth of the next serial installment of principal on the Bonds.

To the Sinking Fund Account in the Bond Fund commencing in July, 1985, one-twelfth of such amounts as shall be sufficient to redeem by call for redemption on July 1 in each year commencing in 1986 the Bonds maturing in the year 2000 in the annual amounts set forth in the Schedule of Debt Service Requirements on page 9 of this Official Statement.

To the Reserve Account in the Bond Fund to the extent required to maintain said Reserve Account in the required amount (i.e., an amount equal to maximum annual debt service).

To the Working Capital Fund such amount as shall be required to maintain a balance in said Working Capital Fund equal to the estimated costs of operation and maintenance for the Project during the then next ensuing three months, such moneys to be used to pay said costs of operation and maintenance, including reimbursements to the University under the Operation and Maintenance Contract.

To the Repair and Replacement Fund, commencing June 25, 1972, all remaining moneys in the Revenue Fund up to an annual amount equal to 1/4th of the required balance until the required balance is established or re-established (the required balance is \$100,000 or such greater amount recommended from time to time by the Consulting Engineers).

To the Capital Improvement Fund the balance of such revenues.

The Capital Improvement Fund moneys shall be used for the above purposes at any time that Revenue Fund moneys are insufficient therefor, and so long as not needed for such purposes may be used by the Authority for any or a combination of the following purposes:

- (a) to pay the costs of improvements, extensions and additions to the Authority's heating and cooling system (whether or not a part of the steam and chilled water project);
- (b) the retirement of Bonds in advance of maturity by call (if Bonds are then callable from such moneys) or open market purchases at a price not exceeding the next succeeding call price for refunding purposes; and (c) the accumulation of moneys for either such application in the future.

Additional Bonds: After the issuance, sale and delivery of the Bonds, and for so long as any Bonds remain outstanding, the Authority shall not issue any additional parity bonds, except as hereafter set forth. The Authority may issue additional bonds payable from the revenues derived from the Trust Estate pari passu with the Bonds provided:

1. The Authority is not in default in meeting any of the agreements, covenants and obligations to be performed by the Authority under the Indenture.
2. The Bonds to be issued are required to provide satisfactory service to the contracting institutions receiving heating and/or cooling service prior to the issuance of additional bonds, or if additional Utility Service Agreements are signed or the existing Utility Service Agreements are amended to allow for the issuance of said Bonds, to provide additional heating and cooling service to existing institutions or to provide heating and cooling service to additional contracting institutions.
3. A Certified Public or Municipal Accountant shall certify to the Trustee with the approval of the Authority, that the net revenues derived from the heating and cooling system owned and operated by the Authority for the fiscal year next preceding the fiscal year in which such additional bonds are issued shall have been at least equal to the annual amount required to be paid or accrued into the Bond Fund for the payment of debt service requirements on all bonds then outstanding. In addition, a Consulting Engineer shall certify to the Trustee Bank, with the approval of the Authority, that the estimated net revenues to be derived from the then existing heating and cooling system and the additional heating and cooling facilities to be constructed, shall, in the fiscal year following the date of the initial use of such additional heating and cooling facilities, be at least equal to the annual amount required for the payment of debt service requirements on all bonds then outstanding and the additional bonds to be issued. The term "net revenues" shall mean the gross revenues derived from the operation of the heating and cooling system by the Authority after the deduction of operation and maintenance expenses.
4. The Board of Regents of the University of Oklahoma gives prior approval to the issuance of the additional bonds.
5. The existing Utility Service Agreements are amended to reflect the additional bonds.

Nothing herein contained shall be construed as preventing the Authority from issuing refunding bonds, nor as preventing the Authority from issuing obligations payable from and constituting a lien or charge on the revenues junior and inferior to the Bonds, so long as their issuance is approved in advance by the Board of Regents of the University of Oklahoma.

When the event additional bonds are issued, the supplemental bond indenture authorizing such additional bonds shall, among other things, provide that all amounts derived from the operation of the additional facilities shall be deposited in the Revenue Fund. In addition, there shall be deposited in the Bond Fund Reserve Account, in full at the time of delivery of such additional bonds, the amount required to provide a minimum balance in said reserve equal to the maximum annual debt service requirements on all Bonds and additional bonds to be outstanding. An amount equal to 2% of all additional bonds issued shall, in full at the time of delivery or accumulated within sixty months of the issuance of such bonds, be deposited in the Repair and Replacement Fund.

Investment of Funds: Moneys in the Construction Fund shall, at the direction of the Authority, be invested by the Trustee in direct general obligations of the U. S. Government; certain U. S. Government Agency obligations; and bank or savings accounts or time certificates of deposit or certificates of deposit of a bank having a capital and paid-in surplus of at least \$15,000,000. The interest income from such investment shall be deposited in the Construction Fund.

Moneys contained in the Revenue Fund, the Bond Fund (except the Reserve Account therein) and the Working Capital Fund shall be continuously invested and reinvested by the Trustee in securities that shall mature not later than the respective dates, as estimated when the moneys in said Funds shall be required for the purposes intended, but in no event more than twenty-four months.

Moneys contained in the Bond Fund Reserve Account, Capital Improvement Fund and the Repair and Maintenance Fund shall be continuously invested and reinvested by the Trustee in securities that shall mature within no more than five years.

The moneys contained in the Funds of the Authority may be invested in direct general obligations of, or obligations the payment of the principal and interest of which are unconditionally guaranteed by, the United States of America; bonds, debentures or notes issued by any of the following Federal agencies: Bank for Cooperatives, Federal Land Banks, or Federal or Government National Mortgage Associations, including Participation Certificates; Public Housing Bonds, or Project Notes, fully secured by contracts with the United States of America; and bank savings accounts, or time certificates of deposits, or certificates of deposit, provided that such accounts or certificates are collaterally secured by securities which themselves are previously described as being eligible and have a market value at least equal to the amount held in such bank savings accounts or held under such certificates of deposit and are in or issued by a bank having capital and surplus of not less than \$15,000,000.

Interest earnings of the Construction Fund and on the capitalized interest shall be transferred to the Construction Fund during the period of construction. Interest earnings on all other Funds shall be accumulated in said respective Funds until the balance in each of said Funds is equal to the required amount, and thereafter to the Construction Fund during the period of construction, and thereafter to the Revenue Fund.

Particular Covenants: In the Bond Indenture, the Authority covenants and agrees as follows:

1. The Authority will punctually pay all principal and interest requirements on the Bonds.
2. The Authority will not create any mortgage, pledge, lien or charge or other encumbrance upon the trust estate, other than the mortgage created by the Indenture and any supplements thereto which would authorize and secure additional bonds, if any are issued; no evidence of indebtedness secured by the trust estate may be issued except the Bonds, additional bonds, and indebtedness junior and inferior to the Bonds.
3. The Authority will pay or cause to be paid any governmental charges lawfully imposed upon the trust estate and will keep the trust estate from all judgments, mechanics' and material liens and all other encumbrances.
4. The Authority shall proceed with all reasonable dispatch to complete the Project; shall at all times operate or cause to be operated the heating and cooling system in an efficient manner and at a reasonable cost; shall keep the facilities in good repair, working order, and condition; and shall make all necessary repairs, renewals, replacements, additions, extensions and betterments thereto, so that at all times the business of the Authority shall be properly and advantageously conducted.
5. The Authority agrees that the heating and cooling service produced by the Authority shall be disposed of solely for the benefit of the Authority and that the revenues derived from the operation and ownership of the facilities shall be sufficient to meet all requirements of the Bond Indenture and shall be disposed of in the manner specified therein.
6. The Authority shall fix, maintain, and collect rates and charges for all services furnished and supplied by the Authority, which shall be fair and non-discriminatory, and adequate to provide sufficient revenues for all purposes required by the Bond Indenture, and shall not furnish or supply any service or commodity free of charge to any person, firm, or corporation, public or private; and shall promptly enforce the payment of any and all accounts owed to the Authority by reason of its ownership and operation of the facilities by discontinuing service and/or filing suit therefor within sixty days after any such accounts are due.

7. The Authority may sell, lease, or otherwise dispose of all or substantially all of the facilities, provided that simultaneously therewith, provision is made for the redemption of all of the Bonds then outstanding; and the Authority may dispose of any portion of the facilities or properties thereof, which have been declared by the Authority and certified by the Consulting Engineer as being unserviceable, inadequate, obsolete, or unfit to be used, or no longer required for the operation of the Authority's business.
8. The Authority shall keep the facilities insured to the extent available, at reasonable cost with responsible insurers with policies payable to the Authority and the Trustee as their respective interests may appear against risks of direct physical loss, damage, or destruction of the properties, at least to the extent that similar insurance is usually carried by private corporations operating like properties, and shall at all times keep the facilities insured against loss of use and occupancy from any of the aforesaid hazards, in such an amount as shall provide for not less than 400 days after a 100-day exclusionary period, a coverage equal to the net earnings which are prevented by such loss, plus such fixed charges and expenses as must necessarily continue during the period of such loss, to the extent that such fixed charges and expenses would have been earned had not such loss occurred.
9. The Authority shall keep proper books of account and within ninety days after the close of each fiscal year of the Authority, it shall cause its accounts to be audited by independent Certified Public or Municipal Accountants and a copy of such audit shall be filed promptly with the Trustee and sent to any holder of the Bonds who requests the same in writing.
10. The Authority shall retain a firm of independent engineers on a continuous basis for the purpose of providing the Authority with engineering counsel in the operation of the facilities as requested. In addition to other prescribed duties, the Consulting Engineers shall, not later than 180 days after the closing of each fiscal year make a physical inspection of the facilities and prepare a report based upon such examination and a survey of the management of the business of the facilities and the operation and maintenance of its properties and state if the Authority has complied with the Indenture; a copy of such report shall be filed with the Trustee and a copy shall be mailed to any bondholder requesting same in writing.
11. The Authority shall not expend any of the income, revenues, receipts, profits, and other moneys of the facilities for any extensions, betterments, and improvements thereto which are not economically sound or which shall not properly and advantageously contribute to the conduct of the business in an efficient and economical manner.
12. The Authority will not consent to the rescission, alteration, amendment or modification of the Utility Service Agreements, the Operation and Maintenance Contract or the Lease except: (a) with the written consent of the Trustee, which consent may be given only if, in the opinion of the Trustee, such action would not impair the effectiveness of said document as part of the security for the payment of the Bonds or reduce the income or increase the expenses of the Authority, and would not materially adversely affect the rights of the holders of the Bonds; (b) as may be necessary in connection with the issuance of additional bonds; or (c) with the written consent of the holders of two-thirds in aggregate principal amount of the Bonds then outstanding.
13. The Authority will not consent to the assignment or transfer of the Utility Service Agreements, the Operation and Maintenance Contract or the Lease without consent of the Trustee.

Redemption of Bonds: The Bonds shall be subject to redemption prior to maturity as set forth under "Redemption Provisions" on the cover page of this Official Statement, provided, however, that all Bonds of whatever maturity shall be subject to redemption in whole or in part at any time, in inverse order of maturities or by lot within a maturity, if such redemption is made: (a) from insurance proceeds; (b) from expropriation awards; and (c) from the proceeds of the sale of the Corporation's properties to be acquired and constructed from the proceeds of the Bonds. In the event that such redemption is made in accordance with this provision, such redemption shall be made at the principal amount redeemed, the interest accrued thereon to the redemption date, and (a) if such redemption is made prior to July 1, 1985, a premium on each bond so redeemed equal to one year's interest thereon; and (b) if such redemption is made on or after the first date upon which such bond would otherwise be subject to redemption, the same premiums as set forth for refunding purposes on the cover page of this Official Statement.

Receivership or Temporary Trustee: The Bond Indenture provides the bondholders, in the event of default, with the normal remedies, such as acceleration of maturities and receivership.

LITIGATION

There is no litigation pending against the Authority, nor to the knowledge of its members or counsel, threatened, which in any way questions or affects the validity of the Bonds, or any proceedings or transactions relating to their issuance and sale.

MISCELLANEOUS

The covenants and agreements of the Authority with the holders of the Bonds are fully set forth in the Bond Indenture and reference is hereby made to that document for a more complete statement of the rights and obligations of the bondholders and the Authority. Neither this Official Statement, nor any statement which may have been made orally or in writing is to be construed as a contract with the holders of any of the Bonds.

OKLAHOMA UNIVERSITY DEVELOPMENT AUTHORITY

1s/ *H. H. ...*
Chairman

(SEAL)

Attest:

1s/ *R. D. ...*
Secretary

The issuance of the Official Statement by the Oklahoma University Development Authority is hereby approved this 6th day of January, 1971, pursuant to resolution duly adopted.

BOARD OF REGENTS OF THE UNIVERSITY OF OKLAHOMA

1s/ *Chas. Calvert*
President

(SEAL)

Attest:

1s/ *Barbara A. Jones*
Secretary

MEDICAL CENTER OPERATIONS

INCOME:

	Year Ended June 30, 1969	%	Year Ended June 30, 1968	%	Year Ended June 30, 1967	%
Education and General:						
Student Fees	\$ 453,189.90	2.3	\$ 422,522.00	2.1	\$ 289,463.80	1.7
State Appropriations	6,363,331.00	31.8	5,506,933.00	27.8	4,907,955.90	28.2
Gifts and Grants: Fed.	1,471,861.74	7.4	4,915,378.72	24.8	4,253,906.33	24.4
State	341,518.95	1.7	439,839.08	2.2	386,100.30	2.2
Private	449,428.09	2.2	489,429.78	2.5	844,795.78	4.8
Sales and Services	5,286,834.60	26.5	3,433,274.73	17.3	2,498,745.61	14.4
Hospital Services	5,613,134.94	28.1	4,602,288.74	23.3	4,137,133.89	23.8
Other Income	- -	- -	- -	- -	80,391.30	.5
Total Education and General	19,979,299.22	100.0	19,809,666.05	100.0	\$17,398,492.91	100.0
Endowment & Loan Fund	3,984.01*	- -	4,937.80	- -	554.87	- -
Endowment Gifts	17,002.23	- -	26,540.78	- -	85,950.99	- -
Plant Funds:					7,010,945.90	- -
State Appropriations	- -	- -	- -	- -	142,648.01	- -
Federal Grants	7,937,152.00	- -	7,500.00	- -	- -	- -
TOTAL INCOME	\$27,929,469.44	- -	\$19,848,644.63	- -	\$24,638,592.68	- -

EXPENDITURES BY FUNCTION:

Education and General:						
Administration and General	\$ 2,550,619.42	12.5	\$ 2,758,082.26	13.8	\$ 2,235,199.57	13.4
Instruction	6,997,793.09	34.4	5,027,326.93	25.2	3,880,948.45	23.3
Hospitals and Clinics	8,320,236.84	40.9	8,475,212.63	42.5	6,886,891.73	41.3
Organized Research	683,560.99	3.4	2,045,503.77	10.2	2,257,723.50	13.6
Extension	46,090.33	.2	32,208.56	.2	30,650.19	.2
Library	155,341.89	.8	134,666.06	.7	117,533.32	.7
Operation & Maintenance of Physical Plant	1,587,273.66	7.8	1,476,273.95	7.4	1,252,410.20	7.5
Total Education and General	20,340,916.22	100.0	19,949,274.16	100.0	16,661,406.96	100.0
Student Aid	3,208.69	- -	7,538.20	- -	80,891.30	- -
Construction	2,550,065.14	- -	565,415.14	- -	497,909.64	- -
TOTAL EXPENDITURES	\$22,894,190.05	- -	\$20,522,227.50	- -	\$17,240,207.90	- -

EXPENDITURES BY OBJECT:

Education & General:						
Salaries & Wages	\$14,241,691.93	70.0	\$12,392,093.21	62.1	\$10,535,808.86	63.2
Supplies & General Expense	5,319,017.23	26.1	6,392,801.13	32.1	{ 5,321,757.06 }	{ 32.0 }
Travel	92,041.09	.5	180,910.80	.9		
Utilities	167,315.31	.8	173,650.07	.9	170,788.15	1.0
Equipment	520,850.66	2.6	809,818.95	4.0	633,052.89	3.8
Total Education and General	20,340,916.22	100.0	19,949,274.16	100.0	16,661,406.96	100.0
Student Aid	3,208.69	- -	7,538.20	- -	80,891.30	- -
Building Construction	2,550,065.14	- -	565,415.14	- -	497,909.64	- -
TOTAL EXPENDITURES	\$22,894,190.05	- -	\$20,522,227.50	- -	\$17,240,207.90	- -

Source: University's Financial Reports

THE UNIVERSITY OF OKLAHOMA MEDICAL CENTER
BALANCE SHEET
JUNE 30, 1969

ASSETS

I.	CURRENT FUNDS:			
	A.	Educational and General:		
		Cash		\$ 706,773.78
		Accounts Receivable	\$ 3,176,684.17	
		Less Prov. for Doubtful Accounts	750,000.00	
		Less Medicare Current Financing	<u>56,000.00</u>	2,370,684.17
		Inventories:		
		Pharmacy	90,789.21	
		Alcohol Vault	<u>3,131.68</u>	93,920.89
		Other Assets - Organizational Consultant Fees		<u>14,063.40</u>
		Total Current Funds		\$ 3,185,442.24
II.	PLANT FUNDS:			
	A.	Unexpended Plant Funds:		5,783,156.72
	B.	Fixed Assets:		
		Land	243,945.98	
		Buildings	11,343,778.35	
		Fixed Building Equipment	131,242.64	
		Architects Fees	442,185.43	
		Improvements other than Buildings	26,601.00	
		Equipment	4,976,385.02	
		Motor Vehicles	45,959.00	
		Radium Needles and Plaques	36,000.00	
		Library Books	345,902.31	
		Less Accumulated Depreciation	<u>5,414,156.61</u>	
		Total Fixed Assets		12,177,843.12
		Total Plant Funds		17,960,999.84
III.	AUXILIARY FUNDS:			
	A.	Inventories:		
		Stockroom Stock	129,672.02	
		Physical Plant Stock	<u>39,990.32</u>	169,662.34
	B.	Cash		<u>23,503.77</u>
		Total Auxiliary Funds		193,166.11
IV.	RESEARCH FUND:			
		Cash		<u>248,696.68</u>
		Total Research Fund		248,696.68
V.	TEACHING AND TRAINING FUND:			
		Cash		<u>191,972.90</u>
		Total Teaching and Training		191,972.90
VI.	LOAN AND SCHOLARSHIP FUND:			
		Cash		7,860.05
		Student Loans	202,927.16	
		Stock-Carport, Inc.	<u>26,000.00</u>	<u>228,927.16</u>
		Total Loan and Scholarship Funds		236,787.21
VII.	AGENCY RELATED FUNDS:			
		Cash		<u>284,703.71</u>
		TOTAL ASSETS		<u>\$ 22,301,768.69</u>

THE UNIVERSITY OF OKLAHOMA MEDICAL CENTER
BALANCE SHEET
JUNE 30, 1969

LIABILITIES AND FUND BALANCES

I.	EDUCATIONAL AND GENERAL:		
	Accounts Payable	\$	43,915.62
	Deferred Income		47,939.66
	Fund Balance		<u>3,093,586.96</u>
	Total Educational and General		\$ 3,185,442.24
II.	PLANT FUNDS:		
	Unencumbered Funds		5,783,156.72
	Fund Balance		<u>12,177,843.12</u>
	Total Plant Funds		17,960,999.84
III.	AUXILIARY FUNDS:		
	Fund Balance		193,166.11
	Total Auxiliary Funds		193,166.11
IV.	RESEARCH FUNDS:		
	Fund Balance		248,696.68
V.	TEACHING AND TRAINING FUND:		
	Fund Balance		191,972.90
VI.	LOAN AND SCHOLARSHIP FUND:		
	Fund Balance		236,787.21
VII.	AGENCY RELATED FUNDS:		
	Fund Balance		<u>284,703.71</u>
	TOTAL LIABILITIES AND FUND BALANCES		<u>\$ 22,301,768.69</u>

NOTE: This balance sheet is presented on a modified accrual basis.

UNIVERSITY OF OKLAHOMA MEDICAL CENTER
Oklahoma City, Oklahoma

GENERAL DESCRIPTION

of

CENTRAL STEAM & CHILLED
WATER PLANT

prepared by

CARNAHAN & THOMPSON ENGINEERS
Oklahoma City, Oklahoma

Project No. 1013

November 28, 1970

I N D E X

- A. HISTORY
- B. SUMMARY OF OVERALL DESIGN
- C. SCOPE OF THE INITIAL DESIGN
- D. CONTINUITY OF SERVICE
- E. FUTURE EXPANSION
- F. BUILDING & LANDSCAPING
- G. BUILDING HEATING & COOLING COSTS
- H. MAINTENANCE COSTS
- I. RELIABILITY - PLANT & PIPE LINE

A. HISTORY:

The University of Oklahoma Medical Center originated with the establishment of University Hospital in 1918. Ten years later, the School of Medicine was moved from Norman to Oklahoma City into new facilities constructed in the Medical Center for this purpose. At that time, a central heating plant was constructed and connected through a tunnel system carrying steam piping to all of the buildings. Children's Hospital was added in 1934, and this and all subsequent buildings were connected to the central heating plant.

A program of adding cooling was begun following World War II. This has resulted in one large 360 ton chiller in the old central heating plant, the largest size that could be put in the only available space, with several buildings being connected to it by chilled water piping placed in the tunnels along with the steam piping. Some other areas received local chilled water plants, but in most areas the need has been accommodated in a limited way by the installation of numerous small window-mounted cooling units.

When the Oklahoma Health Sciences Foundation, Inc. was organized in 1965 for the purpose of coordinating the planning and development of the Center, the planners advised that the old central plant had no spare capacity for planned new construction, and that its age and condition considered together with its undesirable location made construction of a new facility mandatory. The Foundation began expansion planning predicated on the provision of central steam and chilled water from new facilities in a new location. The studies were initiated to determine the best solution to the problem. Negotiations were conducted with Central Energy Systems of Texas, a private enterprise group. Harry Bovay & Associates, Consulting Engineers of Houston reviewed all possibilities and prepared a report in November 1967 entitled "Evaluation of Proposals for a Central Steam & Chilled Water Plant". This report terminated the negotiations with Central Energy. A negotiation was then conducted with Thermal Systems, Inc., a subsidiary of Oklahoma Natural Gas Co. engaged in supplying similar services to urban commercial buildings in Tulsa and Oklahoma City. These negotiations were terminated in June 1969 following Oklahoma Health Sciences Foundation recommendations that cost would be prohibitive because of unacceptable investment cost guarantees which were being required by Thermal Systems in order that

they might initially build an over-sized facility based not on present needs, but on future probable needs.

Finally, a review of all the foregoing was made by Carnahan & Thompson Engineers acting for the Board of Regents of the University of Oklahoma. This resulted in a report dated June 17, 1969 showing definite advantages in favor of a University owned and operated facility, pointing out that the need for chilled water and steam supply was immediate for both existing and planned buildings, and recommending that engineering design for construction be authorized as soon as possible. This resulted in the design of the initial project described herein.

B. SUMMARY OF OVERALL DESIGN:

The central steam and chilled water plant and the associated underground distribution system will provide all requirements for these utility services within the Oklahoma Health Center site, some 4000' east and west by 3000' north and south, involving some 40 individual buildings.

The Plant is to be located in the center of the south side of the site, with a looped distribution system strategically located to provide chilled water and steam service to the various buildings, with the minimum of investment cost consistent with continuity of service.

The eastern half of the tunnel loop is included in the initial project, along with the basic elements of the Plant.

The ultimate Plant load is estimated to be 18,000 tons of chilled water refrigeration and 300,000# of steam per hour. Chilled water will leave the plant at 40°F, and under heavy loading conditions, will be returned at 52°F. Steam will be provided at all the Customer service points at a minimum pressure of 130# per sq. in. The chilled water temperatures are appropriate for all types and designs of air conditioning systems and the steam pressure is adequate for all types of heating apparatus, including the operation of steam laundry equipment, sterilizers in hospitals, cooking, and other building uses.

C. SCOPE OF THE INITIAL DESIGN:

The Plant facilities are sited on a piece of ground about 500' east and west by 300' north and south, the two major components consisting of the Plant building and the cooling tower assembly.

The ultimate Plant building will be 100' x 200', with the cooling tower located on the ground behind the Plant building.

The initial construction involves a plant building 100' x 100' consisting of a basement floor and a main operating floor, each having approximately 20' head room. In the west end of this space, a 4-story section of rooms exists which houses the management, operation, and control offices for the entire project, along with water treating laboratory, drawings and records room, meter maintenance shop, locker rooms, shower rooms, and similar facilities.

The water chillers will be of the steam turbine driven centrifugal type, discharging the exhaust steam into steam condensers, the ultimate heat dissipating apparatus being induced draft water cooling towers. Steam will be generated in water tube boilers at 250# per sq. in. dry and saturated, the basic fuel being natural gas with oil standby.

The initial Plant will contain one 1000 ton and one 2000 ton water chilling unit, two 60,000 lb/hr steam boilers, two 3000 ton capacity cooling tower cells, and appropriate auxiliary equipment.

When the Plant is first placed on-the-line, it is estimated that the chilled water load will be about 2800 tons, and the maximum steam load will be in the vicinity of 60,000# per hr. Thus the plant will begin operation nearly fully loaded to installed chilled water capacity and firm steam capacity, the most favorable condition for economical operation. Additional generating capacity may be obtained at the very minimum cost as set forth later in this description.

The initial building will have room for one additional 3000 ton chiller, and one additional 60,000# per hr. boiler.

All piping within and close to the Plant is designed for ultimate plant capacity.

With reference to the distribution system, the chilled water supply and return mains, the steam supply main, and the steam condensate return main will be in underground tunnels provided with proper drainage and adequate ventilation. The eastern portion of the pipeline loop included in this project is designed for full ultimate capacity to serve this area of the site.

Valved service connections are placed at strategic locations for connection to future buildings without interruption of services to the original customers along the line.

D. CONTINUITY OF SERVICE:

The initial facilities can provide 60,000# steam per hour (firm steam capacity) with one boiler operating at full load, the second boiler off-the-line. Auxiliary facilities are in keeping with this type of operation.

Chilled water service (firm) for emergency loads will be available in the capacity of 1000 tons. After the first addition of units is made, the firm capacity will increase to 3000 tons, and the firm steam capacity will increase to 120,000 lb. per hr.

The Plant is equipped with a Diesel engine generator sized to provide emergency power for operations during a disaster. Features have been incorporated in the design in order that the Plant may operate for 10 days isolated from utility systems fuel, electrical energy, and water supply producing 1000 tons of refrigeration and 60,000# steam per hr. continuously.

E. FUTURE EXPANSION:

The initial building is adequate to house one additional chiller and one additional boiler. Thus Plant capacity may be doubled by the addition of one 3000 ton water chilling unit and one 60,000# per hr. boiler. As previously mentioned, a spare 3000 ton cooling tower cell is included in the initial construction. This expansion of units may be obtained at a total cost of about \$600,000.00.

The east end of the initial building has a removable end wall section to accommodate future expansion 100' to the east, which would house four additional water chillers and four additional boilers. The cooling tower yard is sized to receive four additional 3000 ton cells.

As load develops in the western portion of the site, the other half of the looped pipeline system will be constructed. The second half of this pipeline loop will bring the distribution system capacity up to 18,000 tons, and 300,000# steam per hour. Portions of this western loop will be constructed as soon as load in the area justifies the expenditure.

F. BUILDING & LANDSCAPING:

The building and the associated cooling tower enclosure have been designed in an Architectural mode under the guidance of the master planning group and consulting architectural personnel, and in keeping with the other new construction in this Medical Center. The Plant site and the existing terrain have been developed in such a manner as to present a most pleasing landscape effect including shrubs, trees, fountains, and decorative illumination. The external appearance of the site will be such that the project will appear more as a conventional building rather than as a power plant, since no mechanical features, such as smoke-stacks and cooling towers, will be visible from the ground level.

G. BUILDING HEATING & COOLING COSTS:

When service is available from the initial new plant, the old existing plant will be removed from service, terminating all costs associated with it, there being no existing debts against it. The quantity of steam and chilled water which it supplied will be purchased from the new facility. The operating cost to produce the same quantity of steam and chilled water will be approximately one-half of what it has been in the discontinued plant.

The services purchased from the new facility will provide building heating and cooling at a substantially lower cost than can be obtained in any other manner. Diversity of the peak heating and cooling loads between grouped buildings allows serving a load larger than the total of the individual building loads. Planning for future buildings can continue, as in the past, without allocating expensive space for boiler rooms, chiller rooms, smoke stacks, cooling towers, and the associated mechanical apparatus and operating personnel. The fact that this will provide the lowest cost for building heating and cooling is substantiated by records of actual installations such as the University of Notre Dame, Northwestern University, Yale University, University of Alberta, California Institute of Technology, University of Oklahoma, University of Washington, Southern Methodist University, and Oklahoma State University.

In addition to being better and lower in cost than individual building units, this Medical Center central plant enjoys a cost advantage in comparison to private enterprise central systems being built in Urban areas. These include exemption from taxes, an institutional power rate lower than is available to private enterprise, and the absence of a profit requirement. The value of these factors is borne out by the fact that there are no known installations of privately owned central plants serving medical centers, universities, or similar institutions.

H. MAINTENANCE COSTS:

The apparatus and the piping systems to be incorporated into the new Plant and the tunnel system are of the highest quality available, consistent with the long-term reduced maintenance costs.

As an illustration - the centrifugal water chilling units will be Carrier Model 17-M, known throughout the world as the "work-horse of the industry". This is an old and proven design of high efficiency. New and proven products are included where possible - for example, epoxy reinforced fiberglass pipe will be used in the steam condensate return system, a mechanical circuit which has been for many years vulnerable to high maintenance by virtue of the never ending corrosive action of the waters on metal pipes.

Automatic controls of the most modern and practical design have been incorporated in order that the Plant may be operated with the minimum of personnel. Surveillance and alarm devices are strategically located throughout the various operating devices in order to give ample warning of malfunctioning and erratic operations.

I. RELIABILITY - PLANT & PIPE LINE:

Reliability of the plant is a very important requirement in consideration of the hospital loads being served and their own requirements for continuous service. It is also necessary to maintain reliability so that ordinary mechanical difficulties will not interrupt services to customers and thereby reduce revenue to the plant. With these requirements in mind, the engineering design has built reliability into the combining of components into the system. This has been done in a manner not only to assure reliability in operation, but to provide the means for most economical operation under conditions when the loads on the plant are less than the maximum installed capacity. The following tabulation illustrates this redundancy:

1. Plant Auxiliaries:

<u>Item</u>	<u>Number Installed</u>	<u>Minimum Required</u>
Fuel Oil Tanks	3	1
Fuel Oil Pumps	2	1
Air Compressors	2	1

<u>Item</u>	<u>Number Installed</u>	<u>Minimum Required</u>
Air Receivers	2	1
Compressed Air Dryers	2	1
Steam Condensate Transfer Pumps	2	1
Boiler Feed Pumps	4	1
Hot Well Pumps (1000 Ton Chiller)	2	1
Hot Well Pumps (2000 Ton Chiller)	2	1
1000 HP Steam Turbine Lubricating Oil Pumps	2	1
1000 Ton Centrifugal Compressor Lubricating Oil Pumps	2	1
2000 HP Steam Turbine Lubricating Oil Pumps	2	1
2000 Ton Centrifugal Compressor Lubricating Oil Pumps	2	1
Combustion Air & Building Ventilating Supply Fans	4	1
Chilled Water Distribution Pumps (1-Turbine Drive, 1-Motor Drive)	2	1
Water Softeners	2	1
Expansion Tanks	2	1
Tunnel Exhaust Fans	3	1
Boiler Chemical Feeders	2	1
City Water Supply Meters	2	1
Deaerating Feed Water Heater	Bypass piping	
Boiler Fuel - Natural Gas & Oil	Natural Gas & Oil	
Electrical Power Service	Diesel Engine-Gen. Standby	
Emergency Water Supply	2 days in tower basins	

2. Pipe Line System:

The initial construction involves a 1-way run of pipe line from the Plant to the remote northern loads in an amount of 3000 linear feet. Each of the 4 pipe circuits in the tunnel, that is - chilled water supply, chilled water return, steam supply, steam condensate return - have isolating valves in each pipe at approximately 300 foot intervals, with large size air inlet valves on the top of the run at the uphill end of the pipe, and large size bleeder valves at the bottom of the run on the downhill end of the section. In the event of leakage repairs can thus be made very quickly in a matter only of a few hours.

Pipe Line Flow-Pressure Control Installation: Is located at the end of the line and is equipped with a duplex inlet strainer system for continuity of service.

Sump pumps within the tunnel are duplex for continuity of service.

Ultimately, the distribution system will consist of a looped installation which will allow flow from either direction in the event of a pipe line interruption wherein work must be accomplished on one of the 300 ft. isolation sections.

ADDENDUM NO. 1

to

UNIVERSITY OF OKLAHOMA MEDICAL CENTER
Oklahoma City, Oklahoma

GENERAL DESCRIPTION

of

CENTRAL STEAM & CHILLED
WATER PLANT

prepared by

CARNAHAN & THOMPSON ENGINEERS
Oklahoma City, Oklahoma

Project No. 1013

December 9, 1970

ADD - the following Section.

J. CONSTRUCTION COST SUMMARY:

<u>Item</u>	<u>Amount *</u>
Building	\$ 762,000
Towers and Site Work	525,955
Tunnels	712,045
Insulation	154,000
Electrical	225,000
Boilers	550,000
Chillers	525,000
Controls	35,000
Piping	<u>537,000</u>

Original Construction Contract: \$4,026,000

* Approximate breakdown of cost of various work items.

ADD - the following Section.

K. SUMMARY - EXPENSES & REVENUE:

Refer to the attached tabulation sheets.

First Six Months of Operation - 1/1/72 to 6/30/72:

Revenue	\$ 136,380
Expenses	60,760
Available for Debt Retirement	<u>\$ 75,620</u>
Debt Requirement	<u>38,600</u>
Carryover	\$ 37,020

Next Twelve Months of Operation: 7/1/72 to 6/30/73:

Revenue	\$ 909,000
Expenses	350,594
	<u>\$ 558,406</u>
Previous Debt Fund	37,020
	<u>\$ 595,426</u>
Debt Requirement	<u>535,726</u>
Carryover	\$ 59,700

ADD - the following Section.

L. EMERGENCY REPAIR & REPLACEMENT: Possible cost items listed below are a remote possibility under unusual circumstances. It would be most unlikely for more than one item to occur in any one year. All of the items listed would be covered by insurance, and ultimately a high percentage of the loss would be paid for by the insurance carrier. For expeditious action in an emergency, a fund of \$100,000 in reserve would enable operations to be promptly restored while negotiating settlement with the insurance firms.

<u>Damaged Item</u>	<u>Approx. Repairs or Replacement</u>
Water chiller freeze-up	\$50,000
Steam turbine rotor failure	20,000
Boiler - burn-out	25,000
Fuel Gas Explosion	30,000
Cooling Tower - Fire	60,000
Piping damage - improper chemical treatment	75,000
Transformer failure	10,000
Switchgear burn-out	30,000

Prepared by:

CARNAHAN & THOMPSON ENGINEERS
Oklahoma City, Oklahoma

		* Jan.	* Feb.	Mar.	Apr.	May	June
Initial 6 Months, 1/1/72 to 6/30/72							
REVENUE	\$	2,300	3,450	6,000	19,630	35,000	70,000
EXPENSE-Personnel	\$	3,125	3,125	3,125	3,875	3,875	3,875
Utilities		0	0	1,875	4,200	9,300	20,625
Operations	\$	200	200	835	835	835	835
Maintenance		0					
Total Expense	\$	3,325	3,325	5,835	8,910	14,010	25,355
Net Available for Debt.	\$	(1,025)	125	165	10,720	20,990	44,645
Cumulative	\$		(900)	(735)	9,985	30,975	75,620
Debt Requirement							38,600
Carryover							37,020

* NOTE: Jan. & Feb. 1972 are scheduled for acceptance trials, operator instructions, and service connections.

March 1972 is scheduled as the first revenue producing month of operation.

		July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
Next Fiscal Year, 7/1/72 to 6/30/73													
REVENUE	\$	94,700	94,700	87,100	79,500	72,000	64,400	56,800	56,800	64,400	72,000	79,500	87,100
EXPENSE-Personnel	\$	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250
Utilities	\$	27,660	27,660	25,455	23,350	21,044	18,842	16,536	16,536	18,742	20,944	23,150	25,355
Operations	\$	835	835	835	835	835	835	1,835	835	835	835	835	835
Maintenance	\$	530	620	690	760	850	850	2,850	850	850	850	850	850
Total Expense	\$	34,275	34,365	32,230	30,095	27,979	25,777	26,471	23,471	25,677	27,879	30,085	32,290
Net Available for Debt	\$	60,425	60,335	54,870	49,405	44,021	38,623	30,329	33,329	38,723	44,121	49,415	54,810
Cumulative	\$	97,445	157,780	212,650	262,055	306,076	344,699	375,028	408,357	447,080	491,201	540,616	595,426
Debt Requirement													535,726
Carryover													59,700