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JUNE 9, 1977

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MINUTES OF A REGULAR MEETING  
BOARD OF REGENTS OF THE UNIVERSITY OF OKLAHOMA  
JUNE 9, 1977

A regular meeting of the Board of Regents of The University of Oklahoma was held in Dining Room 5, Oklahoma Memorial Union on the Norman Campus of the University on June 9, 1977, beginning at 10:35 a.m.

The following were present: Mr. Thomas R. Brett, President of the Board, presiding; Regents Bob G. Mitchell, M.D., Richard A. Bell, Dee A. Replogle, Jr., Charles E. Engleman, and Ronald H. White, M.D.

Absent: Regent K. D. Bailey.

The following were also present: Dr. Paul F. Sharp, President of the University; Provosts Uehling and Thurman; Vice Presidents Dean, Morris, Nordby, and White; Executive Assistant Joseph C. Ray; Mr. R. Boyd Gunning, University Trust Officer; and Mrs. Barbara H. James, Executive Secretary of the Board of Regents.

The minutes of the regular meeting held on May 12, 1977, were approved as printed and distributed prior to the meeting on motion by Regent Replogle and the following affirmative vote: Regents Brett, Mitchell, Bell, Replogle, Engleman, and White.

As his report, President Sharp commented on the following matters:

1. A brochure he had placed at each Regent's place explaining a program in Fine Arts which takes the resources of our Fine Arts programs to the communities of Oklahoma. President Sharp said he is very proud of the success of this program and the impact on the people of Oklahoma.
2. The Intersession programs. The Intersession programs began in 1975 and we have just completed our third spring session with 1,258 students enrolled in 56 different classes. This program provides opportunities for students to take classes which during the regular sessions they would not be able to take.
3. That Mrs. Sharp and he have been invited for the twelfth consecutive year to teach in the American Council on Education's President's Institute which will be held this year in West Palm Beach from June 19 through June 25.
4. He expressed appreciation to the Regents for enabling him to accept the invitation of the U.S. Department of State to make a study tour of institutions of higher education in Southeast Asia from July 12 to August 1. Three other university presidents will join Dr. Sharp on the tour of major universities in Indonesia, Singapore and Malaysia.

Regent Brett commented on the announcement in the press this morning that Dr. Gene Nordby has accepted a position as Vice President for Business and Finance at the Georgia Institute of Technology in Atlanta. On behalf of the Regents, Mr. Brett expressed appreciation for his splendid contributions to the University, both as Dean of Engineering and as Vice President for Administration and Finance. Mr. Brett said he will be missed a very great deal.

Mr. Brett also commented on the resignation included in this agenda of Dr. Thomas H. Tucker, University Chief Counsel. He said the Regents are very appreciative of his work as Counsel and consider that as a result of his abilities and dedication, he has saved the University many thousands of dollars.

Regent Engleman, Chair of the Academic Affairs Committee, said the Committee recommends the Regents endorse the substance of the comparative criteria for program evaluation as shown below recognizing that specific wording of questions may be changed from time to time to fit varying situations:

The following questions are intended to serve as guidelines by which programs in the University of Oklahoma, Norman Campus, are to be comparatively evaluated. For purposes of this evaluation, a program consists of the productive effort of an administrative and budgetary unit most often designated as a department. Usually this corresponds to a widely recognized disciplinary designation. The item program may also refer to a unique specialization within a department in which faculty members do not normally cross over or to interdisciplinary clusters of courses which have been officially recognized as a program.

I. Goals and Purposes of the Program  
(Includes both short and long term goals)

1. Is there a statement of the goals and purposes of the program? Is the statement clear and precise enough to allow the department to tell whether it is realizing those goals/purposes?
2. Are the goals appropriate? Realistic?
3. Do the courses offered by the department contribute to realizing its goals/purposes?
4. Does the faculty have a clear understanding of the goals/purposes of the program?
5. How are the goals/purposes of the program communicated to students in the program?
6. How well is the program meeting its own goals?
7. How does the program fit the mission of the University?
8. Is the program important or necessary to other instructional programs on campus?



9. Is the program important or necessary to other instructional programs in the state:

10. Does the program have a major service role in the state or region? How satisfactorily are such responsibilities being accomplished?

II. Resources

1. What are the
  - a. faculty resources - number and qualifications
  - b. support staff
  - c. library resources as compared with use
  - d. space resources
  - e. external or related support (alumni, business and industry, museums, etc.)
  - f. student resources - number (by level), availability, scholarship aid
  - g. research resources - equipment, faculty time allotted, external support
  - h. administrative resources - number and function
2. What trends have occurred in these resources in the past five years?
3. What happenings in the history of the department are important to understanding the present resource position of the department.
4. What proportion of total University resources does the program utilize in each of the categories in 1a, b, c, d, f, h.
5. How do these resources compare with similar programs in other institutions?

III. Resource Allocation

1. How are resources distributed?
  - faculty loads
  - faculty/student ratio
  - space/faculty ratio
  - space/student ratio
  - faculty/support staff ratio
  - faculty/administrative staff
  - sabbaticals given
  - research fund distribution
  - A, B, or C budget distribution
  - laboratory costs
2. How have library resources been utilized?
3.
  - a. How effectively have resources been allocated?
  - b. How effectively are the department's physical resources utilized?

4. How do program costs compare with those at other institutions?
5. How are resources allocated among sub-programs?

IV. Quality of the Program

1. Faculty

- a. How academically and/or professionally well prepared are the faculty?
- b. Research and/or creative accomplishment. How active in research and/or creative activity are the faculty?  
How productive in research and/or creative accomplishment are the faculty?
- c. How successfully have faculty pursued external research funding.
- d. How effectively have faculty utilized modern teaching technology such as language laboratories, CAI, CCTV, etc., when appropriate?
- e. How effective are the faculty as teachers?
- f. Are the faculty concerned with student development and welfare?
- g. Are the faculty involved in the program(s) of the department?
- h. How high (low) is faculty morale? Do the faculty have a sense of common purpose?
- i. How effectively have faculty used the computer resources, when appropriate?

2. Students

- a. What is the academic caliber of students entering the program?  
How has this been measured?
- b. What do students know when they complete the program or more to the point, what do they know when they complete the program that they didn't know when they began? How has this been measured?  
Does it relate to entry-level measurement?
- c. What are the accomplishments, professional and otherwise, of graduates of the program?
- d. What is student opinion of the quality of the program?  
(Please distinguish among the various student populations: majors, minors, students in cognate areas, and all students who take courses offered by the department?)
- e. With which aspects of the program are students satisfied?  
Dissatisfied?
- f. How high (low) is the morale of students in the program?

3. Operations

- a. What is the admission policy of the department?
- b. Are services available to facilitate professional activities of faculty, e.g., support services, instructional media, equipment, other resources?
- c. What is the department's record in placing its graduates?  
Does the department seek systematically and diligently to place its graduates?

- d. Is the department administered efficiently? Fairly? (This question applies mainly to department chairpersons; to a lesser degree it applies to such assistants as the chairperson may have and to Committee A).
- e. How well does the department advise its students?
- f. What fellowships, assistantships, internships, etc. are available to students?
- g. In what ways and to what extent do faculty and students interact?
- h. Is the program accurately and adequately represented to its publics?
- i. What are the degree requirements of the program?
- j. How well is the program meeting the needs of other programs, especially in cognate areas?
- k. Are degrees in the program being produced at an appropriate rate?
- l. Has the program adequately addressed and met the needs of minorities, women and the handicapped?
- m. What special services does the department through its faculty and students provide to the community and the state?
- n. How does the program compare with others nationally and/or regionally? How would it be ranked?

V. Future Trends

1. What future resources will be needed to maintain present levels of enrollment and quality?
2. What enrollments are projected by level? (Fr. So. Jr. Sr. Gr.)
3. What external resources will be available?
4. What is the present and projected national, regional and societal need for the program?
5. Are new types of students likely to be attracted to the program?
6. What employment trends are indicated for graduates of the program?
7. What is the projected future status of related programs (i.e., those programs which this program serves or is served by)?
8. Do components of the program need to be expanded or reduced?
9. What planning procedures to prepare for future growth and development of the program are there, e.g., is there an ongoing committee or other procedure in the program unit to anticipate changes and developments in the future?

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Regent Engleman moved approval. The following voted yes on the motion: Regents Brett, Mitchell, Bell, Replogle, Engleman, and White. The Chair declared the motion carried unanimously.

Regent Engleman reported the following information on the Dental Clinical Sciences Building Site Development Project was presented to the Facilities Planning Committee at the meeting yesterday:

Five bids for construction of the Dental Clinical Sciences Building Site Development Project were received on June 7. The low bid of \$174,461 was submitted by The Constructors Co., Inc. of Norman. This work is to be started within 30 days and is to be completed within 110 days from the starting date. The bid tabulation is as follows:

<u>Bidders</u>	<u>Base Bid</u>	Provided for information:	
		<u>Part 1</u>	<u>Part 2</u>
J. J. Cook	\$223,981.00	\$ 25,707.00	\$198,274.00
Constructors	174,461.00	36,473.00	137,988.00
Commander	174,539.00	150,669.00	23,870.00
Jim Cooley	225,895.00	45,723.00	180,172.00
Rayco Co.	267,500.00	44,000.00	223,588.00

The fee for the design and engineering for this project is being handled on an hourly basis with a current upper limit of \$13,125. During the planning and design phases, the scope of this project was modified and extended in several ways causing the project architects and engineers to expend additional time and effort:

1. At the request of the Department of Institutions Social and Rehabilitative Services, the project was expanded to provide access to Children's Memorial Hospital at several points along the south side of the building. As a part of this agreement, DISRS has agreed to pay for a portion of the work.
2. Screen walls were included to hide a bank of pad mounted transformers located adjacent Children's Memorial Hospital.
3. Retaining walls were added to control drainage near the east addition to Children's Memorial Hospital.

4. To permit the sprinkler system to be located in the proper relation to the plant materials, the system was removed and will be included in a later project.

At a later date in the planning and design sequence, the project was subdivided to permit the construction of a bridge connection from Children's Memorial Hospital to University Hospital and Clinics. This change required additional time to modify final plans and specifications. As a direct result of these changes, the upper limit on the hourly fee for design work should be increased from \$13,125 to \$19,125.

President Sharp recommended that (1) the low bid of \$174,461 submitted by The Constructors be accepted and (2) the upper limit for architectural and engineering fees be increased to \$19,125.

Regent Engleman said the Committee concurs in President Sharp's recommendation and he moved approval. The following voted yes on the motion: Regents Brett, Mitchell, Bell, Replogle, Engleman, and White. The Chair declared the motion carried unanimously.

Regent Engleman said the Regents have approved the final plans for the DeBarr Hall, Felgar Hall, and Nielsen Hall renovations and these have been held pending receipt of the allocation of funds from the State Regents. This appears now to be imminent. He said President Sharp recommends that the Regents authorize advertising for bids on these projects as soon as funds are finally approved by the State Regents with the understanding that if possible all three projects will be bid at the same time in an effort to obtain the lowest possible price. The estimated cost is \$1,900,000 for all three projects. Regent Engleman moved approval of President Sharp's recommendation. The following voted yes on the motion: Regents Brett, Mitchell, Bell, Replogle, Engleman, and White. The Chair declared the motion carried unanimously.

Regent White said there were three items considered by the Student Affairs Committee yesterday on which action is required as follows:

Student Code Changes

Regent White said the following changes in the Student Code were reviewed by the Committee with the administration and students:

XI. (Delete in paragraph F-5)....or public disturbance.....

From:

5. Public drunkenness or public disturbance whether it occurs at scheduled social affairs or in informal unscheduled social situations.

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To:

5. Public drunkenness whether it occurs at scheduled social affairs or in informal unscheduled social situations.

XII. Housing - Delete paragraph F, which reads as follows:

- F. A freshman student whose parents have requested regulation of his or her closing hours shall be required to be in his or her housing unit from 12 midnight each Sunday through Thursday and 2 a.m. Saturday and Sunday until 6 a.m. every day.

XIII. Activities - Add a new Number 6 as follows to B. Organization Recognition:

6. At the discretion of the U.O.S.A., recognition and/or monies may be denied or withdrawn from any student organization that has an overdrawn University account.

G. Use of University Facilities

From:

1. The use (including rental) of University facilities for fund-raising purposes is limited to University and student organizations or civic or professional groups when the latter use the proceeds directly for charitable purposes. The Oklahoma Memorial Union is a private corporation and shall determine its own policies for use and rental of Union facilities.
2. Only recognized student organizations, branches of U.O.S.A., University faculty or staff may sponsor events which are open to the campus and which occur in any University facilities or housing units.
3. Any recognized student organization or branch of U.O.S.A. wishing to sponsor events which are open to campus and which occur in any University facilities or housing units must register the events with the Center for Student Development.
4. Private individuals or organizations may not use or rent University facilities for enterprises involving personal profit.
5. All groups or organizations wishing to apply for use of University facilities should contact the center for Student Development.

To:

1. The use of University facilities is limited to recognized student organizations, branches of U.O.S.A., University faculty or staff. The Oklahoma Memorial Union is a private corporation and shall determine its own policies for use and rental of Union facilities.

2. Any recognized student organization or branch of U.O.S.A. wishing to sponsor events which are open to campus and which occur in any University facilities or housing units must register the event with the Center for Student Development.
3. No individual or organization may use or rent University facilities for enterprises involving personal profit without the prior approval of the University Community office.
4. All recognized student organizations wishing to apply for use of University facilities (including indoor facilities) should contact the Center for Student Development for scheduling or for further information.

XVII. The Court System of the University of Oklahoma Student Association

(Delete in Paragraph A. 4) Each Center President shall nominate....  
serve from date of nomination.

From:

4. There shall be the following Housing Center Courts: Each Residence Hall Center, Athletic Housing, University Apartment Center, Interfraternity Council, and Panhellenic Association. They shall be administered by the Superior Court, which shall establish rules of procedures. Housing Center Courts shall hear cases referred to them by the U.O.S.A. Courts Administrator and to the Associate Vice President for the University Community. Each Center President shall nominate to the U.O.S.A. President six (6) students each living in separate houses within his or her Center, and three shall be a quorum; the U.O.S.A. President will submit the names to Student Congress, but the nominees shall serve from date of nomination.

To:

4. There shall be the following Housing Center Courts: Each Residence Hall Center, Athletic Housing, University Apartment Center, Interfraternity Council, and Panhellenic Association. They shall be administered by the Superior Court, which shall establish rules of procedures. Housing Center Courts shall hear cases referred to them by the U.O.S.A. Courts Administrator and to the Associate Vice President for the University Community. A Housing Center Court shall consist of five (5) members, no two of which shall be residents in the same house. The members shall be appointed by the Center President with the advice and consent of Student Congress, but the nominees shall serve from date of nomination. Three (3) shall be a quorum. In case of unusual circumstances, two Housing

Center Courts may be combined for a period not to exceed one year. If it is the agreement of the Courts Administrator, the U.O.S.A. President, the Center President, the Center Coordinator(s) involved, and the circumstances warrant the action, a joint court shall be established. Joint courts shall have the same jurisdictions and responsibilities as any other housing court. The membership of such courts shall consist of three residents from each of the centers involved.

XXII. Procedure for Amending and Revising the Student Code

From:

- B. Any member of the University community (students, faculty and staff) may recommend a change in the Student Code. Typed recommendations stating reasons for change may be submitted to the Office of the U.O.S.A. President or to the Office of the Vice President for the University Community.

To:

- B. Any member of the University community (students, faculty and staff) may recommend a change in the Student Code. Typed recommendations stating reasons for change shall be submitted to the Office of the U.O.S.A. President or to the Office of the Vice President for the University Community. Under normal circumstances, all code changes shall be proposed, considered and acted upon during the regular fall and spring academic periods.

XXII. (Add to paragraph C.)

From:

- C. Proposals shall be submitted to the Student Code Revision Committee. After review and/or recommendations, the committee shall forward the final proposed changes to the President of the University who will present them to the Regents, with his recommendation. Any committee member may submit a dissenting opinion with alternative recommendations to the President for consideration.

To:

- C. Proposals shall be submitted to the Student Code Revision Committee. After review and/or recommendations, the committee shall forward the final proposed changes to the U.O.S.A. Student Congress. The Congress, after review and/or recommendations, shall within fifteen days after receipt of said proposed changes, forward the proposed changes to the President of the University who will present them to the Regents, with his



recommendations. Any committee member may submit a dissenting opinion with alternative recommendations to the Congress and President for consideration.

XXII. Add to Paragraph C. a new Number 4, as follows:

4. If an emergency arises under which the Code Revision Committee feels it necessary to consider and act upon code change proposals in the summer interim period, the U.O.S.A. Summer Legislative Council shall make the recommendations on the proposals in lieu of Student Congress.

Regent White said the Committee endorses President Sharp's recommendation that the Code changes be approved and he moved approval. The following voted yes on the motion: Regents Brett, Mitchell, Bell, Replogle, Engleman, and White. The Chair declared the motion unanimously carried.

#### Noise Pollution Control

Regent White said the following statement and recommendation pertaining to the development of policies and guidelines for more effective regulation of the dormitories, particularly as it relates to noise, was reviewed by the Student Affairs Committee yesterday:

Section XXIII of the Code reads as follows:

The Regents of the University of Oklahoma are charged in the Constitution of the State of Oklahoma with the government of the University of Oklahoma, and nothing in this Code or the Judicial System thereof, shall ever be construed so as to prevent the Regents or their delegates from establishing rules or procedures separate from this Code and Judicial System in order to fulfill such responsibility.

Our experiences over the past several years indicate that effective regulation of the dormitories--particularly as it relates to noise--is seriously diminished by the rather protracted and legalistic procedures necessitated for even very minor infractions. The residential advisors in the dorms find themselves to be powerless in enforcing quiet hours because administrative action of a disciplinary nature is essentially precluded by provisions of the Code.

We believe that the administration is not adequately carrying out its responsibilities to maintain an atmosphere in the dorms conducive to academic work. Therefore, President Sharp recommended that the Regents authorize the development of a separate set of policies and guidelines to be administered by the Vice President for the University Community, as the Regents' delegated officer under Section XXIII.

These policies and guidelines shall be developed in accordance with the following:

1. The University Community staff will work with the appropriate student groups in different housing centers to address the problem of noise and to develop rules, regulations, and procedures to solve the problems.
2. Different housing areas may have different policies and procedures, which will permit the administration to evaluate the most effective approach.
3. The academic year of 1977-78 will serve as an experimental period during which this delegation of the Regents will be in effect. In the spring of 1978, the whole matter will be reviewed by the Regents to determine future action.
4. During this period, the Vice President for the University Community will serve as the appellate officer, so that any student against whom disciplinary action is taken may appeal that action to the University Community office. Except in extraordinary cases where suspension or expulsion is recommended, the decision of the Vice President for the University Community will be final.

Regent White said the Committee recommends approval of the recommendation, and he so moved. The following voted yes on the motion: Regents Brett, Mitchell, Bell, Replogle, Engleman, and White. The Chair declared the motion carried unanimously.

#### Distribution of Salary of University Sanitarian

In March, Student Congress adopted a Bill that the salary and other major expenses of the University Sanitarian not be paid from the Goddard Health Center budget. In vetoing this Bill, President Sharp agreed that not all of the Sanitarian's salary should be budgeted with Goddard since the benefit of the Sanitarian's work is realized by a number of different budget units. He asked that the Vice President for Administration and Finance look into this matter and propose a distribution of his salary among the various units served. Student Congress subsequently overrode the Presidential veto and the matter was referred to the Regents.

The response of Vice President Nordby to the President's request that he look into this matter included calling attention to the fact that for 1977-78, and for several previous years, the Sanitarian's salary has been paid 25% from Civil Engineering and 75% from Goddard. He proposed that during 1977-78 the Sanitarian keep track of the percentage of time he spends in serving various areas of the University in order to arrive at a percentage distribution of his salary to the other areas he serves. Based upon this log of time, Goddard will recover an appropriate portion of the salary from the other agencies served. It is anticipated that approximately 90% of the portion of his salary from Goddard will be recovered in this manner.

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After reviewing this matter with the administration and students, Regent White said the Student Affairs Committee recommends that the Presidential veto of Student Congress Bill No. 171415 be sustained on the basis that the matter has been resolved to the satisfaction of all concerned. He moved approval of the Committee recommendation. The following voted yes on the motion: Regents Brett, Mitchell, Bell, Replogle, Engleman, and White. The Chair declared the motion carried unanimously.

\$7,040,000 Regents of the University of Oklahoma Utility System Revenue Refunding

Mr. Robert Lewis of Leo Oppenheim & Co., University Bond Adviser, reported receipt of a bid with an average interest rate of 6.1438% from The First National Bank and Trust Company, Oklahoma City, for the following account members:

The First National Bank and Trust Company, Oklahoma City ) Mgrs.  
Liberty National Bank and Trust Company, Oklahoma City ) Jt. Mgrs.  
Woolsey and Company, Inc., Oklahoma City  
Merrill Lynch, Pierce, Fenner & Smith Inc., Oklahoma City  
Stifel, Nicolaus & Co., Inc., Oklahoma City  
Bank of Oklahoma, Tulsa  
Dean Witter & Co., Inc., Tulsa  
The First National Bank and Trust Company, Tulsa  
R. J. Edwards, Inc., Oklahoma City  
Thomson & McKinnon, Inc., Oklahoma City

The following action was taken regarding the acceptance of the bid and issuance of the bonds:

The Transcript of Proceedings, including all Resolutions and actions of the Regents is attached hereto as a part of these minutes.

Regent Brett recognized Mr. Pat Corley, President of the Norman Campus Employee-Management Council. Mr. Corley said he requested permission to appear before the Board to talk about inadequate wages. He said that salaries in most non-academic areas are much lower (25% or more) than the wage rates for comparable positions in the Oklahoma City metropolitan area and that low wages result in a high turnover among OU employees. He said the 14¢ per hour increase that was planned for employees earning less than \$670 per month (until action by the Legislature yesterday suggesting \$30 per month for every full-time employee in higher education) will not meet inflation that has occurred the past year.

Mr. Gene Tyner, President of the OU Employees Association, was also recognized and made similar statements regarding the inadequate salaries of the non-academic employees. He called attention to the impending construction of the General Motors plant just north of Norman and the affect this will have on the salary rates here. He said they had met with the Governor, the State Regents, and now the OU Regents, and they are willing to work with anyone in an attempt

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to improve the salaries of OU employees. Mr. Tyner said his statements should not be interpreted as a threat of collective bargaining, that the OUEA would rather work in a constructive teamwork atmosphere at OU.

President Sharp commented that the State Regents are estimating that our revolving fund income for 1977-78 will be \$1,800,000 less than the amount for 1976-77 and even with the additional \$2,000,000 appropriation of state funds, this just leaves something over \$200,000 in new money to work with. He called attention to the fact that over the past three years the statistics show that percentage-wise the salaries of the non-academic employees have increased at a higher percentage than the inflation rate, and, in fact the increase for non-academic salaries for that period has been at a higher rate than the percentage our budget increased.

Regent Brett said he appreciated very much the manner in which these two gentlemen articulated the problem, that the Regents realize it is real and won't go away and they will make every effort to address it. He said he won't assure them that the effort to address it will be to their ultimate satisfaction but the Regents will make a good faith effort.

Regent Bell retired from the meeting.

#### A. General University

##### III. Finance and Management

###### a. Forms Management Contract

For the past four years the Ross-Martin Company has provided Forms Management Services to the University, Norman Campus and Health Sciences Center, at a cost of approximately \$180,000 per year. These services have included forms engineering, inventory control, warehousing, and the printing of some forms. During this period of time, Ross-Martin has helped bring the University Forms Program under improved control.

The University is now in a position to resume full management of the Forms Control function. The reorganization of printing functions under the Director of Printing on the Norman Campus and under the Director of Graphic Services at the Health Sciences Center will enable much of the printing to be done by the University at a lower cost. Those forms not printed by the University will be procured through the Purchasing Office on the basis of competitive bids. The implementation of the Automated Inventory Control System in the University Storeroom on the Norman Campus will facilitate the control and stocking of the common use forms in the program. The Storeroom delivery system can also absorb the forms delivery function which has been separately handled. In addition, the number of University personnel involved in the forms program will be reduced by one full time person. The forms design and administrative functions can be handled by the remaining personnel. In view of this, the University will not renew our annual contract with Ross-Martin for these services.

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It is estimated that with the reduction of duplicate functions and the elimination of the overhead costs involved in the Ross-Martin contract, approximately \$50,000.00 can be saved during the next fiscal year as a result of this change.

This was reported for information. No action was required.

## B. The Health Sciences Center

### II. Academic

#### LEAVES OF ABSENCE:

James F. Hammarsten, Professor of Medicine, sabbatical leave of absence with full pay, September 15, 1977 through March 15, 1978. To pursue research on the epidemiology of lung diseases and compare data with that of the French in Paris.

Tushar K. Chowdhury, Professor of Physiology and Biophysics, sabbatical leave of absence with full pay, September 1, 1977 through February 28, 1978, plus leave of absence without pay, March 1, 1978 through May 31, 1978. To participate in a collaborative research project at Oak Ridge National Laboratory in Tennessee.

Laura A. Rucker, Associate Professor of Medical Library Science, College of Health, and Librarian, College of Medicine, sabbatical leave of absence with full pay, July 1, 1977 through December 31, 1977. For purposes of travel and research into varied aspects of pediatric intensive care units both in the U.S. and abroad.

Martha Helen Primeaux, Associate Professor of Nursing, sabbatical leave of absence with half pay, September 1, 1977 through August 31, 1978. For purposes of research and testing to determine if child rearing practice unique to the Indian parent is a contributing factor in positive mental health.

Robert I. Howes, Assistant Professor of Anatomical Sciences, sabbatical leave of absence with half pay, September 1, 1977 through May 31, 1978. To pursue research in tooth development, tissues, and mechanism of growth of hard tissues in the head and neck at the University of Illinois Dental School.

Chloe Hammons, Assistant Professor of Nursing, sabbatical leave of absence with half pay, July 1, 1977 through June 30, 1978. To pursue research into family cohesion in adoptive families.

#### APPOINTMENTS:

Maynard B. Rotermund, M.D., Clinical Associate Professor of Gynecology and Obstetrics, Tulsa, without remuneration, April 1, 1977.

Robert A. Yeakley, reappointed Clinical Assistant Professor of Gynecology and Obstetrics, Tulsa, without remuneration, July 1, 1977.

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W. Andrew Hubbard, M.D., Clinical Assistant Professor of Ophthalmology, without remuneration, June 1, 1977.

Donald R. Bergman, M.D., Clinical Assistant Professor of Surgery, Tulsa, without remuneration, March 1, 1977.

Harry Earl Livingston, M.D., Clinical Assistant Professor of Surgery, Tulsa, without remuneration, March 1, 1977.

John W. Phillips, Jr., M.D., Clinical Assistant Professor of Surgery, Tulsa, without remuneration, March 1, 1977.

Jay Justin Weinstein, M.D., reappointed Clinical Instructor in Gynecology and Obstetrics, Tulsa, without remuneration, July 1, 1977.

Terry L. Zanovich, M.D., Clinical Instructor in Gynecology and Obstetrics, Tulsa, without remuneration, March 15, 1977.

Alberto Saenz, M.D., Clinical Instructor in Medicine, Tulsa, without remuneration, July 1, 1977.

Earlene H. Smith, Instructor and Counselor in Nursing, annual rate of \$14,300 for 12 months, June 1, 1977 through June 30, 1977.

Don M. Chase, Special Instructor in Radiologic Technology, without remuneration, June 1, 1977 through June 30, 1978.

Paul F. Park, M.D., Clinical Instructor in Surgery, Tulsa, without remuneration, March 1, 1977.

Robert Haskell Phillips, M.D., Clinical Assistant in Surgery, without remuneration, July 1, 1977.

Mary Jean Goad, reappointed Visiting Lecturer in Gynecology and Obstetrics, Tulsa, without remuneration, July 1, 1977.

Jack A. Brock, M.D., Visiting Lecturer in Radiological Sciences, without remuneration, May 1, 1977 through June 30, 1978.

Paul B. Champlin, reappointed Visiting Lecturer in Surgery, without remuneration, July 1, 1977 through June 30, 1978.

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NAME	TITLES	FTE INCOME CEILING	GUARANTEED BASE SALARY		PPP EARNINGS POTENTIAL	EFFECTIVE DATE	REMARKS
			TENURED	NON-TENURED			
APPOINTMENTS:							
Roger Lyman Amidon, Ph.D.	Professor with tenure and Chair of Health Administration	\$38,000	\$33,000		\$ 5,000	7-1-77	
Owen M. Rennert, M.D.	Professor with tenure and Head of Pediatrics, Adjunct Professor of Biochemistry and Molecular Biology	85,000	42,500		42,500	7-1-77	
Lesley Lafane Walls, M.D.	Associate Professor of Family Practice, Tulsa	65,000		45,000	20,000	8-1-77 thru 6-30-78	
Rajendra Jagdishchandra Amin, M.D.	Assistant Professor of Anesthesiology, Chief, OB Section Anesthesiology	55,000		36,538	18,462	7-1-77 thru 6-30-78	
Nathan Robert Markowitz D.M.D.	Assistant Professor of Oral Surgery, Clinical Assistant Professor of Surgery	50,000		25,000	25,000	7-1-77 thru 6-30-78	
John Fennell, M.D.	Assistant Professor of Pediatrics, Tulsa	59,000		34,000	25,000	7-1-77 thru 6-30-78	
Alan Steven Kirschner, Ph.D.	Assistant Professor of Pharmacy	23,000		21,000	2,000	6-1-77 thru 6-30-78	
Ronald George Wheeland, M.D.	Instructor in Dermatology	40,000		18,000	22,000	7-1-77 thru 6-30-78	
CHANGES:							
E. William Allen	Associate Professor of Radiological Sciences, Clinical Associate Professor of Medicine, Lecturer in Radiologic Technology, Adjunct Associate Professor of Psychiatry and Behavioral Sciences	69,000	FROM: 42,279 TO: 47,253.80		FROM: 26,721 TO: 21,746.20	2-27-77	VA Incr
David John Bagnell	Clinical Instructor in Medicine		FROM: WITHOUT REMUNERATION TO: 40,983	TO: 40,983	TO: -0-	3-1-77 thru 6-30-77	
Donald J. Baxter	Associate in Research Medicine		FROM: WITHOUT REMUNERATION TO: 25,400	TO: 20,470	TO: 4,930	7-1-76 thru 6-30-77	
Gary K. Borrell	Clinical Assistant Professor of Psychiatry and Behavioral Sciences		FROM: WITHOUT REMUNERATION TO: 18,763	TO: 18,763	TO: -0-	5-1-77 thru 6-30-77	.50 time
Robert J. Capehart	Titles changed from Professor and Interim Chair of Family Practice, Tulsa, to Clinical Professor of Family Practice, Tulsa		FROM: 30,000 TO: WITHOUT REMUNERATION	FROM: 30,000	FROM: -0-	7-1-77	.50 time

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NAME	TITLES	FTE INCOME CEILING		GUARANTED BASE SALARY		PPP EARNINGS POTENTIAL	EFFECTIVE DATE	REMARKS
				TENURED	NON-TENURED			
John R. Christiansen	Clinical Instructor in Medicine	FROM: WITHOUT REMUNERATION		TO: \$ 4,245	TO: \$ 3,351	TO: \$ 894	7-1-76 thru 6-30-77	.10 time
Loyal Lee Conrad	Clinical Professor of Medicine	FROM: WITHOUT REMUNERATION		TO: 10,140	TO: 4,950 TO: 5,491	TO: 5,190 TO: 4,649	7-1-76 3-1-77 thru 6-30-77	.13 time .13 time VA Incr
Odis A. Cook	Clinical Instructor in Medicine	FROM: WITHOUT REMUNERATION		TO: 42,600	TO: 34,915 TO: 41,509	TO: 7,685 TO: 1,091	7-1-76 3-1-77 thru 6-30-77	VA Incr
Joseph Francis Kelley	Clinical Instructor in Medicine	FROM: WITHOUT REMUNERATION		TO: 42,600	TO: 39,600 TO: 46,854	TO: 3,000 TO: -0-	7-1-76 3-1-77 thru 6-30-77	VA Incr
Joe Carl Leonard	Assistant Professor of Radiological Sciences, Lecturer in Radiologic Technology	59,000		FROM: 47,534 TO: 49,552		FROM: 11,466 TO: 9,448	10-10-76	VA Incr
Carl Dean Lyons	Title changed from Instructor to Adjunct Instructor in Pharmacy Promoted to Adjunct Assistant Professor of Pharmacy	FROM: 2,500 TO: WITHOUT REMUNERATION		FROM: 2,500		FROM: -0-	5-31-77 7-1-77	.33 time
Willard B. Moran, Jr.	Professor and Head of Otorhinolaryngology	82,918		FROM: 39,955 TO: 40,632 TO: 41,409		FROM: 42,963 TO: 42,286 TO: 41,510	10-10-76 2-27-77 thru 6-30-77	VA Incr VA Incr
Robert J. Outlaw	Clinical Associate Professor of Psychiatry and Behavioral Sciences	FROM: 13,000 TO: 8,109		FROM: 8,218 TO: 8,109		FROM: 4,782 TO: -0-	5-1-77 thru 6-30-77	.20 time
Joseph B. Ruffin	Clinical Assistant Professor of Psychiatry and Behavioral Sciences	FROM: WITHOUT REMUNERATION TO: 8,446		TO: 8,446		TO: -0-	5-1-77 thru 6-30-77	.25 time
Carl W. Smith, Jr.	Professor of Radiological Sciences, Lecturer in Radiologic Technology; title of Associate Professor changed to Clinical Associate Professor of Medicine	79,000		FROM: 54,640 TO: 55,248		FROM: 24,360 TO: 23,752	2-27-77	VA Incr
Charles E. Smith	Clinical Professor of Psychiatry and Behavioral Sciences	FROM: WITHOUT REMUNERATION TO: 25,312		TO: 25,312		TO: -0-	5-1-77 thru 6-30-77	50 time



<u>NAME</u>	<u>TITLES</u>	<u>FTE INCOME</u>		<u>GUARANTEED BASE SALARY</u>		<u>PPP EARNINGS</u> <u>POTENTIAL</u>	<u>EFFECTIVE</u> <u>DATE</u>	<u>REMARKS</u>
		<u>CEILING</u>		<u>TENURED</u>	<u>NON-TENURED</u>			
John Richard Smith	Clinical Associate Professor of Psychiatry and Behavioral Sciences	FROM: WITHOUT REMUNERATION TO: 9,854		TO: 9,854		TO: -0-	5-1-77 thru 6-30-77	.25 time
Raymond O. Smith	Associate Professor of Otorhinolaryn- gology	69,000		FROM: 31,588 TO: 34,479 TO: 36,477		FROM: 37,412 TO: 34,521 TO: 32,523	10-10-76 2-27-77 thru 6-30-77	VA Incr VA Incr
Willard Haynes Smith	Clinical Assistant in Medicine, Clinical Assistant in Urology	FROM: WITHOUT REMUNERATION TO: 46,671		TO: 46,671		TO: -0-	3-1-77 thru 6-30-77	
Matthew Winfred Thigpen	Assistant in Medicine	FROM: WITHOUT REMUNERATION TO: 20,600		TO: 16,447		TO: 4,153	7-1-76 thru 6-30-77	
Carryle W. Wiggins	Clinical Associate Professor Emeritus of Medicine	FROM: WITHOUT REMUNERATION TO: 33,550		TO: 19,800 TO: 21,403		TO: 13,750 TO: 12,147	7-1-76 3-1-77 thru 6-30-77	.50 time .50 time VA Incr

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**CHANGES:**

Lanny G. Anderson, Promoted from Clinical Instructor to Clinical Assistant Professor of Surgery, July 1, 1977.

Charles F. Bethea, Promoted from Clinical Assistant to Clinical Instructor in Medicine, July 1, 1977.

J. Randolph Birch, Promoted from Clinical Instructor to Clinical Assistant Professor of Urology, July 1, 1977.

Clifford J. Blair, Promoted from Clinical Assistant Professor to Clinical Associate Professor of Ophthalmology, July 1, 1977.

Karl K. Boatman, Promoted from Clinical Assistant Professor to Clinical Associate Professor of Surgery, July 1, 1977.

Charles P. Bondurant, Promoted from Clinical Instructor to Clinical Assistant Professor of Surgery, July 1, 1977.

John R. Bozalis, Promoted from Clinical Instructor to Clinical Assistant Professor of Medicine, July 1, 1977.

Donald Kent Braden, Promoted from Clinical Instructor to Clinical Assistant Professor of Surgery, July 1, 1977.

Jerry L. Bressie, Promoted from Clinical Assistant Professor to Clinical Associate Professor of Medicine, July 1, 1977.

David B. Brinker, Promoted from Clinical Instructor to Clinical Assistant Professor of Ophthalmology, July 1, 1977.

John G. Burr, title changed from Professor to Adjunct Professor of Radiological Sciences, July 1, 1977.

Lyle W. Burroughs, Promoted from Assistant Clinical Professor to Clinical Professor of Pediatrics, July 1, 1977.

Harold W. Calhoun, Promoted from Clinical Assistant Professor to Clinical Associate Professor of Urology, July 1, 1977; given additional title Clinical Associate Professor of Surgery, Tulsa, March 1, 1977.

Robert E. Campbell, Promoted from Clinical Assistant Professor to Clinical Associate Professor of Ophthalmology, July 1, 1977.

Roy Barton Carl, Promoted from Clinical Assistant Professor to Clinical Associate Professor of Surgery, July 1, 1977.

James R. Carroll, Promoted from Clinical Instructor to Clinical Assistant Professor of Ophthalmology, July 1, 1977.

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William C. Click, Promoted from Clinical Assistant Professor to Clinical Associate Professor of Ophthalmology, July 1, 1977.

Steven S. Cohenour, Promoted from Clinical Assistant to Clinical Instructor in Urology, July 1, 1977.

William R. Collins, Promoted from Clinical Instructor to Clinical Assistant Professor of Ophthalmology, July 1, 1977.

William O. Coleman, Promoted from Clinical Associate Professor to Clinical Professor of Surgery, July 1, 1977.

Charles L. Cooper, title changed from Clinical Assistant to Visiting Lecturer in Pediatrics, May 1, 1977 through April 30, 1978.

George R. Cornelius, Promoted from Clinical Assistant Professor to Clinical Associate Professor of Ophthalmology, July 1, 1977.

William M. Croom, Promoted from Instructor to Clinical Assistant Professor of Oral Surgery, July 1, 1977.

William A. Cunningham, Promoted from Clinical Assistant Professor to Clinical Associate Professor of Ophthalmology, July 1, 1977.

Terry Hoyle Curtis, Assistant Professor of Cardiorespiratory Science; given additional title of Vice Chair of Cardiorespiratory Science, July 1, 1977 through June 30, 1978.

Charles Henry Day, Promoted from Clinical Assistant Professor to Clinical Associate Professor of Urology, July 1, 1977.

Bonnie Dillard, title changed from Clinical Instructor in Dental Services Administration to Special Instructor in Family Practice and Community Medicine and Dentistry, College of Medicine, salary changed from \$1,008 for 12 months, .10 time, to without remuneration, February 18, 1977.

Gerald R. Dixon, Promoted from Clinical Assistant Professor to Clinical Associate Professor of Ophthalmology, July 1, 1977.

Jim D. Dixon, Promoted from Clinical Assistant to Clinical Instructor in Medicine, July 1, 1977.

Richard G. Dotter, Promoted from Clinical Instructor to Clinical Assistant Professor of Medicine, July 1, 1977.

Michael T. Duffy, Promoted from Clinical Instructor to Clinical Assistant Professor of Oral Surgery, July 1, 1977.

Norman L. Dunitz, Promoted from Clinical Instructor to Clinical Professor of Orthopedic Surgery, July 1, 1977.

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David L. Edwards, Promoted from Clinical Instructor to Clinical Assistant Professor of Ophthalmology, July 1, 1977.

Sam L. Earnest, Promoted from Clinical Assistant to Clinical Instructor in Medicine, July 1, 1977.

Emil P. Farris, Promoted from Clinical Assistant Professor to Clinical Associate Professor of Ophthalmology, July 1, 1977.

David W. Foerster, Promoted from Clinical Assistant to Clinical Instructor in Surgery, July 1, 1977.

Marinus E. Flux, Promoted from Clinical Associate Professor to Clinical Professor of Pediatrics, July 1, 1977.

Frank G. Gatchell, Promoted from Clinical Associate Professor to Clinical Professor of Surgery, July 1, 1977.

Mayo D. Gilson, Promoted from Visiting Lecturer to Clinical Assistant in Gynecology-Obstetrics, July 1, 1977.

Pedro A. Gismondi, Promoted from Clinical Assistant to Clinical Instructor in Medicine, July 1, 1977.

Neil Morgan Glass, Promoted from Clinical Instructor to Clinical Assistant Professor of Surgery, July 1, 1977.

Thomas R. Godkins, Promoted from Adjunct Instructor to Clinical Assistant Professor of Medicine, July 1, 1977.

Rayburne W. Goen, Jr., Clinical Assistant in Surgery; given additional title of Clinical Assistant Professor of Surgery, Tulsa, March 1, 1977.

Roger V. Haglund, Promoted from Clinical Assistant Professor to Clinical Associate Professor of Urology, July 1, 1977; given additional title Clinical Associate Professor of Surgery, Tulsa, March 1, 1977.

Stone M. Hallquist, Promoted from Clinical Instructor to Clinical Assistant Professor of Urology, July 1, 1977.

James F. Hammarsten, title changed from Professor and Head of Medicine to Professor of Medicine, July 1, 1977. Retains title Clinical Professor of Medicine, Tulsa.

Gary W. Harris, Promoted from Clinical Instructor to Clinical Assistant Professor of Ophthalmology, July 1, 1977.

William D. Heath, Promoted from Clinical Assistant Professor to Clinical Associate Professor of Ophthalmology, July 1, 1977.

J. William Hood, Promoted from Clinical Assistant Professor to Clinical Associate Professor of Medicine, July 1, 1977.

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Douglas S. Hoy, Promoted from Clinical Instructor to Clinical Assistant Professor of Dental Surgery, July 1, 1977.

John D. Ingle, Promoted from Clinical Associate Professor to Clinical Professor of Surgery, July 1, 1977.

Jay C. Johnston, Promoted from Clinical Assistant Professor to Clinical Associate Professor of Ophthalmology, July 1, 1977.

John T. Keown, Jr., title changed from Assistant Professor to Clinical Assistant Professor of Family Practice, Tulsa, salary changed from \$22,000 for 12 months, .50 time, to without remuneration, June 30, 1977.

Kemper C. Lain, Clinical Assistant in Surgery; given additional title of Clinical Assistant Professor of Surgery, Tulsa, March 1, 1977.

Nancy Cummins Laughlin, Lecturer in Dental Services Administration; given additional title of Special Instructor in Family Practice and Community Medicine and Dentistry, College of Medicine, January 1, 1977 through June 30, 1977.

James R. Leach, Promoted from Clinical Instructor to Clinical Assistant Professor of Urology, July 1, 1977.

James E. Lewis, title changed from Acting Dean to Interim Dean, Tulsa Medical College, March 2, 1977 through June 30, 1977.

James H. Little, Promoted from Clinical Assistant Professor to Clinical Associate Professor of Ophthalmology, July 1, 1977.

Tom J. Love, title changed from Professor to Adjunct Professor of Radiological Sciences, July 1, 1977.

Emanuel N. Lubin, Promoted from Clinical Associate Professor to Clinical Professor of Urology, July 1, 1977; given additional title of Clinical Professor of Surgery, Tulsa, March 1, 1977.

Dale Eldwyn McCune, Promoted from Instructor to Clinical Assistant Professor of Orthodontics, July 1, 1977.

George F. McDonnold, Promoted from Clinical Assistant Professor to Clinical Associate Professor of Surgery, July 1, 1977.

Jerry S. Morgan, Promoted from Clinical Assistant to Clinical Instructor in Medicine, July 1, 1977.

John Dee Mose, Promoted from Clinical Instructor to Clinical Assistant Professor of Prosthodontics, July 1, 1977.

Edward O. Nonweiler, Promoted from Clinical Assistant Professor to Clinical Associate Professor of Urology, July 1, 1977.

Thomas L. Ozment, Promoted from Clinical Instructor to Clinical Assistant Professor of Ophthalmology, July 1, 1977.

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Pamela R. Parrish, Promoted from Clinical Assistant Professor to Adjunct Associate Professor of Medicine, July 1, 1977.

William T. Perryman, Jr., Promoted from Clinical Instructor to Clinical Assistant Professor of Ophthalmology, July 1, 1977.

Alexander Poston, Promoted from Clinical Instructor to Clinical Assistant Professor of Medicine, July 1, 1977.

Gary W. Rahe, Promoted from Clinical Instructor to Clinical Assistant Professor of Medicine, July 1, 1977.

William H. Reiff, Promoted from Clinical Associate Professor to Clinical Professor of Medicine, July 1, 1977.

Ned M. Reinstein, Promoted from Clinical Instructor to Clinical Assistant Professor of Ophthalmology, July 1, 1977.

Don F. Rhinehart, Promoted from Clinical Assistant Professor to Clinical Associate Professor of Surgery, July 1, 1977.

Everett R. Rhoades, Promoted from Adjunct Associate Professor to Adjunct Professor of Microbiology and Immunology, July 1, 1977.

James R. Riggall, Promoted from Clinical Associate Professor to Clinical Professor of Surgery, July 1, 1977.

Victor L. Robards, Promoted from Clinical Instructor to Clinical Associate Professor of Urology, July 1, 1977.

Galen P. Robbins, Promoted from Clinical Associate Professor to Clinical Professor of Medicine, July 1, 1977.

Charles W. Robinson, Promoted from Associate Professor to Clinical Professor of Medicine, July 1, 1977.

Clarence Robison, Jr., Promoted from Clinical Associate Professor to Clinical Professor of Surgery, July 1, 1977.

Carl Joseph Ryals, Promoted from Special Instructor to Adjunct Assistant Professor of Radiologic Technology, July 1, 1977.

Frank G. Sheddan, Promoted from Clinical Instructor to Clinical Assistant Professor of Urology, July 1, 1977.

Paul Silverstein, Promoted from Clinical Instructor to Clinical Assistant Professor of Surgery, July 1, 1977.

Charles W. Simcoe, Promoted from Clinical Instructor to Clinical Assistant Professor of Ophthalmology, July 1, 1977.

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B. G. Smith, Promoted from Clinical Associate Professor to Clinical Professor of Urology, July 1, 1977.

Richard V. Smith, Promoted from Clinical Assistant to Clinical Instructor in Surgery, July 1, 1977.

Vivian S. Smith, Adjunct Associate Professor of Allied Health Education and Health Administration, Adjunct Associate Professor of Microbiology and Immunology, Director, Health Manpower Information and Liaison Office, salary changed from \$9,408 for 12 months, .49 time, to without remuneration, April 15, 1977.

Willard H. Smith, Promoted from Clinical Assistant to Clinical Instructor in Medicine, July 1, 1977.

Robert W. Spencer, Promoted from Clinical Instructor to Clinical Assistant Professor of Ophthalmology, July 1, 1977.

Mark S. Sullivan, Promoted from Clinical Instructor to Clinical Assistant Professor of Dermatology, July 1, 1977.

James S. Turner, Promoted from Clinical Assistant to Clinical Instructor in Medicine, July 1, 1977.

Leon Unger, Promoted from Associate Professor to Adjunct Professor of Microbiology and Immunology, July 1, 1977.

Roland A. Walters, Promoted from Clinical Instructor to Clinical Assistant Professor of Ophthalmology, July 1, 1977.

Earnest G. Warner, Jr., Promoted from Clinical Instructor to Clinical Assistant Professor of Medicine, July 1, 1977.

Thomas Pitkin Weirich, Promoted from Instructor to Clinical Assistant Professor of Orthodontics, July 1, 1977.

Ronald H. White, Promoted from Clinical Instructor to Clinical Assistant Professor of Medicine, July 1, 1977.

Thomas A. Whitsett, Promoted from Adjunct Assistant Professor to Adjunct Associate Professor of Pharmacology, July 1, 1977.

Everett L. Wiggins, Promoted from Clinical Instructor to Clinical Assistant Professor of Ophthalmology, July 1, 1977.

Cullen Curlee Woods, Promoted from Clinical Instructor to Clinical Assistant Professor of Removable Prosthodontics, July 1, 1977.

Betty Patricia Wunder, Promoted from Special Instructor to Adjunct Assistant Professor of Radiologic Technology, July 1, 1977.

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**TERMINATIONS:**

Cynthia Ann Bailey, Instructor in Pharmacy, June 1, 1977.

Dennis W. Berry, Clinical Associate in Otorhinolaryngology, May 2, 1977.

James A. Borek, Instructor in Radiologic Technology, July 1, 1977.

Cheryl Lee Bowles, Assistant Professor of Nursing, July 1, 1977. Accepted a teaching position at the University of Arizona.

Patricia A. Butler, Assistant Professor of Medical Library Sciences and Adjunct Assistant Professor of Pathology, July 9, 1977. Moving to Maine.

David A. Cowden, Clinical Associate in Otorhinolaryngology, May 2, 1977.

Cheryl A. Hansen, Instructor in Pharmacy, June 1, 1977.

Shin-Fu Hsu, Clinical Assistant in Otorhinolaryngology, May 2, 1977.

Keith M. Papinchock, Special Instructor in Family Practice and Community Medicine and Dentistry, May 9, 1977.

John Sabine, Visiting Professor of Biochemistry, March 1, 1977.

Ronald Stuart Taylor, Clinical Assistant Professor of Family Practice, Tulsa, July 1, 1977.

Eduardo Tejada, Clinical Assistant Professor of Pathology, April 2, 1977. Transferred to the Indianapolis V.A. Hospital.

Betty Verlon West, Assistant Professor of Nursing, July 1, 1977. Husband transferred to New Jersey.

President Sharp recommended approval of the personnel actions listed above.

Regent Engleman moved approval of the recommendation. The following voted yes on the motion: Regents Brett, Mitchell, Replogle, Engleman, and White. The Chair declared the motion unanimously carried.

**III. Finance and Management**

**a. Non-Academic Personnel Actions**

**APPOINTMENTS:**

Gary L. Ellis, Business Manager, Professional Practice Plan, \$24,000 for 12 months, June 1, 1977. Administrative Staff. Salary from A0000170.



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Alice Elizabeth Mohr, Administrative Manager, Department of Dermatology, \$12,000 for 12 months, April 11, 1977. Administrative Staff. Budget page 108, position 0006. Additional funds transferred from position 0002.

CHANGE:

Sharon L. Nall, Medical Technologist, Family Practice Program, Enid, salary changed from \$8,403.20 for 12 months, .80 time, to \$10,500 for 12 months, full time, April 4, 1977.

President Sharp recommended approval of the personnel actions listed above.

Regent Replogle moved approval. The following voted yes on the motion: Regents Brett, Mitchell, Replogle, Engleman, and White. The Chair declared the motion unanimously carried.

b. College of Nursing Professional Practice Plan

President Sharp presented the Professional Practice Plan of the College of Nursing which he said had been reviewed and approved by the Health Sciences Center Committee:

The faculty of the College of Nursing is made up of both full-time and part-time faculty. This policy applies to those faculty who hold full-time appointments in the College.

Full-time members of the College of Nursing accept all rights, privileges and obligations of other University faculty as set forth in the University policies. Accordingly, a person who accepts full-time employment in the University of Oklahoma owes his first duty and his first loyalty to the University. The obligations of a faculty member are not limited to meeting classes but include related activities of teaching, research or creative achievement, continuing education, professional service and University governance. Faculty are encouraged to engage, within the limits of the time available to them, in such income-producing activities as consulting work, sponsored research, professional nursing practice and other activities which are closely related to their University work. The decision to engage in such professional activities by the faculty members will be made with the knowledge and understanding that it must be done in accordance with the provisions of this policy

There must be upper limits to the time spent and income derived from professional activities so that the primary goals of quality education and related activities are achieved with a fair mixture of professional capabilities and financial awareness. Active participation in professional activities requires of the faculty a significant commitment in terms of energy, emotional dedication, time and the assumption of personal liabilities in addition to those assumed in carrying out academic programs.

Adherence to this policy, as with all Regents' policies, is a condition of appointment for full-time faculty of the College of Nursing of the University of Oklahoma Health Sciences Center. Under this policy the faculty is responsible to the Dean and the Dean through the Provost, to the President.

#### OBJECTIVES

1. To provide a uniform procedure for professional accountability in matters of professional activities and the income generated by these activities.
2. To improve the patient care and consultative resources of the Health Sciences Center for the benefit of the public health.
3. To conduct discussions, seminars, or workshops under the aegis of the College for the purpose of exchanging information and furthering the state of art of the profession.
4. To provide exemplary patient care and consultative models to meet the educational, research, and service goals of the College of Nursing.
5. To enhance recruitment and retention of highly qualified faculty by providing a source of funds with which to supplement income.
6. To provide incentives to the faculty to engage in the practice of their professions. To maintain and improve professional skills, and to enhance faculty scholarship.
7. To provide a procedure for accounting, reporting and auditing of all generated income.
8. To provide a procedure for the disbursement of generated income.
9. To provide basic financial data which can be made available and visible to all who have a legal right to examine such information.

#### DEFINITION OF TERMS

1. **MEMBERSHIP:** All full-time faculty of the College of Nursing shall be members of the practice plan. Full-time faculty are those appointed with unmodified titles.
2. **BASE SALARY:** Salary paid to the faculty by the College of Nursing or by affiliated institutions within the Oklahoma Health Center shall be classified as base salary.
3. **SUPPLEMENTAL PROFESSIONAL EARNINGS:** Income generated by professional activities such as consulting or professional nursing practice.

Sources of Supplemental Professional Earnings - Sources of supplemental professional earnings include but are not limited to the following:

- (a) Private nursing practice fees wherever earned by the faculty member
- (b) Professionally related consultation and community services
- (c) Honoraria
- (d) Continuing education fees
- (e) Fees received for tutorial services

Income Exclusions

- (a) Prizes and awards
- (b) Faculty members interests in:
  - 1. royalties
  - 2. publications payments
  - 3. copyrights
  - 4. patent rights
- (c) Non-professional income
- (d) Compensation received as a result of military leave
- (e) Income earned during leave without pay, vacation, and/or sabbatical
- (f) Salary included under the definition of base salary

OPERATIONAL PROCEDURES

1. Any professional activity which will result in the generation of income in addition to that paid by the College of Nursing must be approved in advance by the Dean of the College.
2. All supplemental professional earnings must be deposited in the University of Oklahoma Health Sciences Center special agency account.

DISTRIBUTION OF SUPPLEMENTAL PROFESSIONAL EARNINGS

1. The first priority shall be the payment of actual identified overhead costs associated with the generation of the income such as the cost of clerical help and supplies used in continuing education activities. The Dean shall cause these costs to be identified and shall review them periodically with the College's Executive Committee.

2. The operation of any business requires the maintenance of some reserve. There must be for example, some funds on hand to pay for the preparation of materials before a seminar or workshop is given and before income is generated. Adequate reserves shall therefore, be established and maintained to ensure the smooth ongoing operation of each of the College's income producing activities under this plan. These too shall be established by the Dean and be discussed by the Dean with the Executive Committee from time to time.

3. Ten percent of the remaining balance, after (a) above has been paid, will be paid to the Dean's Fund.

4. The remaining balance shall be paid to that individual faculty member or group within the College of Nursing to the extent that the individual faculty member or faculty members of the group have contributed to the generation of the income. Provided, however, that the payment of net supplemental professional income to any given faculty member may not exceed 100% of the faculty member's base salary. (If for example a faculty member's base salary is \$15,000.00, the total income, base and supplemental, could not exceed \$30,000.00).

5. Supplemental professional income generated in excess of that permitted to be paid to the faculty, shall be retained in the Practice Plan for use by the College. Decisions regarding the use of the funds shall be made by the Dean after receiving the advice of the College's Executive Committee.

Acceptable categories of expenditures by the College of Nursing include:

- A. Visiting consultants and lecturers at the Health Sciences Center.
- B. Expenses directly related to faculty and staff recruitment.
- C. Students . . . scholarships, stipends, and tuitions.
- D. Personnel training courses and attendance at professional and educational meetings.
- E. Maintenance of laboratories and equipment.
- F. Office and administrative expenses.
- G. Other expenses incurred in support of the College of Nursing, teaching, research, and professional service, including salaries.
- H. Professional dues.

Since funds for which the University acts as custodian are commingled with public funds, all expenditures from such funds must be treated as public expenditures. Public Policy requires that public monies be expended for public and not private purposes.

ARCHITECTURAL AND ENGINEERING SERVICES  
THE UNIVERSITY OF OKLAHOMA

MAJOR CAPITAL IMPROVEMENTS PROGRAM

PROGRESS REPORT, JUNE, 1977

PROJECTS UNDER CONSTRUCTION

Project	CMP Priority No.	Architect	Contractor	Contract Award Date	Original Adjusted Completion Date	Original Current Contract Amount	Status (% complete)	Sources of Funds
HEALTH SCIENCES CENTER								
College of Nursing Building	2	Murray, Jones, Murray	Harmon Construction Co.	10/16/75	07/04/77	3,635,000 <u>3,817,657</u>	95 %	Bond Funds Grant, DHEW
Corridor/Bridge	7	Wright & Selby	The Constructors Co., Inc.	03/20/76	11/23/76 <u>05/31/77</u>	273,600 <u>279,020</u>	96 %	Bond Funds Grant, DHEW
Health Sciences Library	1A	Binnicker Associates	J.J. Cook & Associates	04/30/76	07/29/78	5,152,455 <u>5,356,134</u>	59 %	Bond Funds Grant, DHEW Gifts
College of Nursing Building Elevator #3 and #4	--	Murray, Jones, Murray	Montgomery Elevator Co.	07/22/76	08/11/77	119,823	99 %	Bond Funds, Grant, DHEW

ARCHITECTURAL AND ENGINEERING SERVICES  
THE UNIVERSITY OF OKLAHOMA

MAJOR CAPITAL IMPROVEMENTS PROGRAM

PROGRESS REPORT, JUNE, 1977

PROJECTS IN VARIOUS STAGES OF PLANNING

Project	CMP Priority No.	Architect	Contract or Letter	Estimated Cost	Status
HEALTH SCIENCES CENTER					
Health Sciences Library	1B	A & E Services	--	411,381	Plans for the movable equipment are being prepared
College of Pharmacy Building	4	A & E Services	--	4,800,00	An application requesting a Federal construction grant will be resubmitted
Multi-Purpose Building	--	A & E Services	--	--	A feasibility study has been completed and is undergoing review
Dental Clinics, Site Development	10	McCune & McCune	C12/13/73	288,125	Preliminary plans are being prepared
Biomedical Sciences Building Site Development	7	Wright & Selby	C10/12/72	263,750	Inactive
College of Health Building Auditorium Renovation	--	Locke, Wright & Foster	--	317,000	Inactive
College of Nursing, Fixed Equipment	2	Murray Jones Murray	C05/09/75	179,000	Final plans and specifications have been completed
Dental Clinics, Landscape Plan	10	Thomas Roberts & Associates	--	149,375	Preliminary plans are being prepared
Biomedical Sciences Building, Landscape Plan	7	"	--	179,250	" "
College of Nursing Landscape Plan	2	"	--	179,250	" "

### GOVERNANCE

1. College's Executive Committee - The members of the College's Executive Committee shall represent the membership of the Professional Practice Plan and shall be responsible for advising the Dean of policy matters affecting the operations covered by this policy.

2. Meetings - The Executive Committee shall meet quarterly to review and conduct business related to the Professional Practice Plan. A special meeting may be called upon the request of the Chair or five (5) members of the Executive Committee. Notice of the meeting, and an agenda will be distributed to each member at least one week prior to the meeting.

The Dean shall preside over all meetings of the Executive Committee which shall be composed of the Assistant Deans, the Director of Instruction and five (5) members of the faculty elected by the general faculty of the College.

### ACCOUNTABILITY

Intentional withholding or misrepresentation in reports of income and/or time spent under this Plan shall constitute grounds for disciplinary action under provisions of Section 3.8 of the Faculty Handbook. Appeals procedures shall be the same as those outlined in Section 3.8 and 3.9 of that document.

### AMENDMENTS

The policy for operation and governance of the Professional Practice Plan for the College of Nursing may be amended from time to time, in any particular by the Regents of the University of Oklahoma.

Proposed amendments will be submitted to the Professional Practice Committee for advice or comment. In addition, amendments to the policy may be proposed or initiated for the consideration of the Regents by:

1. Petition by greater than 1/3 of the members followed by
2. Presentation by the College's Executive Committee with recommendation to the full membership, and requiring
3. Ratification by 2/3 of the full membership forwarding the proposed amendment through the Dean of the College of Nursing, Provost-Health Sciences, to the President for approval for submission to the Board of Regents of the University Oklahoma.

President Sharp recommended approval of the College of Nursing Professional Practice Plan to be effective immediately.

Regent Mitchell moved approval of the recommendation. The following voted yes on the motion: Regents Brett, Mitchell, Replogle, Engleman, and White. The Chair declared the motion unanimously carried.

c. Purchase of Laboratory Equipment

President Sharp said bids were requested to purchase scientific laboratory equipment for the Division of Cancer Studies. Fourteen invitations to bid were mailed and ten bids were received. A tabulation was enclosed with the agenda. The bids were evaluated by Dr. G. Bennett Humphrey, Director of Cancer Studies, and his recommendation is to accept the low bid that meets specifications.

The low bid of LKB Instruments does not meet specifications on sample count on item #1. The low bids of LKB Instruments, IN/US Service, and Scientific Products on item #2 do not meet specifications as they would not allow the flexibility of processing data. The bid of Fisher Scientific does not meet specifications on item #3 and they have requested that this bid be withdrawn. The bid of DuPont Company does not meet the maximum speed specified on item #5.

Beckman Instruments bid package #2 consists of item #1 at \$24,180, item #2 at \$20,430 and item #6 at \$15,500 for an "all or none" total of \$59,025.

Funds are available in Budget Account 43017700 to make these purchases.

President Sharp recommended that the bid be awarded as follows:

Beckman Instrument Co. Houston Items 1, 2, 4, and 6	\$61,578.00
Scientific Products Grand Prairie Items 3 and 5	\$ 6,709.00 <u>\$68,287.00</u>

Regent Replogle moved approval. The following voted yes on the motion: Regents Brett, Mitchell, Replogle, Engleman, and White. The Chair declared the motion unanimously carried.

d. Proposal, Contract, and Grant Report

A summary of proposals for contracts and grants for the Health Sciences Center for May, 1977, along with a list of all contracts executed during the same period of time on proposals previously reported was included in the agenda for this meeting.



President Sharp recommended that the President of the University or the President's designees be authorized to execute contracts on the pending proposals as negotiations are completed. The contract budgets may differ from the proposed amounts depending upon these negotiations.

Regent White moved approval. The following voted yes on the motion: Regents Brett, Mitchell, Replogle, Engleman, and White. The Chair declared the motion unanimously carried.

V. Operations and Physical Plant

a. Report on Major Capital Improvements Projects

As shown on the following page a report was presented to the Regents on major capital improvements projects under construction and in various stages of planning on the Health Sciences Center Campus. No action was required.

C. Academic (Norman Campus)

I. Personnel Actions

LEAVES OF ABSENCE:

Elbridge D. Phelps, David Ross Boyd Professor of Law, sabbatical leave of absence with partial pay of \$225 per month, September 1, 1977 through January 15, 1978. To work on enriching and updating courses in commercial law and to visit home offices of insurance companies in the East.

Gwenn Davis, Associate Professor of English and Director of the Honors Program, sabbatical leave of absence with full pay, July 1, 1977 through December 31, 1977. To continue work on a compilation of a comprehensive bibliography of British and American women creative writers from 1500 to 1950.

Osborne M. Reynolds, Professor of Law, leave of absence without pay, September 1, 1977 through January 15, 1978. For purposes of research in the area of tort law.

Li Pi Su, Associate Professor of Mathematics, leave of absence without pay for .333 time, September 1, 1977 through January 15, 1978. Family responsibilities.

James B. Freim, Assistant Professor of Aerospace, Mechanical and Nuclear Engineering, leave of absence without pay, September 1, 1977 through May 31, 1978. For the purpose of serving temporarily as supervisor of a nuclear engineering group at Babcock and Wilcox in Lynchburg, Virginia.

Stefan Feyock, Assistant Professor of Electrical Engineering and Computing Science, leave of absence without pay, June 1, 1977 through May 31, 1978. To extend activities with College of William and Mary and the NASA ICASE group.

Jerry Frank Muskrat, Assistant Professor of Law, leave of absence without pay, September 1, 1977 through May 31, 1978. To teach at Syracuse University College of Law.

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John J. Walsh, Assistant Professor of Mathematics, leave of absence without pay, September 1, 1977 through May 31, 1978. To accept temporary appointment at the University of Tennessee.

APPOINTMENTS:

Morris Leon Marx, Ph.D., Professor of Mathematics with tenure and Chair, Department of Mathematics, \$32,500 for 12 months, July 1, 1977. Appointment as Chair through 1980-81. 1977-78 Budget.

William Dean Brooks, Ph.D., Professor of Speech Communication with tenure and Chair, Department of Speech Communication, \$33,000 for 12 months, July 15, 1977. Appointment as Chair through 1980-81. 1977-78 Budget.

George Moreland Scott, Ph.D., Professor of Accounting with tenure, \$35,000 for 9 months, September 1, 1977. 1977-78 Budget.

Guido L. Chincarini, Ph.D., Associate Professor of Physics and Astronomy, \$18,500 for 9 months, September 1, 1977 through May 31, 1978. 1977-78 Budget.

William W. Grigsby, Jr., reappointed Visiting Assistant Professor of Accounting, \$19,000 for 9 months, September 1, 1977 through May 31, 1978. 1977-78 Budget.

Michael Marc Masoner, reappointed Visiting Assistant Professor of Accounting, \$17,000 for 9 months, September 1, 1977 through May 31, 1978. 1977-78 Budget.

Sergio Basilio San Pedro, reappointed Adjunct Assistant Professor of Health, Physical Education and Recreation, \$6,000 for 12 months, .25 time, July 1, 1977 through June 30, 1978. Funds available from O.U. Foundation.

Robert Craig Woodford, Assistant Professor of Health, Physical Education and Recreation, \$14,000 for 9 months (if Ph.D. not completed by September 1, 1977 appointment will be Acting Assistant Professor at \$13,500), September 1, 1977 through May 31, 1978. 1977-78 Budget.

Miriam Helen Cross, Assistant Professor of Home Economics, \$14,000 for 9 months, September 1, 1977 through May 31, 1978. 1977-78 Budget.

Molly Jane Keith, reappointed Visiting Assistant Professor of Home Economics, \$8,000 for 9 months, .50 time, September 1, 1977 through May 31, 1978. 1977-78 Budget.

Earl Michael Maltz, J.D., Visiting Assistant Professor of Law, \$21,000 for 9 months, September 1, 1977 through May 31, 1978. 1977-78 Budget.

William Joseph Sheehy, J.D., Visiting Assistant Professor of Law, \$21,000 for 9 months, September 1, 1977 through May 31, 1978. 1977-78 Budget.

Luther William White, Ph.D., Assistant Professor of Mathematics, \$12,500 for 9 months, September 1, 1977 through May 31, 1978. 1977-78 Budget.

William Michael Scharnberg, Assistant Professor of Music, \$13,500 for 9 months, September 1, 1977 through May 31, 1978. 1977-78 Budget.

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Bruce Lee Kimmel, Assistant Professor of Zoology and Assistant Director, Biological Station, annual rate of \$13,100 for 9 months, October 1, 1977 through May 31, 1978. 1977-78 Budget.

CHANGES:

James R. Bohland, Associate Professor of Geography; given additional title of Chair, Department of Geography, salary rate temporarily increased from \$18,800 for 9 months to \$26,000 for 12 months while serving as Chair, September 1, 1977. Appointment as Chair effective September 1, 1977 through August 31, 1979. 1977-78 Budget.

Thomas J. Wilbanks, Associate Professor of Geography; title of Chair of the Department of Geography deleted, salary changed from \$30,000 for 12 months to \$24,545 for 9 months, September 1, 1977.

Barbara A. Graves, Instructional Materials Coordinator, College of Liberal Studies; given additional title Adjunct Professor of Liberal Studies, without additional remuneration, April 15, 1977.

Noland E. James, title changed from Visiting Assistant Professor to Assistant Professor of Art, September 1, 1977 through May 31, 1978.

Alfredo Rolando Andrade, reappointed Project Specialist, Office of the President, Acting Assistant Professor of History, Adjunct Assistant Professor of Education and Director of Chicano Studies, rate of \$14,800 for 12 months, July 1, 1977 through August 31, 1977; title as Project Specialist, Office of the President deleted, salary changed to \$12,109 for 9 months, September 1, 1977 through May 31, 1978.

RESIGNATIONS:

Ralph Edward Verrastro, Professor of Music, August 1, 1977. Accepted a School of Music directorship at Kent State University.

Delbert LeRoy Unruh, Associate Professor of Drama, August 1, 1977.

Ferdinand S. Johns, Assistant Professor of Architecture, June 30, 1977. Accepted a position at the University of Maryland.

Michael Roy Derr, Assistant Professor of Drama, August 1, 1977. To accept another position.

John Blaine McAdams, Assistant Professor of Law, June 1, 1977. To return to private practice in Fort Worth.

Richard Woodrew Chuculate, Clinical Assistant Professor of Social Work, July 1, 1977. Retiring.

RETIREMENT:

Norman L. Byrd, Professor of Architecture, July 1, 1977. Named Professor Emeritus of Architecture.

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President Sharp recommended approval of the personnel actions listed above.

Regent Engleman moved approval of the recommendation. The following voted yes on the motion: Regents Brett, Mitchell, Replogle, Engleman, and White. The Chair declared the motion carried unanimously.

D. Finance and Management

I. Non-Academic Personnel Actions

a. Educational and General, Agency Special, and Service Units

LEAVE OF ABSENCE:

Kermit O. Rayburn, Program Manager, Professional Development Administration, leave of absence without pay, July 1, 1977 through June 30, 1978.

APPOINTMENTS:

Jayna Carolyn Ekstrom, Auditor II, Internal Auditing, \$11,300 for 12 months, May 1, 1977. Professional Staff. Budget page 9, position 8.

Mary L. Holter, General Duty Nurse, Goddard Health Center, \$5.35 per hour, .50 time, May 3, 1977. Professional Staff. Goddard Health Center Funds available.

Robert O. Smith, Golf Coach and Golf Course Manager, Athletic Department, \$17,600 for 12 months, May 15, 1977. Professional Staff. Budget page 302, position 24.

CHANGES:

Amaryllis Ann Dahl, title changed from Head Coach, Women's Athletics, to Assistant Athletic Director, May 1, 1977. Administrative Staff.

Alice Ann Foister, title changed from Technical Writer/Programmer to Program Library Consultant, University Computing Services, salary increased from \$10,500 to \$11,300 for 12 months, June 1, 1977. Professional Staff. Budget page 235, position 13.

DeRoy Stewart, title changed from Manager of Conventional Loan Accounting to Accountant III, Endowments and Loans, April 1, 1977. Professional Staff.

Timothy James Timmons, Accountant III; given additional title Assistant Manager, Accounting Services, salary increased from \$14,200 to \$15,700 for 12 months, April 6, 1977. Professional Staff. Budget page 11, position 2.

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RESIGNATIONS:

Jim Low Awtrey, Golf Coach and Golf Course Manager, Athletic Department, June 8, 1977.

Loucyle Aynesworth, Assistant Manager, OCCE Housing, June 29, 1977.

Bobby J. Bryant, Auditor III, Internal Auditing, June 15, 1977.

Mary Ester O'Brien, General Duty Nurse, Goddard Health Center, June 1, 1977.

Deborah Carol Pullin, Medical Technologist, Goddard Health Center, June 16, 1977.

Thomas H. Tucker, Chief Counsel, October 1, 1977 (on leave July 1, 1977 through September 30, 1977).

Mark E. Lemons, University Internal Auditor, August 16, 1977.

David S. White, Research Biologist, Biological Station, June 1, 1977.

President Sharp recommended approval of the personnel actions listed above.

Regent White moved approval of the recommendation. The following voted yes on the motion: Regents Brett, Mitchell, Replogle, Engleman, and White. The Chair declared the motion carried unanimously.

b. Grants and Contracts

(All of the following are subject to the availability of funds)

APPOINTMENT:

James Darrell Witherington, Course Moderator, FAA Management Training School, annual salary rate of \$12,500 for 12 months, May 16, 1977 through September 30, 1977. Paid from 157-211, FAA Management Training School.

CHANGES:

Marjorie E. Earley, Economic and Demographic Specialist, Center for Economic and Management Research, salary rate increased from \$10,296 to \$12,300 for 12 months, April 1, 1977. Managerial Staff. Paid from 156-746 and 158-950, Weyerhaeuser Survey and FEA Electric Utilities Demonstration Project.

Wallace E. Pryor, title changed from Manager of Federal Loan Accounting to Manager of Loan Funds, Endowments and Loans Operating, salary rate increased from \$14,200 to \$14,800 for 12 months, April 1, 1977. Managerial Staff. Paid from 152-916, Loan and Endowment Administration.

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Barbara Jolene Walkingstick, Field Supervisor, University Year for ACTION Project Southwest Center for Human Relations Studies, salary increased from \$12,000 to \$12,960 for 12 months, May 12, 1977 through May 11, 1978. Administrative Staff. Paid from 157-313 and 152-531, Oklahoma Indian Achievement UYA and Oklahoma Indian Advanced Matching.

Nicholas J. Chelenza, title changed from Course Moderator to Senior Course Moderator, FAA Management Training School, salary rate increased from \$14,000 to \$14,500 for 12 months, June 1, 1977 through September 30, 1977. Professional Staff. Retains title Adjunct Instructor in Political Science. Paid from 157-211, FAA Management Training School.

Vicki Jean Collier, title changed from Course Moderator to Senior Course Moderator, FAA Management Training School, salary rate increased from \$14,000 to \$14,500 for 12 months, June 1, 1977 through September 30, 1977. Professional Staff. Retains title Adjunct Instructor in Political Science. Paid from 157-211, FAA Management Training School.

RESIGNATION:

Leila M. Barfield, Course Moderator, FAA Management Training School, and Adjunct Assistant Professor of Political Science, July 6, 1977.

President Sharp recommended approval of the personnel actions listed above.

Regent Mitchell moved approval of the recommendation. The following voted yes on the motion: Regents Brett, Mitchell, Replogle, Engleman, and White. The Chair declared the motion unanimously carried.

II. Budgets

a. Oklahoma Memorial Union Budget for 1977-78

Regent Replogle reported the Budget Committee of the Board reviewed the Union Budget for 1977-78, which had been distributed to each Regent with the agenda, and concurs in the recommendation to approve. He moved approval. The following voted yes on the motion: Regents Brett, Mitchell, Replogle, Engleman, and White. The Chair declared the motion unanimously carried.

VI. Purchases

a. Paper Requirements

Bids were circulated for coarse and fine paper requirements asking for alternate bids on a six month and twelve month basis. The bid contained nine coarse paper items and 20 fine paper items and also provided for:

1. Guaranteed minimum quantities and estimated maximum quantities
2. Carload lot deliveries
3. Escalation percentages for the second six months in the event a firm fixed price for the entire 12 months could not be bid.

The cost of the purchase will be charged to University Storeroom Account 147-305.

Bids were mailed to 33 vendors and ten were returned, with some companies bidding as many as five alternates on some items.

A summary of the five low bids received is as follows:

<u>Item</u>	<u>Bidder</u>	<u>Item Bid</u>	<u>Price</u>	<u>76/77 Price</u>
1. Toilet Paper 1 Ply unwrapped	1. Tulsa	Crown 094	\$18.18 (1)	\$18.78
	2. Capital	Crown 094	\$18.32	
	3. Cardinal	Crown 094	\$18.35	
	4. Okla. Paper	Crown 094	\$18.45	
2. Toilet Paper 2 Ply Wrapped	1. Tulsa	Crown 139	\$17.42 (1)	\$17.51
	2. Capital	Crown 139	\$17.56	
	3. Cardinal	Crown 139	\$17.58	
	4. Okla. Paper	Crown 139	\$17.68	
	5. Ansley Paper	Crown 139	\$18.11	
3. Paper Towels, White, 1 Ply Unwrapped	1. Tulsa	Crown 909	\$12.68 (3)	\$12.33
	2. Tyler Simpson	Ft. Howard 268- 28 (2)	\$11.64 (1)	
	3. Scrivner	Ft. Howard 268- 28	\$11.82	
	4. Morrison	Ft. Howard 268- 28	\$11.90	
	5. Carpenter	Ft. Howard 268- 28	\$11.98	
4. Paper Towels, White, 2 Ply Wrapped	1. Tulsa	Crown 951	\$13.64	\$12.84
	2. Carpenter	Protex	\$13.70	
	3. Capital	Crown 951	\$13.74	
	4. Cardinal	Crown 951	\$13.76	
	5. Carpenter	Scott 190	\$12.84 (only 77 sheets per roll)	

- (1) Proposed award
- (2) 125 sheets per roll; .0031 per sheet
- (3) 170 sheets per roll; .0026 per sheet

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<u>Item</u>	<u>Bidder</u>	<u>Item Bid</u>	<u>Price</u>	<u>76/77 Price</u>
5. Paper Towels, Roll, Natural, Unperf.	1. Carpenter	Scott 125	\$10.99	\$11.77
	2. Tyler Simpson	Ft. Howard 286- 32	\$11.15	
	3. Morrison	Ft. Howard 286- 32	\$11.40	
	4. Carpenter	Ft. Howard 286- 32	\$11.48	
	5. Okla. Paper	Bay West 200	\$12.30	
	6. Tulsa Paper	Crown 420A	\$12.42 (1)	
6. Napkins-White for Dispenser	1. Tulsa	Crown 442	\$17.63	\$17.77
	2. Capital	Crown 442	\$17.77	
	3. Cardinal	Crown 442	\$17.80	
	4. Okla. Paper	Crown 442	\$17.90	
	5. Ansley Paper	Crown 442	\$18.32	
	6. Tyler Simpson	Ft. Howard #374	\$19.26 (1)	
7. Tissue Facial	1. Tulsa	Crown 481 or 487	\$ 6.82 (1)	\$ 6.85
	2. Capital	Crown 481	\$ 6.87	
	3. Cardinal	Crown 481 or 487	\$ 6.88	
	4. Okla. Paper	Crown 481	\$ 6.92	
	5. Ansley Paper	Crown 481 or 487	\$ 7.09	
8. Towel Paper Fold, Unbleached Single	1. Tulsa	Crown 812	\$ 5.76 (1)	No order
	2. Capital	Crown 812	\$ 5.80	
	3. Cardinal	Crown 812	\$ 5.81	
	4. Okla. Paper	Crown 812	\$ 5.84	
	5. Ansley Paper	Crown 812	\$ 5.99	
9. Towels, Paper White,-Multifold	1. Tulsa	Crown 015 or 402	\$ 6.82 (1)	No order
	2. Capital	Crown 015	\$ 6.87	
	3. Cardinal	Crown 015	\$ 6.88	
	4. Okla. Paper	Crown 015	\$ 6.92	
	5. Ansley Paper	Crown 015	\$ 7.09	

(1) Proposed award

All prices indicated are bid for the six month period July 1, 1977 through December 31, 1977. The escalated prices bid for the second six month period are considered to be too high.



The total estimated proposed award to Tulsa Paper Co. for items 1, 2, 5, 7, 8, and 9 will be \$22,971.50. Tulsa Paper Co. was the low bidder on all above items except item 5. Although Tulsa Paper Co. appeared to be the sixth low bidder on item 5, when reconciling the number of sheets per roll, the weight per case, and the wastage due to dispenser adapters, it is the most economical bid for the University. Samples of the above items were reviewed by the users and found to be acceptable. There were variations in the numbers of sheets per roll and number of rolls per case, etc. and these have all been reconciled.

#### Item 3 Evaluation - Paper towels, 1 ply

The users in the Housing Department considered the quality of the Ft. Howard product to be significantly greater than the Crown product offered by Tulsa Paper Co. with the higher price offset by a lower usage rate for the higher quality paper. In addition, it was decided to use the Ft. Howard one ply towel as a substitute for the item 4 two ply towel, thus resulting in a reduced cost for the two items.

#### Item 6 Evaluation - Napkins

<u>Bidder</u>	<u>Brand</u>	<u>Price</u>
Tulsa Paper	Crown #442	\$17.63/case
Tyler Simpson	Ft. Howard #374	\$19.26/case

The users in Food Service consider the quality of the Ft. Howard napkins to be superior to the Crown napkin in softness, whiteness, and absorption. They also consider it important to provide the students who dine in the cafeterias on a daily basis with a high quality napkin.

For the reasons listed above it is proposed that the bid on Items 3 and 6 be awarded to Tyler Simpson in the amount of \$14,778.00.

The savings resulting from the bids on the 20 line items of fine paper products amount to only a total of \$250.00 versus using the State Contract. These savings are not considered sufficient to offset the additional expenses entailed in receiving and storing carload quantities for a six month period. Accordingly, no fine paper items will be awarded from this bid.

President Sharp recommended that the Board of Regents approve the award of purchase orders to Tulsa Paper Co. in the estimated amount of \$22,971.50 and Tyler Simpson in the estimated amount of \$14,778.00 for coarse paper requirements for the period July 1, 1977 through December 31, 1977.

Regent Engleman moved approval. The following voted yes on the motion: Regents Brett, Mitchell, Replogle, Engleman, and White. The Chair declared the motion carried unanimously.

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Regent Brett raised a question about procedures where an estimated annual amount is approved by the Regents. During the ensuing discussion with Vice President Nordby and Mr. Earl Whitman, Purchasing Director, Regent Brett requested, and it was agreed, that in the future a maximum authorization for each such purchase would be included for Regents' action. Regent Brett said if a Regents' policy is desirable regarding this practice that such a policy statement should be developed and presented at the appropriate committee meeting in July or September.

b. Laboratory Apparatus and Supplies - Zoology

Bids were circulated to five vendors to secure quotations for 56 items of laboratory equipment, accessories and supplies for the Department of Zoology.

Payment will be made from Zoology Accounts 154-126 and 177-595.

Three vendors returned bids, but two did not bid on all items. A tabulation of the bids is enclosed. The low bid on an all or none basis is:

Scientific Products	
Grand Prairie, Texas	\$19,300.00

Although the two other firms were slightly lower on four of the 56 items, the reduced total price of the all or none bid more than compensates for the reduced individual item prices.

The bid of Scientific Products matches the specifications and is acceptable to the Zoology Department.

President Sharp recommended that the Board of Regents approve the award of a purchase order in the amount of \$19,300.00 to Scientific Products.

Regent Replogle moved approval of the recommendation. The following voted yes on the motion: Regents Brett, Mitchell, Replogle, Engleman, and White. The Chair declared the motion unanimously carried.

c. Ice Cream, Milk and Milk Products

Bids were circulated to supply ice cream, milk and milk products. The bid provided for six options.

Option One: Furnish ice cream, milk and milk products for six months.

Option Two: Furnish ice cream, milk and milk products for one year.

Option Three: Furnish ice cream for six months.

Option Four: Furnish milk and milk products for six months.

Option Five: Furnish milk and milk products for one year.

Option Six: Furnish ice cream for one year.

The bid contained the standard escalation clause to allow the bidders to pass on any USDA milk price increases.

The following bids were received for milk and milk products for the period July 1, 1977 through June 30, 1978:

1. Townley's Dairy Oklahoma City	\$161,204.22*
2. Gilt Edge Dairies Norman	\$163,596.90
3. The Borden Company Oklahoma City	\$172,253.52
4. Beatrice Foods Company Tulsa (Bid based upon award of both milk and ice cream options)	\$166,156.50
5. Kelly Dairy Elk City	\$171,486.96

\*Townley's submitted total milk price bid of \$157,728.44 had to be adjusted upwards to this amount in order to accommodate a USDA price increase in milk products to be effective on June 1, 1977. The other bidders had submitted their bids on the adjusted basis.

The following bids were received for ice cream for the period of July 1, 1977 through June 30, 1978:

1. Beatrice Foods Co. Tulsa (Bid based upon award of both milk and ice cream options)	\$26,910.60
2. The Borden Company Oklahoma City	\$29,394.00
3. Townley's Dairy Oklahoma City	\$29,535.00
4. Gilt Edge Dairies Norman	\$31,212.00

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Beatrice Foods, the low bidder on ice cream products, bid Option Number Two which was to furnish both ice cream and milk and milk products for one year. Therefore, they declined to accept the contract to furnish only the ice cream.

The Borden Company plant and the Townley's Dairy plant have been inspected by Mr. Dan Guyer, University Sanitarian, and found to be in excellent condition and more than adequate to meet our contract requirements.

The low bidder is acceptable to the three major food service directors.

President Sharp recommended that the Board of Regents approve the issuance of purchase orders to Townley's Dairy to furnish milk and milk products for an estimated annual amount of \$161,204.22 and to The Borden Company to furnish ice cream for an estimated annual amount of \$29,394.00, the lowest acceptable bidders, for the fiscal year 1977-78.

Regent Engleman moved approval of the recommendation. The following voted yes on the motion: Regents Brett, Mitchell, Replogle, Engleman, and White. The Chair declared the motion unanimously carried.

d. Fountain Soft Drinks

Bids were circulated to supply various fountain soft drink syrups for the period July 1, 1977 through June 30, 1978.

The cost of the purchases will be charged to the various food service accounts ordering the syrups.

The following bids were received:

The Coca-Cola Company Atlanta, Georgia	\$32,032.00
Dr. Pepper - Seven-Up Bottling Co. Oklahoma City	\$32,236.00
Pepsi - Cola Bottling Co. Oklahoma City	\$34,995.00

It would be in the best interest of the University to award the contract on an all or none basis. The bid requested the vendor to supply (1) post mix dispensers with four electric dispensing faucets, at no charge, (2) CO<sub>2</sub> gas at no charge and (3) maintenance, repair and replacement of dispensers when needed at no charge.

Service is a major factor. These drink machines are used continuously through two serving periods, four to five hours each day in the cafeteria; 14 hours per day at Adams Snack Bar; and seven hours per day at the Airport Restaurant. These machines must operate efficiently and must be repaired the same day.

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The low bidder has provided satisfactory service, during the current year and is acceptable to the two major food service directors.

President Sharp recommended that the Board of Regents approve the award of a purchase order to The Coca-Cola Company, Atlanta, to furnish fountain soft drink syrups for an estimated annual cost of \$32,032.00.

Regent Mitchell moved approval of the recommendation. The following voted yes on the motion: Regents Brett, Mitchell, Replogle, Engleman, and White. The Chair declared the motion unanimously carried.

e. Nitrogen for 1977-78

Bids have been received for approximately 9,000,000 SCF of Nitrogen to be delivered in bulk to the Oil Well Blowout Prevention School during the period July 1, 1977 through June 30, 1978.

This gas is pumped into the well under pressure, then released to simulate a blowout.

Payment will be made from the Oil Well Blowout School Account 178-581.

Because of the number of variables involved, it was necessary to establish some base figure for evaluating the bids. The base figures used are 140,000 SCF (standard cubic feet) per delivery, 60 mile haul, and eight hour day.

The figures shown below are for one trip. It is estimated the total contract will approximate \$100,000.00.

Bids received were:

1. Nitrogen Oil Well Service Co.  
Oklahoma City

Minimum Charge \$ 400.00

Nitrogen Charge:

25,000 SCF	N/C	
25,000 SCF @ \$1.00/100SCF	\$250.00	
25,000 SCF @ \$ .90/100SCF	\$225.00	
25,000 SCF @ \$ .80/100SCF	\$200.00	
<u>40,000 SCF @ \$ .80/100SCF</u>	<u>\$320.00</u>	
140,000 SCF Total	\$995.00	\$ 995.00

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Mileage Charge 60 miles @ \$1.00/mile

Time Charge:

4 Hrs.	N/C	
<u>4 Hrs.</u> @ \$30.00/hr	<u>\$120.00</u>	
8 Hrs. Total	<u>\$120.00</u>	<u>\$ 120.00</u>

Total Charge for one trip \$1,575.00

2. Halliburton Services  
Oklahoma City

Minimum Charge \$ 617.50

Nitrogen Charge:

25,000 SCF	N/C	
<u>25,000 SCF @ \$1.05/100 SCF</u>	<u>\$262.50</u>	
25,000 SCF @ \$ .95/100SCF	\$237.50	
25,000 SCF @ \$ .95/100SCF	\$237.50	
<u>40,000 SCF @ \$ .50/100SCF</u>	<u>\$200.00</u>	
140,000 SCF Total	<u>\$937.50</u>	<u>\$ 937.50</u>

Mileage Charge 60 miles @ \$1.10/mile \$ 66.00

Time Charge:

4 Hrs.	N/C	
<u>4 Hrs.</u> @ \$30.00/hr	<u>\$120.00</u>	
8 Hrs. Total	<u>\$120.00</u>	<u>\$ 120.00</u>

Total Charge for one trip \$1,741.00

The Nitrogen Oil Service Company bid is \$166.00 less per trip (\$1,741.00 minus \$1,575.00). This difference should amount to about \$10,000 less for the entire year. The Nitrogen Oil Well Service Company has provided the gas for the past year and their service has been satisfactory.

President Sharp recommended that the Board of Regents authorize the award of a purchase order to Nitrogen Oil Well Service Company in the estimated amount of \$100,000.00 to provide nitrogen gas for the fiscal year 1977-78.

Regent Replogle moved approval of the recommendation. The following voted yes on the motion: Regents Brett, Mitchell, Replogle, Engleman, and White. The Chair declared the motion unanimously carried.

f. Soft Serve Freezers

Bids were recently received for three Super Fast Soft Serve Freezers for the Couch Center Cafeteria.

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The purchase will be charged to Couch Cafeteria Account No. 172-110.

Bids were received as follows:

Greene & Greene Co. Oklahoma City	\$16,961.40
Johnson & Johnson Enterprises, Inc. Oklahoma City	\$17,700.00
Food Equipment Systems Co. Oklahoma City	\$20,430.75

The low bid of Greene & Greene Company meets the specifications and is acceptable to the Food Service Director.

President Sharp recommended that the Board of Regents authorize the award of a purchase order in the amount of \$16,941.40 to Greene & Greene Company for the purchase of the three soft serve freezers.

Regent Replogle moved for approval of the recommendation. The following voted yes on the motion: Regents Brett, Mitchell, Replogle, Engleman, and White. The Chair declared the motion unanimously carried.

#### g. Housing Renovation Purchases

Requisitions were received in the Purchasing Office on May 24 for approximately \$90,000 worth of carpeting and \$40,000 worth of roofing repairs for the Housing Department. Another requisition for \$40,000 worth of drapes is expected shortly. The desired completion date on these requirements is August 15, so that the work may be completed prior to occupancy for the fall semester. In order to meet this deadline the Purchasing Office would have to award the purchase orders immediately upon receipt of bids rather than waiting for the July Regents' meeting.

President Sharp recommended that the President of the University be authorized to approve the award of purchase orders for carpeting, roofing, and drapes for the Housing renovation in order to meet the occupancy deadline for the fall semester. Summaries of all award items will be submitted as information items at the July meeting.

Regent Engleman moved approval of the recommendation. The following voted yes on the motion: Regents Brett, Mitchell, Replogle, Engleman, and White. The Chair declared the motion unanimously carried.

#### h. Sousaphones

Bids were circulated to purchase 16 King Model 1250 Sousaphones and 16 sets of Sousa Savers (cases). The bid stated the dealer must be

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within a 50 mile radius of the University and have an in-store repair shop and be able to provide 24 hour repair service to the University Band.

The cost of the purchase will be charged to account 177-417.

The following bids were received:

Larsen Music Instruments  
Oklahoma City

16 Sousaphones w/case at \$965 each	\$15,440.00	
16 Sousa Saver sets at \$ 22 each	<u>352.00</u>	\$15,792.00

Norman Music Center  
Norman

16 Sousaphones w/case at \$1,065 each	\$17,040.00	
16 Sousa Saver sets at \$ 20 each	<u>320.00</u>	\$17,360.00

As indicated above, the bid required that the successful bidder have an in-store repair shop and be able to provide 24 hour repair service to the University Band. The low bidder, Larsen Music Instruments, does not have an in-store repair shop, but utilizes two independent contractors. Larsen is therefore non-responsive to the bid specifications. The Director of University Bands affirms that an in-store repair shop is essential if the vendor is to provide responsive service to the Band for scheduled rehearsals and performances. Accordingly, the Larsen bid cannot be considered.

In reviewing the bid of Norman Music Company, the question arose as to the large difference between the bids. It was determined that Larsen apparently was using a high volume third party distributor in order to obtain a greater discount rate with the manufacturer. Norman Music Company had not planned on using this channel since it was their understanding that such agreements were against the manufacturer's policy. A conversation with the manufacturer indicated they were not enforcing this policy. In a discussion of the difference in bids, Norman Music Company agreed to use a high volume third party distributor and match the bid submitted by Larsen. Norman Music does have an in-store repair shop and has provided excellent service to the University Band for a number of years. The award of a purchase order to Norman Music at the negotiated reduced price of \$965.00 per sousaphone is acceptable to the Director of University Bands.

President Sharp recommended that the Board of Regents approve the award of a purchase order in the amount of \$15,760.00 to the Norman Music Center for the purchase of the 16 sousaphones and sousa saver sets.

Regent Replogle moved approval of the recommendation. The following voted yes on the motion: Regents Brett, Mitchell, Replogle, Engleman, and White. The Chair declared the motion unanimously carried.



## i. Institutional Furniture

Bids were recently circulated for the purchase of six (6) items of institutional furniture for the Norman Campus Furniture Pool. The bid provided for alternates for both wood and metal construction.

The cost of the purchase will be charged to Account 166-024.

A summary of the bids received is as follows. Only the low three bidders are listed.

## Item 1. 13 each executive desks

Modern Office Supply	\$ 2,274.48 (1)
Sears Contract Sales	\$ 2,434.90
Oklahoma Office Supply	\$ 2,561.00

## Item 2. 30 each typing tables

Oklahoma Seating	\$ 828.00
Dowlings	\$ 992.70
Scott-Rice	\$ 1,692.90

## Item 3. 25 each rectangular tables 30 x 48

Virco	\$ 621.85
Dowlings	\$ 884.75
Oklahoma Seating	\$ 1,049.50

## Item 4. 35 each rectangular tables 30 x 60

Virco	\$ 1,076.60
Dowlings	\$ 1,480.15
Oklahoma Seating	\$ 1,681.75

## Item 5. 125 each swivel tilt armchairs

Oklahoma Seating	\$ 7,881.25 (2)
Sears Contract Sales	\$ 8,600.00
Modern Office Supply	\$12,743.75 (1)

(1) Part of all or none bid which was not low, therefore cannot be considered.

(2) Sample provided not acceptable for following reasons:

- a. Welding sloppy and uneven
- b. Frame joints not properly finished with sharp edges
- c. Wood arm separated from metal frame upon slight twist
- d. Upholster application poor and uneven which would cause foam seat to split.

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Item 6. 100 each secretarial posture chairs

Oklahoma Office	\$4,698.00 (1)
Oklahoma Seating	\$4,875.00 (3)
Sears Contract Sales	\$5,320.00

Physical Plant representatives reviewed the bid and are in concurrence with the above analysis. Because the prices bid were lower than anticipated, they requested that the quantities purchased be raised to use all of the funds budgeted for the furniture pool. The increases were as follows:

Item 1	from 13 to 15 each
2	from 30 to 35 each
3	from 25 to 28 each
4	from 35 to 41 each
5	from 125 to 144 each
6	from 100 to 127 each

These increases would result in the following proposed awards. All vendors listed are the low acceptable bids.

Item 1:	Sears 15 each at \$187.30	\$2,809.50
Item 2:	Oklahoma Seating 35 at \$27.60	\$ 966.00
Item 3:	Virco Mfg. 28 at \$24.87	\$ 696.36
Item 4:	Virco Mfg. 41 at \$30.76	\$1,261.16
Item 5:	Sears 144 at \$68.80	\$9,907.20
Item 6:	Sears 127 at \$53.20	\$6,756.40

President Sharp recommended approval to award purchase orders for the purchase of institutional furniture, as follows:

Oklahoma Seating	
Item 2	\$ 966.00
Virco Manufacturing	
Items 3 and 4	\$ 1,957.52
Sears Contract Sales	
Items 1, 5, 6	\$19,473.10
	\$22,396.62

- (1) Part of all or none bid which was not low, therefore cannot be considered.
- (3) Chair unacceptable for same reasons provided in Item 5 above (except no wood arms).

Regent Replogle moved for approval of the recommendation. The following voted yes on the motion: Regents Brett, Mitchell, Replogle, Engleman, and White. The Chair declared the motion unanimously carried.

## VIII. Project Financing

## a. Proposal, Contract and Grant Report

A summary of proposals for contracts and grants for the Norman Campus for May, 1977, as well as a list of all contracts executed during the same period of time on proposals previously reported, was included in the agenda for this meeting.

President Sharp recommended that the President of the University or the President's designees be authorized to execute contracts on the pending proposals as negotiations are completed. The contract budgets may differ from the proposed amounts depending upon these negotiations.

Regent White moved approval of the recommendation. The following voted yes on the motion: Regents Brett, Mitchell, Replogle, Engleman, and White. The Chair declared the motion unanimously carried.

## G. Operations and Physical Plant (Norman Campus)

## I. New Construction

## a. Report on Major Capital Improvements Projects

As shown on the following page 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.

## H. University Development

## VI. Investments

The following recommendations were received from J. & W. Seligman & Co., investment advisers, on May 24:

<u>Amount</u>	<u>Security</u>	<u>Cost</u>	<u>Market Price</u>	<u>Market Value</u>	<u>Est'd. Income</u>	<u>% Yield</u>
<u>PROPOSED SALES</u>						
400 Shs.	Bethlehem Steel	\$14,849	33	\$13,200	\$ 800	6.1
25 Shs.	IBM (leaves 75 Shs.)	5,369	245	6,125	250	4.1
		<u>\$20,218</u>		<u>\$19,325</u>	<u>\$1,050</u>	<u>5.4</u>
<u>PROPOSED PURCHASE</u>						
*500 Shs.	Continental Group		36	<u>\$18,000</u>	<u>\$1,000</u>	<u>5.6</u>

\*Adjust according to cash available.

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The recommendations were approved by the Trust Officer and President Sharp and the transactions have been completed.

President Sharp recommended confirmation of the above investment transactions.

Regent Replogle moved approval of the recommendation. The following voted yes on the motion: Regents Brett, Mitchell, Replogle, Engleman, and White. The Chair declared the motion unanimously carried.

There being no further business the meeting adjourned at 11:45 a.m. for luncheon in Dining Room 1 with the members of the faculty, and their spouses, who had retired this year.

  
Barbara H. James, Executive Secretary of the  
Board of Regents

Others present at all or part of the meeting:

Mr. Gary Bush, Bond Counsel  
Mr. Robert B. Lewis, Leo Oppenheim & Co.  
Mr. Rod Durrell, Leo Oppenheim & Co.  
Mr. Earl Whitman, Purchasing Director  
Dr. Steve Van Hauen, Associate Vice President for Administration and Finance  
Mr. William H. Jordan, Special Assistant to the Vice President for Administration and Finance  
Mr. Pat Corley, President, Employee-Management Council  
Mr. Gene Tyner, President, OU Employees Association  
Ms. Kathy Anderson, Assistant to the Vice President and Project Manager, Administration and Finance  
Dr. Rolando Andrade, Project Specialist, Office of the President  
Mr. Neal Martin, Chair, Student Congress  
Ms. Donna Murphy, Assistant Director of Media Information for New Services  
Mr. Mike Sulzycki, Radio Writer-Producer, Media Information  
Mr. Dave Smeal, Media Information Broadcast Services  
Mr. Larry Lium, Director of Information Services  
Mr. Koy Floyd, Assistant Vice President for University Relations  
Mr. Skip Nicholson, KEBC  
Mr. Jim Bross, The Norman Transcript  
Mr. Brian Stanley, The Oklahoma Daily  
Mr. Dick Pryor, KNOR  
Mr. Ron Turner and photographer, KTVY  
Ms. Jan Meadows, Oklahoma City Times  
Mr. Mark Green, The Oklahoma Daily  
Mr. Tom Daniels, KWTV  
Mr. Jack Bowen and cameraman, KOCO-TV

ARCHITECTURAL AND ENGINEERING SERVICES  
THE UNIVERSITY OF OKLAHOMA

MAJOR CAPITAL IMPROVEMENTS PROGRAM

PROGRESS REPORT, JUNE, 1977

PROJECTS UNDER CONSTRUCTION

Project	Engineers and Architect	Contractor	Contract Award Date	Original Adjusted Completion Date	Original Current Contract Amount	Status (% complete)	Sources of Funds
NORMAN CAMPUS							
Lloyd Noble Center	Binnicker Assoc.	Rayco Construction Company	01/11/73	01/10/75 05/15/75	4,929,000 5,093,961	96%	Student Facilities System Bond of 1971, Private Funds and Student Facilities Fee Reserve
College of Environmental Design	Howard-Samis- Porch, Inc	Novak & Lackey Construction Co., Inc.	01/13/77	07/19/77	644,220 712,313	58%	Bond Funds
Westheimer Field Lighting Project	Carnahan, Thompson, Delano	Williams Electric Co.,	03/10/77	03/25/78	109,987 115,536	0%	FAA Grant, Westheimer Field Auxiliary Services Account
Athletic Dormitory	Coleman-Ervin & Associates	J.J. Cook Constr. Inc.		06/19/78	1,113,388 1,113,388	0%	Athletic Department

ARCHITECTURAL AND ENGINEERING SERVICES  
THE UNIVERSITY OF OKLAHOMA

MAJOR CAPITAL IMPROVEMENTS PROGRAM

PROGRESS REPORT, JUNE, 1977

PROJECTS IN VARIOUS STAGES OF PLANNING

Project	CMP Priority No.	Architect	Contract or Letter	Estimated Cost	Status
NORMAN CAMPUS					
Richards Hall Renovation	1	McCune & McCune	C06/10/76	\$1,137,000	Design development phase plans are being completed
Richards Hall Fixed Equipment	2	McCune & McCune	"	185,120	Will be installed with project funds
Old Science Hall Renovation	4	Shaw Associates, Inc.	C01/22/76	278,000	Schematic plans have been approved
Old Science Hall Fixed Equipment	5	Bass & Associates "	"	68,202	" "
Felgar Hall Renovation	12	Turnbull & Mills	C01/22/76	805,000	Working drawings and specifications have been approved
Felgar Hall Fixed Equipment (Includes TBT Equipment)	13	"	"	18,152	Will be installed with project funds
Nielsen Hall Renovation	18	Howard-Samis- Porch, Inc.	C01/22/76	496,000	Working drawings and specifications have been approved
Nielsen Hall Fixed Equipment	19	"	"	7,157	" "
DeBarr Hall Renovation	21	Turnbull & Mills	C01/22/76	465,295	Working drawings and specifications have been approved
DeBarr Hall Fixed Equipment	22	"	"	10,885	" "
Monnet Hall Conversion	51	--	--	101,500	A reuse study is in process
Law Center - Phase II	53	Stone & Associates	C01/20/72	1,812,000	Design program and schematic plans for this phase of the work are included with the Law Center, Phase I Project
Physical Education Facility	23-A	Reid and Heap	L10/16/66	1,903,000	A feasibility study is in process. Implementation of this project is contingent on development of sources of funding
Student Recreation Center	23-B	"	"	2,612,000	
South Stadium Expansion	--	A&E Services	--	625,000	Inactive
Varsity & Visiting Team Facility	--	"	--	825,000	"
University Parking Structure	--	Benham/Blair & Affiliates, Inc.	--	1,020,000	The future of this project is undergoing review

BOARD OF REGENTS  
OF THE  
UNIVERSITY OF OKLAHOMA

\$7,040,000

UTILITY SYSTEM REVENUE REFUNDING BONDS  
SERIES 1977

DATED: July 1, 1977

Prepared By:

FAGIN, BROWN, BUSH, SELVIDGE & TINNEY  
Attorneys and Counselors at Law  
Suite 2720 First National Center  
Oklahoma City, Oklahoma 73102

BOARD OF REGENTS  
OF THE  
UNIVERSITY OF OKLAHOMA

\$7,040,000  
UTILITY SYSTEM REVENUE REFUNDING BONDS  
SERIES 1977  
DATED: July 1, 1977

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STATE  
OF  
OKLAHOMA  
THE ATTORNEY GENERAL  
LARRY DERRYBERRY

STATE CAPITOL, OKLAHOMA CITY, OKLAHOMA 73105, TELEPHONE 495/521-3921



OFFICIAL OPINION  
No. 21,112

I, the undersigned, the Attorney General and Ex-Officio Bond Commissioner in and for the State of Oklahoma, hereby certify that there has been presented to me a certified transcript of record of proceedings had relative to the issuance of Seven Million Forty Thousand Dollars (\$7,040,000.00), Regents of the University of Oklahoma Utility System Revenue Refunding Bonds, Series 1977 dated July 1, 1977, \$3,150,000.00 Term Bonds, numbered 779-1408, due and payable on the 1st day of January, 2005 at 6.300% interest and \$3,890,000.00 of Serial Bonds numbered from 1 to 778 both inclusive of the denomination of \$5,000.00 each, due and payable on the 1st day of January, in each of the years in the principal amounts and bearing interest from their date as follows:

\$3,890,000 SERIAL BONDS

<u>BOND NOS.</u>	<u>PRINCIPAL</u>	<u>YEAR</u>	<u>INTEREST</u>
1- 24	\$120,000	1978	7.00%
25- 47	\$115,000	1979	7.00%
48- 71	\$120,000	1980	7.00%
72- 96	\$125,000	1981	7.00%
97-123	\$135,000	1982	7.00%
124-152	\$145,000	1983	7.00
153-181	\$145,000	1984	7.00%
182-214	\$165,000	1985	7.00%
215-249	\$175,000	1986	7.00%
250-285	\$180,000	1987	6.05%
286-324	\$195,000	1988	5.10%
325-364	\$200,000	1989	5.25%
365-406	\$210,000	1990	5.35%
407-452	\$230,000	1991	5.45%
453-500	\$240,000	1992	5.55%
501-549	\$245,000	1993	5.65%
550-603	\$270,000	1994	5.75%
604-659	\$280,000	1995	5.90%
660-717	\$290,000	1996	6.00%
718-778	\$305,000	1997	6.00%

Coupon Bonds numbered from 1 to 285, inclusive, maturing

January 1, 1978, to January 1, 1987, inclusive, are not callable for redemption prior to maturity. Coupon Bonds numbered 286 to 1408, inclusive, maturing January 1, 1988, through and including January 1, 2005, are callable for redemption, on and after January 1, 1987, at the option of the Board of Regents, in whole at any time, or in part on any interest payment date in inverse order of maturity and by lot within a maturity, at the redemption prices (expressed as percentages of principal amount) set forth below, in each case together with accrued interest to the date fixed for redemption.

<u>REDEMPTION DATES</u> (Dates Inclusive)	<u>REDEMPTION PRICE</u>
July 1, 1987 to June 30, 1989	103.00%
July 1, 1989 to June 30, 1992	102.00%
July 1, 1992 to June 30, 1995	101.00%
Thereafter prior to maturity	100.00%

The Term Bonds maturing January 1, 2005 are subject to mandatory redemption in part by lot on each January 1 beginning January 1, 1998 in the amounts and on the dates set forth below, at par together with accrued interest:

<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>
1998	\$325,000	2002	\$400,000
1999	\$345,000	2003	\$420,000
2000	\$360,000	2004	\$450,000
2001	\$380,000		

Upon such redemption, Bonds in the principal amount of \$470,000 shall, unless previously redeemed or purchased, remain outstanding and be due and payable on January 1, 2005.

The Bonds are also subject to redemption upon special conditions as set out on the face thereof.

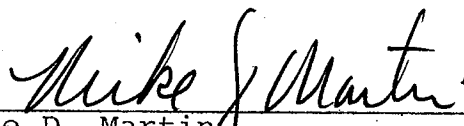
Notice of redemption shall be given by the Bank not less than thirty days prior to the date fixed for redemption by notice sent by registered mail to the holder or holders of the Bonds to be redeemed, directed to the addresses shown on the Registrar's registration books. If any Bond to be so redeemed is not fully registered or registered as to principal, at least thirty days' notice shall be given through publication of an appropriate notice in a financial newspaper or journal published in the English language in the

City of Oklahoma City, Oklahoma, and sent by registered mail to banks at which the Bonds are payable. Interest shall be payable semi-annually on the 1st day of January and July of each year, except the first coupons mature on the first day of January, 1978; that after careful examination of said transcript and of the executed bonds, I find such proceedings regular and in full compliance with the Constitution and laws of the State of Oklahoma; that I have approved said bonds as having been regularly and legally issued in accordance with the Constitution and laws of the State of Oklahoma and with the forms and method of procedure adopted for this issue by me as said Bond Commissioner; that I have endorsed my certificate of approval on each bond; and that the laws of said state provide that said bonds are incontestable in any court of the State of Oklahoma after thirty days from this date.

IN WITNESS WHEREOF, I have hereunto set my official hand this 12th day of June, 1977.



Attorney General, Ex-Officio  
Bond Commissioner of the State  
of Oklahoma

By   
Mike D. Martin  
Assistant Attorney General

FAGIN, BROWN, BUSH, SELVIDGE & TINNEY

ATTORNEYS & COUNSELORS AT LAW

SUITE 2720 FIRST NATIONAL CENTER

OKLAHOMA CITY, OKLAHOMA 73102

GEORGE J. FAGIN  
 J. SCOTT BROWN  
 GARY M. BUSH  
 MARK F. SELVIDGE  
 MICHAEL D. TINNEY

July 13, 1977

405-235-3413

We have examined into the validity of Regents of the University of Oklahoma Utility System Revenue Refunding Bonds, Series 1977, in the aggregate amount of \$7,040,000, numbered from one to 1408, inclusive, in the denomination of \$5,000 each, dated July 1, 1977, being coupon bonds registrable as to principal only or convertible into fully registered bonds of \$5,000 denomination, or with respect to principal maturing on the same date, in multiples of \$5,000. \$3,890,000 being serial bonds shall mature serially in numerical order on January 1 of each of the years 1978 to 1997, inclusive, and \$3,150,000 being term bonds shall mature on January 1, 2005. The Bonds shall bear interest payable semi-annually on January 1 and July 1 of each year beginning January 1, 1978 according to the following schedule:

\$3,890,000 SERIAL BONDS

<u>BOND NOS.</u>	<u>PRINCIPAL</u>	<u>YEAR</u>	<u>INTEREST</u>
1-24	\$120,000	1978	7.00%
25-47	115,000	1979	7.00
48-71	120,000	1980	7.00
72-96	125,000	1981	7.00
97-123	135,000	1982	7.00
124-152	145,000	1983	7.00
153-181	145,000	1984	7.00
182-214	165,000	1985	7.00
215-249	175,000	1986	7.00
250-285	180,000	1987	6.05
286-324	195,000	1988	5.10
325-364	200,000	1989	5.25
365-406	210,000	1990	5.35
407-452	230,000	1991	5.45
453-500	240,000	1992	5.55
501-549	245,000	1993	5.65
550-603	270,000	1994	5.75
604-659	280,000	1995	5.90
660-717	290,000	1996	6.00
718-778	305,000	1997	6.00

\$3,150,000 TERM BONDS

<u>BOND NOS.</u>	<u>PRINCIPAL</u>	<u>YEAR</u>	<u>INTEREST</u>
779-1408	\$3,150,000	2005	6.30%

MANDATORY REDEMPTION OF TERM BONDS

The Term Bonds maturing January 1, 2005 are subject to mandatory redemption in part by lot on each January 1 beginning January 1, 1998 in the amounts and on the dates set forth below, at par together with accrued interest:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
1998	\$325,000	2002	\$400,000
1999	345,000	2003	420,000
2000	360,000	2004	450,000
2001	380,000		

Upon such redemption, Bonds in the principal amount of \$470,000 shall, unless previously redeemed or purchased, remain outstanding and be due and payable on January 1, 2005.

Bonds maturing January 1, 1988, through and including January 1, 2005, are callable for redemption, on and after July 1, 1987, at the option of the Board of Regents, in whole at any time, or in part on any interest payment date in inverse order of maturity and by lot within a maturity, at the redemption prices (expressed as percentages of principal amount) set forth below, in each case together with accrued interest to the date fixed for redemption.

<u>Redemption Dates</u> <u>(Dates Inclusive)</u>	<u>Redemption</u> <u>Price</u>
July 1, 1987 to June 30, 1989	103%
July 1, 1989 to June 30, 1992	102%
July 1, 1992 to June 30, 1995	101%
Thereafter prior to maturity	100%

The Bonds are also subject to redemption upon the special conditions as set out on the face thereof.

We have examined the Constitution and statutes of the State of Oklahoma, certified copies of the proceedings of the Board of Regents of the University of Oklahoma, and other documents and proceedings pertaining to the Bonds

and the authorization and execution thereof, including among others the Bond Resolution approved July 26, 1973, and a Supplemental Bond Resolution approved on June 9, 1977 (herein together called "Bond Resolution"), and the Trust Agreement dated as of July 26, 1973, as supplemented by a Supplemental Trust Agreement dated as of June 9, 1977, both said Trust Agreements being by and between the Board of Regents of the University of Oklahoma and The First National Bank and Trust Company of Oklahoma City. We have also examined the form of the Utility Service Agreement and the Control Service Agreement, both dated as of July 1, 1973, and certified copies of such other documents of the Board of Regents and various other entities which have entered into aforesaid agreements with the Board of Regents as we have deemed necessary and advisable. We have also examined executed coupon bond numbered One and the coupons attached thereto.

It is our opinion that the Bonds have been duly authorized and constitute valid and legally binding special obligations of the Regents of the University of Oklahoma, issued on a parity with the Regent's outstanding \$10,125,000 Utility System Revenue Bonds, Series 1973, and are payable solely from revenues derived from the operation of a Steam and Chilled Water Plant and computerized monitoring system located on the University Health Sciences Center all as more fully set out in the aforesaid Bond Resolution, to which Bond Resolution reference is hereby made for a more complete description of the nature and extent of the security for the Bonds and the conditions under which bonds may be issued in the future on a parity with said issue of Bonds. In our opinion, the documents and proceedings referred to above are valid and binding in accordance with their terms, the Bonds and the execution thereof have been duly authorized and all conditions precedent to the delivery of the Bonds have been fulfilled.

It is our further opinion, based on existing statutes and decisions, that interest on said Bonds is exempt from present Federal and State income taxes.

Respectfully submitted,

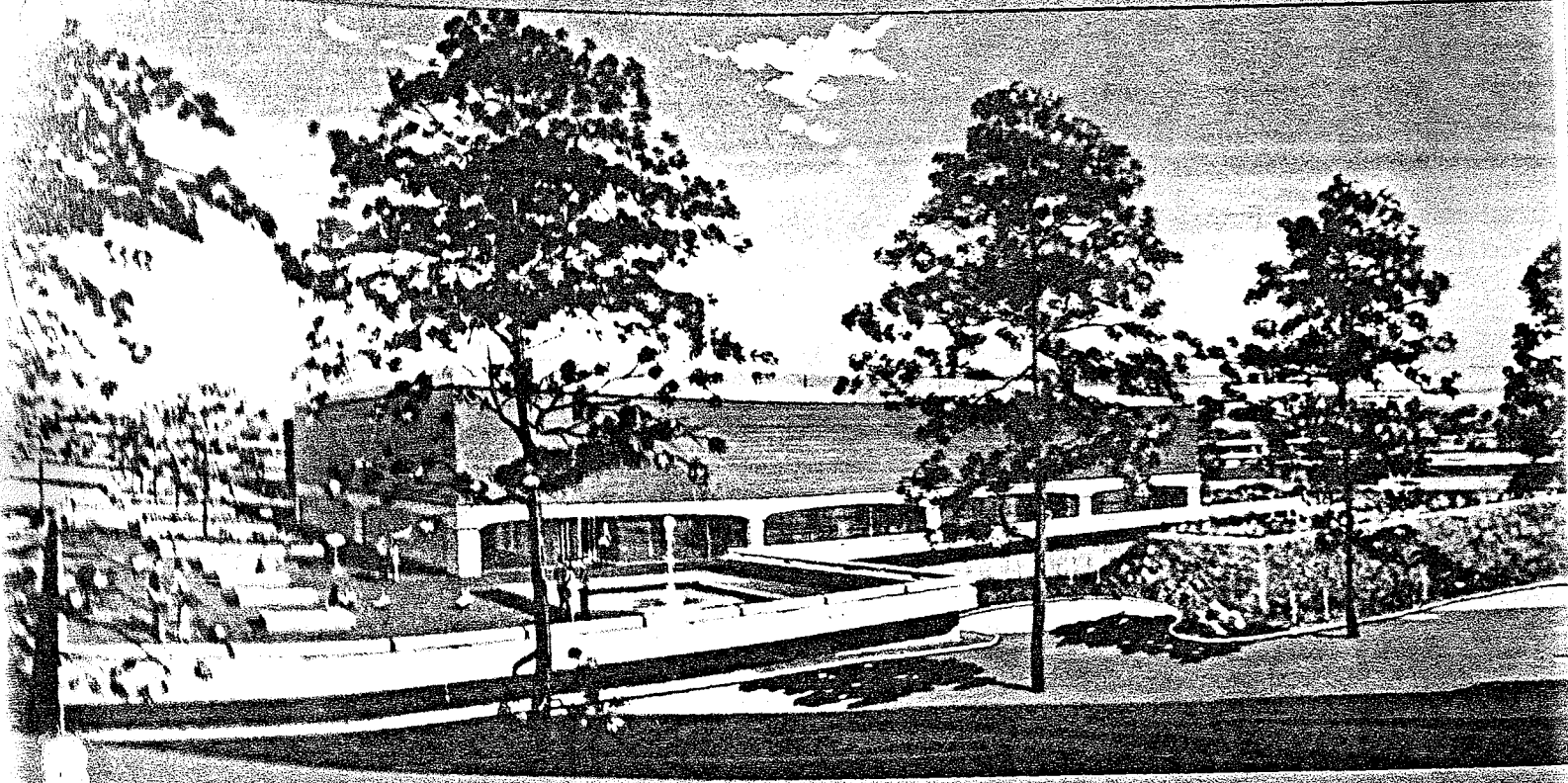
*Walter Brown, Esq.*  
*Selwidge & Summey*

**Official Statement**

**Board of Regents  
of the  
University of Oklahoma**

**\$7,040,000**

**Utility System Revenue Refunding Bonds  
Series 1977**





The Bonds are offered only by means of this Official Statement. This Official Statement does not constitute an offering of any security other than the Bonds specifically offered hereby. It does not constitute an offer to sell or a solicitation of an offer to buy the Bonds in any State or jurisdiction to any person to whom it is unlawful to make such offer, solicitation or sale, and no dealer, broker, salesman or other person has been authorized to make such unlawful offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement in connection with the offering of the Bonds and, if given or made, such other information or representations must not be relied upon.

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Exhibits

- A - Annual Debt Service Requirements
- B - Statement of Debt Service Requirements on Series 1973 and Series 1977 Bonds



Exhibits (Continued)

- C - General Description of Central Steam and Chilled Water Plant
- D - Form of Utility Service Agreement
- E - Form of Control Service Agreement
- F - Form of Certified Public Accountants' Certification
- G - Form of Engineers Certification
- H - Accountants' Report on Financial Statements and Financial Statements
- I - The University of Oklahoma Statement of Outstanding Bonds
- J - Summary of Certain Provisions of the Refunding Escrow Agreement

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The Bonds are offered when, as and if issued and received by the Underwriters, subject to prior sale, to withdrawal or modifications of the offer without any notice, and to the approval of legality of the Bonds by Fagin, Brown, Bush, Selvidge & Tinney, Oklahoma City, Oklahoma, Bond Counsel. It is expected that the Bonds in definitive form will be available for delivery to the Underwriters in Oklahoma City, Oklahoma, on or about July 13, 1977.

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THE UNIVERSITY OF OKLAHOMA

BOARD OF REGENTS

Mr. Thomas R. Brett, Tulsa  
President

Mr. Richard A. Bell, Norman

Bob G. Mitchell, M.D., Sallisaw  
Vice President

Mr. Dee A. Replogle, Jr., Oklahoma City

Mr. Charles E. Engleman, Clinton

Mr. K. D. Bailey, Okmulgee

Ronald H. White, M. D., Oklahoma City

UNIVERSITY OFFICIALS INCLUDE

Dr. Paul F. Sharp, President

William G. Thurman, M.D., Provost, Health Sciences Center

Dr. Gene M. Nordby, Vice President for Administration & Finance

UNIVERSITY COUNSEL

Mr. Thomas H. Tucker, Chief Counsel

ENGINEERS

Carnahan-Thompson-Delano, Inc.,  
Oklahoma City, Oklahoma

BOND COUNSEL

Fagin, Brown, Bush, Selvidge & Tinney,  
Oklahoma City, Oklahoma

FINANCIAL CONSULTANT

Leo Oppenheim & Co., Inc.  
Oklahoma City, Oklahoma

The information contained in this Official Statement has been compiled from sources believed to be reliable. This Official Statement contains estimates and matters of opinion which are not intended as representative of fact. This Official Statement is not to be construed as a contract with the purchasers of the Bonds.

THE DATE OF THE OFFICIAL STATEMENT IS JULY 1, 1977.

Interest exempt, in the opinion of Bond Counsel, from all present Federal and State of Oklahoma Income Taxes under existing statutes, regulations and court decisions.

OFFICIAL STATEMENT

NEW ISSUE

Moody's: Con. (A)  
Standard & Poor's: A

\$7,040,000

REGENTS OF THE UNIVERSITY OF OKLAHOMA

UTILITY SYSTEM REVENUE REFUNDING BONDS, SERIES 1977

Dated: July 1, 1977

Due: January 1, as shown below

Principal and semi-annual interest (January 1 and July 1, first coupon payable January 1, 1978) are payable at The First National Bank and Trust Company of Oklahoma City, Oklahoma City, Oklahoma, (the "Bank"); or at the option of the holder thereof at the Fiscal Agency of the State of Oklahoma in the City of New York, New York; or in the event of the discontinuance of that Agency, then at The Chase Manhattan Bank (National Association), New York, New York. The Regents of the University of Oklahoma Utility System Revenue Refunding Bonds, Series 1977, (the "Bonds"), are issued in the form of coupon bonds in the denomination of \$5,000 each registrable as to principal only, or in fully registered form in \$5,000 denominations, or with respect to principal maturing on the same date, in multiples thereof. The Bonds are subject to redemption prior to maturity as described elsewhere herein. The Bonds are not an indebtedness of the State of Oklahoma, the University of Oklahoma, (the "University") or the Board of Regents of the University of Oklahoma, (the "Board of Regents"), but are special obligations of the University payable solely from certain pledged revenues of the Plant as hereinafter defined. The Bonds are being issued to provide funds to advance refund the outstanding portion of the \$6,500,000 Board of Regents Utility System Revenue Bonds, Series 1975. The Bonds will be equally and ratably secured with the \$10,125,000 principal amount Regents of the University of Oklahoma Utility System Revenue Bonds, Series 1973, which bonds are not being refunded.

MATURITY SCHEDULE

The Bonds are dated July 1, 1977, and are due on January 1 of each year and in the principal amounts as shown on the following page:

\$3,890,000 Serial Bonds

<u>Matur</u> <u>Da</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Maturity</u> <u>Date</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u>
1-1-78	\$120,000	7.00%	3.30%	1-1-88	\$195,000 *	5.10%	100%
1-1-79	115,000	7.00	3.60	1-1-89	200,000 *	5.25	100
1-1-80	120,000	7.00	3.80	1-1-90	210,000 *	5.35	100
1-1-81	125,000	7.00	4.00	1-1-91	230,000 *	5.45	100
1-1-82	135,000	7.00	4.25	1-1-92	240,000 *	5.55	100
1-1-83	145,000	7.00	4.50	1-1-93	245,000 *	5.65	100
1-1-84	145,000	7.00	4.65	1-1-94	270,000 *	5.75	100
1-1-85	165,000	7.00	4.80	1-1-95	280,000 *	5.90	100
1-1-86	175,000	7.00	4.90	1-1-96	290,000 *	6.00	100
1-1-87	180,000	6.05	5.00	1-1-97	305,000 *	6.00	100

\$3,150,000 \* 6.30% Term Bonds due January 1, 2005, subject to  
mandatory redemption by lot at par beginning January 1, 1998

Price: 100%

(Plus Accrued Interest)

\* Subject to optional redemption beginning July 1, 1987, as more fully described on page 7.

THE UNIVERSITY OF OKLAHOMA AND THE BOARD OF REGENTS

The University is a member of The Oklahoma State System of Higher Education that includes all collegiate institutions in Oklahoma supported wholly, or in part, by State appropriations. The government of the University is vested in the Board of Regents, a constitutional board of seven members appointed by the Governor of the State of Oklahoma for staggered seven year terms, subject to confirmation by the State Senate. Members of the Board of Regents are listed on Page 3 of this Official Statement. The Board of Regents issues bonds under the provisions of Title 70, Oklahoma Statutes, 1971, Sections 4001 to 4014, inclusive, as amended.

PLAN OF FINANCING

The purpose of this Official Statement, including the Exhibits hereto, is to give certain essential facts relating to the Board of Regents and the University in connection with the offering of \$7,040,000 Regents of the University of Oklahoma, Utility System Revenue Refunding Bonds, Series 1977, dated July 1, 1977. The Bonds are issued pursuant to a 1977 Supplemental Bond Resolution dated as of July 1, 1977 under which the Bank is Trustee. The Bank is also serving as the Escrow Agent under the Refunding Escrow Agreement described herein.

The University issued \$6,500,000 principal amount Utility System Revenue Bonds, Series 1975 dated January 1, 1975, (the "Series 1975 Bonds"), on February 18, 1975, pursuant to a Supplemental Bond Resolution, (the "1975 Supplemental Bond Resolution") dated as of January 1, 1975, under which The First National Bank and Trust Company of Oklahoma City, Oklahoma City, Oklahoma, serves as Trustee. Of the Series 1975 Bonds, \$6,360,000 will be outstanding as of July 13, 1977. The proceeds of

the Series 1975 Bonds were used by the University to make Phase III and IV additions to: the Steam and Chilled Water Plant, (the "Plant"), at the Oklahoma Health Center (the "Center"), in Oklahoma City, Oklahoma, to fund capitalized debt service, the Bond Fund Reserve Account and the Repair and Replacement Fund, and to pay expense incurred in connection with the issuance of the Series 1975 Bonds. The University has determined that a refunding of the Series 1975 Bonds is in its best interest to obtain significant savings in total debt service payable on the Series 1975 Bonds which savings will benefit the University and other entities at the Center using the Central Steam and Chilled Water Plant System. Consequently, the University proposes to advance refund the Series 1975 Bonds and to effect a discharge of the lien of the 197 Supplemental Bond Resolution

The monies required to refund the Series 1975 Bonds will come from the net proceeds of the Bonds. The net proceeds of the Bonds will be used to purchase direct and general obligations of the United States of America, specifically United States Treasury Obligations, State and Local Government Series (the "Government Securities") in an aggregate principal amount of \$6,952,000 and to deposit \$569.70 into the Refunding Escrow Account. The Government Securities will bear interest and mature at such times and in such amounts that sufficient monies will be available from the Government Securities for the following purposes:

- A. To pay, when due and payable, all principal of and interest on the outstanding Series 1975 Bonds to and including January 1, 1985; and
- B. To redeem at January 1, 1985, the \$5,550,000 principal amount of the then outstanding Series 1975 Bonds at a redemption price of 104% of the principal amount being redeemed (the Series 1975 Bonds maturing January 1, 1985 and thereafter are subject to optional redemption from January 1, 1985 to December 31, 1987 at a redemption price of 104% of principal amount, plus accrued interest to the date fixed for redemption).

The Government Securities will be held in a Refunding Escrow Account by the Bank as Escrow Agent pursuant to a Refunding Escrow Agreement between the University and the Bank dated as of July 1, 1977. Exhibit J to this Official Statement contains a summary of certain provisions of the Refunding Escrow Agreement.

The Government Securities will be purchased by the University from the Treasury Department of the United States of America with interest rates which will cause the actuarial yield thereon (computed in accordance with the provisions of Section 103(c) of the Internal Revenue Code of 1954, as amended, (the "Code"), and the regulations applicable thereto) not to exceed the actuarial yield on the Bonds.

On September 12, 1973, the University issued \$10,125,000 principal amount Utility System Revenue Bonds, Series 1973, dated July 1, 1973, (the "Series 1973 Bonds"), pursuant to a Bond Resolution, (the "Series 1973 Bond Resolution"), dated as of July 1, 1973, under which The First National Bank and Trust Company of Oklahoma City, Oklahoma City, Oklahoma, serves as Trustee. Of the Series 1973 Bonds, \$9,590,000 will be outstanding as of July 13, 1977. The proceeds of the Series 1973 Bonds were used by the University to acquire the original Phase I of the Plant from the Oklahoma University Development Authority, to make Phase II additions to the Plant, to fund capitalized debt service, the Bond Fund Reserve Account and the Repair and Replacement

Fund, and to pay expenses incurred in connection with the issuance of the Series 1973 Bonds. The Series 1973 Bonds are not being refunded. The Bonds will be equally and ratably secured with the Series 1973 Bonds.

THE BONDS

DESCRIPTION OF THE BONDS

The Bonds are issued in the form of coupon bonds in the denomination of \$5,000, registrable as to principal only, or in fully registered form in the denomination of \$5,000, or with respect to principal maturing on the same date, in any multiple thereof, are dated July 1, 1977, and will mature serially on each January 1 from 1978 to January 1, 1997, inclusive, and will also mature as term bonds due January 1, 2005, subject to annual mandatory redemption beginning January 1, 1998. The Bonds will be issued in the principal amounts and bear interest at the rates set forth on page 5 of this Official Statement. The principal of and semi-annual interest (January 1 and July 1, first coupon payable January 1, 1978) are payable at the Bank or at the option of the Bondholder at the Fiscal Agency of the State of Oklahoma in the City of New York, New York, or in the event of the discontinuance of that Agency, then at The Chase Manhattan Bank (National Association), New York, New York.

REDEMPTION PROVISIONS

The Bonds are not subject to redemption prior to July 1, 1987, except as described herein.

- A. Optional Redemption - The Bonds maturing in the years 1978 to 1987, inclusive, are not subject to redemption prior to maturity. The Bonds maturing in the year 1988 and thereafter are subject to redemption at the option of the Board of Regents, in whole at any time, or in part in inverse order of maturity and by lot within a maturity on any interest payment date, on and after July 1, 1987, at the respective redemption prices (expressed as percentages of principal amount) set forth below, plus, in each case, accrued interest to the date fixed for redemption.

<u>Redemption Dates</u> <u>(Dates Inclusive)</u>	<u>Redemption</u> <u>Price</u>
July 1, 1987 to June 30, 1989	103%
July 1, 1989 to June 30, 1992	102%
July 1, 1992 to June 30, 1995	101%
Thereafter prior to maturity	100%

- B. Mandatory Bond Fund Redemption - The Term Bonds are subject to mandatory redemption, in part by lot, on each January 1, beginning January 1, 1998, at the principal amount thereof and accrued interest, as shown below:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
1998	\$325,000	2002	\$400,000
1999	345,000	2003	420,000
2000	360,000	2004	450,000
2001	380,000	2005	470,000

- C. Extraordinary Event Redemption - The Bonds are also subject to redemption prior to maturity in whole or in part at any time, in inverse order of maturities and by lot within a maturity, if such redemption is made: (i) from insurance proceeds; (ii) from expropriation awards; and (iii) from the proceeds of the sale of all or a part of the properties acquired and constructed by the Series 1973 and Series 1975 Bonds or future parity 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 (i) if such redemption is made prior to July 1, 1987, a premium on each Bond so redeemed equal to one year's interest thereon; and (ii) 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 in paragraph A above.

#### SECURITY FOR THE BONDS

This issue of Bonds is a special obligation of the Board of Regents of the University of Oklahoma and is secured by a first lien and pledge of revenues of the Plant payable pari passu with the Series 1973 Bonds. The Plant is built upon land, rights-of-way and easements owned by the University of Oklahoma. The Board of Regents covenant in the Series 1973 Bond Resolution dated as of July 1, 1973, and the Trust Agreement dated July 26, 1973, between the University and the Bank, as supplemented by the 1977 Supplemental Bond Resolution and the 1977 Supplemental Trust Agreement (collectively, the "Bond Resolution"), to impose and collect utility service charges for steam and chilled water produced by the Plant and per point charges for the computerized control system which shall be sufficient to permit the prompt payment of the debt Service Requirements specified under the Bond Resolution.

As additional security, the Bank or the holder or holders of a specified percentage of the Bonds shall have the right to enter into possession of the Plant and to operate it until a default is remedied or until all bonded indebtedness related to the Plant is retired, whichever shall first occur.

The Bonds are not an indebtedness of the State of Oklahoma, the University, or the Board of Regents, but are a special obligation payable pari passu with the Series 1973 Bonds solely from the pledged revenues of the Plant.

#### ADDITIONAL BONDS

The Bond Resolution provides that additional bonds may be issued by the Board of Regents without consent of the Bondholders if certain conditions are met. These conditions include, among other things, that the estimated net revenues to be derived from the Plant shall in the year following the initial use of Plant facilities be at least equal to the annual amount of debt service requirements on all bonds, including the additional bonds to be issued. Additional bonds, if issued, would be equally secured with the Bonds and the Series 1973 Bonds. There is no restriction on the issuance of junior lien or refunding bonds.

#### RISKS OF BONDHOLDERS

The factors described herein are not intended to be definitive or exhaustive, but rather are some factors an investor should consider, among other things, in deciding whether to purchase any of the Bonds.

The Bonds are payable solely from the revenues derived from the ownership and operation of the Plant. The basic fuel for the operation of the Plant is natural gas. Reference is made to the section entitled "The Plant - Fuel for the Plant" for further discussion of that aspect. The University of Oklahoma Health Sciences Center and other entities which purchase the services of the Plant on a year to year contractual basis are all involved in the health care field. Changes in demand for, provision of, regulation of, funding of, or other factors affecting health care services may adversely affect the demand for the services of the Plant. Therefore, the continued existence and operation of the various entities which purchase the services of the Plant are important to the overall success of the Plant system. The reduction of usage by customers could result in an increase in cost of services for customers and, although the University has agreed to pay for all costs of the Plant, the discontinuance of customers could create, as a practical matter, an economic burden on the ability of the University and the Plant to pay debt service requirements on the Series 1973 Bonds and the Bonds.

#### USE OF BOND PROCEEDS

The University estimates the funds needed to advance refund the Series 1975 Bonds and to pay the expenses in connection with the Bonds and the sources of those funds to be as follows:

#### SOURCES OF FUNDS

Principal Amount of Revenue Bonds	\$ 7,040,000.00
Earnings on Escrow Account	<u>3,057,586.55</u>
	<u>\$10,097,586.55</u>

#### USES OF FUNDS

Total Principal Requirements of Series 1975 Bonds	\$ 6,360,000.00
Total Interest Requirements of Series 1975 Bonds from July 1, 1977 to January 1, 1985	3,428,156.25
Call premium payable on January 1, 1985 (4% of \$5,550,000)	<u>222,000.00</u>
Total Series 1975 Resolution Requirements	\$10,010,156.25
Legal, Financial and Expenses (contingent)	<u>87,430.30</u>
	<u>\$10,097,586.55</u>

#### THE PLANT

#### PHASE I

Phase I of the Plant was financed through the issuance of \$6,000,000 Oklahoma University Development Authority Utility Revenue Bonds in 1970. This resulted in the development of the entire Plant site, the construction of a two-story building



and related facilities, the purchase and installation of two water chillers (1,000 ton and 2,000 ton capacities) and two steam boilers (totaling 120,000 pounds per hour steam capacity), the installation of two 3,000 ton cooler tower cells, the construction of 3,000 feet of concrete tunnels (distribution system) to service initial customers, and service facilities. This construction was completed and put into active service on April 30, 1972.

## PHASE II

Prior to proceeding with Phase II additions to the Plant, the Board of Regents determined that it was in the best interest of the University of Oklahoma and the State of Oklahoma that they acquire the then present facilities before proceeding with the Phase II program. Accordingly, the Plant was purchased from the Oklahoma University Development Authority from a portion of the proceeds of the \$10,125,000 Board of Regents of the University of Oklahoma Utility System Revenue Bonds, Series 1973, which were sold on July 26, 1973 and were delivered on September 12, 1973. Title to the Plant passed from the Oklahoma University Development Authority to the Board of Regents on September 12, 1973. The remaining portion of the Series 1973 Bonds, less fees and expenses, funded Phase II additions to the Plant which provided steam and chilled water and a computerized control system to Presbyterian Hospital and other major buildings at the Center with the addition to the Plant of approximately 3,400 feet of tunnels constructed and one 3,000 ton steam turbine driven water chilling unit and one 60,000 pounds per hour boiler.

## PHASE III

Phase III additions to the Plant provided the addition to the Plant of construction of a 100' x 100' addition to the building; installation of one 60,000 pounds per hour boiler, one 3,000 ton steam turbine driven water chilling unit with appurtenances, one deaerating heater with boiler feed pump and miscellaneous appurtenances, and one 500 ton motor driven chiller with pumps; and tunnel extensions to new customers. These additions provided greater capacity to serve the expansion of Oklahoma Children's Memorial Hospital, and the University's Bio-Medical Sciences Building and Dental Sciences Building.

## PHASE IV

Phase IV additions to the Plant provided the additions to the Plant of one 60,000 pounds per hour boiler, one 3,000 ton steam turbine driven water chilling unit with appurtenances and construction of a water well. This expansion served the University's College of Nursing Building, the McGee Eye Institute and will provide for the University's Library and Learning Resources Center. This phase was completed in 1976.

## FUEL FOR THE PLANT

Natural gas is the basic fuel for the Plant. The gas is supplied by Oklahoma Natural Gas Company under a contract that was for an original term of five (5) years from April 25, 1972. Since the expiration of the original term, the contract is renewable from year to year and may be terminated at the expiration of any yearly renewal by

either party on 30 days written notice. The contract provides for an automatic adjustment for cost of purchased gas and taxes. The contract is one of "first interruptible" service. The Plant can readily be converted to fuel oil for emergency, alternate or continuous use. There is buried storage of approximately 100,000 gallons of fuel oil, or enough for an 8-10 day supply for Plant operation at limited output. In the opinion of the Engineers, such storage capacity would not be adequate for continuous operation on fuel oil. In operation of the Plant, the University has experienced no interruptions in supply of natural gas. However, because of the current national energy crisis, possible shortages of energy supplies and the nature and effect of present or future governmental regulation, no assurance can be given that fuel supplies will be available in quantities needed by the Plant.

#### ENGINEERING REPORT

Carnahan-Thompson-Delano, Inc., (the "Engineers"), have prepared an engineering report on the Plant, a copy of which is attached as Exhibit C.

#### UTILITY SERVICE AGREEMENTS

Utility Service Agreements have been entered into with each of the other customers of the heating and cooling system on a year to year contractual basis, providing that rates shall be adjusted monthly if necessary to assure that the revenues are at least adequate to provide for the payment of debt service, operation and maintenance costs, and deposits to the funds and reserves as provided in the Bond Resolution and to meet the other requirements of the Bond Resolution. These customers include the State of Oklahoma Department of Health, the State of Oklahoma Department of Institutions, Social and Rehabilitative Services, the Oklahoma Medical Research Foundation, University Hospital, Presbyterian Hospital, Presbyterian Doctors Office Building and McGee Eye Institute. The University as a primary user of services of the Plant has covenanted in the Bond Resolution to maintain such rates and charges which when added to the revenues derived from other customers will be at all times sufficient for the purposes required by the Bond Resolution.

Each customer under contract agrees to not purchase heating and cooling services for its buildings at the Center from any other sources, and to not build a heating and cooling system to provide services to its buildings at the Center, as long as their Utility Service Agreement is in effect, except for such services that are beyond the capacity of the Plant.

The Board of Regents 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 Board of Regents deems are material. Notwithstanding such covenant, the University retains the right, upon three years written notice, to demand and receive all or part of the services of the Plant sold or disposed of to other parties.

The Utility Service Agreement provides 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. All customers agree to pay their respective rates and charges from any legally available revenues (which include budgeted and unrestricted or undesignated revenues). The Oklahoma

Medical Research Foundation's obligation to pay is not subject to such restriction. The loss of any customer will require the Board of Regents 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. The Utility Service Agreements with these remaining 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) which 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 Bank.

In summary, various entities located at the Center have agreed to utilize the services of the Plant including the State of Oklahoma Department of Health, the State of Oklahoma Department of Institutions, Social and Rehabilitative Services, the Oklahoma Medical Research Foundation, University Hospital, Presbyterian Hospital, Presbyterian Doctors Office Building and McGee Eye Institute, all in addition to the services required by the University of Oklahoma buildings. However, the Veterans Administration Hospital, located at the Center, does not use the services of the Plant.

A copy of the form of a Utility Service Agreement is attached as Exhibit D. All of the other Agreements follow this same format.

#### CONTROL SERVICE AGREEMENTS

The initial project included the installation in the Plant of a Johnson T-6500 computerized central control panel and cable in the tunnels extending to the initial group of buildings being served. The facility began its initial operation in June of 1973 and is of great benefit in improving the quality of operation in the University buildings and in reducing maintenance and operating costs for the University in operating the heating and cooling systems throughout the Center. It will record and control in specific buildings and areas temperature, humidity, security, report malfunctions, measure quantity of service, and such other things, all from one central point.

A copy of the form of a Control Service Agreement is attached as Exhibit E. All of the other Agreements follow this same format.

#### CUSTOMERS OF THE PLANT

The University of Oklahoma - The University of Oklahoma Health Sciences Center, (the "Health Sciences Center"), located at the Oklahoma Health 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 Oklahoma State System of Higher Education separate from the University's main campus at Norman, Oklahoma. As such 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.

Since 1929, all of the University's medical departments, hospitals, outpatient clinics and medical libraries have been consolidated at the Health Sciences Center, which now includes the College of Medicine, College of Nursing, College of Dentistry, College of Pharmacy, College of Health and the Graduate College. Principal facilities include five major academic buildings, such as Basic Science Education, College of Medicine, College of Nursing, Dental Clinical Sciences and Bio-Medical Sciences, a medical research building, a service center and various smaller structures.

Oklahoma Medical Research Foundation - The Oklahoma Medical Research Foundation's facilities, located in the Center, utilize the services of the Plant. The Foundation is a non profit corporation employing approximately 350 persons. Research activities are primarily in heart disease, cancer and blood disorders. Outpatient clinic facilities have recently been expanded following the relocation of the Foundation's 20 inpatient bed facilities to the Presbyterian Hospital. The Foundation also has a two story addition to its facilities under construction which will use the services of the Plant.

University Hospital - University Hospital which has utilized the services of the Plant since it commenced operation was transferred from the Board of Regents to the Board of Trustees of the University Hospital in 1973. The 317 bed University Hospital continues to utilize the services of the Plant.

The State of Oklahoma Department of Health - The State of Oklahoma 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 contains nine stories of offices and three floors of laboratories and brings together the Department's main facilities, which for several years have been located in a number of scattered buildings in the Oklahoma City area. The Department is a part of the State Government and also derives a substantial part of its budget from the Federal Government.

Presbyterian Group - Presbyterian Hospital also utilizes the services of the Plant. The Hospital contains 303 beds. Other members of the Presbyterian Group are the McGee Eye Institute and the Presbyterian Doctor's Office Building. A new facility for the Oklahoma City Clinic is under construction which would also utilize the services of the Plant.

Department of Institutions, Social and Rehabilitative - This Department is responsible for the operation of Oklahoma Childrens Memorial Hospital. This Hospital currently has 148 licensed beds. The Hospital includes an original portion, a new East Wing and a West Wing which has just been completed. Projected capacity of this Hospital is 400 beds. The Hospital utilizes the services of the Plant.

## FUTURE PHASES

With completion of the Plant building under Phase III, and equipment additions under Phase IV, future expansion will consist primarily of mechanical equipment, tunnel extensions, and service connections. The time intervals will depend upon the progress rate of expansion in the Center and other factors. Future expansion, if undertaken, may be financed with revenue bonds that would be equally secured with the Series 1973 Bonds and the Bonds.

## SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION

The following is a summary of certain provisions of the Utility System Revenue Bonds, Series 1973 Bond Resolution by the University, dated as of July 1, 1973, as supplemented by the 1977 Supplemental Bond Resolution dated as of July 1, 1977. Reference is made to the Bond Resolution for a complete recital of its terms and provisions. The word "Bonds" as used in this section of the Official Statement means all bonds issued pursuant to the Series 1973 Bond Resolution, as supplemented from time to time

## BOND PROCEEDS

The 1977 Supplemental Bond Resolution provides that the proceeds of the Series 1977 Bonds, excluding accrued interest, if any, shall be deposited with the Treasurer of the State of Oklahoma to the credit of a special account entitled the "University of Oklahoma Utility System Revenue Refunding Bonds, Series 1977 Bond Proceeds Fund", (the "Bond Proceeds Fund"). Monies contained in the Bond Proceeds Fund shall be drawn upon, with proper authorization, for the following purposes:

- A. To pay the professional and miscellaneous expenses incidental and necessary to the issuance of the Series 1977 Bonds; and
- B. To transfer the remaining proceeds of the Series 1977 Bonds to the Refunding Escrow Account created pursuant to the Refunding Escrow Agreement to be applied toward the purchase of the Government Securities.

Accrued interest shall be paid to the Bank at the time the Series 1977 Bond proceeds are received. The Bank shall deposit such accrued interest in the Interest Account of the University of Oklahoma Utility System Revenue Bonds, Series 1973, Bond Fund, (the "Bond Fund").

## USE OF FUNDS AND ACCOUNTS

The Funds and Accounts, with the exception of the Bond Proceeds Fund, have been established pursuant to the Series 1973 Bond Resolution. All amounts required to be set aside or accrued for the payment of the Series 1977 Bonds, with the exception of the Bond Proceeds Fund, shall be deposited in the Funds and Accounts previously established for the Series 1973 Bonds and commingled therein.

- A. The Bond Proceeds Fund shall be used to receive the proceeds of the Bonds, excluding accrued interest; and to complete the purchase of the Government Securities. The Bond Proceeds Fund shall be maintained with the Treasurer of the State of Oklahoma.

- B. The University of Oklahoma Utility System Revenue Bonds, Revenue Fund, (the "Revenue Fund"), shall be used to receive the proceeds of the monthly Utility Service Agreements and Control Service Agreements. The Revenue Fund shall be maintained as a trust fund with the Treasurer of the State of Oklahoma.
- C. The Bond Fund and its corresponding Interest Account, Principal Account, and Reserve Account shall be used for the following purposes:
- (1) The Interest Account shall be used to receive transfers from the Revenue Fund, the Bond Fund Reserve Account, and the Special Reserve Fund in amounts sufficient to pay, when due and payable, the interest on the Bonds.
  - (2) The Principal Account shall be used to receive transfers from the Revenue Fund, the Bond Fund Reserve Account and the Special Reserve Fund in amounts sufficient to pay, when due and payable, the principal of the Bonds and, if funds are available for such purpose, to effect the purchase or redemption of the Bonds prior to stated maturity.
  - (3) The Bond Fund Reserve Account established by the Series 1973 Bond Resolution and enlarged by the Series 1975 Bonds Supplemental Bond Resolution shall maintain a minimum balance equal to the maximum annual Debt Service Requirement on the Series 1973 Bonds and the Bonds and shall be used to prevent any default in paying the principal of and interest on any of the Bonds, and to pay the last remaining outstanding Bonds and interest thereon. Amounts in excess of the minimum balance required may, at the discretion of the Board of Regents, be transferred to the Principal Account of the Bond Fund to effect the purchase or redemption of Bonds prior to stated maturity.

The Bond Fund and related Accounts and Reserve shall be maintained with the Bank.

- D. The University of Oklahoma Utility System Revenue Bonds, Series 1973 Repair and Replacement Fund, (the "Repair and Replacement Fund"), is required to maintain a minimum balance in the amount of \$200,000 to pay the expense of repairs and replacements for the Plant. This Fund will be expended only upon recommendation of the Consulting Engineer and approval of the Board of Regents. If a portion or if all of this Fund is expended, it will be replenished by transfers from the Revenue Fund, or any other available source of funds, within a period of twenty-four months of the creation of such deficiency. The Repair and Replacement Fund shall be maintained with the Treasurer of the State of Oklahoma.
- E. The University of Oklahoma Utility System Revenue Bonds, Series 1973, Special Reserve Fund, (the "Special Reserve Fund"), shall be used to receive surplus monies contained in the Revenue Fund and all other Accounts and Funds. Upon proper authorization of an official of the

University designated by the Board of Regents, the Special Reserve Fund may be used as follows:

- (1) To pay the principal and/or interest requirements on any of the Bonds due and payable on the next ensuing January 1 or July 1, in whole or in part, through transfers to the Principal Account and/or Interest Account of the Bond Fund;
- (2) To purchase Bonds on the open market through transfers to the Principal Account of the Bond Fund;
- (3) To redeem Bonds prior to stated maturity through transfers to the Principal Account of the Bond Fund;
- (4) Upon issuance of additional bonds, if it is desired to expand the Plant at a later date, to adjust the minimum balance required in the Bond Fund Reserve Account and the Repair and Replacement Fund as a result of the issuance of such additional bonds;
- (5) To pay the costs of improving the Plant; or
- (6) To be used for any lawful purpose of the University.

The Special Reserve Fund shall be maintained with the Bank.

#### PURCHASE OF BONDS ON THE OPEN MARKET

Whenever, after completion of the Plant, there is in the Bond Fund a surplus in excess of the amount of interest and principal becoming due within the next twelve months, and the Bond Fund Reserve Account and the Repair and Replacement Fund are fully replenished if any payments have been made therefrom, such excess may be used by the Board of Regents to retire Bonds prior to maturity, through the purchase thereof on the open market at a price not in excess of the next applicable call price of any redeemable Bonds, exclusive of accrued interest.

#### FLOW OF FUNDS

As the funds coming in from the monthly Utility Service Agreements and Control Service Agreements are collected, the Board of Regents shall cause these funds to be deposited as soon as possible in the Revenue Fund in the possession of the Treasurer of the State of Oklahoma.

- A. On or before the tenth (10th) day following the close of the calendar month in which such monies shall have been received, the Board of Regents shall make transfers from the Revenue Fund as follows:

- (1) To the Bond Fund an amount equal to one-twelfth of the annual principal and one-sixth of the semi-annual interest requirements on the Bonds; and
  - (2) To the Site Support Service Unit Fund in the possession of the Treasurer of the State of Oklahoma, one-third of the estimated quarterly operating and maintenance expense of the Plant.
- B. If the monies contained in the Bond Fund on or before each June 15 or December 15 are not sufficient to make the required payments, the Trustee Bank shall utilize monies contained in the following Reserves, in the following order, to complete such transfers:
- (1) The Special Reserve Fund
  - (2) The Repair and Replacement Fund
  - (3) The Bond Fund Reserve Account
- C. If the Bond Fund Reserve Account or the Repair and Replacement Fund have been depleted through withdrawals, the Board of Regents shall cause the amount remaining in the Revenue Fund, after the required transfers to the Principal and Interest Accounts of the Bond Fund and transfers to Site Support Service Unit Fund on or before each June 15 or December 15, to be transferred to the Bond Fund Reserve Account and the Repair and Replacement Fund, so that the required minimum balance of those Funds are re-established within no more than twenty-four months of the date of the original depletion.
- D. After the required transfers have been made to the Bond Fund and the Site Support Service Unit Fund from the Revenue Fund, including transfers to the Bond Fund Reserve Account and the Repair and Replacement Fund, the Board of Regents may, at the time such required transfers are made, transfer any monies remaining in the Revenue Fund to the Special Reserve Fund.

#### ADDITIONAL BONDS

After the issuance, sale and delivery of the Bonds, and for so long as any Bonds remain outstanding, the Board of Regents shall not issue any additional parity bonds, except as hereinafter set forth. The Board of Regents may issue additional bonds payable from the revenues derived from the Trust Estate pari passu with the Bonds provided:

- A. The Board of Regents are not in default in meeting any of the agreements, covenants and obligations to be performed by the Board of Regents under the Bond Resolution;
- B. The bonds to be issued are required to provide satisfactory service to the contracting institutions receiving heating and/or cooling service and/or computer control service prior to the issuance of additional bonds, or if



additional Utility Service Agreements or Control Service Agreements are signed or the existing Utility Service Agreements or Control Service Agreements are amended to allow for the issuance of said bonds, to provide for additional contracting institutions;

- C. A Certified Public or Municipal Accountant shall certify to the Trustee Bank with the approval of the Board of Regents, that the net revenues derived from the heating and cooling system owned and operated by the Board of Regents 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 Board of Regents, 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 Board of Regents minus the deduction of operation and maintenance expenses; and
- D. The existing Utility Service Agreements and Control Service Agreements are amended to reflect the additional bonds.

Nothing herein contained shall be construed as preventing the Board of Regents from issuing refunding bonds, nor as preventing the Board of Regents from issuing obligations payable from and constituting a lien or charge on the revenues junior and inferior to the Bonds.

In the event additional bonds are issued, the supplemental bond resolution 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 that reserve equal to the maximum annual debt service requirement on all bonds issued pursuant to the Bond Resolution as supplemented from time to time. An amount recommended by the Consulting Engineer for the additional bonds issued shall, at the time of the delivery of the additional bonds, be deposited in the Repair and Replacement Fund.

#### ARBITRAGE

Notwithstanding all the provisions hereof, monies in the various funds, accounts and reserves created in the Bond Resolution shall not be allowed to accumulate or be invested in a manner which would result in the loss of exemption from Federal Income Taxation of interest on the Bonds or in such a manner which would result in

the Bonds constituting taxable "arbitrage bonds" within the meaning of Section 103(c) of the Code.

## INVESTMENTS

Monies contained in the Revenue Fund and the Repair and Replacement Fund shall be continuously invested and reinvested by the Treasurer of the State of Oklahoma in direct obligations of the United States of America or in obligations the principal and interest of which are unconditionally guaranteed by the United States of America that shall mature not later than the respective dates, as estimated when the monies in those Funds shall be required for the purposes intended.

Monies contained in the Principal Account, the Interest Account, the Bond Fund Reserve Account and the Special Reserve Fund shall be continuously invested and reinvested by the Bank in securities that shall mature in a manner consistent with the use of the monies contained in such Account, Reserve or Fund but within no more than five years. These monies may be invested in direct general obligations or in obligations the principal of and interest on which are unconditionally guaranteed by the United States of America; bonds, debentures or notes issued by any of the following agencies: Bank for Cooperatives, Federal Land Banks or Federal National Mortgage Association, including Participation Certificates; Public Housing Bonds, Temporary Notes or Preliminary Loan Notes, fully secured by contracts with the United States of America; full faith and credit, direct and general obligations of any State, or unlimited tax direct and general obligations of any political subdivision thereof, to the payment of which the full faith and credit of such political subdivision is pledged, provided at the time of purchase such obligations are rated in either of the three highest rating categories by one nationally recognized bond rating service and are legal investments for fiduciaries in New York and Oklahoma; and bank savings accounts, or time certificates of deposit 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 account or held under such certificates of deposit and are issued by a bank having a capital and surplus of not less than \$15,000,000.

Interest earned on the investment of the Principal Account, the Interest Account and the Bond Fund Reserve Account of the Bond Fund; and the Special Reserve Fund shall be deposited in the Account, Reserve or Fund from which it was derived. When not required to meet requirements as set out in the Bond Resolution, the investment income and other monies contained in the Bond Fund Reserve Account in excess of the minimum balance required in that Reserve Account, may at the discretion of the Board of Regents, be transferred to the Principal Account of the Bond Fund to be used to purchase or redeem Bonds prior to stated maturity.

The Revenue Fund and the Repair and Replacement Fund shall be maintained with the Treasurer of the State of Oklahoma and investment income derived from those Funds when not required to meet requirements as set out in the Bond Resolution shall not be deposited in those Funds, but shall be forwarded to the Bank to be deposited in the Special Reserve Fund.

## DEPOSITORY OF FUNDS AND SECURITY FOR DEPOSITS

The Revenue Fund and the Repair and Replacement Fund shall be maintained by the Treasurer of the State of Oklahoma. The Bond Fund, including the Interest Account, the Principal Account, the Bond Fund Reserve Account and the Special Reserve Fund shall be maintained with the Bank 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 Board of Regents. The money in those Funds shall be continuously secured as are deposits 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 the Funds.

The Bank shall, in due season prior to the dates on which principal and interest fall due, make proper arrangements with any bank or agency which is serving as additional paying agent of the Bonds, pursuant to which all Bonds and coupons shall be promptly paid upon presentation at either place of payment.

### PARTICULAR COVENANTS

The Board of Regents covenants and agrees in the Bond Resolution as follows:

- A. The Board of Regents shall punctually pay all interest and principal requirements on the Bonds and will faithfully observe and perform all agreements, covenants and obligations to be performed under the Bond Resolution.
- B. The Board of Regents shall not create any pledge, lien, charge or other encumbrance upon the pledged income, other than the lien and pledge created by the Bond Resolution and any supplemental bond resolution which would authorize and secure additional bonds.
- C. The Board of Regents will pay or cause to be paid any governmental charges lawfully imposed upon the trust estate and will keep the trust estate free from all judgments, mechanics and material liens and all other encumbrances.
- D. The Board of Regents shall proceed with all reasonable dispatch to complete the Plant; 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 Board of Regents shall be properly and advantageously conducted.
- E. The Board of Regents agrees that the heating and cooling service and computerized control system service produced by the Board of Regents shall be disposed of solely for the benefit of the Board of Regents and that the revenues derived from the operation and ownership of the facilities shall be sufficient to meet all requirements of the Bond Resolution and shall be disposed of in the manner specified therein.

- F. The Board of Regents shall fix, maintain, and collect rates and charges for all services furnished and supplied by the Board of Regents, which shall be adequate to provide sufficient revenues for all purposes required by the Bond Resolution; 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 Board of Regents 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.
- G. The Board of Regents 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 Board of Regents may dispose of any portion of the facilities or properties thereof, which have been declared by the Board of Regents 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 Board of Regents' business.
- H. The Board of Regents shall keep the facilities insured to the extent available, at reasonable cost with responsible insurers with policies payable to the Board of Regents 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 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.
- I. The Board of Regents shall keep proper books of account and within ninety days after the close of each fiscal year of the Board of Regents, 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.
- J. The Board of Regents shall retain a firm of independent engineers on a continuous basis for the purpose of providing the University with engineering counsel in the operation of the facilities as requested. In addition to other prescribed duties, the Consulting Engineers shall, not later than 120 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 Board of Regents has complied with the Bond Resolution; a copy of such report shall be

filed with the Bank and a copy shall be mailed to any Bondholder requesting same in writing.

- K. The Board of Regents shall not expend any of the income, revenues, receipts, profits, and other monies 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.
- L. The Board of Regents will not consent to the rescission, alteration, amendment or modification of the Utility Service Agreements and the Control Service Agreements except: (i) 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 the document as part of the security for the payment of the Bonds or reduce the income or increase the expenses of the Board of Regents, and would not materially adversely affect the rights of the holders of the Bonds; (ii) as may be necessary in connection with the issuance of additional bonds; or (iii) with the written consent of the holders of two-thirds in aggregate principal amount of the Bonds then outstanding.
- M. The Board of Regents will not consent to the assignment or transfer of the Utility Service Agreements or the Control Service Agreements without consent of the Bank.
- N. The Board of Regents will vest in the Bank or the holder or holders of the Bonds of a specified percentage the right to enter into possession of the Plant and to operate it until a default is remedied or until all bonded indebtedness related to the Plant is retired, whichever shall first occur.

#### CONCERNING THE TRUSTEE BANK

The exculpatory clauses will be limited to the following:

- A. The Bank shall be entitled to rely upon the advice of attorneys, professional architects, and accountants, and any act or omission to act done or omitted by the Bank in reliance upon such advice and counsel shall not constitute negligence.
- B. The Bank shall not be required to take notice or be deemed to have notice of any state of default hereunder unless such notice be given in writing by a Bondholder.
- C. The Bank may execute any trusts or powers hereunder and perform any duties hereunder through employees, attorneys, agents or servants, and it shall be entitled to advice of counsel in regard thereto, and may receive or recover any reasonable costs or expenses in connection therewith.
- D. The Bank shall not be responsible for doing or performing any thing or act which the Board of Regents shall have covenanted to do or perform, or

for any other compliance with any covenant by the Board of Regents, or for the sufficiency of the security for the Bonds issued, or otherwise as to maintenance of such security; nor shall the Bank be bound to ascertain or inquire as to the performance of any covenant, condition or agreement by the Board of Regents, but it may require full information and advice in regard to any of the foregoing.

- E. The Bank shall not be accountable for the use of any Bonds authenticated or delivered, or for any of the proceeds of such Bonds after the same shall have been paid out by it; and the holders of the Bonds shall not be entitled to any interest from the Bank on funds in its hands for payment of the same.
- F. The Bank shall not be accountable for acting upon any notice, requisition, request, consent, certificate, order, affidavit or other information believed by it to be genuine and correct and to have been signed or sent by the person or persons proper to have done so.
- G. The Bank shall not be bound to recognize any person or persons as a Bondholder or Bondholders or to take action at his or their request, unless such Bond or Bonds be deposited with the Bank or submitted to it for inspection; and any action taken by the Bank pursuant to the Bond Resolution upon request or authority of the Bondholders shall be conclusive and binding upon all future owners of the same Bond or any Bonds issued in exchange therefor or in place thereof.

#### MISCELLANEOUS

If at any future date, it is determined by the Attorney General of the State of Oklahoma that under existing statutes any funds or accounts created by the Bond Resolution should appropriately be maintained by the Treasurer of the State of Oklahoma, then such funds or accounts shall be transferred from the Trustee Bank accordingly.

#### THE 1977 SUPPLEMENTAL BOND RESOLUTION

The Bonds are issued under the terms of a 1977 Supplemental Bond Resolution which has provisions for the disposition of bond proceeds and for due dates, interest rates, call premium and other provisions that pertain only to the terms of the Bonds. The maturities, interest rates, call premium and other provisions are described in this Official Statement. Reference is made to the 1977 Supplemental Bond Resolution for a complete recital of its terms and provisions.

## THE UNIVERSITY OF OKLAHOMA

### GENERAL

At the first meeting of the territorial legislature of Oklahoma on December 19, 1890, legislation was enacted which called for the building of three institutions of higher education, a normal school at Edmond, an agricultural and mechanical school at Stillwater and a university at Norman. This legislation marked the beginning of the University of Oklahoma. In 1892 the University opened its doors in a rented building with 119 students and four faculty members. The University has since grown to include the Norman campus of approximately 1,000 acres, on which are located 230 buildings valued at more than \$100,000,000; and the Health Sciences Center of the University located in Oklahoma City which is in the process of development and expansion into a multi-million dollar, 200 acre Oklahoma Health Center with the University complex as its nucleus. The University academic structure consists of sixteen colleges. Colleges located on the Norman campus include the University College, the College of Arts & Sciences, the College of Business Administration, the College of Education, the College of Engineering, the College of Environmental Design, the College of Fine Arts, the College of Liberal Studies, the College of Law, and the Graduate College. Colleges located at the Health Sciences Center campus in Oklahoma City include the College of Dentistry, College of Health, College of Medicine, College of Nursing, College of Pharmacy and the Graduate College.

The University is an accredited member of the North Central Association of Colleges and Secondary Schools. In addition, the University and its colleges, schools and departments also hold memberships in more than 60 organizations and accrediting agencies.

The University grants the bachelor's degree of arts or science in some 150 major fields of study. In addition, a broad range of graduate degrees are available, with masters and doctoral degrees being offered in 143 and 72 areas respectively. During the 1975-76 academic year, the University granted degrees as shown in the Table below. In addition, it should be pointed out that the University recently passed an important milestone in the awarding of its one hundred thousandth degree at the 1974 spring commencement.

#### 1975-76 Academic Year

<u>Degree</u>	<u>Norman Campus</u>	<u>Health Sciences Center</u>	<u>Total</u>
Bachelor	2,380	239	2,619
Master	1,102	113	1,215
Doctorate	152	44	196
J. D.	180	--	180
D. D. S.	--	25	25
M. D.	--	139	139

## THE HEALTH SCIENCES CENTER

The University of Oklahoma Medical Center originated with the establishment of University Hospital in 1918. Ten years later, in 1928, the present College of Medicine building was built, making it possible to transfer the pre-clinical program from the Norman campus and centralize all the college's operations. Since 1929, all of the University's medical departments, hospitals, outpatient clinics, and medical libraries have been consolidated at the University of Oklahoma Health Sciences Center. The Health Sciences Center of the University, together with the several public and non-public units concerned with health care, comprise the Oklahoma Health Center. In addition to the Health Sciences Center, which forms the nucleus of the Oklahoma Health Center, is the Presbyterian Hospital Complex, University Hospital, the State of Oklahoma Department of Health and the Department of Institutions, Social and Rehabilitative Service (the Oklahoma Children's Memorial Hospital), Veterans Administration Hospital, the Oklahoma Medical Research Foundation and others. The Oklahoma Health Center is located on a 200 acre tract in Oklahoma City and is the central health, education and health care unit in the State.

The Health Sciences Center of the University now includes the College of Medicine, College of Nursing, College of Dentistry, College of Health, Graduate College and the College of Pharmacy. Principal facilities include five major academic buildings, a medical research building, and various smaller structures. A major building is under construction for the Library and Learning Resources Center Building.

In 1973, the Oklahoma Legislature provided for the creation of a Board of Trustees to operate and govern University Hospital and Everett Tower. The Legislature also provided for the transfer of the Oklahoma Children's Memorial Hospital to the Department of Institutions, Social and Rehabilitative Services. These two hospitals provide patient care and clinical teaching facilities.

As stated previously, the main campus of the University is located in Norman, approximately 20 miles south of Oklahoma City, and the Health Sciences Center of the University is located in the area of 800 N. E. 13th Street, near the State Capitol in Oklahoma City.

## ENROLLMENT

Total enrollment for the Fall semester of 1976 at the University totalled 25,329 students, of which 20,010 were in residence on the main campus in Norman, 2,553 were enrolled at the Oklahoma Center for Continuing Education located on the Norman campus, and 2,766 were at the Health Sciences Center in Oklahoma City. Total University enrollment for Spring of 1977 was 24,939 students, of which 18,503 were in residence on the main campus in Norman, 3,776 were enrolled at the Oklahoma Center for Continuing Education located on the Norman campus, and 2,660 were at the



Health Sciences Center in Oklahoma City. The vast majority of students are from Oklahoma, with every county in the state being represented. However, the University also draws students from all 50 states of the Union and from many foreign countries.

A study of enrollment figures over the past 30 years indicates that the University has experienced a stable and substantial growth. The enrollment trends from the Fall of 1945 to the Fall of 1976 are revealed by the following figures for the Norman campus, the total shown being the actual count of all students enrolled for the Fall semester of the academic year.

<u>Year</u>	<u>Enrollment</u>	<u>Year</u>	<u>Enrollment</u>
1945	3,323	1971	18,441
1950	9,195	1972	19,494
1955	9,849	1973	19,647
1960	10,316	1974	19,924
1965	15,640	1975	21,316
1970	18,052	1976	20,010 <u>1/</u>

The actual count of students located at the Health Sciences Center over the past seven years is shown in the following figures.

<u>Year</u>	<u>Enrollment</u>
1970	1,016
1971	1,236
1972	1,503
1973	1,600
1974	2,034
1975	2,257
1976	2,766 <u>1/</u>

1/ College of Pharmacy enrollment (about 405 students) became part of Health Sciences Center rather than Norman Campus.

#### UNIVERSITY LIBRARIES

Resources of the University Libraries are the largest in the state, numbering over 1,400,000 volumes plus several hundred thousand pieces of other graphic records. The bulk of these materials, constituting the general library are housed in the William Bennett Bizzell Memorial Library. The University also maintains 12 branch libraries. These include libraries serving the Health Sciences Center, the Colleges of Engineering, Fine Arts, Law, and Pharmacy; those for the Schools of Architecture, Geology, and Journalism; and those serving the departments of Chemistry, Physics and the University School. Construction bids were taken in late December 1975 for a Library and Learning Resources Center on the Health Sciences Center campus and this building is under construction. The proposed four story building will provide library capacity of over 230,000 books with seating capacity of 600.

Included within the resources of the University Libraries are several special collections such as the renowned DeGolyer Collection in the History of Science and Technology which is comprised of an assembly of rare editions and source books of approximately 40,000 volumes; the Frank Phillips Collection of Indian, Oklahoma and Western History numbering nearly 30,000 volumes; the Harry W. Bass Collection in Business History; and the William Bennett Bizzell Bible Collection.

#### HEALTH SCIENCES CENTER FACILITIES

The \$4,000,000 Basic Sciences Education Building, opened in 1970, was designed for each student to have a "home base" for laboratory work and study. Teaching space is provided for undergraduate, graduate and continuing dental and medical education, as well as training of physicians' assistants, radiological technicians, physical therapists, respiratory therapists and medical and nuclear medicine technicians. This building will be connected by a pedestrian walkway to the Bio-Medical Sciences Building.

Construction on the \$10,500,000 Dental Clinical Sciences Building began in 1974 and was completed in late 1975. The five story building is located at 1001 N. E. 11. The 113,000 square foot structure provides for teaching, research and office space, including 262 dental operatories, a general anesthesia suite, four teaching laboratories, and five small clinic laboratories.

Adjacent to the Dental Clinical Sciences Building is the \$8,700,000 ten story Bio-Medical Sciences Building. This structure houses research laboratories, animal holding facilities, and research space and offices for the faculty of the Colleges of Medicine and Dentistry.

In 1974, the Health Sciences Center of the University received notice that a construction-grant application for almost \$3,000,000 in federal funds had been approved for development of a Library and Learning Resources Center on the Oklahoma City campus. The federal grant, plus matching funds from private donations and some of the proceeds of a state bond issue, will provide a total of \$5,800,000 for the facility. The proposed library/learning center has been in the planning stages for almost eight years, pending funding, and has been described as one of the Health Sciences Center's critical educational needs. The four story structure will contain 92,904 net square feet. The facility will allow the library and learning center to develop innovative educational services for faculty and students. Library capacity will increase from 95,000 to 230,000 volumes, and the seating capacity from 125 to 600. Learning Resources Center personnel will have centralized building and laboratory facilities to produce films, audio and video tapes, and color slides for academic programs. Construction bids for this project were taken in late December 1975 and it is under construction.

Construction began on the new Nursing Building for the College of Nursing in December 1975, and was completed in January, 1977. The new nursing facility consists of a large one story building with lecture halls, audiovisual facilities, a nursing library and practice area with ten-bed teaching capacity. This large one story building will be adjoined to a four story building with additional two story capacity.

This four story building will contain seminar rooms and additional teaching room capacity. Cost of the College of Nursing facility exceeded \$4,000,000.

The initial Phase I of the Steam and Chilled Water Plant at the Oklahoma Health Center was funded through bonds issued through the Oklahoma University Development Authority in 1970. This resulted in the development of the entire plant site and construction of related facilities. The Steam and Chilled Water Plant was purchased from the Oklahoma University Development Authority from a portion of the proceeds of the \$10,125,000 University of Oklahoma Board of Regents Utility System Revenue Bonds, Series 1973. The remaining portion of the Series 1973 Bonds funded Phase II additions to the Plant which provided steam and chilled water and a computerized control system to Presbyterian Hospital and other major buildings. In early 1975, the University of Oklahoma Board of Regents issued \$6,500,000 in Utility System Revenue Bonds, Series 1975, to finance Phase III & IV additions to the Steam and Chilled Water Plant at the Oklahoma Health Center. This additional capacity served two new buildings constructed by the Department of Institutions, Social and Rehabilitative Services. The Bio-Medical Sciences Building, the Dental Clinical Sciences Building and the College of Nursing Building were linked to the system. Additional capacity was also provided by Phase IV construction. The underground system of tunnels utilized by this system will also be used to provide underground walkways interconnecting the various buildings within the Steam and Chilled Water Plant System.

#### ADDITIONAL UNIVERSITY FACILITIES

The facilities described in this section are at a separate location from the Health Sciences Center and do not utilize the services of the Plant or provide any revenue or security for the Bonds.

- A. Norman Campus. A recent major addition to the Norman campus of the University is the Lloyd Noble Arena which was completed during the Summer of 1975 at a total cost of approximately \$5,800,000. The Arena, which serves as a multi-purpose facility for a variety of special events and also houses varsity athletic programs in basketball, wrestling and gymnastics, has a total seating capacity of 13,000 seats.

In the Spring of 1976, a new Law Center was completed which greatly expanded the classroom and library facilities of the College of Law. In addition, the Law Center has been designated as, and provides space for, the Western Regional Office of the American Academy of Judicial Education and the South Central Regional Office of the National Center for the State Courts.

The Charles B. Goddard Health Center was completed in 1971 at a cost in excess of \$1,800,000. This modern facility contains an outpatient clinic; two emergency rooms; a 54-bed hospital fully approved by the Joint Commission on Accreditation of Hospitals; and complete x-ray, laboratory, pharmacy, physical therapy and dietary facilities.

Significant additions were made to the educational facilities of the University with the recent construction of the Fred Jones, Jr. Memorial Art Center and the Physical Sciences Center. The Art Center, completed in February 1971, at a cost of \$2,400,000, houses the Museum of Art, the

the School of Art, and the offices of the College of Fine Arts. The Physical Sciences Center, also completed in 1971 at a cost of nearly \$4,400,000 houses the Departments of Chemistry, Math, and Physics.

Athletic facilities were also recently improved by the completion of an approximately \$6,400,000 Stadium Expansion Program partially funded by revenue bonds. The major parts of this Program included the construction of a new press box and a 9,000 seat upper deck on the west side of the Oklahoma Memorial Stadium.

Through the Oklahoma Center for Continuing Education, the University offers part time studies at an education center originally financed primarily by a gift of \$2,000,000 received from the W. K. Kellogg Foundation. At the time this center was constructed, this was the largest grant ever made to an educational institution in Oklahoma. In 1977-76, there were approximately 1,802 programs offered to nearly 69,711 adults through the Center. In addition, 110 programs were provided at locations outside the United States. The instruction for the programs is provided by University of Oklahoma faculty.

- B. Other University Facilities. The University also has properties at the Naval Technical Training Center, known as South Base, and the Naval Air Station of World War II, known as North Base. Three major facilities are operated at North Base: the Max Westheimer Airfield which is the largest university owned airport in the nation and is operated by the University as a municipal airport for the City of Norman, Oklahoma, the Merrick Computer Center, and the Swearingen Research Park. The Computer Center is a major data facility providing research, administrative and informational services to the University and to other institutions of the State and the region. The Swearingen Research Park is a 900 acre tract established in 1957 to provide industry and government with the opportunity to establish research laboratories at a location where University resources, skilled manpower, equipment and libraries are easily accessible. In addition, two purely recreational facilities located in the Research Park are an Olympic-sized swimming pool and the University polo field.

Facilities at other sites include the Biological Research Station located on Lake Texoma at Willis, Oklahoma; the Fisheries Research Center at Noble, Oklahoma; the Earth Sciences Observatory near Tulsa; and an adult education center at the Hacienda El Cobano in Colima, Mexico.

#### PRESENTLY OUTSTANDING BONDS

The statement of the outstanding bonds of the University as of the month of March, 1977, is shown in Exhibit I. All bonds have been issued as revenue bonds. Most bonds have been issued for student housing projects or for student facilities.

As is shown in Exhibit I, as of the month of March, 1977, the University had outstanding bonds of \$48,231,000. Restricted funds totalled \$11,542,081, leaving outstanding bonds less total restricted funds equal to \$36,688,919 for the University.

## UNDERWRITING

The Bonds will be purchased from the University at a price of par plus accrued interest, if any, for reoffering by the Underwriters for whom The First National Bank and Trust Company of Oklahoma City and The Liberty National Bank and Trust Company of Oklahoma City, Oklahoma City, Oklahoma, are acting as representatives. The Bond Purchase Contract provides that the Underwriters will purchase, subject to certain terms and conditions, all the Bonds if any are purchased. The Underwriters reserve the right to join with securities dealers and other underwriters in offering the Bonds to the public and may offer and sell the Bonds to certain dealers and others at prices lower than the public offering price stated on page 5 hereof. The initial public offering price may be changed from time to time by the Underwriters.

## LEGAL OPINIONS AND TAX EXEMPTION

The unqualified approving opinion of Fagin, Brown, Bush, Selvidge & Tinney, Oklahoma City, Oklahoma, Bond Counsel, shall state that the interest earned on the Bonds is exempt from existing Federal and State of Oklahoma Income Taxes under existing statutes, regulations and court decisions. Bond Counsel will render a separate opinion that the Bonds are not "arbitrage bonds" as defined in Section 103(c) of the Code and regulations promulgated thereunder.

A transcript of the legal proceedings approved by the Attorney General of the State of Oklahoma, including a certificate that there is no litigation pending affecting the Bonds, and other closing papers shall be furnished to the Underwriters.

## NO LITIGATION

There is not currently any pending legal proceeding or legal proceedings against the University, which in the aggregate are material, nor is there any litigation against the University which would restrain or enjoin the issuance or delivery of the Bonds or questioning or affect the validity of the Bonds or the proceedings and authority under which they are to be issued. Neither the creation, organization or existence, of the University nor the title of the current members of the Board of Regents, or other officers of the University to their respective offices is being questioned. There is no litigation pending against the University to enter into the 1977 Supplemental Bond Resolution or to secure the Bonds in the manner provided in the 1977 Supplemental Bond Resolution.

## RATINGS

As noted on page 4 of this Official Statement, Moody's Investor Service, Inc., and Standard & Poor's Corporation have given the Bonds the ratings of Con. (A) and A, respectively. Such ratings reflect only the respective views of such organizations and an explanation of the significance of such ratings may be obtained from the rating agency furnishing the same. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by either or both of such rating agencies if, in the judgment of either or both, circumstances so warrant. Any such downward revision or withdrawal of such ratings, or either of them, may have an adverse effect on the market price of the Bonds.

## MISCELLANEOUS

The references to and excerpts of the Series 1973 Bond Resolution and 1977 Supplemental Bond Resolution contained in this Official Statement are merely summaries of certain provisions thereof and do not purport to be the complete provisions of those documents. Copies of such documents are available from the University or the Underwriters.

Any statements in this Official Statement and Exhibits hereto involving estimates or assumptions, whether or not expressly so stated, are intended as such and no representation whatsoever is made that such estimates or assumptions are correct or will be realized. So far as any statements are made in this Official Statement and Exhibits attached hereto involving matters of opinion, whether or not expressly so stated, they are intended as such and not as representations of fact. Neither this Official Statement, nor any statement that may have been made orally or in writing, is to be construed as a contract with the purchasers or holders of any of the Bonds.

All information contained in this Official Statement and Exhibits is subject to change and/or correction without notice and neither the delivery of the Official Statement nor any sale made hereunder shall create any implication that the information contained herein is complete or accurate in its entirety as of any date after the date hereof.

Reference is made to the Exhibits hereto which are an integral part of this Official Statement and must be read together with the rest of this Official Statement.

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This Official Statement has been approved by the Board of Regents.

BOARD OF REGENTS OF THE UNIVERSITY  
OF OKLAHOMA

By: Thomas R. Brett, President

Exhibit A

\$7,040,000

ANNUAL DEBT SERVICE REQUIREMENTS

REGENTS OF THE UNIVERSITY OF OKLAHOMA  
UTILITY SYSTEM REVENUE REFUNDING BONDS, SERIES 1977

<u>Date</u> <u>January 1</u>	<u>Debt</u> <u>Service</u> <u>Requirement</u>	<u>Debt</u> <u>Service</u> <u>Reserve</u>	<u>Interest</u> <u>Payments</u>	<u>Coupon</u> <u>Interest</u> <u>Rate</u>	<u>Principal</u> <u>Payments</u>	<u>Principal</u> <u>Balance</u>
1977		<u>\$548,052.50</u> <sup>1/</sup>				\$7,040,000
1978	\$ 337,806.25 <sup>2/</sup>		\$ 217,806.25 <sup>2/</sup>	7.00%	\$ 120,000	6,920,000
1979	542,212.50		427,212.50	7.00	115,000	6,805,000
1980	539,162.50		419,162.50	7.00	120,000	6,685,000
1981	535,762.50		410,762.50	7.00	125,000	6,560,000
1982	537,012.50		402,012.50	7.00	135,000	6,425,000
1983	537,562.50		392,562.50	7.00	145,000	6,280,000
1984	527,412.50		382,412.50	7.00	145,000	6,135,000
1985	537,262.50		372,262.50	7.00	165,000	5,970,000
1986	535,712.50		360,712.50	7.00	175,000	5,795,000
1987	528,462.50		348,462.50	6.05	180,000	5,615,000
1988	532,572.50		337,572.50	5.10	195,000	5,420,000
1989	527,627.50		327,627.50	5.25	200,000	5,220,000
1990	527,127.50		317,127.50	5.35	210,000	5,010,000
1991	535,892.50		305,892.50	5.45	230,000	4,780,000
1992	533,357.50		293,357.50	5.55	240,000	4,540,000
1993	525,037.50		280,037.50	5.65	245,000	4,295,000
1994	536,195.00		266,195.00	5.75	270,000	4,025,000
1995	530,670.00		250,670.00	5.90	280,000	3,745,000
1996	524,150.00		234,150.00	6.00	290,000	3,455,000
1997	521,750.00		216,750.00	6.00	305,000	3,150,000
1998	523,450.00		198,450.00	6.30	325,000 <sup>3/</sup>	2,825,000
1999	522,975.00		177,975.00	6.30	345,000 <sup>3/</sup>	2,480,000
2000	516,240.00		156,240.00	6.30	360,000 <sup>3/</sup>	2,120,000
2001	513,560.00		133,560.00	6.30	380,000 <sup>3/</sup>	1,740,000
2002	509,620.00		109,620.00	6.30	400,000 <sup>3/</sup>	1,340,000
2003	504,420.00		84,420.00	6.30	420,000 <sup>3/</sup>	920,000
2004	507,960.00		57,960.00	6.30	450,000 <sup>3/</sup>	470,000
2005	499,610.00		29,610.00	6.30	470,000 <sup>3/</sup>	-0-
	<u>\$14,550,583.75</u>		<u>\$7,510,583.75</u>		<u>\$7,040,000</u>	

<sup>1/</sup> The Bond Fund Reserve Account is equal to the maximum annual Debt Service Requirement and may be used to pay the final maturing Bonds and interest thereon. Funds from the Series 1975 Bonds that enlarged the Bond Fund Reserve Account are sufficient to fund the Reserve requirement of the Bonds.

<sup>2/</sup> The Bonds are dated July 1, 1977, and are due on January 1 with first interest payable January 1, 1978.

<sup>3/</sup> Term Bonds due January 1, 2005, subject to annual mandatory redemption.

Exhibit B

REGENTS OF THE UNIVERSITY OF OKLAHOMA

STATEMENT OF DEBT SERVICE REQUIREMENTS ON  
SERIES 1973 AND SERIES 1977 UTILITY SYSTEM REVENUE BONDS

Fiscal Year Ending <u>June 30</u>	Series 1973 Debt Service <u>Requirement</u>	Series 1977 Debt Service <u>Requirement</u>	Combined Debt Service <u>Requirement</u>
1977	\$ 750,625		\$ 750,625.00 <sup>1/</sup>
1978	749,750	\$ 608,912.50	1,358,662.50
1979	753,125	540,687.50	1,293,812.50
1980	745,375	537,462.50	1,282,837.50
1981	742,250	536,387.50	1,278,637.50
1982	743,375	537,287.50	1,280,662.50
1983	738,375	532,487.50	1,270,862.50
1984	737,625	532,337.50	1,269,962.50
1985	735,750	536,487.50	1,272,237.50
1986	732,750	532,087.50	1,264,837.50
1987	733,725	530,517.50	1,264,242.50
1988	733,875	530,100.00	1,263,975.00
1989	738,200	527,377.50	1,265,577.50
1990	734,900	531,510.00	1,266,410.00
1991	740,700	534,625.00	1,275,325.00
1992	740,000	529,197.50	1,269,197.50
1993	743,100	530,616.25	1,273,716.25
1994	739,700	533,432.50	1,273,132.50
1995	745,100	527,410.00	1,272,510.00
1996	743,700	522,950.00	1,266,650.00
1997	740,800	522,600.00	1,263,400.00
1998	746,400	523,212.50	1,269,612.50
1999	749,900	519,607.50	1,269,507.50
2000	751,300	514,900.00	1,266,200.00
2001	750,600	511,590.00	1,262,190.00
2002	747,800	507,020.00	1,254,820.00
2003	<u>757,900</u>	506,190.00	1,264,090.00
2004	<u>\$20,066,700</u>	503,785.00	503,785.00
2005		<u>249,805.00</u>	<u>249,805.00</u>
		<u>\$14,550,583.75</u>	<u>\$34,617,283.75</u>

<sup>1/</sup> In addition, the debt service of the Series 1975 Bonds which are being advance refunded was \$564,787.50 during the fiscal year ending June 30, 1977.



Exhibit C

HEALTH SCIENCES CENTER  
UNIVERSITY OF OKLAHOMA  
Oklahoma City, Oklahoma

GENERAL DESCRIPTION

of

CENTRAL STEAM & CHILLED  
WATER PLANT

prepared by

CARNAHAN-THOMPSON-DELANO, INC.  
Oklahoma City, Oklahoma

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- G. MAINTENANCE COSTS
- H. PRODUCTION REPORTS
- I. PRESENT EXPANSION NEEDS
- J. THE NEW LOADS TO BE ADDED
- K. ANNUAL OPERATING RECORDS
- L. ENGINEER'S MONTHLY PRODUCTION REPORT

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.

In 1965 all State departments and other agencies involved in the expansion and development of the Health Sciences Center formed an organization, the Oklahoma Health Sciences Foundation, Inc., whose function was to coordinate the planning and development of the Center. One of the early significant recommendations was that the old existing power plant was totally inadequate and would have to be replaced.

At this point Carnahan-Thompson-Delano, Inc., an engineering firm in Oklahoma City, was employed to review all existing data and to make an independent feasibility study of power plant requirements. Their report was issued June 17, 1969 recommending that the University build its own steam and chilled water plant and that the construction be in incremental stages in order to provide only the services needed with additions to the plant being constructed only as new major buildings at the Center were under construction and in need of service.

The initial Phase I construction was put into operation in April 1972. Phase II doubled the original plant capacity and was put into operation in October 1974. Considerable savings were realized by not having the total plant constructed initially thereby creating surplus capacity pending construction of new hospitals and other facilities. Phase III & IV construction begun in 1975 and completed in 1977, doubled the size of the plant equipment floors and doubled the plant capacities.

B. SUMMARY OF OVERALL DESIGN:

The central steam and chilled water plant and the associated underground distribution system is providing 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 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 ultimate Plant load is estimated to be 18,000 tons of chilled water refrigeration and 300,000 lb. of steam per hour. Chilled water leaves the plant at 40° F, and under heavy loading conditions, will be returned at 52° F. Steam is provided at all the Customer service points at a minimum pressure of 130 lb. 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.

The Plant building consists 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 are 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 is generated in water tube boilers at 250 lb. per sq. in. dry and saturated, the basic fuel being natural gas with oil standby.

The initial Plant contained 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. Phase II added a 3000 ton chiller and a 60,000 lb/Hr. boiler. Phases III and IV added a 100' extension of the building, two 3000 ton and one 500 ton chillers and two 60,000 lb/Hr. boilers. Future additions of chillers and boilers will be made as they are needed. 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 are in underground tunnels provided with proper drainage and adequate ventilation. Valved service connections are placed at strategic locations for connection to future buildings without interruption of services to the original customers along the line.

C. CENTRAL CONTROL SYSTEM:

A computerized central control system (Johnson T-6500) provides a monitoring system for all buildings and areas for the monitoring of the quality of operation while at the same time reducing maintenance and operating costs. It records and controls in specific buildings and areas, temperature, humidity, security, report malfunctions, measure quality of service, etc., all from one central point.

Customers may contract for services including any part of the following:  
following:

Commands: Start-Stop, Re-set of controller set points, damper setting, valve positioning, lighting on-off.

Monitoring: Alarms with data recording, (off-normal temperature, pressure, humidity, flow, dirty filter, fire, security, doors, etc.).

Programmed Control: Time, or sequential, or dynamic or any combination thereof.

D. CONTINUITY OF SERVICE:

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 lb. steam per hour continuously.

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 service 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:

ITEM	NUMBER INSTALLED	MINIMUM REQUIRED
Fuel Oil Tanks	3	1
Fuel Oil Pumps	2	1
Air Compressors	4	2
Air Receivers	5	1
Compressed Air Dryers	4	2
Steam Condensate Transfer Pumps	2	1
Boiler Feed Pumps	8	2
Hot Well Pumps (Each Unit)	2	1
Oil Pumps (Each Turbine & Compressor)	2	1
Combustion Air & Building Ventilating Supply Fans	7	2
Chilled Water Distribution Pumps (1-Turbine Drive, 4-Motor Drive)	5	3
Water Softeners	2	1
Water Wells (with City Standby)	3	0

Plant Auxiliaries (continued)

ITEM	NUMBER INSTALLED	MINIMUM REQUIRED
Expansion Tanks	2	1
Tunnel Exhaust Fans	3	1
Boiler Chemical Feeders	4	2
City Water Supply Meters	2	1
Deaerating Feed Water Heater	2	1
Boiler Fuel - Natural Gas & Oil	Natural Gas & Oil	
Electrical Power Service	Diesel Engine-Gen. Standby	
Emergency Water Supply	60,000 Gal. Fresh Water Storage	

2. PIPE LINE SYSTEM

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 of only a few hours. Eventually, 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.

E. PLANT BUILDING & LANDSCAPING:

The building and the associated cooling tower enclosure were 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 were 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 is such that the project appears more as a conventional building rather than as a power plant, since no mechanical features, such as smokestacks and cooling towers are visible from the ground level.

F. BUILDING HEATING & COOLING COSTS:

The initial construction was completed and began operating in April 1972. The old existing plant was removed from service, terminating all costs associated with it, there having been no existing debts against it.

The services purchased from the new facility 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.

In addition to being better and lower in cost than individual building units, this 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.

#### G. MAINTENANCE COSTS:

The apparatus and the piping systems incorporated into the new Plant and tunnel system are of the highest quality available, consistent with the long-term reduced maintenance costs.

As an illustration - the centrifugal water chilling units are 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 is 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 malfunctions and erratic operations.

#### H. PRODUCTION REPORTS:

At the end of each month, a complete engineering analysis has been made of every facet of the Plant operation, which is summarized in a "Production Report" by the Consulting Engineers. This analysis serves both to assure efficient operation, and to provide the basis for proper cost allocations between chilled water and steam production. It further provides the summary of actual operating costs which is required to determine the amount of Base Rate Adjustments required to make the revenue from Sales balance the Cost.

At the end of each operating year, the Consulting Engineers prepare an "Annual Report" covering a physical inspection, a survey of management of the business and the operation and maintenance of the properties. This is filed with the Trustee Bank and is available to any bond holder.

#### I. PRESENT EXPANSION NEEDS:

On Page 9 is tabulated "Projected Steam and Chilled Water Loads" from which it may be seen that the present 12,500 ton/240,000 lbs. per Hr. capacity of the plant will be adequate through 1978.

J. NEW LOADS TO BE ADDED:

In addition to the loads shown to be added to the system in 1977 and 1978 in the table Page 9, other proposed projects to be constructed on the Campus within the next three to five years are: The College of Pharmacy, the Oklahoma Allergy Clinic, and additional facilities for the University Hospital.

K. ANNUAL OPERATING RECORDS:

<u>YEAR ENDING</u>	<u>M#/HR.</u>	<u>\$</u>	<u>TON/HRS.</u>	<u>\$</u>	<u>OPER. COST NOT INCL. DEBT SERVICE</u>
June 30, 1973	156,083	446,019	3,304,431	357,570	300,381
June 30, 1974	171,040	332,369	10,112,090	616,717	412,682
June 30, 1975	251,139	473,393	15,173,338	888,587	635,067
June 30, 1976	245,668	656,393	17,452,750	1,337,578	1,031,666
<u>PAST 10 MOS. ENDING</u>					
June 30, 1977	276,810	794,696	18,508,752	1,465,686	1,280,473



L. ENGINEER'S MONTHLY PRODUCTION REPORT:

FOR THE MONTH OF APRIL 1977

	CURRENT MONTH		THIS PAST 12 MONTHS	LAST CA YEAR	NDAR
	THIS YEAR	LAST YEAR			
STEAM PRODUCED M LBS.					
GENERATED	49,546	39,209	599,621	557,128	
PLANT USE	3,092	3,357	34,540	36,831	
NET OUTPUT	46,454	35,852	565,081	520,297	
CH-H <sub>2</sub> O PRODUCED TON-HRS.					
GENERATED	1,899,044	1,580,794	23,743,434	22,959,503	
PLANT USE	26,035	101,603	873,000	746,690	
NET OUTPUT	1,873,009	1,479,191	22,870,434	22,212,813	
PEAK PRODUCTION RATES					
STEAM LBS./HR	117,000	90,000	133,000	123,000	
CH-H <sub>2</sub> O TONS	3,430	4,514	6,833	6,833	
GPM	9,300	9,000	13,800	13,800	
UTILITIES					
GAS MCF	56,017	51,807	724,414	672,485	
OIL GALS.	10	10	3,790	3,770	
ELECT. KWH	982,800	696,000	11,218,800	10,596,000	
H <sub>2</sub> O M GALS.	8,806	6,378	97,660	89,534	
UTILITY ALLOCATIONS					
KWH-STEAM	196,560	139,200	2,243,760	2,119,200	
CH-H <sub>2</sub> O	697,788	494,160	8,063,616	7,621,616	
M GAL. H <sub>2</sub> O-STEAM	2,842	1,724	24,552	19,616	
CH-H <sub>2</sub> O	5,417	4,354	65,243	63,816	
M GAL. COND. LOSS	560	571	7,875	6,107	
UNITS PER LB. STEAM					
BTU	1,228	1,474	1,309	1,319	
RAW WATER LBS.	.51	.40	.36	.32	
KWH/M LBS.	4.23	3.88	3.97	4.07	
UNITS PER TON-HR. CH-H <sub>2</sub> O					
STEAM LBS.	10.42	9.80	10.28	10.31	
RAW WATER GALS.	2.85	2.75	2.75	2.78	
KWH	.37	.31	.34	.34	
TUNNEL STEAM M LBS.					
INPUT	26,969	20,357	322,670	284,404	
SALES	24,424	20,286	306,312	272,815	
LOSSES: M LBS	2,545	71	16,358	11,589	
COND. % RETURNED	83.1	77.2	80.2	82.6	
TUNNEL CH-H <sub>2</sub> O TON HRS.					
INPUT	1,873,009	1,479,191	22,870,434	22,212,813	
SALES	1,847,160	1,411,455	21,910,061	21,278,588	
LOSSES: TON-HRS.	25,849	67,736	960,373	934,225	
FLOW - M GAL.	377,006	293,292	4,412,555	4,237,662	
AVG. TEMP. DIFF.	7.15	7.26	7.46	7.55	

	CURRENT MONTH		THIS PAST	LAST CALENDAR
	THIS YEAR	LAST YEAR	12 MONTHS	YEAR
<b>PRODUCTION COST</b>				
PAYROLL	\$ 18,526.75	\$ 15,215.54	\$ 185,254.88	\$ 173,166.49
OP. SUPPLIES	7,353.12	1,355.97	31,329.26	25,053.41
MOTOR POOL	213.43	127.11	2,379.57	2,417.84
TELEPHONE	81.97	68.82	1,096.27	1,217.48
GAS	74,230.57	45,490.28	884,017.53	745,164.23
WATER	80.70	80.00	1,518.74	1,293.82
ELECT.	18,356.20	7,084.07	205,602.86	182,044.63
SEWER	67.50	67.50	822.90	822.90
TUNNEL REPAIR	0	1,342.77	10,742.11	13,673.90
CONTROL SERVICES	9,185.81	5,045.63	89,518.54	75,100.88
<b>ADMINISTRATIVE COST</b>				
PROF. SERVICES	1,090.00	4,230.00	10,179.50	13,154.50
SPECIAL MAINT.	2,753.85	808.14	16,268.85	9,675.78
INSURANCE	1,651.83	1,598.33	19,661.46	29,787.99
TRUSTEE FEE	0	0	13,480.06	12,603.28
DEBT SERVICE	109,576.08	99,971.53	1,244,389.62	1,207,471.42
<b>TOTAL COST</b>	<b>\$ 243,167.81</b>	<b>\$ 182,485.69</b>	<b>\$ 2,725,024.16</b>	<b>\$ 2,500,410.61</b>
<b>SALES</b>				
STEAM	\$ 71,410.07	\$ 55,836.62	\$ 885,879.78	\$ 762,902.41
CH-H <sub>2</sub> O	163,921.80	122,157.58	1,753,908.15	1,663,725.62
CONTROL	7,835.94	4,982.40	85,227.16	73,813.00
EXTRAS	0	0	9.07	9.07
<b>TOTAL</b>	<b>\$ 243,167.81</b>	<b>\$ 182,976.60</b>	<b>\$ 2,725,024.16</b>	<b>\$ 2,500,450.10</b>
<b>UNIT COST SUMMARY</b>				
STEAM/M LBS.	\$ 1.54	\$ 1.56	\$ 1.57	\$ 1.47
CH-H <sub>2</sub> O/TON HRS.	.088	.082	.077	.075
ELECT. KWH	.020	.015	.018	.017
GAS/MCF	1.37	1.01	1.22	1.10



Exhibit D

REGENTS OF THE UNIVERSITY OF OKLAHOMA

UTILITY SERVICE AGREEMENT

This Utility Service Agreement (hereinafter called "Agreement") dated as of July 1, 1973, by and between \_\_\_\_\_ (hereinafter called "CUSTOMER") and the Board of Regents of the University of Oklahoma (hereinafter called "OWNER").

W I T N E S S E T H :

WHEREAS, the operation of the University of Oklahoma Health Science Center is under the control and supervision of the OWNER; and

WHEREAS, heating and cooling services are essential to the proper and efficient performance of the duties and work of the OWNER in the operation of the University of Oklahoma Health Science Center and related facilities; and

WHEREAS, the OWNER has determined to acquire the existing facilities and construct additional facilities required for the provision of heating and cooling services to the University of Oklahoma Health Science Center and certain buildings housing institutions related thereto that could be served by the OWNER which are contained in the Oklahoma Health Science Center (hereinafter called the "Project" which together with all additions, betterments, improvements thereto and extensions thereof hereafter constructed or acquired by the OWNER are called the "Facilities"); and

WHEREAS, to pay the cost of acquiring and constructing the Project and to capitalize certain reserve requirements, the OWNER has determined to initially issue its Utility Revenue Bonds, Series 1973 (hereinafter called "Bonds") dated July 1, 1973, in the aggregate principal amount of \$10,125,000, under and pursuant to the terms of a Bond Indenture

(hereinafter together with all supplements thereto called the "Indenture")  
dated as of July 1, 1973.

WHEREAS, in consideration of the OWNER's agreement to acquire  
and install the Project, the CUSTOMER has determined to purchase heating  
and/or cooling services from the OWNER.

NOW, THEREFORE, THE OWNER AND THE CUSTOMER AGREE AS  
FOLLOWS:

1. The CUSTOMER hereby agrees to purchase from the OWNER  
and the OWNER hereby agrees to furnish, all steam, chilled water and  
other services required to provide the central heating and cooling for the  
buildings of the CUSTOMER located adjacent to the University of Oklahoma Health  
Science Center in Oklahoma City. The term of this Utility Service Agree-  
ment shall be from the first day of July, 1973, to the thirtieth day of June,  
1974. Until the Bonds and all additional parity bonds, or any other indebt-  
edness of the OWNER secured by the Indenture are retired in full, this  
Utility Service Agreement shall be automatically renewed on July 1, 1974,  
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 accom-  
plished automatically unless notice in writing is given as hereinafter pro-  
vided. If the CUSTOMER determines that it does not wish the contract  
to be automatically renewed after any then next ensuing 12:01 A.M.,  
July 1, it 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 OWNER and the  
Bank. The CUSTOMER hereby agrees to not purchase heating and  
cooling services for its buildings located adjacent to the University of  
Oklahoma Health Science Center from anyone other than the OWNER as  
long as this contract is in effect, except for such services that are beyond  
the design capacity of this Project. The CUSTOMER further agrees to not

build a heating and cooling system to provide services to its buildings located in the Oklahoma Health Science Center 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 CUSTOMER's buildings existing or under construction in the Oklahoma Health Science Center as of July 1, 1973. The CUSTOMER hereby agrees to cooperate in all ways necessary to assist the OWNER in furnishing satisfactory service.

3. The CUSTOMER hereby agrees to pay, from legally available revenues, for said heating and cooling services, rates and charges to be determined by the OWNER and reviewed by the OWNER according to other provisions herein. Such rates, when so fixed, plus revenues derived from other sources, shall produce sufficient revenue (1) to provide in any year, revenues equal to the annual principal and interest requirements on the Bonds and any indebtedness of the OWNER payable from the gross revenues of the Facilities which is incurred in order to provide satisfactory service as hereinbefore defined, (2) to meet the Reserve Account, Repair and Replacement Fund, and Redemption Fund requirements on the Bonds as specified in the Indenture, and any other indebtedness of the OWNER payable from the revenues of the Facilities which is incurred in order to provide satisfactory service as hereinbefore defined, and (3) to pay the operation and maintenance expenses of or related to the Facilities.

4. (to be included in Agreements of State Agencies only) The CUSTOMER's liability for payment for heating and cooling services actually provided under this Agreement shall be subject to an appropriation having been made from which its obligations hereunder may lawfully be discharged, or there being other monies lawfully available from which such obligations

may be discharged. The CUSTOMER agrees (1) to apply such other monies to the extent required to satisfy its obligations hereunder and (2) to include in its budgets required to be submitted to any officer, board or commissioner in the executive branch preparing budgets to be submitted to the Legislature, or if there shall be no officers, boards or commissioners preparing such budgets, to include in their budgets to be submitted directly to the Legislature, amounts sufficient to enable it to meet its obligations hereunder. The CUSTOMER hereby agrees to commence payments to the OWNER on such date that service may be available.

5. The rates to be paid by the CUSTOMER to the OWNER shall consist of "Cost of Service" rates and "Base Rate Adjustment." Cost of Service rates shall be established by the OWNER, 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 OWNER and the professional engineers and, if required, adjusted each June and December, shall be maintained at a level sufficient to provide 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.

6. 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.

7. 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 principal and interest requirements on the Bonds and any indebtedness of the OWNER that is payable from the revenues of the Facilities which is incurred in order to provide satisfactory service as hereinbefore

defined; the operation and maintenance expenses of the Facilities; and the amounts necessary to maintain the Reserve Account, Repair and Replacement Fund, and the Redemption Fund (all as defined in the Indenture) at minimum stated levels.

8. A "minus" Base Rate Adjustment could result when the revenues derived from the "Cost of Service" rates exceed the amounts required to meet the actual principal and interest requirements on the Bonds and any indebtedness of the OWNER that is payable from the revenues of the Facilities which is incurred in order to provide satisfactory service as hereinbefore defined; the operation and maintenance expenses of the Facilities; the amounts necessary to maintain the Reserve Account, Repair and Replacement Fund, and the Redemption Fund (all as defined in the Indenture) at minimum stated levels, in the stated order of priority, and within the allotted time periods.

9. During any period or periods, in which any customer, or customers, of the OWNER, who have purchased fifty percent (50%) or more of the heating and cooling services produced by the Facilities during the next preceding twelve-month period, do not purchase heating and cooling services as required by Utility Service Agreements, the rates and charges, including both the Cost of Service rates and the Base Rate Adjustment to be paid by the CUSTOMER shall not exceed more than 200% of the highest monthly rates and charges paid by the CUSTOMER during the next preceding twelve-month period.

10. 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 \_\_\_\_\_ tons and for steam service shall initially be \_\_\_\_\_ lbs. per hour. The Design Demand Peaks may be changed by agreement of the parties hereto.

11. In the event of the OWNER's default under the Indenture, which



default results in the appointment of temporary or permanent receivers or Trustees of the Facilities, the CUSTOMER hereby agrees to perform with respect to such receivers or Trustees, all covenants and agreements herein undertaken with respect to the OWNER.

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

IN WITNESS WHEREOF, the CUSTOMER has caused this instrument to be signed by its Chairman and Secretary and its seal affixed and the OWNER 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.

\_\_\_\_\_  
ATTEST:

\_\_\_\_\_  
(SEAL)

BOARD OF REGENTS OF THE UNIVERSITY  
OF OKLAHOMA

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary

(SEAL)

STATE OF OKLAHOMA )  
 ) SS  
COUNTY OF OKLAHOMA )

BEFORE ME, the undersigned, a Notary Public in and for said State,  
on the \_\_\_\_\_ day of \_\_\_\_\_, 1973, personally appeared \_\_\_\_\_  
\_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_, \_\_\_\_\_ of  
\_\_\_\_\_ and to me further known to be  
the identical persons who subscribed the name of said \_\_\_\_\_ as one of  
the makers thereof, to the foregoing instrument as its \_\_\_\_\_ and  
\_\_\_\_\_, 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 \_\_\_\_\_ 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.

\_\_\_\_\_  
Notary Public

(SEAL)

My commission expires \_\_\_\_\_.

STATE OF OKLAHOMA )  
 ) SS  
COUNTY OF CLEVELAND )

BEFORE ME, the undersigned, a Notary Public in and for said State,  
on the \_\_\_\_\_ day of \_\_\_\_\_, 1973, personally appeared Huston  
Huffman, 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 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 Board of Regents 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.

\_\_\_\_\_  
Notary Public

(SEAL)

My commission expires \_\_\_\_\_.

APPENDIX A

RATE SCHEDULE

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<sup>o</sup>F  
or minus 3% per degree below 14<sup>o</sup>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 the Board of Regents of the University of Oklahoma 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 11 to 15 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 alterations 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, applicances, 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.

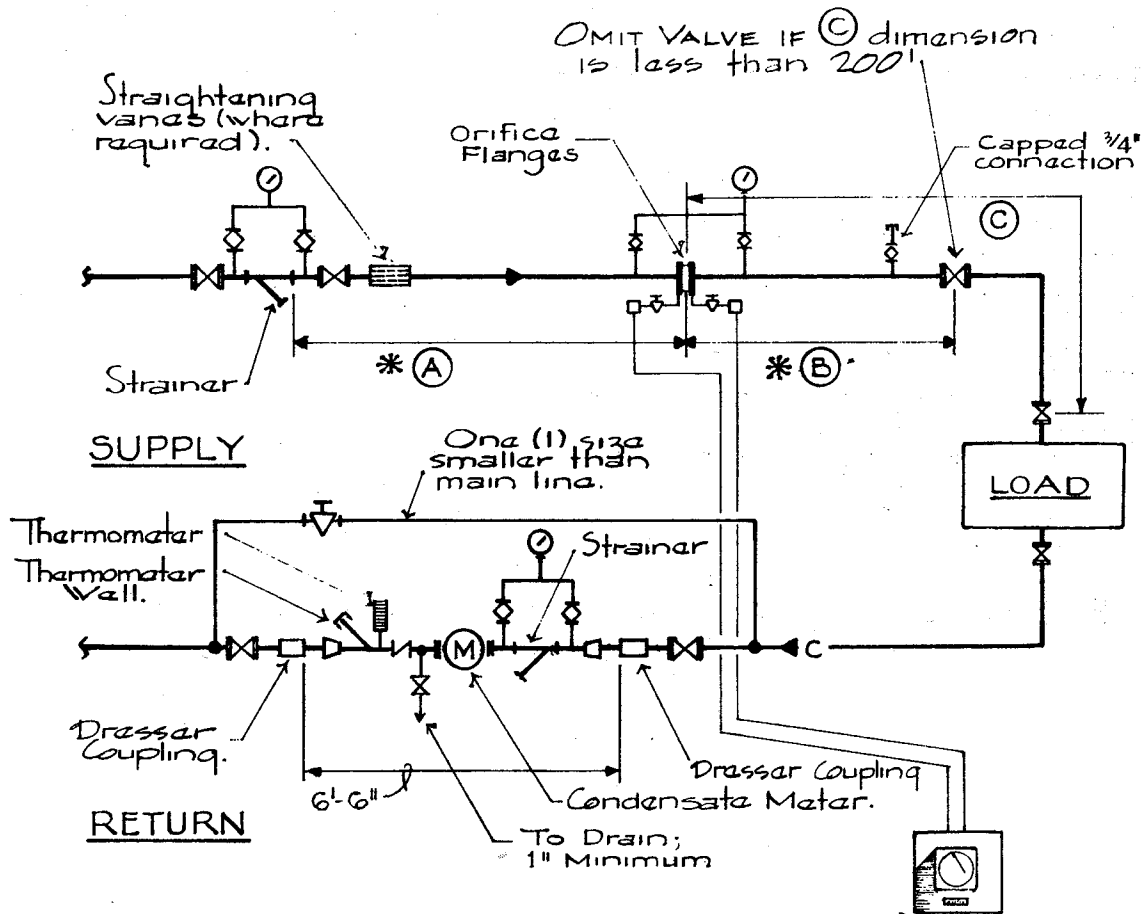
D. Exhaust Air From Customer's Buildings: The tunnel system will be maintained at a slight negative pressure by exhaust fans located near the central plant; the air being discharged to atmosphere after flowing through the plant building. Customers are encouraged to take advantage of this exhaust facility, 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 handwheels are above 7'-0".

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

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

REVISED 5-31-1972  
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.	30 DIAM. DOWNSTREAM * (B) MIN.
3"	750	0.06	500	9'	1'
3"	4300	1.50	2800	9'	1'
4"	4600	0.40	1600	10'	2'
4"	9500	1.30	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 5-31-1972

REVISED 7-15-1970

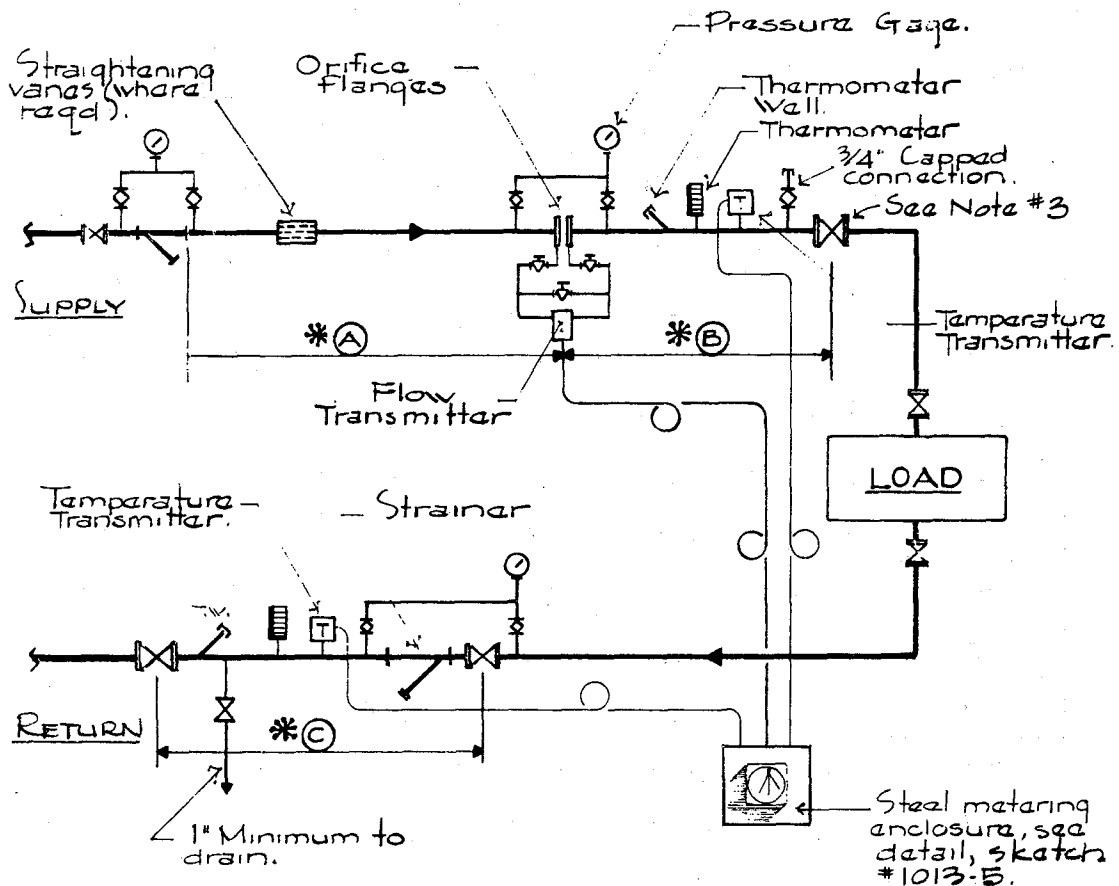
SKETCH #1013-2

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 hand wheels are above 7'-0".
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.
3. Omit valve if distance from load valve to orifice flange is less than 200'.

\* Depends on pipe size, see schedule sht. 1013-4.

REVISED 5-31-1972

REVISED 7-15-1970

**SKETCH #1013-3**  
 PREPARED BY:  
**CARNAHAN & THOMPSON**  
**ENGINEERS**  
 OCTOBER 14, 1969



# B.T.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°)

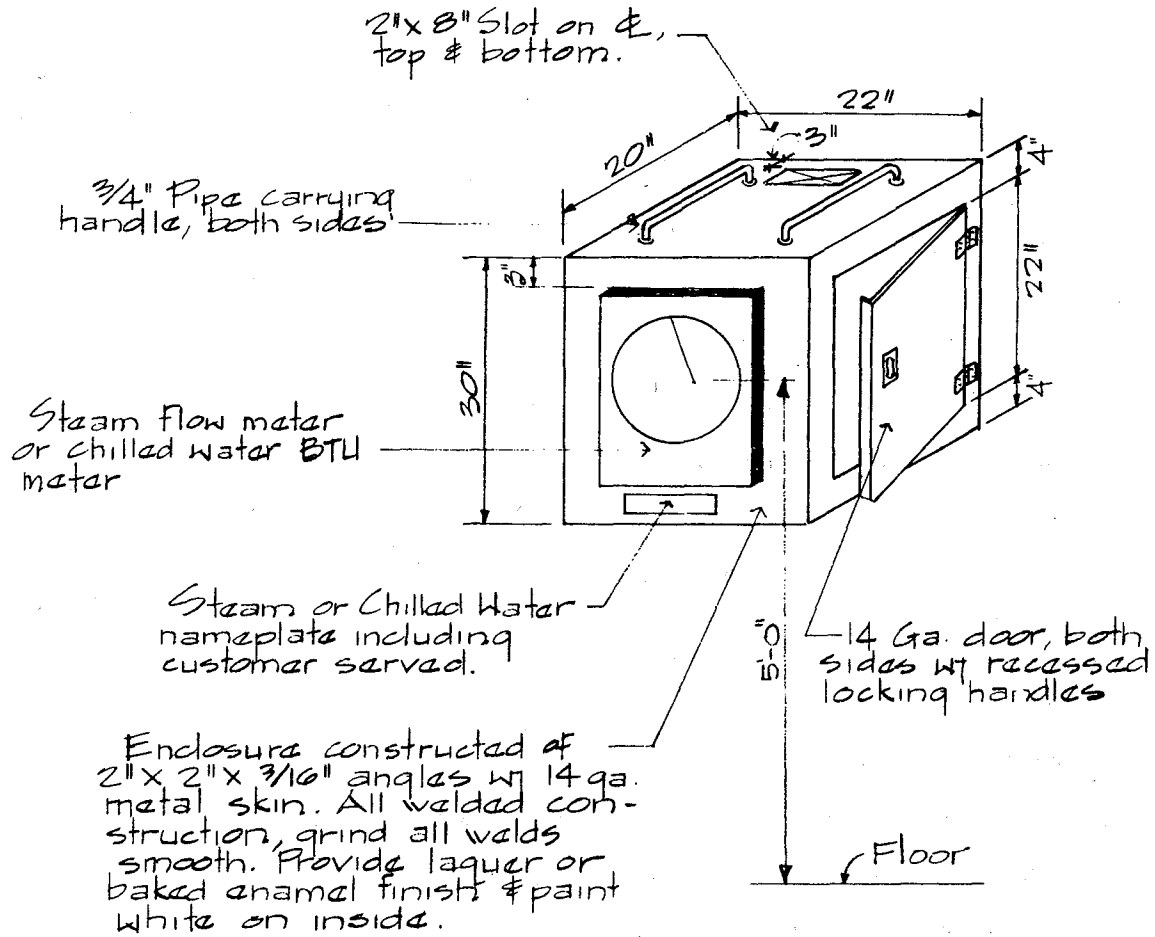
PIPE SIZE	TONS	LOSS PER 100 FT.	G.P.M.	UPSTREAM FT. REQD * (A) MIN.	DOWNSTREAM FT. REQD * (B) MIN.	RETURN FT. REQD * (C)
3"	35	1.74	60	9'	1'	3'
3"	81	8.32	140	9'	1'	3'
4"	87	2.53	150	10'	2'	3'-6"
4"	163	8.00	280	10'	2'	3'-6"
6"	174	1.24	300	15'	2'	4'
6"	494	8.50	850	15'	2'	4'
8"	521	2.48	900	20'	3'	4'-6"
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: 5-31-72  
REVISED: 7-15-70

<b>SKETCH #1013-4</b>
PREPARED BY:
<b>CARNAHAN &amp; THOMPSON</b>
<b>ENGINEERS</b>
OCTOBER 14, 1969

# METERING ENCLOSURE STEAM AND CHILLED WATER



## NOTES:

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

REVISED: 7-15-70  
5-31-72

SKETCH N<sup>o</sup> 1013-5

PREPARED BY

CARNAHAN AND THOMPSON  
ENGINEERS

OCTOBER 14, 1969

Exhibit E

REGENTS OF THE UNIVERSITY OF OKLAHOMA

CONTROL SERVICE AGREEMENT

THIS AGREEMENT made and entered into this \_\_\_\_ day of \_\_\_\_\_, 1973, by and between REGENTS OF THE UNIVERSITY OF OKLAHOMA hereinafter referred to as "SELLER," and \_\_\_\_\_, hereinafter referred to as "CUSTOMER."

WHEREAS, SELLER privately owns, maintains, and operates facilities in Oklahoma City capable of providing an automation service whereby SELLER can remotely monitor and operate certain mechanical and electrical equipment used for the air-conditioning, heating, and other systems of buildings; and

WHEREAS, CUSTOMER is the Owner of a building known as \_\_\_\_\_ hereinafter referred to as "the Premises," and desires to purchase such automation service for said building;

WHEREAS, SELLER is willing to sell such automation service to CUSTOMER for the purpose and under the conditions set forth herein.

NOW, THEREFORE, the above premises considered, and in consideration of the mutual covenants and agreements herein contained, the parties agree as follows:

ARTICLE I - SERVICE

1.1 General. SELLER agrees to furnish an automation service, hereinafter referred to as "the Service," which will remotely monitor and operate CUSTOMER's equipment and system for air-conditioning and heating the Premises. SELLER's system for providing the Service shall have the capability of performing the following individual functions at the Control Center:

- a. Continuous scanning of connected points.
- b. Digital indication of individual point values (not point

identification only), such indication to be continually "updated" to show changing remote values.

- c. Digital logging.
- d. Alarming of off-normal conditions.
- e. Change-of-state digital logging in systems format with off-normal points in red and alphanumeric identification of all points.
- f. Remote motor manual start-stop.
- g. Remote motor programmed start-stop.
- h. Remote readjustments of controllers.
- i. Voice communication between Control Center and equipment rooms in CUSTOMER's building.
- j. Status indication of points.
- k. Logging of status.
- l. Trend logging of selected points.

1.2 Service to be Provided CUSTOMER. SELLER shall furnish the following Service to CUSTOMER hereunder:

a. Start and stop the equipment designated as equipment to be started and stopped in Exhibit B, attached hereto and by reference made a part hereof, in accordance with a schedule to be furnished by CUSTOMER to SELLER as provided below.

b. Monitor alarms on equipment as designated in Exhibit B attached hereto. SELLER's operator shall use reasonable diligence to notify CUSTOMER's designated representative of such alarm by means of the intercom stations located in equipment rooms or such locations on the Premises as designated by Exhibit B attached hereto or, in the event operator is unable by means of the intercom stations to contact said representative, by telephone. SELLER shall provide CUSTOMER with a list of all alarms received at the Control Center, as hereinafter defined, during each weekly period.

c. Advise CUSTOMER's designated representative daily, to

the extent provided for in Exhibit B, of (1) those filters, if any, which require attention and (2) those air and water temperatures and other sensed variables, if any, as required.

d. CUSTOMER shall act reasonable in requesting information, logs, resets, or other control center data or functions, such requests being limited to those necessary to properly supervise and operate the related equipment in the Premises.

e. Exhibit B, attached hereto, contains a schedule of the points of service and the service function (start-stop, alarm, temperature, etc.) which will be furnished at each such point under this Agreement and such other information as may be required by this Agreement.

1.3 Off-Normal Conditions. Upon the detection of an off-normal condition, SELLER shall do the following:

a. Take corrective action from the Control Center, as hereinafter defined, at the central plant, if possible;

b. Notify CUSTOMER's designated representative or, if unavailable, CUSTOMER's on-duty maintenance personnel; and

c. If necessary, dispatch a representative to repair any equipment SELLER shall be required to maintain hereunder.

1.4 Additional Service. In addition to the Service which SELLER shall provide under Paragraph 1.2 above, SELLER shall provide CUSTOMER with a logging service which shall provide CUSTOMER with log sheets showing equipment status and the air and water temperatures of equipment shown on Exhibit B attached hereto. (A typical log sheet might (1) include any combination recording of outside air, mixed air, hot duct, cold duct, supply duct, hot water supply, hot water return, chilled water supply, and chilled water return temperatures for trend logging; (2) be all point logging; (3) be system logging; or (4) be off-normal logging.) Such logging service shall be provided on the following basis:

a. A maximum of 20 complete system logs shall be furnished as requested by CUSTOMER, during the period of initial start-up of CUSTOMER's heating and air-conditioning system if initial start-up is made after the Commencement of the service hereunder.

b. Change-of-state logs, i.e. the occurrence of any point changing from a normal to off-normal condition or the return of a point from off-normal to normal shall, with the printer enabled, cause a print-out. Such print-outs shall be provided to the CUSTOMER without limit as outlined in Paragraph 1.2b above, except where the CUSTOMER, through the performance of service, repair, or other routine on his equipment causes excessive and repetitive change-of-state logs and where information of such print-outs is agreed to be of no value.

c. Two (2) trend logs per week shall be furnished to CUSTOMER as requested by CUSTOMER at no additional charge, or in lieu of trend logs, CUSTOMER may substitute other logs at the following rate: one all-point log or one off-normal log for one trend log, or four system logs (maximum of six (6) systems per log) for one trend log. Unused logs may not be cumulated.

d. Additional logs regardless of type shall be furnished, at SELLER's option at a cost of Ten Dollars (\$10.00) per log, when requested by CUSTOMER.

Each trend log shall consist of a sequential recording of a maximum of any eight (8) points shown on Exhibit B at the selected interval for a continuous period of time not to exceed sixty (60) minutes. This trend logging shall not preclude the continuous scan of all points. The occurrence of any alarm or off-normal condition shall override this trend logging to locate and print-out the alarming system, such trend logging to resume immediately thereafter.

1.5 Schedule. CUSTOMER shall furnish a written schedule

showing the times when air handling units and pump units should be started and stopped during each calendar week. Such schedule shall be delivered to the plant supervisor not later than noon Thursday of the preceding week. Changes in such schedule shall be kept to a minimum. Further, SELLER shall start and stop air handling and pump units on a non-scheduled basis when requested by CUSTOMER. CUSTOMER shall keep such requests to a minimum. SELLER shall provide verbal temperature checks when requested by CUSTOMER; CUSTOMER shall act reasonable in requesting such checks.

## ARTICLE II - FACILITIES

2.1 SELLER's Facilities. SELLER's facilities include a JOHNSON Data Automation Center, herein referred to as "the Control Center," which is capable of performing the Service specified hereinabove. The Control Center is located at the Central Steam and Chilled Water Plant, 801 N. E. 8th, Oklahoma City, Oklahoma. SELLER shall arrange for a suitable communications link between the Control Center and the Premises and shall wire said communications link to the Control Center and the Customer Panel, as hereinafter defined.

2.2 CUSTOMER's Facilities. CUSTOMER shall supply and install on the Premises JOHNSON Data Collection (MPX) Panels, hereinafter referred to as "the Data Panels," in each equipment room or as necessary, as approved by SELLER. Further, CUSTOMER shall supply and install appropriate sensors, devices, instruments, appliances, alarms, intercom stations, and other components on the Premises, hereinafter referred to as "the Components," as are required to superimpose the Service on CUSTOMER's mechanical and electrical equipment and systems used to serve the Premises. The Components must be compatible with SELLER's equipment and facilities in SELLER's sole judgment. Further, CUSTOMER shall wire all the Components to their respective Data Panels and wire the Data Panels to terminal blocks in a panel located on the Premises at a

point reasonably near the point of ingress of SELLER's Control Cable to the Premises, herein referred to as the "the Customer Panel," in a manner approved by SELLER. As used hereinafter, the term "the Customer Components" shall include the Data Panels, the Components, the Customer Panel, the wiring, and all other equipment and facilities CUSTOMER is required to furnish hereunder.

2.3 SELLER's Approval of CUSTOMER's Facilities. At least \_\_\_\_\_ days prior to the COMMENCEMENT DATE, as hereinafter defined and required by Paragraph 5.1, CUSTOMER shall submit plans and specifications showing all Customer Components and related facilities, both existing or proposed, to SELLER for review to insure total system compatibility. CUSTOMER shall provide SELLER with two (2) complete sets of plans and specifications, including all addenda and change orders, if any, for SELLER's use in performing this contract. SELLER shall have thirty (30) days from the date such plans and specifications are furnished to review same to determine whether the system and equipment described therein are reasonably suitable for the purposes of this Agreement and to notify CUSTOMER of SELLER's determination relative thereto. In the event that SELLER determines that CUSTOMER's system and equipment, existing or proposed, are not reasonably suitable for the purposes of this Agreement, SELLER may require reasonable additions and modifications to CUSTOMER's system; such additions and modifications are to be specified by SELLER in said notice. Upon such notification, CUSTOMER shall make the necessary additions and modifications. Upon final approval and acceptance of CUSTOMER's plans and specifications by SELLER, SELLER shall promptly notify CUSTOMER thereof. Said plans and specifications as approved, or a suitable substitute thereof, labeled Appendix A and attached hereto, shall be initialled by a representative of each party. CUSTOMER warrants that the actual installation of its system shall substantially follow such plans and specifications, and any variance therefrom shall not materially



affect the operation of SELLER's automation system providing the Service.

2.4 Maintenance. After obtaining the approval of CUSTOMER's designated representative, SELLER shall perform preventive maintenance and routine service work during the normal working hours of SELLER's normal working days on the overall automation system, including Customer Components, and shall provide emergency service, including overtime service, as required to keep the overall automation system, including both SELLER or CUSTOMER portions of the system, in proper operation. Periodic maintenance inspection of SELLER and customer facilities on the Premises shall be rendered twice each year, in the fall and spring, the specific date for each such inspection to be approved by CUSTOMER's designated representative in advance of each such inspection. SELLER shall be free to start and stop all primary equipment related to the operation of the automation system, as arranged with CUSTOMER's designated representative. CUSTOMER shall provide reasonable access to both SELLER and CUSTOMER equipment and facilities on the Premises which are to be serviced by SELLER hereunder. After approval of CUSTOMER's designated representative, SELLER shall repair and replace Customer Components as necessary, in SELLER's judgment, for the proper functioning of the overall automation system, but shall not be responsible for the service, repair, or replacement of CUSTOMER's mechanical and electrical equipment and temperature control devices or for repairs necessitated by changes or additions to the wiring systems of CUSTOMER's building. CUSTOMER shall, within a reasonable period after notice from SELLER, effect reasonable repairs to its equipment or system, when, in the opinion of SELLER, necessary for the operation of the overall automation system. CUSTOMER shall reimburse SELLER for the cost of any repairs or replacement of Customer Components when such repair or replacement is necessitated by reason of negligence or misuse by CUSTOMER or by reason of any other cause beyond SELLER's control, except ordinary wear and tear. When it is determined by

SELLER's service man that a CUSTOMER request is for service to which CUSTOMER is not entitled under this Agreement, CUSTOMER shall be charged by SELLER for said service call at the prevailing rate of JOHNSON SERVICE COMPANY for like service. CUSTOMER, when notified of an alarm condition or off-normal condition, shall respond as expeditiously as possible and take such steps as are reasonably necessary to correct such condition.

2.5 Spare Parts. SELLER shall at all times maintain a sufficient supply of parts in Oklahoma City, Oklahoma, to provide for any repair or replacement necessary to keep the automation system operational with minimum down time.

2.6 Miscellaneous. CUSTOMER shall furnish necessary electric current, at CUSTOMER's sole expense, required for the operation of that portion of the overall automation system located on the Premises.

### ARTICLE III - LIABILITY

3.1 Interruption or Curtailment of Service. SELLER shall use reasonable diligence in providing the Service on a constant and uninterrupted, twenty-four (24) hour per day, seven (7) day per week, basis during the term hereof, but does not warrant or guarantee uninterrupted or uncurtailed Service and shall not be liable for any damages caused by or resulting from an interruption or curtailment of Service. In the event Service is interrupted as the result of fire, strike, riot, civil disturbance or commotion, explosion, flood, accident, breakdown, legal interference (including, but not necessarily limited to, loss of permit to use the public streets and alleys of the City of Oklahoma City, Oklahoma), acts of God, or the public enemy, or other acts or circumstances beyond the control of either party, affecting the Premises or equipment of CUSTOMER's or SELLER's system, payment for the Service shall be adjusted, based on a proration of the period and the degree

to which Service was suspended. In the event Service is otherwise interrupted for a period of time in excess of forty-eight (48) hours, and provided that CUSTOMER is capable of receiving the Service during such period of interruption of Service, and provided further that such interruption is not caused by CUSTOMER, payment for the Service shall be adjusted based on a proration of the period and the degree to which Service was suspended. Both parties shall be prompt and diligent in removing and overcoming the cause or causes of any interruption, and nothing contained herein shall be construed as permitting SELLER to refuse to furnish, or CUSTOMER to refuse to accept Service after the cause of interruption has been removed. Strikes or labor trouble shall be deemed beyond the reasonable control of the party claiming failure as a result thereof, and in the event of such strike or labor trouble, the obligation to be prompt and diligent in removing and overcoming the cause of interruption shall not be interpreted as requiring the making of any concession or conceding to any demands by such party during such strike or labor trouble. The refusal of CUSTOMER to accept the Service for any cause other than as stated in this Paragraph, or otherwise provided herein, shall not relieve CUSTOMER of its obligation to pay for the Service pursuant to the terms of this Agreement.

3.2 SELLER's Liability. SELLER shall not be responsible or liable for any loss, claim, or damage arising out of SELLER's failure to furnish the Service to the Premises, other than as provided in Paragraph 3.1 above; and CUSTOMER shall indemnify and hold SELLER, their trustees, officers, agents, and employees harmless in this regard. SELLER shall not be liable for any special, indirect, or consequential damages arising from the materials furnished, work performed, or services rendered as part of this Agreement.

#### ARTICLE IV - PAYMENT

4.1 General. Except for the additional service rendered under Paragraph 1.4 above, CUSTOMER agrees to pay, pursuant to the terms, covenants, and conditions hereof, commencing with the COMMENCEMENT DATE, as defined hereinafter, for the service rendered hereunder, a monthly payment in advance equal to the amount of the base charge specified in Section 1 of Exhibit A, attached hereto and by reference made a part hereof, adjusted in accordance with Section 2 of Exhibit A attached hereto. CUSTOMER agrees to pay monthly for the additional service furnished under Paragraph 1.4 above in accordance with the charge for such service specified therein. Payment is to be made by CUSTOMER by the 15th day of the month in which such payment is due.

4.2 Taxes. CUSTOMER shall pay all taxes, fees, and surcharges imposed, or which may be imposed, directly or indirectly upon the Service, such as but not necessarily limited to sales tax.

4.3 Billing and Payments. All billings hereunder shall be rendered to CUSTOMER by Regents of the University of Oklahoma and all payments made by CUSTOMER for such services shall be made to Regents of the University of Oklahoma at such address as SELLER shall specify. All charges for extra service furnished under this Agreement shall be individually itemized on the billing.

#### ARTICLE V - TERM, COMMENCEMENT, AND TERMINATION

5.1 Term and Commencement. Subject to the provisions of paragraphs 5.2 and 5.3, the Agreement shall extend from the COMMENCEMENT DATE, as defined hereinafter to the first 30th day of June following such date, and from year to year thereafter until one of the parties shall give to the other party at least three (3) months' notice in writing of its intention to terminate the Agreement at the end of the initial one-year term or any subsequent year thereafter. Automation service hereunder

shall commence on \_\_\_\_\_, 19\_\_\_\_, (or on an earlier date if SELLER and CUSTOMER so agree), hereinafter referred to as the "COMMENCEMENT DATE." SELLER shall use reasonable diligence to construct or expand its facilities, as necessary, to provide the Service by the COMMENCEMENT DATE to CUSTOMER, but shall not be responsible for failure to provide such Service upon the COMMENCEMENT DATE due to causes beyond its control.

5.2 Termination by SELLER. SELLER may cancel this Agreement at its option upon the happening of any of the following events:

- a. SELLER's equipment on the Premises is destroyed or substantially damaged by fire or other casualty;
- b. The Control Center or the Central Plant is destroyed or substantially damaged by fire or other casualty;
- c. There is a loss of the conduit and cable system furnishing the communications link between the Control Center and CUSTOMER's Premises or the destruction or substantial damage of such conduit system, cable system, or both; or
- d. CUSTOMER fails to pay in full, for a period in excess of forty-five (45) days after billing, the charges billed to it by SELLER for Services rendered under this Agreement or is otherwise guilty of substantial breach of any provision of the contract.

5.3 Termination by CUSTOMER. CUSTOMER may cancel this Agreement at its option upon the happening of any of the following events:

- a. The Premises are destroyed or substantially damaged by fire or other casualty.
- b. There is a loss of the conduit and cable system furnishing the communications link between the Control Center and CUSTOMER's Premises.
- c. SELLER is in default through failure to provide the Service to CUSTOMER as required by this Agreement and such

default is not corrected or remedied by SELLER within such period as reasonably may be required to correct or remedy such default with due diligence after CUSTOMER has notified SELLER in writing of such default.

5.4 Damages. In the event of cancellation as provided in Paragraphs 5.2 and 5.3 above, neither party shall be liable for damages or subject to penalty.

5.5 Removal of SELLER's Facilities. Upon cancellation or termination of this Agreement, or upon the default of CUSTOMER in payment of any monies due hereunder, SELLER may, at its option, remove, or abandon without removing, any and all of its equipment and facilities on the Premises. SELLER shall repair any damage caused to the Premises by such removal and shall restore all surfaces damaged by such removal to as close to its condition prior to such removal as shall be reasonably possible under the circumstances.

#### ARTICLE VI - SELLER'S FACILITIES ON PREMISES

6.1 Easements and Other Rights. CUSTOMER shall provide, without cost to SELLER, any easements or other rights necessary for the installation of SELLER's equipment and facilities on private property on which the Premises are located for the purpose of providing the Service to the Premises. Any easement or other necessary right furnished by CUSTOMER shall provide for a term of not less than the term of this Agreement, plus any renewals or extensions thereof, and shall further provide for SELLER's ingress and egress for maintenance, repair, replacement, or removal of SELLER's equipment and facilities.

6.2 All Equipment to Remain Property of SELLER. All equipment placed in or on the Premises by SELLER under the terms and conditions of this Agreement for the purpose of providing the Service hereunder, unless otherwise expressly provided, shall be and remain the property

of SELLER, and CUSTOMER shall exercise reasonable care to protect such property from loss or damage.

#### ARTICLE VII - MISCELLANEOUS

7.1 Insurance on Premises. CUSTOMER agrees to maintain its own fire and extended coverage insurance on the Premises and hereby waives all rights against SELLER for any loss to the Premises resulting from any of the perils insured against, regardless of their cause.

7.2 Insurance on SELLER's Components. SELLER agrees to maintain its own fire and extended coverage insurance on the SELLER's Components and hereby waives all rights against CUSTOMER for any loss to same resulting from the perils insured against, regardless of their cause.

7.3 SELLER's Liability Insurance Coverage. To the extent permitted by law, SELLER shall carry public liability insurance insuring SELLER against any and all legal liability for injury to persons (including wrongful death) and damage to property caused on the Premises by SELLER, its officers, agents and employees while on the Premises for the construction and installation of the SELLER's Components or the inspection, maintenance, repair, or operation of the SELLER's Components or the CUSTOMER's Components with liability limits of not less than \$10,000.00 for any person, and not less than \$50,000.00 for any accident involving injury (including wrongful death) to more than one person, and not less than \$10,000.00 for property damage resulting from one accident. SELLER shall furnish CUSTOMER with a certificate of such insurance prior to the Commencement Date which shall provide that said policy or policies will not be cancelled or materially modified, except upon ten (10) days advance written notice to CUSTOMER. SELLER shall carry insurance in such amounts as shall indemnify and save harmless CUSTOMER as required under said Paragraph 3.2. Further, SELLER shall comply with the Workmen's Compensation Laws of the State

of Oklahoma.

7.4 Obligations Upon Termination. Notwithstanding any other provision that may be contained herein to the contrary, the termination of this Agreement by either party as provided herein shall not relieve CUSTOMER of its obligation to pay any and all amounts due and owing to SELLER as of the date of such termination nor shall it relieve SELLER of its obligation to furnish Service to such date.

7.5 Notice. Notices required hereunder shall be in writing and shall be sent by registered or certified mail, addressed as follows:

"SELLER"	REGENTS OF THE UNIVERSITY OF OKLAHOMA Attention: Ms. Barbara James 660 Parrington Oval, #214 Norman, Oklahoma 73069
"CUSTOMER"	

7.6 Compliance With Statutes, etc. SELLER and CUSTOMER shall at all times comply with all appropriate Statutes, Ordinances, Code Regulations, or enactments of Public Bodies or Regulatory Agencies properly enacted, in the installation and operation of all equipment required hereunder, and all competent governmental regulatory authorities exercising jurisdiction over the subject matter hereof.

7.7 CUSTOMER's Designated Representative. Prior to the COMMENCEMENT DATE, CUSTOMER shall notify SELLER in writing of the name of the individual who is to act as CUSTOMER's designated representative for the purposes of this Agreement and shall notify SELLER in writing of any change therein.

7.8 No Oral Modifications. This Agreement may not be modified except by an instrument in writing signed by the parties hereto.

7.9 Use of Titles and Headings. The use of titles and headings for each Article and Paragraph herein shall in no way limit, extend, or impair the terms contained herein, the same being used for convenience



only.

7.10 Successors Bound and Assignment. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties. CUSTOMER may not assign this Agreement (in whole or in part) without the prior written consent of SELLER, which shall not be unreasonably withheld.

7.11 Special Terms and Conditions. Special terms and conditions, if any, are set forth in Exhibit C, which is incorporated herein and made a part of this Agreement.

IN WITNESS WHEREOF, the parties have signed this Agreement on the date hereinabove indicated.

REGENTS OF THE UNIVERSITY OF  
OKLAHOMA

By: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
(SEAL)

\_\_\_\_\_  
(CUSTOMER)

By: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
(SEAL)

EXHIBIT A

SCHEDULE OF CHARGES AND ADJUSTMENTS

1. Base Charge. The base charge, hereinafter referred to as "the Base Charge", for the Service is \_\_\_\_\_ per month ( \_\_\_\_\_ ) per year.

2. Adjustments of Base Charge. The Base Charge may be adjusted for increases or decreases in SELLER'S costs, the amount of such adjustment to be determined as provided in Section 3 below. Adjustments shall take effect (30) days after written notice of such adjustment is sent to CUSTOMER or such later date as may be specified in such notice. Each such adjustment to the Base Charge made to reflect increases or decreases in SELLER'S cost shall remain in effect until such time as a new adjustment in the Base Charge is made hereunder. Failure of SELLER to promptly adjust the Base Charge within a reasonable period of time following the date of a change in the Wage Rate as hereinafter defined, shall not constitute a waiver of SELLER'S right to accumulate such changes and to take them into account on the date of a subsequent adjustment in the Base Charge.

3. Amount of Adjustment. When adjustment of the Base Charge is made under Section 2 above, the amount of such adjustment shall equal the percent (%) increase (or decrease) of the Wage Rate multiplied by the Base Charge. Wage Rates, as hereinafter defined, are for journeymen, plumbers and pipe fitters in the metropolitan Oklahoma City area as at the date written notice of an adjustment is sent to CUSTOMER, as provided for above, as determined from the applicable agreement between the association of Plumbing, Heating and Cooling Contractors and the United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada, Locals #344 and 369, or their successors, hereinafter referred to as

the "Union Contract." A copy of the current Union Contract has been furnished to CUSTOMER, receipt of which is hereby acknowledged. The term "Wage Rates" as used herein includes the minimum Wage Rate and the fringe benefits and other compensation per hour for journeymen, plumbers and pipe fitters as specified in the applicable Union Contract.

4. Example of Adjustment in Base Charge. By way of hypothetical example, illustrating (but not limiting) the application of the method of adjustment described in Section 3 above, assume that the Wage Rates under the applicable Union Contract as of the date of this Agreement were \$7.00 and as of the date of the notice of adjustment to CUSTOMER were \$7.70, and that the base charge is \$1,000.00. The amount of the adjustment would be \$100.00, i.e.  $(\$0.70/\$7.00 \times \$1,000.00 = \$100.00)$ . The Base Charge as adjusted would be \$1,100.00, i.e.  $(\$1,000.00 + \$100.00 = \$1,100.00)$ .



EXHIBIT C

SPECIAL TERMS AND CONDITIONS

The following special terms and conditions are incorporated in  
and made a part of this Agreement: (If "none," so state.)

May 16, 1977

Board of Regents  
University of Oklahoma  
Norman, Oklahoma

We have examined the financial statements of the University of Oklahoma Health Sciences Center, Steam and Chilled Water Plant for the year ended June 30, 1976, and have issued our report thereon dated August 31, 1976 (see page 10 of the financial statements in this official statement). Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In the course of our examination, we examined the revenues, operations, and maintenance expenditures, which do not include depreciation, capital additions, and interest. We also reviewed the debt service requirements of the Board of Regents of the University of Oklahoma, Utility Systems Revenue Bonds, Series 1973 and 1975.

In our opinion, the revenues in excess of the expenditures derived from the Steam and Chilled Water Plant at the Health Sciences Center of the University of Oklahoma for the year ended June 30, 1976, were at least equal to the amount required to be paid into the bond sinking fund for payment of the debt service requirements on all bonds then outstanding.

*Touche Ross & Co.*  
Certified Public Accountants

**carnahan-thompson-delano, inc.**  
professional consulting engineers -

(405) 528-5611

2 0 0 0 c l a s s e n c e n t e r

o k l a h o m a c i t y , o k l a h o m a 7 6 6

May 5, 1977

Exhibit G

The First National Bank & Trust Company  
Oklahoma City, Oklahoma 73102

Reference: University of Oklahoma  
Health Sciences Center  
Utility System Revenue Refunding Bonds, Series 1977

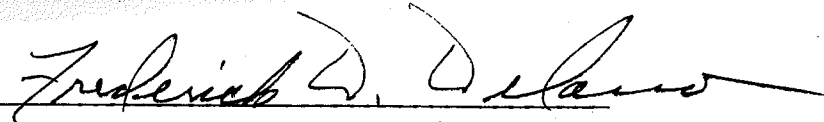
The Bond Resolution section 14-C, under the provision for "Additional Bonds", contains the following quoted provision:

"A Consulting Engineer shall certify to the Trustee Bank, with the approval of the Board of Regents, that the estimated net revenues to be derived from the then existing heating and cooling and the additional heating and cooling facilities to be constructed, shall, in the fiscal year following the date of the initial use of such 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 Bonds to be issued".

By application of a Base Rate Adjustment, the amount charged for services is adjusted each month so that the Revenue equals the operating, maintenance, and debt service cost. This procedure assures that the revenues to be produced by expanded facilities will continue to at least equal the annual amount required for the payment of debt service requirements on all Bonds. The application of the Base Rate Adjustment is agreed to in the Utilities Service Agreements in force with all users of the facility.

CARNAHAN-THOMPSON-DELANO, INC.

By



Frederick D. Delano, P.E.

FDD/mfo

Exhibit HUNIVERSITY OF OKLAHOMA HEALTH SCIENCES CENTERYEAR ENDED JUNE 30, 1976I N D E X

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TOUCHE ROSS & CO.

900 FIDELITY PLAZA  
OKLAHOMA CITY, OKLAHOMA 73102

August 31, 1976

Board of Regents  
University of Oklahoma  
Norman, Oklahoma

We have examined the balance sheet of The University of Oklahoma Health Sciences Center as of June 30, 1976, and the related statements of changes in fund balances and current funds revenues, expenditures, and other changes for the year then ended. Our examination was made in accordance with generally accepted audit standards and accordingly included such tests of the accounting records and other auditing procedures as we considered necessary in the circumstances, except as stated in the following paragraph.

As explained in Note A, the accounts receivable relating to the professional practice plan have not been recorded. The amount and collectibility are not determinable.

In our opinion, except for the effects on the financial statements of not recording the receivables in the current fund, the aforementioned financial statements present fairly the financial position of The University of Oklahoma Health Sciences Center at June 30, 1976, and the changes in fund balances and the current funds revenues, expenditures, and other changes for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

*Touche Ross & Co.*

Certified Public Accountants

## UNIVERSITY OF OKLAHOMA HEALTH SCIENCES CENTER

## BALANCE SHEET

JUNE 30, 1976

## ASSETS

CURRENT FUNDS:	
Unrestricted:	
Cash	\$ 2,728,010
Accounts receivable, less allowance for doubtful accounts of \$7,000 (Note A)	673,289
Due from current restricted funds	644,055
Other assets	48,500
Total Unrestricted	<u>4,093,854</u>
Restricted:	
Cash	752,702
Accounts receivable	376,298
Total Restricted	<u>1,129,000</u>
TOTAL CURRENT FUNDS	<u>\$ 5,222,854</u>
LOAN FUNDS:	
Cash	\$ 219,480
Notes receivable, less allowance for doubtful accounts of \$50,000 (Note A)	2,668,269
TOTAL LOAN FUNDS	<u>\$ 2,887,749</u>
PLANT FUNDS (Notes A, B, C, and D):	
Unexpended:	
Cash	\$ 5,846,031
Deferred charges	50,172
Total Unexpended	<u>5,896,203</u>
Retirement of Indebtedness:	
Deposits with trustees	1,833,089
Total Retirement of Indebtedness	<u>1,833,089</u>
Investment in Plant:	
Land	4,373,459
Buildings and improvements	36,308,721
Equipment	13,400,700
Construction in progress	6,909,495
	60,992,375
Less accumulated depreciation	(8,774,211)
Total Investment in Plant	<u>52,218,164</u>
TOTAL PLANT FUNDS	<u>\$59,947,456</u>

(Continued)

## LIABILITIES AND FUND BALANCES

CURRENT FUNDS:	
Unrestricted:	
Accounts payable and accrued expenses	\$ 853,193
Loan payable - University of Oklahoma	47,500
Lease payable (Note B)	79,800
Fund balance	3,113,361
Commitments (Note E)	
Total Unrestricted	<u>4,093,854</u>
Restricted:	
Accounts payable and accrued expenses	391,007
Due to current unrestricted funds	644,055
Fund balance	93,938
Total Restricted	<u>1,129,000</u>
TOTAL CURRENT FUNDS	<u>\$ 5,222,854</u>
LOAN FUNDS:	
Fund balance (including amounts refundable on U. S. Government grants of \$2,115,616)	\$ 2,887,749
TOTAL LOAN FUNDS	<u>\$ 2,887,749</u>
PLANT FUNDS (Notes A, B, C, and D):	
Unexpended:	
Accounts payable	\$ 2,608,740
Bonds payable	1,199,325
Fund balance - unexpended	2,088,138
Total Unexpended	<u>5,896,203</u>
Retirement of Indebtedness:	
Fund balance - retirement of indebtedness	1,833,089
Total Retirement of Indebtedness	<u>1,833,089</u>
Investment in Plant:	
Bonds payable	15,110,675
Net investment in plant	37,107,489
Commitments	
Total Investment in Plant	<u>52,218,164</u>
TOTAL PLANT FUNDS	<u>\$59,947,456</u>

TOUCHE ROSS & CO.

UNIVERSITY OF OKLAHOMA HEALTH SCIENCES CENTER

BALANCE SHEET

JUNE 30, 1976

(Continued)

A S S E T S

AGENCY FUNDS:	
Cash (Note F)	\$ 852,009
	<hr/>
TOTAL AGENCY FUNDS	<u>\$ 852,009</u>

LIABILITIES AND FUND BALANCES

AGENCY FUNDS:	
Accounts payable	\$ 91,081
Deposits held in custody for others (Note F)	<hr/> 760,928
	<hr/>
TOTAL AGENCY FUNDS	<u>\$ 852,009</u>

See notes to financial statements.

## UNIVERSITY OF OKLAHOMA HEALTH SCIENCES CENTER

## STATEMENT OF CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 1976

	Current Funds		Loan Funds	Plant Funds			Funds Held By Related Organization
	Unrestricted	Restricted		Unexpended	Retirement of Indebtedness	Investment In Plant	
REVENUES AND OTHER ADDITIONS:							
Unrestricted current funds revenues	\$ 29,304,859	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State appropriations - restricted	-	526,777	-	3,691,544	-	-	-
Federal grants and contracts - restricted	-	5,882,632	175,365	5,005,799	-	-	-
Private gifts, grants, and contracts - restricted	-	1,121,610	6,081	-	-	-	-
Interest on loans receivable	-	-	47,405	-	-	-	-
Restricted auxiliary enterprise revenues	-	-	-	-	1,040,881	-	-
Expended for plant facilities (including \$1,189,386 charged to current funds expenditures)	-	-	-	-	-	11,974,928	-
Retirement of indebtedness	-	-	-	-	-	195,000	-
Other additions	-	-	2,935	261,462	130,838	-	210,804
Total Revenues and Other Additions	<u>29,304,859</u>	<u>7,531,019</u>	<u>231,786</u>	<u>8,958,805</u>	<u>1,171,719</u>	<u>12,169,928</u>	<u>210,804</u>
EXPENDITURES AND OTHER DEDUCTIONS:							
Educational and general	17,409,351	8,033,982	-	-	-	-	-
Auxiliary enterprises	4,377,144	-	-	-	-	-	-
Professional practice plan	6,263,467	-	-	-	-	-	-
Expended for plant facilities	-	-	-	10,785,542	-	-	-
Retirement of bond indebtedness	-	-	-	-	195,000	-	-
Interest on bond indebtedness	-	-	-	-	1,109,013	-	-
Disposal of plant facilities	-	-	-	-	-	100,641	-
Transfers to other state agencies	-	-	-	-	-	644,267	-
Depreciation	-	-	-	-	-	1,451,718	-
Other deductions	-	-	60,141	174,673	2,449	-	6,587
Total Expenditures and Other Deductions	<u>28,049,962</u>	<u>8,033,982</u>	<u>60,141</u>	<u>10,960,215</u>	<u>1,306,462</u>	<u>2,196,626</u>	<u>6,587</u>
TRANSFERS AMONG FUNDS - ADDITIONS (DEDUCTIONS):							
Nonmandatory:							
Transfer from related organization	66,812	-	-	-	-	217,043	(283,855)
Transfer of bond indebtedness from unexpended plant to investment in plant fund	-	-	-	3,118,654	-	(3,118,654)	-
Total Transfers	<u>66,812</u>	<u>-</u>	<u>-</u>	<u>3,118,654</u>	<u>-</u>	<u>(2,901,611)</u>	<u>(283,855)</u>
NET INCREASE (DECREASE) FOR YEAR	1,321,709	(502,963)	171,645	1,117,244	(134,743)	7,071,691	(79,638)
FUND BALANCE AT BEGINNING OF YEAR	<u>1,791,652</u>	<u>596,901</u>	<u>2,716,104</u>	<u>970,894</u>	<u>1,967,832</u>	<u>30,035,798</u>	<u>79,638</u>
FUND BALANCE AT END OF YEAR	<u>\$ 3,113,361</u>	<u>\$ 93,938</u>	<u>\$2,887,749</u>	<u>\$ 2,088,138</u>	<u>\$ 1,833,089</u>	<u>\$37,107,489</u>	<u>\$ -</u>

See notes to financial statements.

## UNIVERSITY OF OKLAHOMA HEALTH SCIENCES CENTER

## STATEMENT OF CURRENT FUNDS REVENUES,

## EXPENDITURES, AND OTHER CHANGES

YEAR ENDED JUNE 30, 1976

	<u>Total</u>	<u>Unrestricted</u>	<u>Restricted</u>
<b>CURRENT FUNDS REVENUES:</b>			
Tuition and fees	\$ 1,018,530	\$ 1,018,530	\$ -
State appropriations	14,258,260	14,258,260	-
Federal grants and contracts	6,331,963	-	6,331,963
State and local grants and contracts	542,150	-	542,150
Private gifts, grants, and contracts	1,159,869	-	1,159,869
Sales and services of educational departments	567,155	567,155	-
Organized activities related to educational departments	2,075,474	2,075,474	-
Sales and services of the professional practice plan	6,780,160	6,780,160	-
Sales and services of auxiliary enterprises	4,605,280	4,605,280	-
Total Current Funds Revenues	<u>37,338,841</u>	<u>29,304,859</u>	<u>8,033,982</u>
<b>EXPENDITURES:</b>			
Educational and General (Note G):			
Instruction and departmental research	11,283,483	11,283,483	-
Research	2,517,603	139,898	2,377,705
Other sponsored programs	5,523,448	-	5,523,448
Extension and public service	33,191	33,191	-
Libraries	482,916	456,500	26,416
Operation and maintenance of plant	2,333,600	2,333,600	-
General administration	1,633,319	1,633,319	-
General institutional expense	1,408,865	1,408,865	-
Student aid	226,908	120,495	106,413
Total Educational and General Expenditures	25,443,333	17,409,351	8,033,982
Professional practice plan	6,263,467	6,263,467	-
Auxiliary enterprises	4,377,144	4,377,144	-
Total Expenditures	<u>36,083,944</u>	<u>28,049,962</u>	<u>8,033,982</u>
<b>OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS):</b>			
Transfer from related organization	66,812	66,812	-
Excess of transfers to revenue over restricted receipts	(502,963)	-	(502,963)
<b>NET INCREASE (DECREASE) IN FUND BALANCES</b>	<u>\$ 818,746</u>	<u>\$ 1,321,709</u>	<u>\$ (502,963)</u>

See notes to financial statements.

UNIVERSITY OF OKLAHOMA HEALTH SCIENCES CENTER

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 1976

A. Summary of Significant Accounting Policies:

- (1) Organization -- The University of Oklahoma Health Sciences Center is an agency of the state of Oklahoma, under the control of the Board of Regents of The University of Oklahoma. It is located in Oklahoma City and includes colleges of medicine, health, dentistry, nursing, pharmacy, and graduate college.
- (2) Basis of Accounting -- The statement of current funds revenues, expenditures, and other changes is a statement of the financial activities of current funds related to the current reporting period and does not purport to present the results of operations or the net income or loss for the period.

To the extent that current funds are used to finance plant assets, the amounts so provided are accounted for as: (1) expenditures, in the case of normal replacement of movable equipment and library books; (2) mandatory transfers, in the case of required provisions for debt retirement and interest; and (3) transfers of a nonmandatory nature in all other cases.

- (3) Fund Accounting -- The financial statements are prepared in accordance with the principles of "fund accounting." This is the procedure by which resources for various purposes are classified for reporting purposes into funds that are in accordance with activities or objectives specified. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined into fund groups. Accordingly, all financial transactions have been reported by fund group.

Within each fund group, fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purposes by action of the governing board or administration. Externally restricted funds may only be utilized in accordance with the purposes established by the source of such funds and are in contrast with unrestricted funds over which the governing board retains full control to use in achieving any of its institutional purposes.

All gains and losses arising from the sale, collection, or other disposition of noncash assets are accounted for in the fund which owns such assets. Income derived from investments, receivables, and the like is accounted for in the fund owning such assets.

UNIVERSITY OF OKLAHOMA HEALTH SCIENCES CENTERNOTES TO FINANCIAL STATEMENTSYEAR ENDED JUNE 30, 1976

(Continued)

Unrestricted revenue is accounted for in the unrestricted current funds. Restricted gifts, grants, appropriations, and other restricted resources are accounted for in the appropriate restricted fund. Restricted current funds are reported as revenues and expenditures when expended for current operating purposes.

- (4) Professional Practice Plan -- Professional personnel on the medical and health care staffs maintain practices whereby they bill patients for services rendered. The revenues for these services are to be transferred to the Health Sciences Center. The Health Sciences Center accounts for these revenues in the current unrestricted fund on a recorded cash receipt basis because the amount of gross revenues and the accounts receivable and their collectibility are not determinable.
- (5) Investment in Plant -- Land, buildings and improvements, equipment, and construction in progress are stated at cost at date of acquisition or fair market value at date of donation. Depreciation is computed by the straight-line method based upon the estimated useful lives of the related assets. Expenditures for maintenance and repairs are charged to expense as incurred whereas renewals and betterments are capitalized.
- (6) Employee Benefit Plans -- Substantially all of the academic and non-academic personnel of the Health Sciences Center are covered by various contributory and noncontributory retirement plans. The Center's policy is to fund pension cost accrued.

B. Lease Payable:

The lease covering property known as Moon Junior High School is considered to be equivalent to an installment purchase for purposes of accounting presentation. The cost of the property of \$133,000 is included in the investment in plant fund and the related lease obligation discounted at a 10% interest rate is set forth separately in the balance sheet.

Payments under the capitalized lease are \$35,000 per year through June 30, 1979.

C. Bonds Payable:

Bonds payable represent the Utility Series Revenue Bonds, Series 1973 and 1975, issued by the Board of Regents of The University of Oklahoma at interest rates ranging from 5 1/2% to 8%, payable July 1 and January 1. Annual bond maturities are as follows:

UNIVERSITY OF OKLAHOMA HEALTH SCIENCES CENTERNOTES TO FINANCIAL STATEMENTSYEAR ENDED JUNE 30, 1976

(Continued)

<u>Year Ending</u> <u>June 30,</u>	
1977	\$ 215,000
1978	225,000
1979	240,000
1980	260,000
1981	270,000
1982-1986	1,655,000
1987-1991	2,265,000
1992-2005	<u>11,180,000</u>
	<u>\$16,310,000</u>

The bond indentures require annual sinking fund payments of approximately \$1,200,000 to fund principal and interest payments throughout the term of the bond indentures and a sinking fund reserve of approximately \$1,500,000.

The University of Oklahoma Health Sciences Steam and Chilled Water Plant buildings and equipment with a carrying value of \$12,326,000 and the related revenues are collateral for the bonds payable.

**D. Construction in Progress:**

The institution has the following construction projects in process at June 30, 1976:

<u>Project</u>	<u>Construction</u> <u>in Progress</u>	<u>Remaining</u> <u>Commitment</u>
Steam and Chilled Water Plant	\$ 4,246,994	\$ 340,000
College of Nursing	2,222,476	1,412,000
Library Learning Resources	440,025	5,426,000
	<u>\$ 6,909,495</u>	<u>\$7,178,000</u>

**E. Lease Commitments:**

The aggregate rental commitment of the institution's Department of Dermatology, discounted to present value using a 7% interest rate, at June 30, 1976, under noncancellable lease, is \$108,000 as follows:



UNIVERSITY OF OKLAHOMA HEALTH SCIENCES CENTERNOTES TO FINANCIAL STATEMENTSYEAR ENDED JUNE 30, 1976

(Continued)

<u>Year Ending June 30,</u>	
1977	\$ 17,800
1978	17,800
1979	17,800
1980	17,800
1981	17,800
1982-1985	<u>90,600</u>
	<u>\$179,600</u>

Substantially all rental agreements for use of buildings and equipment are on a one year renewable basis with the current year expenditure being approximately \$783,000.

F. Funds of the University Hospital and Clinics:

The center is acting in a custodial relationship for funds appropriated to The University of Oklahoma Board of Regents. The funds are to be utilized solely by the University Hospital and Clinics in its educational capital improvement program. The agency funds include \$655,563 of these funds at June 30, 1976.

G. Employee Benefit Plans:

The retirement benefit plans include the Oklahoma Teachers Retirement System, Teachers Insurance and Annuity Association, and College Retirement Equity Fund Retirement Addition. The Teachers Retirement System benefits are payable at retirement and are computed at the retirement date. The other plans are annuity types and benefits payable are determined at retirement.

Contributions to the retirement plans for the current year's funding was \$607,000. There are no past services costs in the employee benefit plans.

ADDITIONAL INFORMATION

In connection with our examination of the financial statements of The University of Oklahoma Health Sciences Center for the year ended June 30, 1976, we have also examined the additional information presented in the following pages.

In our opinion, the financial statements of the Steam and Chilled Water Plant are fairly presented in all material respects in relation to the financial statements taken as a whole, although they are not necessary for a fair presentation of financial position, the changes in fund balances, or the current funds revenues, expenditures, and other changes.

The cash basis financial statements are not fairly presented in accordance with generally accepted accounting principles, which require use of accrual basis of accounting.

*Touche Ross & Co.*  
Certified Public Accountants

TOUCHE ROSS & CO.

UNIVERSITY OF OKLAHOMA HEALTH SCIENCES CENTER

STEAM AND CHILLED WATER PLANT

BALANCE SHEET

JUNE 30, 1976

A S S E T S

CURRENT FUNDS:	
Unrestricted:	
Cash	\$ 148,788
Accounts receivable	239,518
Due from other Health Science Center departments	46,177
	<u>          </u>
TOTAL CURRENT FUNDS	<u>\$ 434,483</u>
PLANT FUNDS:	
Unexpended:	
Cash	\$ 1,750,208
Deferred charges	50,172
	<u>          </u>
Total Unexpended	<u>1,800,380</u>
Retirement of indebtedness.	
Deposits with trustees	<u>1,833,089</u>
	<u>          </u>
Total Retirement of Indebtedness	<u>1,833,089</u>
Investment in plant:	
Buildings and improvements	7,400,426
Equipment	1,553,609
Construction in progress	4,246,994
	<u>13,201,029</u>
Less accumulated depreciation	(874,982)
	<u>          </u>
Total Investment in Plant	<u>12,326,047</u>
	<u>          </u>
TOTAL PLANT FUNDS	<u>\$15,959,516</u>

LIABILITIES AND FUND BALANCES

CURRENT FUNDS:	
Unrestricted:	
Accounts payable and accrued expenses	\$ 219,839
Fund balance	214,644
	<u>          </u>
TOTAL CURRENT FUNDS	<u>\$ 434,483</u>
PLANT FUNDS:	
Unexpended:	
Accounts payable	\$ 298,764
Bonds payable	1,199,325
Fund balance	302,291
	<u>          </u>
Total Unexpended	<u>1,800,380</u>
Retirement of indebtedness:	
Fund balance	<u>1,833,089</u>
	<u>          </u>
Total Retirement of Indebtedness	<u>1,833,089</u>
Investment in plant:	
Bonds payable	15,110,675
Net investment in plant	(2,784,628)
	<u>          </u>
Total Investment in Plant	<u>12,326,047</u>
	<u>          </u>
TOTAL PLANT FUNDS	<u>\$15,959,516</u>

UNIVERSITY OF OKLAHOMA HEALTH SCIENCES CENTERSTEAM AND CHILLED WATER PLANTSTATEMENT OF CHANGES IN FUND BALANCESYEAR ENDED JUNE 30, 1976

	Current Funds - Unrestricted	Unexpended	Plant Funds	
			Retirement of Indebtedness	Investment In Plant
REVENUES AND OTHER ADDITIONS:				
Unrestricted current funds revenues	\$ 967,707	\$ -	\$ -	\$ -
Restricted auxiliary enterprise revenues	-	-	1,040,881	-
Retirement of bond indebtedness	-	-	-	195,000
Expended for plant facilities	-	-	-	3,112,862
Other additions	-	261,462	130,838	-
Total Revenues and Other Additions	<u>967,707</u>	<u>261,462</u>	<u>1,171,719</u>	<u>3,307,862</u>
EXPENDITURES AND OTHER DEDUCTIONS:				
Auxiliary enterprise expenditures	937,460	-	-	-
Retirement of bond indebtedness	-	-	195,000	-
Interest on bond indebtedness	-	-	1,109,013	-
Expended for plant facilities	-	3,112,862	-	-
Other deductions	-	7,650	2,449	-
Depreciation	-	-	-	257,419
Total Expenditures and Other Deductions	<u>937,460</u>	<u>3,120,512</u>	<u>1,306,462</u>	<u>257,419</u>
TRANSFERS AMONG FUNDS - ADDITIONS (DEDUCTIONS):				
Nonmandatory:				
Transfer of bond indebtedness	-	3,118,654	-	(3,118,654)
Total Transfers Among Funds	-	<u>3,118,654</u>	-	<u>(3,118,654)</u>
NET INCREASE (DECREASE) FOR THE YEAR	30,247	259,604	(134,743)	(68,211)
FUND BALANCE AT BEGINNING OF YEAR	184,397	42,687	1,967,832	(2,716,417)
FUND BALANCE AT END OF YEAR	<u>\$ 214,644</u>	<u>\$ 302,291</u>	<u>\$ 1,833,089</u>	<u>\$(2,784,628)</u>

UNIVERSITY OF OKLAHOMA HEALTH SCIENCES CENTER

STEAM AND CHILLED WATER PLANT

STATEMENT OF CURRENT FUNDS REVENUES,

EXPENDITURES, AND OTHER CHANGES

YEAR ENDED JUNE 30, 1976

REVENUES:

Sales and services of auxiliary enterprise (net of bond  
sinking fund requirements of \$1,040,881)

\$967,707

EXPENDITURES:

Auxiliary enterprise:

Salaries, fees, and wages  
Supplies and materials  
Utilities and communication  
Staff benefits  
Bond debt expense  
Other

163,724  
28,613  
683,482  
11,189  
5,991  
44,461

Total Expenditures

937,460

EXCESS OF REVENUES OVER EXPENDITURES

\$ 30,247

## UNIVERSITY OF OKLAHOMA HEALTH SCIENCES CENTER

BALANCE SHEETCASH BASIS

JUNE 30, 1976

A S S E T S

CURRENT FUNDS:	
Unrestricted:	
Cash	\$ 2,728,010
Other assets	48,500
Total Unrestricted	<u>2,776,510</u>
Restricted:	
Cash	752,702
Total Restricted	<u>752,702</u>
 TOTAL CURRENT FUNDS	 <u>\$ 3,529,212</u>
LOAN FUNDS:	
Cash	\$ 219,480
Notes receivable, less allowance for doubtful accounts of \$50,000	2,668,269
TOTAL LOAN FUNDS	<u>\$ 2,887,749</u>
PLANT FUNDS:	
Unexpended:	
Cash	\$ 5,846,031
Deferred charges	50,172
Total Unexpended	<u>5,896,203</u>
Retirement of indebtedness:	
Deposits with trustees	1,833,089
Total Retirement of Indebtedness	<u>1,833,089</u>
Investment in Plant:	
Land	4,373,459
Buildings and improvements	36,308,721
Equipment	13,065,516
Construction in progress	4,635,939
	58,383,635
Less accumulated depreciation	(8,774,211)
Total Investment in Plant	<u>49,609,424</u>
 TOTAL PLANT FUNDS	 <u>\$57,338,716</u>

LIABILITIES AND FUND BALANCES

CURRENT FUNDS:	
Unrestricted:	
Loan payable - University of Oklahoma	\$ 47,500
Fund balance	2,729,010
Total Unrestricted	<u>2,776,510</u>
Restricted:	
Fund balance	752,702
Total Restricted	<u>752,702</u>
 TOTAL CURRENT FUNDS	 <u>\$ 3,529,212</u>
LOAN FUNDS:	
Fund balance	\$ 2,887,749
TOTAL LOAN FUNDS	<u>\$ 2,887,749</u>
PLANT FUNDS:	
Unexpended:	
Bonds payable	\$ 1,199,325
Fund balance - unexpended	4,696,878
Total Unexpended	<u>5,896,203</u>
Retirement of indebtedness:	
Fund balance - retirement of indebtedness	1,833,089
Total Retirement of Indebtedness	<u>1,833,089</u>
Investment in Plant:	
Bonds payable	15,110,675
Net investment in Plant	34,498,749
 Total Investment in Plant	 <u>49,609,424</u>
 TOTAL PLANT FUNDS	 <u>\$57,338,716</u>

(Continued)

TOUCHE ROSS & CO.

UNIVERSITY OF OKLAHOMA HEALTH SCIENCES CENTER

BALANCE SHEET

CASH BASIS

JUNE 30, 1976

(Continued)

A S S E T S

AGENCY FUNDS:  
Cash

\$ 852,009

TOTAL AGENCY FUNDS

\$ 852,009

LIABILITIES AND FUND BALANCES

AGENCY FUNDS:

Deposits held in custody for others

\$ 852,009

TOTAL AGENCY FUNDS

\$ 852,009

## UNIVERSITY OF OKLAHOMA HEALTH SCIENCES CENTER

## STATEMENT OF CHANGES IN FUND BALANCES

## CASH BASIS

YEAR ENDED JUNE 30, 1976

	Current Funds		Loan Funds	Plant Funds			Funds Held By Related Organization
	Unrestricted	Restricted		Unexpended	Retirement of Indebtedness	Investment In Plant	
REVENUES AND OTHER ADDITIONS:							
Unrestricted current funds revenues	\$ 28,914,967	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State appropriations - restricted	-	526,777	-	3,691,544	-	-	-
Federal grants and contracts - restricted	-	5,506,333	175,365	5,005,799	-	-	-
Private gifts, grants, and contracts - restricted	-	1,121,610	6,081	261,462	-	-	-
Interest on loans receivable	-	-	47,405	-	-	-	-
Restricted auxiliary enterprise revenues	-	-	-	-	1,040,881	-	-
Expended for plant facilities (including \$1,181,552 charged to current funds expenditures)	-	-	-	-	-	11,583,139	-
Retirement of indebtedness	-	-	-	-	-	195,000	-
Other additions	-	-	2,935	-	130,837	-	210,804
Total Revenues and Other Additions	<u>28,914,967</u>	<u>7,154,720</u>	<u>231,786</u>	<u>8,958,805</u>	<u>1,171,718</u>	<u>11,778,139</u>	<u>210,804</u>
EXPENDITURES AND OTHER DEDUCTIONS:							
Educational and general	17,241,299	7,719,610	-	-	-	-	-
Auxiliary enterprises	4,460,520	-	-	-	-	-	-
Professional practice plan	6,766,767	-	-	-	-	-	-
Expended for plant facilities	-	-	-	10,401,587	-	-	-
Retirement of bond indebtedness	-	-	-	-	195,000	-	-
Interest on bond indebtedness	-	-	-	-	1,421,950	-	-
Disposal of plant facilities	-	-	-	-	-	100,641	-
Transfers to other state agencies	-	-	-	-	-	644,267	-
Depreciation	-	-	-	-	-	1,451,718	-
Other deductions	-	-	60,141	166,840	2,449	-	6,587
Total Expenditures and Other Deductions	<u>28,468,586</u>	<u>7,719,610</u>	<u>60,141</u>	<u>10,568,427</u>	<u>1,619,399</u>	<u>2,196,626</u>	<u>6,587</u>
TRANSFERS AMONG FUNDS - ADDITIONS (DEDUCTIONS):							
Nonmandatory:							
Transfer from related organization	66,812	-	-	-	-	217,043	(283,855)
Transfer of bond indebtedness from unexpended plant to investment in plant fund	-	-	-	3,118,654	-	(3,118,654)	-
Total Transfers	<u>66,812</u>	<u>-</u>	<u>-</u>	<u>3,118,654</u>	<u>-</u>	<u>(2,901,611)</u>	<u>(283,855)</u>
NET INCREASE (DECREASE) FOR YEAR	513,193	(564,890)	171,645	1,509,032	(447,681)	6,679,902	(79,638)
FUND BALANCE AT BEGINNING OF YEAR	<u>2,215,817</u>	<u>1,317,592</u>	<u>2,716,104</u>	<u>3,187,846</u>	<u>2,280,770</u>	<u>27,818,847</u>	<u>79,638</u>
FUND BALANCE AT END OF YEAR	<u>\$ 2,729,010</u>	<u>\$ 752,702</u>	<u>\$2,887,749</u>	<u>\$ 4,696,878</u>	<u>\$ 1,833,089</u>	<u>\$34,498,749</u>	<u>\$ -</u>



## UNIVERSITY OF OKLAHOMA HEALTH SCIENCES CENTER

## STATEMENT OF CURRENT FUNDS REVENUES,

## EXPENDITURES, AND OTHER CHANGES

## CASH BASIS

YEAR ENDED JUNE 30, 1976

	<u>Total</u>	<u>Unrestricted</u>	<u>Restricted</u>
<b>CURRENT FUNDS REVENUES:</b>			
Tuition and fees	\$ 1,017,644	\$ 1,017,644	\$ -
State appropriations	14,258,260	14,258,260	-
Federal grants and contracts	6,071,224	-	6,071,224
State and local grants and contracts	526,777	-	526,777
Private gifts, grants, and contracts	1,121,609	-	1,121,609
Sales and services of educational departments	567,155	567,155	-
Organized activities related to educational departments	1,773,925	1,773,925	-
Sales and services of the professional practice plan	6,780,160	6,780,160	-
Sales and services of auxiliary enterprises	4,517,823	4,517,823	-
Total Current Funds Revenues	<u>36,634,577</u>	<u>28,914,967</u>	<u>7,719,610</u>
<b>EXPENDITURES:</b>			
Educational and General:			
Instruction and departmental research	11,186,391	11,186,391	-
Sponsored research	2,341,415	132,423	2,208,992
Other sponsored programs	5,377,789	-	5,377,789
Extension and public service	32,562	32,562	-
Libraries	481,230	454,814	26,416
Operation and maintenance of plant	2,383,804	2,383,804	-
General administration	1,629,143	1,629,143	-
General institutional expense	1,301,666	1,301,666	-
Student aid	226,909	120,496	106,413
Total Educational and General Expenditures	24,960,909	17,241,299	7,719,610
Professional practice plan	6,766,767	6,766,767	-
Auxiliary enterprises	4,460,520	4,460,520	-
Total Expenditures	<u>36,188,196</u>	<u>28,468,586</u>	<u>7,719,610</u>
<b>OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS):</b>			
Transfer from related organization	66,812	66,812	-
Excess of transfers to revenue over restricted receipts	(564,890)	-	(564,890)
<b>NET INCREASE (DECREASE) IN FUND BALANCES</b>	<u>\$ (51,697)</u>	<u>\$ 513,193</u>	<u>\$ (564,890)</u>

UNIVERSITY OF OKLAHOMA - NORMAN CAMPUS AND HEALTH SCIENCES CENTER  
STATEMENT OF OUTSTANDING BONDS  
March 31, 1977

Bond Issue	Length of Issue	Bond Principal		Restricted Funds				Percent Invested	Outstanding Less Total Restricted
		Original Amount	Outstanding	Principal & Interest	Reserve	Repair & Replacement	Total		
<b>Student Housing Revenue Bonds:</b>									
1957 Bond System:									
Series A and B (1957)	40	\$ 6,541,000	\$ 1,505,000	\$ 446,704	\$ 764,136	\$ 31	\$ 1,210,871	79	\$ 294,129
Series C (OCCE 1959)	30	1,400,000	877,000	1,445	313,710	--	315,155	98	561,845
1963-64 Bond System:									
Series A and B (1963)	40	5,700,000	4,639,000	279,434	724,997	591,969	1,596,400	99	3,042,600
Series C (1964)	39	3,000,000	2,635,000	174,015	467,366	406,738	1,048,119	99	1,586,881
1966 Bond System	33	13,600,000	12,495,000	1,023,439	997,456	515,956	2,536,851	99	9,958,149
<b>Student Facilities Revenue Bonds:</b>									
Series D (1963)	15	1,800,000	375,000	6,491	327,267	--	333,758	98	41,242
Series A (1971)	15	1,760,000	1,330,000	11,252	273,102	77,692	362,046	99	967,954
Series B (1971)	25	4,000,000	4,000,000	37,600	454,934	65,719	558,253	99	3,441,747
Oklahoma Memorial Union Bonds	30	2,300,000	332,000	121,917	174,924	--	296,841	99	35,159
Stadium System Revenue Bonds	15	5,000,000	3,500,000	366,803	473,950	--	840,753	99	2,659,247
<b>Organized Group Housing:</b>									
Series 1 (PKP)	30	220,000	169,000	--	49,498	20,224	69,722	92	99,278
Series 2 (SAE)	30	340,000	279,000	21,628	40,000	2,553	64,181	91	214,819
TOTAL NORMAN CAMPUS		<u>\$45,661,000</u>	<u>\$32,136,000</u>	<u>\$2,490,728</u>	<u>\$5,061,340</u>	<u>\$1,680,882</u>	<u>\$ 9,232,950</u>		<u>\$22,903,050</u>
<b>Utility System Revenue Bonds:</b>									
Series 1973	30	\$10,125,000	\$ 9,735,000	\$ 283,362	\$ 997,810	\$ 100,000	\$ 1,381,172	99	\$ 8,353,828
Series 1975	30	6,500,000	6,360,000	179,509	648,450	100,000	927,959	99	5,432,041
TOTAL HEALTH SCIENCES CENTER		<u>\$16,625,000</u>	<u>\$16,095,000</u>	<u>\$ 462,871</u>	<u>\$1,646,260</u>	<u>\$ 200,000</u>	<u>\$ 2,309,131</u>		<u>\$13,785,869</u>
TOTAL BOTH CAMPUSES		<u>\$62,286,000</u>	<u>\$48,231,000</u>	<u>\$2,953,599</u>	<u>\$6,707,600</u>	<u>\$1,880,882</u>	<u>\$11,542,081</u>		<u>\$36,688,919</u>

Note: No accrued interest payable or receivable is included in the bonds outstanding and restricted funds totals.

Exhibit J

SUMMARY OF CERTAIN PROVISIONS OF THE REFUNDING ESCROW AGREEMENT

A Refunding Escrow Agreement will be entered into by and between the Regents of the University of Oklahoma, (the "University"), and The First National Bank and Trust Company of Oklahoma City, Oklahoma City, Oklahoma, (the "Bank") dated as of July 1, 1977. The following summary of certain provisions of the Refunding Escrow Agreement does not purport to be complete and for the complete provisions of the agreement, reference is made to the Refunding Escrow Agreement. The Refunding Escrow Agreement is in no way security for the Regents of the University of Oklahoma, Utility System Revenue Bonds, Series 1973, or Utility System Revenue Refunding Bonds, Series 1977, (the "Series 1977 Bonds").

A Refunding Escrow Account shall be established with the Bank pursuant to the Refunding Escrow Agreement for the benefit of the holders of the Regents of the University of Oklahoma Utility System Revenue Bonds, Series 1975, (the "Series 1975 Bonds").

The University shall deposit in the Refunding Escrow Account, from the proceeds of the Series 1977 Bonds, monies sufficient to acquire United States Treasury Obligations, State and Local Government Series, (the "Government Securities"), in an amount sufficient and maturing in such amounts of principal and interest which shall be sufficient to pay the principal of and interest on the Series 1975 Bonds when due until January 1, 1985, and to redeem the outstanding balance of the Series 1975 Bonds, including the payment of the redemption premium on January 1, 1985. The funds deposited in the Refunding Escrow Account shall constitute an irrevocable appropriation of monies for the benefit of the Series 1975 Bonds.

The principal and interest of the Government Securities shall be deposited, irrevocably pledged and shall be utilized to transfer to the Refunding Escrow Account amounts sufficient to satisfy the debt service requirements of such Series 1975 Bonds until January 1, 1985 and to redeem the outstanding principal amount of the Series 1975 Bonds, including the payment of the redemption premium, on January 1, 1985.

No substitutions for the Government Securities initially purchased with the net proceeds of the Series 1977 Bonds shall be allowed.

The University shall pay the proper fees and expenses to the Bank either from amounts in excess of the required amounts which will satisfy the principal and interest requirements on the Series 1975 Bonds, or from other legally available sources of the University. Under no circumstances shall the Bank have a lien or a right to any monies or Government Securities held in the Refunding Escrow Account for the payment of such fees and expenses.

The Bank may resign and be discharged from the trusts created by the Refunding Escrow Agreement by giving proper notice in writing to the University. The Bank may be removed at any time by an instrument in writing, executed by the holders

of not less than fifty-one percent (51%) in aggregate principal amount of the Series 1975 Bonds then outstanding, such instrument to be filed with the University and proper notice to be given. The Bank may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provisions of the Refunding Escrow Agreement with respect to the duties and obligations of the Bank by any court of competent jurisdiction upon the application of the University or the holders of not less than five percent (5%) in aggregate principal amount of the Series 1975 Bonds then outstanding.

The Refunding Escrow Agreement shall terminate when the principal and interest of the Series 1975 Bonds has been paid.

Refunding Escrow Account

The Bank will invest the funds deposited in the Refunding Escrow Account from the proceeds of the Series 1977 Bonds in the Government Securities listed below:

<u>Description</u>	<u>Maturity Date</u>	<u>Amount</u>
SLGC <u>1/</u>	December 29, 1977	\$ 133,000
SLGC	June 28, 1978	33,000
SLGN <u>2/</u>	December 29, 1978	119,000
SLGN	June 28, 1979	30,000
SLGN	December 29, 1979	121,000
SLGN	June 28, 1980	26,000
SLGN	December 29, 1980	122,000
SLGN	June 28, 1981	23,000
SLGN	December 29, 1981	128,000
SLGN	June 28, 1982	18,000
SLGN	December 29, 1982	129,000
SLGN	June 28, 1983	14,000
SLGN	December 29, 1983	129,000
SLGN	June 28, 1984	10,000
SLGN	December 29, 1984	<u>5,917,000</u>
		<u>\$6,952,000</u>

1/ United States Treasury Certificate of Indebtedness - State and Local Government Series.

2/ United States Treasury Note - State and Local Government Series.

In addition, cash from the proceeds of the Series 1977 Bonds in the amount of \$569.70 will be in the Refunding Escrow Account. Except for the final maturity, all the Government Securities in the Refunding Escrow Account have a yield of 0.00%. The Government Securities of the final maturity, December 29, 1984, bear interest at the rate of 6.99%.

THE BOARD OF REGENTS  
THE UNIVERSITY OF OKLAHOMA  
ADMINISTRATION BUILDING (EVANS HALL)  
NORMAN, OKLAHOMA 73069

Gentlemen:

For your issue of Utility System Revenue Refunding bonds of the par value of \$ 7,040,000.00 with principal and semi-annual interest payable at The First National Bank and Trust Company of Oklahoma City, State of Oklahoma, or, at the option of the holder, at the State Fiscal Agency, New York City, New York; we hereby agree to pay you therefor a price of par and accrued interest, plus a total premium of \$ none, said bonds to bear interest and to mature as follows:

\$120,000 due 1-1-78 @ <u>7.00 %</u>	\$165,000 due 1-1-85 @ <u>7.00 %</u>	\$240,000 due 1-1-92 @ <u>5.55 %</u>
\$115,000 due 1-1-79 @ <u>7.00 %</u>	\$175,000 due 1-1-86 @ <u>7.00 %</u>	\$245,000 due 1-1-93 @ <u>5.65 %</u>
\$120,000 due 1-1-80 @ <u>7.00 %</u>	\$180,000 due 1-1-87 @ <u>6.05 %</u>	\$270,000 due 1-1-94 @ <u>5.75 %</u>
\$125,000 due 1-1-81 @ <u>7.00 %</u>	\$195,000 due 1-1-88 @ <u>5.10 %</u>	\$280,000 due 1-1-95 @ <u>5.90 %</u>
\$135,000 due 1-1-82 @ <u>7.00 %</u>	\$200,000 due 1-1-89 @ <u>5.25 %</u>	\$290,000 due 1-1-96 @ <u>6.00 %</u>
\$145,000 due 1-1-83 @ <u>7.00 %</u>	\$210,000 due 1-1-90 @ <u>5.35 %</u>	\$305,000 due 1-1-97 @ <u>6.00 %</u>
\$145,000 due 1-1-84 @ <u>7.00 %</u>	\$230,000 due 1-1-91 @ <u>5.45 %</u>	

\$ 3,150,000 due 1-1-2005 @ 6.30 %

Total Interest Cost \$ 7,510,583.75 Net Interest Cost \$ 7,510,583.75

That we are to be furnished with complete certified transcript of proceedings covering said issue within ten days after the approval thereof by the Attorney General of Oklahoma. That payment therefor in accordance with the above price will be made within five days after their tender to us at The First National Bank and Trust Company of Oklahoma City, State of Oklahoma, free and clear of any bank charges or delivery expenses, under the following agreement: (1) said bonds to be in the hands of the Attorney General of Oklahoma for his approval within thirty days from this date without litigation pending; and the bonds must be tendered us for payment within thirty-five days after approval by the Attorney General, which shall in no event exceed 70 days from this date; and (2) that after the thirty-day statutory contest period following his approval we are to be furnished with additional certificates necessary to establish legality, legal delivery and freedom from litigation, including any litigation that may impair security of Bonds, all to the satisfaction of Fagin, Brown, Bush, & Selvidge & Tinney, Oklahoma City, Oklahoma, Bond Attorneys.

In event said Bond Attorneys advise us that the Bonds may not be approved by reason of your failure to comply with this contract, then we will retain an option to have such Bonds delivered to us under the terms of this contract until such time as said Bond Attorneys advise us that they have received the necessary transcripts of proceedings and certificates to establish legality, legal delivery and freedom from litigation.

We attached hereto check in the sum of \$ 140,800.00, as evidence of good faith to be held by you uncashed and to be forfeited to you as full liquidated damages in the event we fail or refuse to comply with this agreement; said check to be returned to us (1) immediately if this proposal be rejected or (2) after 70 days from this date, if demanded by us, in the event you are unable to comply with the provisions hereof.

If, prior to the delivery of these bonds, the income received from bonds of the same type and character shall become subject to Federal taxation by ruling, decision, or law, or pending income tax legislation as to this matter, we may at our election, be relieved of our obligation under this contract and in such case the deposit will be returned.

This proposition is made for immediate acceptance or rejection.

(See attached list for Account Members)

Respectfully submitted,  
THE FIRST NATIONAL BANK AND TRUST COMPANY  
OKLAHOMA CITY, OKLAHOMA

By: Bernard P. Hall  
Bernard P. Hall, Vice President

The above proposition presented, considered, accepted and bonds awarded in accordance therewith in legal meeting this 9th day of June, 1977.

Receipt is hereby acknowledged for check as mentioned above.

Thomas R. Britt  
President, Board of Regents of the University  
of Oklahoma

ATTEST: Barbara H. Jones  
Executive Secretary of the Board of Regents  
of the University of Oklahoma

ACCOUNT MEMBERS

THE FIRST NATIONAL BANK AND TRUST COMPANY - OKLAHOMA CITY, OKLAHOMA ) Mgrs.  
LIBERTY NATIONAL BANK AND TRUST COMPANY - OKLAHOMA CITY, OKLAHOMA ) Jt. Mgrs.  
WOOLSEY AND COMPANY, INC. - OKLAHOMA CITY, OKLAHOMA  
MERRILL LYNCH, PIERCE, FENNER & SMITH INC. - OKLAHOMA CITY, OKLAHOMA  
STIFEL, NICHOLAUS & CO., INC. - OKLAHOMA CITY, OKLAHOMA  
BANK OF OKLAHOMA - TULSA, OKLAHOMA  
DEAN WITTER & CO., INC. - TULSA, OKLAHOMA  
THE FIRST NATIONAL BANK AND TRUST COMPANY - TULSA, OKLAHOMA  
R. J. EDWARDS, INC. - OKLAHOMA CITY, OKLAHOMA  
THOMSON & MCKINNON, INC. - OKLAHOMA CITY, OKLAHOMA

THE BOARD OF REGENTS OF THE UNIVERSITY OF OKLAHOMA MET  
IN REGULAR SESSION IN DINING ROOM NO. 5 OF THE STUDENT UNION OF  
THE UNIVERSITY OF OKLAHOMA IN NORMAN, OKLAHOMA, ON THE 9TH  
DAY OF JUNE, 1977, AT 10:30 O'CLOCK A.M.

PRESENT: Thomas R. Brett, President, Bob G. Mitchell, M.D., Vice  
President, Richard A. Bell, Dee A. Replogle, Jr., Charles E.  
Engleman and Ronald H. White, M.D.

ABSENT: K.D. Bailey

(Other proceedings)

The Regents noted that due to the difficulty in having public bids  
for a refunding bond issue in compliance with federal arbitrage regu-  
lations, have invited The First National Bank and Trust Company of Oklahoma  
City and The Liberty National Bank and Trust Company of Oklahoma City to  
join together and form a bidding syndicate to submit bids on the \$7,040,000.  
Regents of the University of Oklahoma Utility System Refunding Revenue Bonds,  
Series 1977. Said syndicate has submitted a bid pursuant to a bond purchase  
contract attached hereto and made a part thereof. Said bid has been opened,  
tabulated and checked by the Office of Finance, Legal Counsel, Bond Counsel  
and the Financial Consultant to the University. Said Bid is as follows:

Total  
Interest Cost

\$7,510,583.75

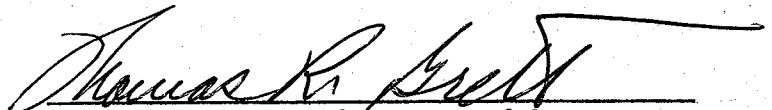
Net  
Interest Rate

6.1438%

The bidder was required to submit with his bid a sum in cash or its equivalent equal to two percent of his bid, and after due consideration of all bids received a motion was made by Engleman that the bid be accepted and the bonds be awarded, sold and delivered to The First National Bank and Trust Company of Oklahoma City, The Liberty National Bank and Trust Company of Oklahoma and Associates, upon fulfillment of the terms as set out in said Bond Purchase Agreement and bid for the purchase of said bonds and that said Bond Purchase Agreement be approved and the President be authorized and directed to execute for and on behalf of the Regents. Said motion not needing a second was adopted by the following vote:

AYE: Brett, Mitchell, Bell, Replogle, Engleman and White

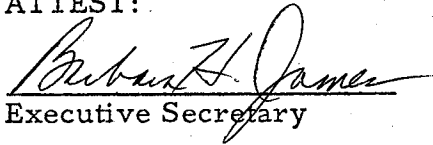
NAY: NONE



President, Board of Regents of the  
University of Oklahoma

(SEAL)

ATTEST:

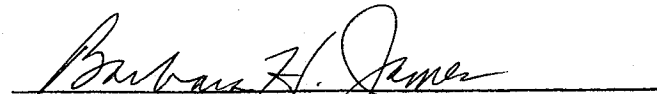


Executive Secretary

STATE OF OKLAHOMA     )  
  ) SS  
COUNTY OF CLEVELAND    )

I, the undersigned, the duly qualified and acting Executive Secretary of the Board of Regents for the University of Oklahoma hereby certify that the above and foregoing is a true and correct copy of the proceedings had by said Board at the time it negotiated the sale of its \$ 7,040,000 Utility System Revenue Refunding Bonds , Series 1977.

WITNESS my hand and the seal of the Board of Regents of the University of Oklahoma this 9th day of June, 1977.



Executive Secretary of the Board of  
Regents of the University of Oklahoma

(SEAL)



THE BOARD OF REGENTS OF THE UNIVERSITY OF OKLAHOMA MET  
IN REGULAR SESSION AT DINING ROOM NO. 5 OF THE STUDENT UNION OF  
THE UNIVERSITY OF OKLAHOMA IN NORMAN, OKLAHOMA, ON THE 9TH  
DAY OF JUNE, 1977, AT 10: 30 O'CLOCK A.M.

PRESENT: Thomas R. Brett, President, Bob G. Mitchell, M.D., Vice  
President, Richard A. Bell, Dee A. Replogle, Jr., Charles E.  
Engleman and Ronald H. White, M.D.

ABSENT: K.D. Bailey

THEREUPON, a resolution entitled:

#### SUPPLEMENTAL BOND RESOLUTION

A RESOLUTION AUTHORIZING THE ISSUANCE OF REVENUE  
BONDS IN THE PRINCIPAL AMOUNT OF \$7,040,000 FOR THE  
PURPOSE OF ADVANCE REFUNDING THE REGENTS OUTSTANDING  
UTILITY SYSTEM REVENUE BONDS, SERIES 1975; AND CON-  
TAINING OTHER PROVISIONS AND RECITATIONS RELATING  
THERETO.

was introduced and read in full by the Secretary.

THEREUPON, Regent Replogle moved that said resolution be adopted  
and approved. Such action not requiring a second, a vote was taken with  
the following result:

AYE: Brett, Mitchell, Bell, Replogle, Engleman and White

NAY: NONE

The President declared the motion carried and the resolution adopted  
and approved; that resolution reads as follows:

# SUPPLEMENTAL BOND RESOLUTION

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SUPPLEMENTAL BOND RESOLUTION

A RESOLUTION AUTHORIZING THE ISSUANCE OF REVENUE BONDS IN THE PRINCIPAL AMOUNT OF \$7,040,000 FOR THE PURPOSE OF ADVANCE REFUNDING THE REGENTS OUTSTANDING UTILITY SYSTEM REVENUE BONDS, SERIES 1975; AND CONTAINING OTHER PROVISIONS AND RECITATIONS RELATING THERETO.

WHEREAS, it was determined to be necessary for the comfort, convenience, and welfare, of the students attending the University of Oklahoma at the Health Sciences Center Campus in Oklahoma City, Oklahoma, to improve and extend, the Steam and Chilled Water Plant and Systems at such Health Sciences Center (herein called "Plant") which was accomplished in part by the issuance of the Regents Utility System Revenue Bonds, Series 1975 in the aggregate principal amount of \$6,500,000 (herein called "1975 Bonds") of which \$6,360,000 are presently outstanding; and

WHEREAS, due to a change in conditions of the bond market a substantial savings might be realized if said Series 1975 Bonds were advance refunded at this time; and

WHEREAS, the Regents have full power and authority to advance refund said 1975 Bonds pursuant to Title 70 Okla. Stats. §§ 4001 et. seq., as amended; and

WHEREAS, in order to effect said advance refunding the Regents have determined to issue their \$7,040,000 Utility System Revenue Refunding Bonds, Series 1977 pursuant to this Resolution (herein called "Bonds") and place the net proceeds thereof in escrow and irrevocably appropriate and pledge said funds in escrow to the payment of the Series 1975 Bonds.

WHEREAS, Utility Service Agreements have been entered into with each of the customers of the heating and cooling system, providing that rates shall be adjusted monthly if necessary to assure that the revenues are at least adequate to provide for the payment of debt service, operation and maintenance costs, and deposits to the funds and reserves as provided in the Bond Resolution and to meet the other requirements of the Bond Resolution. These customers include the State of Oklahoma Department of Health, the State of Oklahoma Department of Institutions, Social and Rehabilitative Services, the Oklahoma Medical Research Foundation, University Hospital, the University of Oklahoma and Presbyterian Hospital.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF REGENTS OF THE UNIVERSITY OF OKLAHOMA:

#### DEFINITIONS

SECTION 1. The following terms and definitions shall apply throughout this Resolution unless the context in which they appear shall clearly indicate another meaning.

A. "Bank" shall mean the Trustee Bank for the Bonds appointed pursuant to the provisions of the Trust Agreement or any co-trustee bank or successor trustee bank.

B. "Board" shall mean the Board of Regents of the University of Oklahoma acting for and on behalf of the University and is sometimes herein referred to as "Regents".

C. "Bond Resolution" shall mean this Supplemental Bond Resolution and the Bond Resolution adopted by the Board on July 26, 1973 authorizing the issuance of the Regents \$10,125,000 Utility System Revenue Bonds, Series 1973 incorporated together as one instrument.

D. "Bonds" shall mean the Board of Regents of the University of Oklahoma Utility System Revenue Refunding Bonds, Series 1977.

E. "bonds" shall mean the Regents of the University of Oklahoma Utility System Revenue Bonds, Series 1973 and all bonds issued on a parity therewith, including the Bonds.

F. "1975 Bonds" shall mean the Regents of the University of Oklahoma Utility System Revenue Bonds, Series 1975 which are being advance refunded hereby.

G. The words "Power Plant", "Plant" or "Plant and Systems" shall be used interchangeably and shall consist of the steam and chilled water facility and all systems, connections and computer equipment attendant to the furnishing of heating, cooling and monitoring services consisting of water chillers, steam boilers and a Johnson T-6500 computerized central control panel and other facilities, computers and equipment in such Power Plant located at:

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 University located upon, in or about said premises, and all

revenues from all such real estate and improvements thereon and personal property located thereon including any additions, improvements and appurtenances thereto.

H. "Refunding Escrow Agreement" shall mean the Refunding Escrow Agreement dated as of July 1, 1977 by and between the Board and The First National Bank and Trust Company of Oklahoma City, Oklahoma City, Oklahoma as Escrow Agent, pertaining to the escrowing of certain Government Securities and using the Escrow Income derived therefrom for the payment of the principal of and interest on the 1975 Bonds as provided therein.

I. "University" shall mean the University of Oklahoma acting by and through the Board.

#### PLANT

SECTION 2. The steam and chilled water plant and systems referred to herein shall be used for the purpose of furnishing, supplying, and monitoring heating and cooling services to facilities in and around the Oklahoma Health Sciences Center campus.

#### PURPOSE

SECTION 3. The Bonds are issued for the purpose of providing the monies necessary to purchase United States Treasury Obligations, State and Local Government Series (herein called "Government Securities") to be placed in escrow, the maturing principal and interest of which will be irrevocably pledged for the following purposes:

- A. To pay, when due and payable, all principal of and interest on the outstanding 1975 Bonds to and including January 1, 1985; and
- B. To redeem on January 1, 1985, the \$5,415,000 principal amount of the then outstanding 1975 Bonds at a redemption price of 104% of the principal amount being redeemed.

#### TERMS AND MATURITIES OF BONDS

SECTION 4. Said Bonds shall be known as "Regents of the University of Oklahoma, Utility System Revenue Refunding Bonds, Series 1977" and shall be issued as follows:

The Bonds shall be in coupon form numbered one to 1408, inclusive, shall be in the denomination of \$5,000 each, registrable as to principal only, convertible into fully registered bonds of \$5,000 denomination, or with respect to principal maturing on the same date, any multiple of \$5,000 and shall bear interest per annum at the rate hereinafter set out.

The Bonds shall be payable as to both principal and interest at The First National Bank and Trust Company of Oklahoma City, Oklahoma City, Oklahoma, or at the option of the holder thereof at the Fiscal Agency of the State of Oklahoma, in the City of New York; or in the event of the discontinuance of that Agency, at the Chase Manhattan Bank, N.A., New York, New York. Payment of the interest on the Bonds shall be made only upon presentation and surrender of the coupons, if any, representing such interest as the same respectively falls due; or if said Bond be fully registered, payment of the interest on such

Bond on any interest payment date shall be made by Bank to the person appearing on the registration books of the University hereinafter provided for as the registered owner thereof, such interest to be paid by check or draft mailed to the registered owner at his address as it appears on such registration books.

The Bonds are to be dated July 1, 1977, and shall be due on January 1 in each of the years and in the principal amounts and shall bear interest per annum as follows:

\$3,890,000

SERIAL BONDS

<u>BOND NOS. (INCLUSIVE)</u>	<u>PRINCIPAL AMOUNT</u>	<u>YEAR</u>	<u>RATE OF INTEREST</u>
1 - 24	\$120,000	1978	7.00%
25 - 47	115,000	1979	7.00
48 - 71	120,000	1980	7.00
72 - 96	125,000	1981	7.00
97 - 123	135,000	1982	7.00
124 - 152	145,000	1983	7.00
153 - 181	145,000	1984	7.00
182 - 214	165,000	1985	7.00
215 - 249	175,000	1986	7.00
250 - 285	180,000	1987	6.05
286 - 324	195,000	1988	5.10
325 - 364	200,000	1989	5.25
365 - 406	210,000	1990	5.35
407 - 452	230,000	1991	5.45
453 - 500	240,000	1992	5.55
501 - 549	245,000	1993	5.65
550 - 603	270,000	1994	5.75
604 - 659	280,000	1995	5.90
660 - 717	290,000	1996	6.00
718 - 778	305,000	1997	6.00



\$3,150,000

TERM BONDS

<u>BOND NOS.</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>INTEREST</u>
779 - 1408	\$3,150,000	2005	6.30%

Interest shall begin to be paid January 1, 1978, and semi-annually each July 1 and January 1 thereafter.

MANDATORY REDEMPTION OF TERM BONDS

The Term Bonds maturing January 1, 2005 and numbered 779 to 1408, inclusive, are subject to mandatory redemption in part by lot on each January 1, beginning January 1, 1998 in the amounts and on the dates set forth below, at par together with accrued interest:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
1998	\$325,000	2002	\$400,000
1999	345,000	2003	420,000
2000	360,000	2004	450,000
2001	380,000		

Upon redemption of the amounts of Bonds, Bonds in the principal amount of \$470,000 shall, unless previously redeemed or purchased, remain outstanding and be due and payable on January 1, 2005.

OPTIONAL REDEMPTION

Bonds numbered one to 285, inclusive, maturing January 1, 1978, to January 1, 1987, inclusive, shall not be callable for redemption prior to maturity. Bonds numbered 286 to 1408, inclusive, maturing January 1, 1998, through and including January 1, 2005, are callable for redemption, on and after July 1, 1987, at the option of the Board of Regents, in whole at any time, or in part on any interest payment date in inverse order of maturity and by lot within a maturity, at the redemption prices (expressed as percentages of

of principal amount) set forth below, in each case together with accrued interest to the date fixed for redemption.

<u>Redemption Dates</u> <u>(Dates Inclusive)</u>	<u>Redemption</u> <u>Price</u>
July 1, 1987 to June 30, 1989	103%
July 1, 1989 to June 30, 1992	102%
July 1, 1992 to June 30, 1995	101%
Thereafter prior to maturity	100%

#### EXTRAORDINARY REDEMPTION

Provided, however, that the Bonds and 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 properties acquired and constructed from the proceeds of bonds. In the event that such redemption is made pursuant to the paragraph, 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, 1987, 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 in the paragraph next above.

Notice of redemption shall be given by the Bank not less than thirty (30) days prior to the date fixed for redemption by notice sent by registered mail to the holder or holders of the Bonds to be redeemed, directed to the addresses shown on the Registrar's registration books. If any Bond to be so redeemed is not fully registered or registered as to principal, at least thirty days' notice shall be given through publication of an appropriate notice in a financial news-

paper or journal published in the English language in the City of Oklahoma City, Oklahoma, and sent by registered mail to the banks at which the Bonds are payable. Prior to the date fixed for redemption, funds shall be deposited in the banks of payment sufficient to pay all bonds called and accrued interest thereon, plus any premium required. Upon the happening of the above conditions, the bonds thus called shall not thereafter bear interest.

#### EXECUTION OF BONDS

SECTION 5. That the Coupon Bonds shall be signed by the facsimile signature of the President of the Board of Regents of the University of Oklahoma, shall be attested by the Executive Secretary thereof, and shall have imprinted thereon by facsimile, the corporate seal of the Board. 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 President and Executive Secretary.

#### FORM OF COUPON BOND

SECTION 6. That the Coupon Bonds and the coupons to be thereto attached, 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

REGENTS OF THE UNIVERSITY OF OKLAHOMA  
UTILITY SYSTEM REVENUE REFUNDING BOND, SERIES 1977

Number \_\_\_\_\_

\$5,000

KNOW ALL MEN BY THESE PRESENTS, that the Regents of the University of Oklahoma, a body corporate under the Constitution and Laws of the State of Oklahoma, acting for and in behalf of the University of Oklahoma, for value received, hereby promise to pay to bearer, or if this Bond is registered as to principal, then to the registered owner hereof, solely from the revenues hereinafter recited, the sum of Five Thousand Dollars (\$5,000) on the first day of January, \_\_\_\_\_, and to pay interest thereon solely from said revenues, from the date hereof until maturity at the rate of \_\_\_\_\_ per cent ( \_\_\_\_\_ %) per annum, payable January 1, 1978 and semi-annually thereafter on July 1 and January 1 of each year until the principal amount is paid, upon surrender of the interest coupons hereto attached as they severally become due. Both principal of and interest on this Bond are payable in any coin or currency which on the respective dates of payment of principal and interest, is legal tender for the payment of debts due the United States of America, at The First National Bank and Trust Company of Oklahoma City, Oklahoma City, Oklahoma, hereinafter called "Bank" or "Registrar", or at the option of the holder at the

Fiscal Agency of the State of Oklahoma, in the City of New York; or in the event of the discontinuance of that Agency, then at the Chase Manhattan Bank, N.A., New York, New York.

Principal on the Bonds registered as to principal only, shall be payable by The First National Bank and Trust Company of Oklahoma City, Oklahoma City, Oklahoma, as Registrar. Payments of principal due on any such Bond registered as to principal shall be remitted to the person appearing as registered owner on the Registrar's registration books. The additional bank of payment is hereby designated as agent of the Registrar for the purpose of registration of the Bonds and for the purpose of payment of the principal amount of the registered Bonds upon surrender thereof at maturity or upon prior redemption. The Registrar shall be promptly notified of all such registrations and payments of principal by the additional bank of payment. Subject to the provisions for registration endorsed herein and contained in the Bond Resolution this Bond and the Coupons appurtenant hereto shall be negotiable and pass by delivery.

Bonds numbered 779 to 1408, maturing in the year 2005 are subject to mandatory redemption, in part by lot, on each January 1, beginning January 1, 1998, through January 1, 2004, at the principal amount thereof and accrued interest, in the amounts as shown below:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
1998	\$325,000	2002	\$400,000
1999	345,000	2003	420,000
2000	360,000	2004	450,000
2001	380,000		

Upon redemption of the amounts of Bonds, Bonds in the principal amount of \$470,000 shall, unless previously redeemed or purchased, remain outstanding and be due and payable on January 1, 2005.

Bonds numbered 286 to 1408, inclusive, maturing January 1, 1988, through and including January 1, 2005, are subject to redemption on and after July 1, 1987, at the option of the Board of Regents, in whole at any time, or in part on any interest payment date in inverse order of maturity and by lot within a maturity, at the redemption prices (expressed as percentages of principal amount) set forth below, in each case together with accrued interest to the date fixed for redemption:

<u>Redemption Dates</u> <u>(Dates Inclusive)</u>	<u>Redemption</u> <u>Price</u>
July 1, 1987 to June 30, 1989	103%
July 1, 1989 to June 30, 1992	102%
July 1, 1992 to June 30, 1995	101%
Thereafter prior to maturity	100%

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 and by lot within a maturity, if such redemption is made from: (a) insurance proceeds; (b) expropriation awards; and (c) the proceeds of the sale of all or a part of the properties to be acquired and constructed from the proceeds of 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, the sale of all or a part of the properties acquired and constructed from the proceeds of bonds issued pursuant to the Bond Resolution hereinafter mentioned. In the event that such redemption is made pursuant to this paragraph, 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, 1987, 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 in the paragraph next above.

Notice of redemption is to be given not less than thirty (30) days' prior to the date fixed for redemption by notice sent by registered mail to the holder or holders of the Bonds to be redeemed, directed to the address shown on the Registrar's registration books. If any Bond to be so redeemed is not registered as to principal, at least thirty day's notice is to be given through publication of an appropriate notice in a financial newspaper or journal published in the English language in the City of Oklahoma City, Oklahoma, and sent by registered mail to the banks at which the Bonds are payable. 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 premium required. Upon the happening of the above conditions, the Bonds thus called shall not thereafter bear interest.

This Bond is one of a duly authorized issue of Bonds in the aggregate amount of \$7,040,000, designated as the "Regents of the University of Oklahoma Utility System Revenue Refunding Bonds, Series 1977", duly issued to provide funds sufficient to advance refund the Regents' Outstanding Utility System Revenue Bonds, Series 1975. The Bonds are issued on a parity with and are equally and ratably secured both as to principal and interest with the outstanding \$10,125,000 Regents of the University of Oklahoma Utility System Revenue

Bonds, Series 1973 pursuant to the Constitution and statutes of Oklahoma, and particularly Title 70, Oklahoma Statutes 1971, Section 4001 through 4014, inclusive, and other statutes of the State of Oklahoma supplementary and amendatory thereto, and are issued pursuant to a Bond Resolution duly adopted by the Board of Regents of the University of Oklahoma on the 26th day of July, 1973, (hereinafter together with all supplements thereto referred to as the "Bond Resolution"), authorizing the issuance of said Series 1973 and a Supplemental Bond Resolution adopted by said Board on the 9th day of June, 1977, to which Bond Resolution reference is hereby made for a statement of the terms and conditions pursuant to which this Bond is issued, including the conditions under which bonds may be issued in the future payable from the hereinafter mentioned revenues on a parity with this Bond and the funds and revenues from which said issue of Bonds is payable. This Bond and the issue of which it is one and all bonds issued pursuant to the Bond Resolution are payable from the revenues derived from the operation and sale of heating and cooling services of the Steam and Chilled Water Plant together with the sale of computerized temperature monitoring services rendered in conjunction therewith. The Board of Regents of the University of Oklahoma, being a major purchaser of services provided by the herein described Plant, has covenanted to levy, impose and collect, from the constituent facilities under the dominion and control of said Board, such fees and charges necessary to promptly meet all principal and interest payments together with required deposits to all established reserve, repair and replacement and redemption funds, as delineated by the Bond Resolution.



The issue of Bonds of which this Bond is a part is authorized to be evidenced by Coupon Bonds in the denomination of \$5,000 and by Fully Registered Bonds without coupons in the denomination of \$5,000, or, with respect of principal maturing on the same date, in multiples thereof. The holder of any Fully Registered Bond or Bonds may surrender the same to the Bank, together with a written instrument of transfer satisfactory to the Bank, duly executed by the registered owner or his duly authorized attorney, in exchange for an equal aggregate principal amount of Coupon Bonds with coupons attached in the manner and subject to the conditions provided in the Bond Resolution. In like manner, subject to such conditions, the owner of any Coupon Bond or Bonds may surrender the same to the Bank with all unmatured coupons attached in exchange for an equal aggregate principal amount of Fully Registered Bonds without coupons of any authorized denominations. All bank fees and charges in connection with initial exchanges shall be paid by the University. All costs for subsequent exchanges shall be paid by the Bondholder.

This Bond is not an indebtedness of the State of Oklahoma or the University of Oklahoma or the Board of Regents of the University of Oklahoma, but is a special obligation payable solely from the aforesaid revenues. The Board of Regents has no taxing power.

Subject to the provisions for registration endorsed hereon, this Bond and the coupons appurtenant hereto shall be negotiable and pass by delivery.

It is hereby certified and recited that all acts, conditions, and things required to be done precedent to and in the issuance of this Bond have been properly done, happened, and performed in regular and due form as required

by law, and that the Board of Regents of the University of Oklahoma has agreed and does hereby covenant that, until all of the Bonds of the issue of which this is one shall have been retired, to establish, maintain, impose and collect sufficient utility service charges for Steam and Chilled Water Services, and to establish, maintain, impose and collect charges for the sale of computerized temperature monitoring services, maintained and operated in conjunction with the furnishing and sale of heating and cooling services sufficient in amount to pay principal of and interest on all bonds issued pursuant to the Bond Resolution, reserve requirements and operation and maintenance expenses as more fully set out in the Bond Resolution.

This Bond shall not be entitled to any benefit under the Bond Resolution 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 Regents of the University of Oklahoma have caused this Bond to be executed by the facsimile signature of their President, attested by their Executive Secretary and their corporate seal to be imprinted hereon, and the interest coupons hereto attached to be executed by the facsimile signatures of said officials, all as of this 1st day of July, 1977.

REGENTS OF THE UNIVERSITY OF OKLAHOMA

---

President

(SEAL)

ATTEST:

---

Executive Secretary

CERTIFICATE OF AUTHENTICATION

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

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

By: \_\_\_\_\_  
Authorized Officer

(Form of Coupon)

Number \_\_\_\_\_ \$ \_\_\_\_\_

On the first day of \_\_\_\_\_, unless the hereinafter mentioned Bond is then callable for redemption and has been called and provision for the payment thereof duly made, the Regents of the University of Oklahoma, acting for and in behalf of the University of Oklahoma, will pay to bearer the sum shown hereon at The First National Bank and Trust Company of Oklahoma City, 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, or, in the event of the discontinuance of that Agency, then at the Chase Manhattan Bank, N.A.,

New York, New York, in any coin or currency which on said date is legal tender for the payment of debts due the United States of America, solely from the Revenues mentioned in the Bond Resolution for interest in that amount then due on its Regents of the University of Oklahoma Utility System Revenue Refunding Bond, Series 1977, dated July 1, 1977, and numbered \_\_\_\_\_.

REGENTS OF THE UNIVERSITY OF OKLAHOMA

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Executive Secretary

(Endorsement for Back of Bond)

UNITED STATES OF AMERICA    )  
  )SS  
STATE OF OKLAHOMA            )

We, the undersigned, Attorney General of Oklahoma and State Auditor of the State of Oklahoma, do hereby certify that the within Bond is issued pursuant to law and is within the debt limit provided by law.

Dated \_\_\_\_\_.

\_\_\_\_\_  
Attorney General

\_\_\_\_\_  
State Auditor

UNITED STATES OF AMERICA )  
 )SS  
STATE OF OKLAHOMA )

I, the undersigned, State Treasurer, hereby certify that I have registered the within Bond in my office on \_\_\_\_\_.

\_\_\_\_\_  
State Treasurer

STATE OF OKLAHOMA  
OFFICE OF THE ATTORNEY GENERAL  
BOND DEPARTMENT

\_\_\_\_\_

I hereby certify that I have examined a certified copy of the record and the proceedings taken preliminary to and in the issuance of the within Bond; that such proceedings and such Bond show lawful authority for the issuance and are in accordance with the provisions of Title 70, Oklahoma Statutes 1971, Section 4001 to 4014, inclusive, and other statutes of the State of Oklahoma supplementary and amendatory thereto, and said Bond is a valid and binding obligation according to its tenor, and under the provisions of said statutes requiring the approval of the Attorney General, this Bond is incontestable in any court in the State of Oklahoma unless suit thereon shall be brought in a court having jurisdiction of the same within thirty (30) days from the date of the approval of this Bond appearing in the caption hereof.

\_\_\_\_\_  
Attorney General

Provisions for Registration and Reconversion

The within Bond may be registered as to principal on books of the University of Oklahoma kept by The First National Bank and Trust Company of Oklahoma City, Oklahoma City, Oklahoma, as Bond Registrar, upon presentation hereof to such 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 written assignment of the registered owner or his attorney thereunto duly authorized, duly acknowledged or proved, which transfer shall be made on such books and endorsed hereon by the Registrar. If so registered, this Bond may thereafter be transferred to bearer and thereby transferability by delivery shall be restored, but this Bond shall again be subject to successive registrations and transfers as before. The principal of this Bond, if registered, unless registered to bearer, shall be payable only to the registered owner or his legal representative. Notwithstanding the registration of this Bond as to principal, the coupons shall remain payable to bearer and shall continue to be transferable by delivery.

Date of Registration	Name of Registered Owner	Signature of Authorized Official Registrar

AUTHORIZATION, TERMS AND CONDITIONS OF FULLY REGISTERED BONDS

SECTION 7. The issue of Bonds established and created under this Bond Resolution is hereby authorized to be evidenced by Fully Registered Bonds in the denomination of \$5,000, or, with respect of principal maturing on the same

date, in multiples thereof. Said Fully Registered Bonds shall be payable to the registered owner shown on the face of each such Bond, or the successor or registered assigns of such registered owner.

The Fully Registered Bonds may be assigned in accordance with the Form of Assignment contained in the Form of Fully Registered Bond set forth herein. Upon such assignment, the assignor shall promptly give the University written notice thereof by registered mail at the principal office of the Bank. The assignee shall surrender said Fully Registered Bonds to such Bank either in exchange for Coupon Bonds, as hereinafter provided, or for transfer on the Bank's registration books and endorsement on the Form of Assignment attached to said Fully Registered Bonds.

As provided in the Form of Fully Registered Bond, the Fully Registered Bonds shall be exchangeable at any time after issuance for Coupon Bonds corresponding in principal amount and maturity to the then unpaid principal of the Fully Registered Bond surrendered. Such exchange is to be made by the Bank as Registrar at its principal office upon submission of a Fully Registered Bond for cancellation and surrender to the University. The cost of initial exchanges of Fully Registered Bonds for Coupon Bonds and initial transfers of Fully Registered Bonds upon assignment thereof shall be paid by the University, provided as a condition of such exchange or transfer upon assignment, the Bank may require payment by the transferor of the Bonds of any stamp tax or other governmental charge that may be imposed thereon. All costs for subsequent exchanges and/or transfers shall be paid by the Bondholder.

At the time of payment to the registered owner of matured principal of the Fully Registered Bonds, a corresponding principal amount of Coupon Bonds

for which said Fully Registered Bonds are exchangeable, maturing on the same date as such payment, shall be cancelled by the Bank. At the time of each payment to the registered owner of interest due on the Fully Registered Bonds, coupons maturing on that date on the Coupon Bonds for which such Fully Registered Bonds are exchangeable shall be cancelled by the Bank. At the time of prepayment to the registered owner of any principal of the Fully Registered Bonds called for prepayment, the corresponding Coupon Bonds for which said Fully Registered Bonds are exchangeable, maturing on the same date as the principal which is prepaid, shall be cancelled, together with the coupons appertaining thereto, by the Bank.

In the event of prepayment or redemption of less than all of the outstanding Bonds, the particular Bonds or portion of Bonds to be redeemed shall be selected as if evidenced by Coupon Bonds, in inverse order of maturity and by lot within a maturity. In the event only a portion of any Fully Registered Bond of a denomination of more than \$5,000 is to be prepaid, notice of prepayment shall specify the respective portions of the principal amount thereof to be prepaid. If there shall be called for prepayment less than all of a Fully Registered Bond, at the request of the owner thereof, the Bank shall authenticate and deliver, upon surrender of such Fully Registered Bond, without charge to the owner thereof, either Coupon Bonds or a Fully Registered Bond or Bonds in any of the authorized denominations in an aggregate principal amount equal to the unpaid balance of the principal amount of the Fully Registered Bond so surrendered.

In the event of a request for exchange of Coupon Bonds for Fully Registered Bonds, the Fully Registered Bonds shall be executed by the facsimile



signature of the present President of the Board of Regents and attested by the Executive Secretary of the Board of Regents who is Secretary at the time he attests the signature of said President, whether that be the present Secretary or the person holding that office at the time the request for exchange is made, and shall have impressed or imprinted thereon the seal of the Board of Regents. The Bank shall hold the Fully Registered Bonds until order to deliver the same is issued by the President and Executive Secretary of the Board of Regents, or until request in writing by the holder of any Coupon Bond to delivery same in exchange for a Coupon Bond or Bonds surrendered by such holder, at which time the Bank shall authenticate and deliver the same. Neither the Board nor the Bank shall be required (a) to register, transfer or exchange Bonds for a period of ten days preceding an interest payment date on the Bonds or next preceding a selection of Bonds to be redeemed or prepaid thereafter until after the first publication or mailing of any notice of redemption or prepayment or (b) to register, transfer or exchange any Bonds called for redemption or prepayment.

The Fully Registered Bonds shall be dated July 1, 1977. Upon exchange and/or delivery of any Fully Registered Bond, the Registrar shall insert in the face of such Fully Registered Bond in the space provided as set forth in the Form of Fully Registered Bond, the date from and after which such Fully Registered Bond shall bear interest, which shall be the interest payment date next preceding the date of its registration (unless it shall be registered upon an interest payment date, in which case it shall bear interest from and after the date of its registration). In the event such registration shall precede the

first interest payment date for such Fully Registered Bond, such Fully Registered Bond shall bear interest from its date. If at the time of registration of any Fully Registered Bond any interest on such Bond is in default, such Bond shall bear interest from and after the date to which interest on such Bond has been paid and such date shall be inserted in the face of such Fully Registered Bond.

FORM OF FULLY REGISTERED BOND

SECTION 8. The Fully Registered Bonds and the endorsements to appear on the back thereof are to be in substantially the following form:

FORM OF FULLY REGISTERED BOND  
STATE OF OKLAHOMA

REGENTS OF THE UNIVERSITY OF OKLAHOMA  
UTILITY SYSTEM REVENUE REFUNDING BOND, SERIES 1977

No. R- \_\_\_\_\_ \$ \_\_\_\_\_

The Regents of the University of Oklahoma, a body corporate under the Constitution and laws of the State of Oklahoma, acting for and in behalf of the University of Oklahoma (hereinafter called "University"), for value received, hereby promise to pay to \_\_\_\_\_ or registered assigns (hereinafter called the "Registered Owner"), subject to the right of prepayment hereinafter in this Bond expressly provided for, solely from the revenues derived from the operation and sale of heating and cooling services of the Steam and Chilled Water Plant, together with the sale of the computerized temperature monitoring services rendered in conjunction therewith to certain entities in and around the Oklahoma

Health Sciences Center in Oklahoma City, Oklahoma; the principal sum indicated above on the first day of January, \_\_\_\_\_, for Coupon Bonds numbered \_\_\_\_\_, in any coin or currency of the United States of America, which, at the time for payment thereof, is legal tender for the payment of public and private debts, and to pay interest thereon solely from aforesaid revenues in like coin or currency, at the rate of \_\_\_\_\_ per cent ( \_\_\_\_\_ %) per annum. Such interest shall begin to accrue on \_\_\_\_\_, and shall be payable semi-annually on January 1 and July 1 of each year beginning \_\_\_\_\_, until the principal amount of this Bond has been paid. Payment of the principal and interest due, including prepayments of principal as hereinafter provided, shall be made by check or draft drawn on The First National Bank and Trust Company of Oklahoma City, Oklahoma City, Oklahoma (hereinafter called the "Bank") which check or draft shall be mailed to the Registered Owner of this Bond at his address as shown on the registration books of said Bank; provided, payment or prepayment of the principal of this Bond shall be made upon surrender of this Bond at such Bank, or at the option of the Registered Owner, at the Fiscal Agency of the State of Oklahoma in the City of New York, New York, or in the event there is no such Fiscal Agency, at the Chase Manhattan Bank, N.A., in the City of New York, New York.

This Bond is one of a duly authorized issue of Bonds in the aggregate amount of \$7,040,000, designated as the "Regents of the University of Oklahoma Utility System Revenue Refunding Bonds, Series 1977", duly issued to provide funds sufficient to advance refund the Regents' Outstanding

Utility System Revenue Bonds, Series 1975. The Bonds are issued on a parity with and are equally and ratably secured both as to principal and interest with the outstanding \$10,125,000 Regents of the University of Oklahoma Utility System Revenue Bonds, Series 1973, pursuant to the Constitution and statutes of Oklahoma, and particularly Title 70, Oklahoma Statutes 1971, Section 4001 through 4014, inclusive, and other statutes of the State of Oklahoma supplementary and amendatory thereto, and are issued pursuant to a Bond Resolution duly adopted by the Board of Regents of the University of Oklahoma on the 26th day of July, 1973, (hereinafter together with all supplements thereto referred to as the "Bond Resolution"), authorizing the issuance of said Series 1973, and a Supplemental Bond Resolution adopted by said Board on the 9th day of June, 1977, to which Bond Resolution reference is hereby made for a statement of the terms and conditions pursuant to which this Bond is issued, including the conditions under which bonds may be issued in the future payable from the hereinafter mentioned revenues on a parity with this Bond and the funds and revenues from which said issue of Bonds is payable. This Bond and the issue of which it is one and all bonds issued pursuant to the Bond Resolution are payable from the revenues derived from the operation and sale of heating and cooling services of the Steam and Chilled Water Plant together with the sale of computerized temperature monitoring services rendered in conjunction therewith. The Board of Regents of the University of Oklahoma, being a major purchaser of services provided by the herein described Plant, has covenanted to levy, impose and collect, from the constituent facilities under the dominion and control of said Board, such fees and charges necessary to promptly

meet all principal and interest payments together with required deposits to all established reserve, repair and replacement and redemption funds, as delineated by the Bond Resolution.

The issue of Bonds of which this Bond is a part is authorized to be evidenced by Coupon Bonds in the denomination of \$5,000 and by Fully Registered Bonds without Coupons in the denomination of \$5,000, or, with respect of principal maturing on the same date, in multiples thereof. The holder of any Fully Registered Bond or Bonds may surrender the same to the Bank together with a written instrument or transfer satisfactory to the Bank, duly executed by the registered owner or his duly authorized attorney, in exchange for an equal aggregate principal amount of Coupon Bonds with Coupons attached in the manner and subject to the conditions provided in the Bond Resolution. In like manner, subject to such conditions, the owner of any Coupon Bond or Bonds may surrender the same to the Bank with all unmatured coupons attached in exchange for an equal aggregate principal amount of Fully Registered Bonds without Coupons of any authorized denominations. All bank fees and charges in connection with initial exchanges shall be paid by the University. All costs for subsequent exchanges shall be paid by the Bondholder.

Bonds numbered 779 to 1408, maturing January 1, 2005, are subject to mandatory redemption, in part by lot, as if evidenced by coupon bonds, on each January 1, beginning January 1, 1998 through January 1, 2004, at the principal amount thereof and accrued interest in the amounts as set out below:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
1998	\$325,000	2002	\$400,000
1999	345,000	2003	420,000
2000	360,000	2004	450,000
2001	380,000		

Upon redemption of the amounts of Bonds, Bonds in the principal amount of \$470,000 shall, unless previously redeemed or purchased, remain outstanding and be due and payable on January 1, 2005.

Bonds maturing January 1, 1988, through and including January 1, 2005, are subject to redemption on and after July 1, 1987, at the option of the Board of Regents, in whole at any time, or in part on any applicable interest payment date as if evidenced by coupon bonds, in inverse order of maturity and by lot within a maturity, at the redemption prices (expressed as percentages of principal amount) set forth below, in each case together with accrued interest to the date fixed for redemption:

<u>Redemption Dates</u> <u>(Dates Inclusive)</u>	<u>Redemption</u> <u>Price</u>
July 1, 1987 to June 30, 1989	103%
July 1, 1989 to June 30, 1992	102%
July 1, 1992 to June 30, 1995	101%
Thereafter prior to maturity	100%

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 maturity and by lot within a maturity as if evidenced by coupon bonds, if such redemption is made from: (a) insurance proceeds; (b) expropriation awards; and (c) the proceeds of the sale of all or a part of the properties to be acquired and constructed from the proceeds of bonds issued pursuant to the Bond Resolution. In the event that such redemption is made pursuant to this paragraph, 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, 1987, 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 out in the paragraph next above.

Notice of redemption is to be given not less than thirty days prior to the date fixed for redemption by notice sent by registered mail to the holder or holders of the Bonds to be redeemed, directed to the address shown on the Registrar's registration books and sent by registered mail to the Banks at which the Bonds are payable. 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.

This Bond may be assigned and upon such assignment, the assignor shall promptly notify the University at the office of the Bank by registered mail and the assignee shall surrender the same to the Bank for transfer on the registration records and notation by the Bank on the Form of Assignment endorsed hereon, and every such assignee shall take this Bond subject to such conditions.

This Bond is not an indebtedness of the State of Oklahoma or the University of Oklahoma or the Board of Regents of the University of Oklahoma, but is a special obligation payable solely from the aforesaid revenues. The Board of Regents has no taxing power.

It is hereby certified and recited that all acts, conditions, and things required to be done precedent to and in the issuance of this Bond have been properly done, happened, and performed in regular and due form as required by law, and that the Board of Regents of the University of Oklahoma has agreed and does hereby covenant that, until all of the Bonds of the issue of which this is one shall have been retired, to establish, maintain, impose and collect sufficient utility service charges for Steam and Chilled Water Services, and

to establish, maintain, impose and collect charges for the sale of computerized temperature monitoring services, maintained and operated in conjunction with the furnishing and sale of heating and cooling services sufficient in amount to pay principal of and interest on all bonds issued pursuant to the Bond Resolution, reserve requirements and operation and maintenance expenses as more fully set out in the Bond Resolution.

This Bond shall not be entitled to any benefit under the Bond Resolution 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 Regents of the University of Oklahoma have caused this Bond to be executed by the facsimile signature of their President, attested by their Executive Secretary and their corporate seal to be imprinted hereon, all as of the 1st day of July, 1977.

REGENTS OF THE UNIVERSITY OF OKLAHOMA

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President

(SEAL)

ATTEST:

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Executive Secretary



CERTIFICATE OF AUTHENTICATION

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

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

By: \_\_\_\_\_  
Authorized Officer

<u>REGISTERED OWNER</u>	<u>ASSIGNEE</u>	<u>DATE OF ASSIGNMENT</u>	<u>AUTHORIZED OFFICIAL OF BANK</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

(SAME CERTIFICATES AS ON COUPON BONDS)

## LOSS OR MUTILATION OF BOND OR BONDS

SECTION 9. That the Board agrees that, to the extent that it has now, or at the time of any such mutilation or loss, legal authority to do so, if any Bond issued hereunder or the coupons appertaining thereto 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 Board of Regents and payment of the cost of repairing or replacing such Bond and coupons.

## SECURITY

SECTION 10. The "Regents of the University of Oklahoma Utility System Revenue Refunding Bonds, Series 1977", shall be a special obligation of the Board of Regents of the University of Oklahoma issued and secured on a parity with the outstanding \$10,125,000 Regents of the University of Oklahoma Utility System Revenue Bonds, Series 1973. Both said Series 1973 and the Bonds are secured by a first lien on and pledge of the revenues derived from the collection of service charges for heating and cooling services together with computerized temperature monitoring services, furnished pursuant to Utility Service Agreements and Control Service Agreements. The Board shall impose and collect sufficient Utility Service and Control Service charges for Steam and

Chilled Water, and other services produced by the Plant to promptly meet all principal and interest payments on said Series 1973 and the Bonds and to establish and maintain the various reserves, funds and accounts as provided in the Bond Resolution; there is hereby granted to the Bank for the benefit of the bondholders of both the Series 1973 and Series 1977 Bonds and all bonds issued on a parity therewith a first and primary lien on aforesaid revenues to secure such payments.

Further, the Board, comprising a major purchaser of the aforesaid services by and through its constituent facilities on the Oklahoma Health Sciences Center Campus, shall be subject to the prevailing rates charged all purchasers under existing rate schedules; and such rates shall be subject to adjustment, as shall be necessary to meet all obligations under the Bond Resolution. Moreover, cost of service rates and base rates may be adjusted on a monthly basis to satisfy such requirements.

The Board has caused to be executed, with certain entities maintaining facilities in and around the Oklahoma Health Sciences Center Campus, contracts for the furnishing and sale of heat and chilled water and computerized monitoring in connection therewith at such rates as are necessary to meet principal and interest payments together with established reserve, repair and replacement fund requirements, and operation and maintenance expenses. The Board covenants further to solicit additional purchasers of such services pursuant to similar contracts, maintaining facilities within the prescribed area as they may appear to need such services, and accordingly such solicitation additional purchasers shall correspond with the capabilities of the Plant and Systems. All of

said contracts are hereby pledged and assigned to the Trustee Bank for the benefit of the bondholders.

In the event, for any reason, a purchaser fails to perform under the terms of an existing Utility or Control Service Agreement then the Board shall cause prevailing rate schedules to be adjusted proportionately to secure the prompt payment of all obligations hereunder including the efficient operation of the Power Plant and Systems pursuant to the terms of said contracts.

As additional security, in case of default the Trustee Bank or the holder or holders of 50% or more of the Bonds shall have the right to elect to enter into possession of said Plant and to operate such facility until the default is remedied or until all bonded indebtedness is retired, which ever shall first occur according to the terms of the Trust Agreement of even date herewith by and between the Regents and the Bank.

Said Bonds are not an obligation of the State of Oklahoma, nor the University, nor the Board of Regents, but are special obligations payable solely from the aforesaid revenues.

CREATION OF FUNDS , ACCOUNTS , AND RESERVES

SECTION 11. The following Funds and Accounts have been created pursuant to the Bond Resolution adopted by the Board on July 26, 1973, or shall be created pursuant to this Supplemental Bond Resolution.

A. THE UNIVERSITY OF OKLAHOMA UTILITY SYSTEM REVENUE BONDS, SERIES 1977, BOND PROCEEDS FUND, herein called the "Bond Proceeds Fund", shall be established and used to receive the proceeds of the Bonds , excluding accrued interest thereon; to pay the expenses of the issuance of the Bonds; to acquire the Government Securities to be placed in escrow under the Refunding Escrow Agreement; and any balance remaining in the Bond Proceeds Fund shall be transferred to the Special Reserve Fund.

B. THE UNIVERSITY OF OKLAHOMA UTILITY SYSTEM REVENUE BONDS REVENUE FUND, hereinafter called the "Revenue Fund," has been established and shall be used to receive the proceeds derived from the collections on Utility Service Agreements and Control Service Agreements, and make the payments required under "Flow of Funds" set out herein. Such Fund shall be maintained with the State Treasurer of the State of Oklahoma.

C. THE UNIVERSITY OF OKLAHOMA UTILITY SYSTEM REVENUE BONDS, BOND FUND, hereinafter referred to as the "Bond Fund" has been apportioned into the designated accounts to be used for the following purposes:

(1) The Interest Account, herein called the "Interest Account", shall be used to receive transfers from the Revenue Fund, the Bond Fund Reserve and the Special Reserve Fund in amounts sufficient to pay, when due and payable, the interest on the bonds.

(2) The Principal Account shall be used to receive transfers from the Revenue Fund, the Bond Fund Reserve and the Special Reserve Fund in amounts sufficient to pay, when due and payable either by reason of maturity or mandatory redemption the principal of the bonds and, if funds are available for such purpose, to effect the purchase or redemption of bonds prior to stated maturity.

(3) The Bond Fund Reserve shall maintain a minimum balance equal to the maximum annual principal and interest requirements on the bonds and shall be used to prevent any default in paying the principal of and interest on said bonds, and to pay the last remaining outstanding bonds. Amounts in excess of the minimum balance required may, at the discretion of the Board of Regents, be transferred to the Principal Account of the Bond Fund to effect the purchase or redemption of bonds prior to stated maturity.

The Bond Fund shall be maintained with the Trustee Bank. If there are Co-Trustee Banks as may be provided in the Trust Agreement then said Bond Fund may be divided between said Banks on the proportionate basis as if the Series 1973 Bonds and Series 1977 Bonds were two separate issues; provided

that the Bond Fund shall be considered to be commingled and held for the benefit of all the holders of the Series 1973 and Series 1977 Bonds and all bonds issued on a parity therewith and should there be a deficiency in that portion of the Bond Fund held by one or both of said Co-Trustee Banks, they shall cooperate to the fullest extent to see that funds are transferred as if actually commingled so that no bondholder either of Series 1973 or Series 1977 shall have an advantage over any other bondholder and to insure that the Series 1973 and Series 1977 Bonds and all bonds issued on a parity therewith are secured and paid on an equal and parity basis .

D. THE UNIVERSITY OF OKLAHOMA UTILITY SYSTEM, REPAIR AND REPLACEMENT FUND, hereinafter called the "Repair and Replacement Fund", shall maintain a minimum required balance of \$200,000 and shall be used to pay the expense of repairs and replacements for the Plant. This Fund will be expended only upon recommendation of the Consulting Engineer and approval of the Board of Regents. If a portion or if all of this Fund is expended, it will be replenished by transfers from the Revenue Fund, or any other available source of funds, within a period of twenty-four months of the creation of such deficiency. The Repair and Replacement Fund shall be maintained with the State Treasurer of the State of Oklahoma.

E. THE UNIVERSITY OF OKLAHOMA UTILITY SYSTEM, SPECIAL RESERVE FUND, herein called the "Special Reserve Fund", shall be used to receive surplus

monies contained in the Bond Proceeds Fund, the Revenue Fund and all other Accounts and Funds. Upon proper authorization of an official of the University designated by the Board of Regents the Special Reserve Fund may be used as follows:

- (1) To pay the principal and/or interest requirements on the bonds due and payable on the next ensuing January 1 or July 1, in whole or in part, through transfers to the Principal Account and/or Interest Account of the Bond Fund;
- (2) To purchase bonds on the open market through transfers to the Principal Account of the Bond Fund;
- (3) To redeem bonds prior to stated maturity through transfers to the Principal Account of the Bond Fund;
- (4) Upon issuance of additional bonds, if it is desired to expand this Project at a later date, to adjust the minimum balance required in the Bond Fund Reserve and the Repair and Replacement Fund as a result of the issuance of such additional bonds;
- (5) To pay the costs of improving the Plant; or
- (6) To be used for any lawful purpose of the University.

The Special Reserve Fund shall be maintained by the Bank. If there are Co-Trustee Banks as may be provided in the Trust Agreement then said Special Reserve Fund may be divided between said Banks or maintained in only one of the Co-Trustee Banks as may be designated by an official of the University designated by the Board of Regents; provided that said Special Reserve Fund shall be considered to be commingled and held for the benefit of all the holders



of both the Series 1973 and Series 1977 Bonds and all bonds issued on a parity therewith and should there be a need, or a direction by aforesaid official of the University to transfer monies or investments in said Fund from one Co-Trustee Bank to another, each Co-Trustee Bank shall cooperate to the fullest extent to see that said monies or investments are so transferred and the monies and investments in said Special Reserve Fund are invested and utilized for the equal benefit of the holders of both the Series 1973 and Series 1977 Bonds and all bonds issued on a parity therewith.

F. THE UNIVERSITY OF OKLAHOMA UTILITY SYSTEM, SITE SUPPORT SERVICE UNIT FUND, herein called the "Service Fund" shall be used to receive monthly transfers from the Revenue Fund and used to pay the operation and maintenance expenses of the Power Plant and Systems. Such monthly transfer shall consist of one-third of the quarterly estimate of the operation and maintenance expenses submitted to the State Treasurer by the Regents or their authorized agent at the beginning of each quarter. In accordance herewith, the Board of Regents shall appoint an authorized agent to ascertain and file an annual estimate of cost for the operation and maintenance of the Plant, pursuant to the direction and in accordance with the date heretofore stated. The Service Fund shall be maintained with the State Treasurer.

If at any future date it is determined by the Office of the Attorney General that under existing statutes, any funds or accounts, created by the Bond Resolution should appropriately be maintained with the State Treasurer for the

State of Oklahoma, then, in that event, such funds or accounts shall be transferred accordingly from the Trustee Bank to the deposit of the State Treasurer.

#### FLOW OF FUNDS

SECTION 12. That from and after the issuance of the Bonds, the gross receipts collected pursuant to the Utility Service Agreements and the Control Service Agreements shall be deposited as soon thereafter as possible in the Revenue Fund in the possession of the State Treasurer of the State of Oklahoma and shall be allocated and used in the manner hereinafter in this section provided; and such receipts are hereby pledged for the following purposes:

A. On or before the tenth (10th) day following the close of the calendar month in which such monies shall have been received the Board of Regents shall cause to be transferred from the Revenue Fund to the appropriate account of the Bond Fund the following amounts in addition to those required by the Bond Resolution authorizing the issuance of the Series 1973 Bonds:

(1) From July, 1977, to and including December, 1977, an amount equal to one-sixth (1/6th) of the principal and interest due on the Bonds on January 1, 1978.

(2) From January, 1978, to December, 1996, one-twelfth (1/12th) of the principal due on the Bonds on the next principal payment date and one-sixth (1/6th) of the semi-annual interest due on the Bonds on the next interest payment date on the Bonds.

(3) Thereafter from January, 1996, to December, 2004, one-twelfth (1/12th) of the next annual principal amount on the Bonds subject to mandatory redemption or finally maturing and one-sixth (1/6th) of the semi-annual interest due on the Bonds on the next interest payment date. Interest earned on monies in the Principal Account and/or Interest Account shall be a credit against required transfers from the Revenue Fund.

B. Beginning July 1, 1977 and each month thereafter the Board shall cause to be transferred from the Revenue Fund to the Site Support Service Unit Fund in the possession of the State Treasurer of the State of Oklahoma, one-third of the estimated quarterly operating and maintenance expense of the Plant.

(a) In the event a monthly estimated increment of deposit for operation and maintenance expense exceeds the actual operation and maintenance expense, the balance or unused portion shall be credited to the next ensuing monthly deposit, adjusting the transfer accordingly.

(b) Conversely, in the event a monthly estimated increment of deposit for operation and maintenance expense does not meet the actual operation and maintenance expense, then, the Board of Regents shall cause to be transferred and the State Treasurer shall transfer from the Revenue Fund to the Service Fund the balance necessary to meet actual costs.

C. If the monies contained in the Bond Fund on or before each June 15 or December 15 are not sufficient to make the required payments, the Bank shall utilize monies contained in the following Reserves, in the following order, to complete such transfers:

- (1) The Special Reserve Fund
- (2) Repair and Replacement Fund
- (3) The Bond Fund Reserve

(If monies from the Repair and Replacement Fund are needed, the Bank shall immediately notify the Regents and the State Treasurer and the Regents shall cause said money to be transferred from said Fund to the Trustee Bank).

D. If the Bond Fund Reserve or the Repair and Replacement Fund have been depleted through withdrawals, the Board of Regents shall cause the amount remaining in the Revenue Fund, after the required transfers to the Principal and Interest Account of the Bond Fund and transfers to Site Support Service Unit Fund on or before each June 15 or December 15, to be transferred first to the Bond Fund Reserve and then to the Repair and Replacement Fund, so that the required minimum balance of said Funds are re-established within no more than twenty-four months of the date of the original depletion.

E. After the required transfers have been made to the Bond Fund and the Service Fund from the Revenue Fund, including transfers to the Bond Fund Reserve and the Repair and Replacement Fund, if necessary, the Board of Regents may, transfer any monies remaining in said Revenue Fund to the Special Reserve Fund, to be used in accordance with the purposes of such fund.

## INVESTMENT OF FUNDS

SECTION 13. Monies contained in the Revenue Fund, and the Repair and Replacement Fund, shall be continuously invested and reinvested by the Treasurer of the State of Oklahoma in direct obligations of the United States of America or in obligations the principal and interest of which are unconditionally guaranteed by the United States of America. Such investments, shall mature not later than the respective dates, as estimated when the monies in said Fund shall be required for the purposes intended.

Monies contained in the Principal Account, the Interest Account, the Bond Fund Reserve and the Special Reserve Fund shall be continuously invested and reinvested by the Trustee Bank in securities that shall mature in a manner consistent with the use of the monies contained in such Account, Reserve or Fund but within no more than five years. These monies 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 agencies: Bank for Cooperatives, Federal Land Banks, or Federal National Mortgage Association, including Participation Certificates; Public Housing Bonds, Temporary Notes, or Preliminary Loan Notes, fully secured by contracts with the United States of America; full faith and credit direct and general obligations of any State, or unlimited tax direct and general obligations of any political subdivision thereof, 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 three highest rating categories by one nationally

recognized bond rating agency and are legal investments for fiduciaries in both New York and Oklahoma; 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 of 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 a capital and surplus of not less than \$15,000,000.

Interest earned on the investment of the Principal Account, the Interest Account, and the Bond Fund Reserve of the Bond Fund and the Special Reserve Fund shall be deposited in the Account, Reserve, or Fund from which it was derived. When not required to meet requirements as set out in the Bond Resolution, the investment income and other monies contained in the Bond Fund Reserve in excess of the minimum balance required in said Reserve, may, at the discretion of the Board of Regents, be transferred to the Principal Account of the Bond Fund to be used to purchase or redeem bonds prior to stated maturity.

The Revenue Fund and the Repair and Replacement Fund shall be maintained with the Treasurer of the State of Oklahoma and investment income derived from said Funds shall not be deposited in said Funds, but shall be forwarded to the Trustee Bank to be deposited in the Special Reserve Fund.

## ARBITRAGE

Notwithstanding all the provisions hereof, monies in the various funds, accounts and reserves created hereunder shall not be allowed to accumulate or be invested in a manner which would result in the loss of exemption from Federal income taxation of interest on the Bonds or in such a manner which would result in the Bond constituting taxable "arbitrage bonds" within the meaning of Section 103(c) of the Internal Revenue Code of 1954 as amended.

## DEPOSITORY OF FUNDS AND SECURITY FOR DEPOSITS

SECTION 14. The Revenue Fund, the Repair and Replacement Fund and Service Fund shall be maintained by the Treasurer of the State of Oklahoma in an appropriate official depository that is a member of the Federal Deposit Insurance Corporation. The Bond Fund, including the Interest Account, the Principal Account, the Bond Fund Reserve, and the Special Reserve Fund shall be maintained with the Bank 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 Board of Regents. The money in said Funds shall be continuously secured as are deposits 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 any bank or agency which is serving as the additional paying agent for the bonds, pursuant to which all bonds and coupons shall be paid promptly upon presentation at either bank of payment.

## ADDITIONAL BONDS

SECTION 15. After the issuance, sale, and delivery of the Bonds, and for so long as any Bonds remain outstanding and unpaid, the Board of Regents shall not cause to be issued any additional parity bonds or other obligations payable from pledged income, except as hereafter set forth. The Board of Regents may issue additional bonds payable from the revenues derived from the Trust Estate pari passu with the Bonds provided:

- A. The Board of Regents are not in default in meeting any of the agreements, covenants and obligations to be performed by the Board of Regents under the Bond Resolution.
- B. The bonds to be issued are required to provide satisfactory service to the contracting institutions receiving heating and/or cooling services and/or computer control service prior to the issuance of additional bonds, or if additional Utility Service Agreements or Control Service Agreements are signed or the existing Utility Agreements or Control Service Agreements are amended to allow for the issuance of said Bonds, to provide for additional contracting institutions.
- C. A Certified Public or Municipal Accountant shall certify to the Bank with the approval of the Board of Regents, that the net revenues derived from the heating and cooling system owned and operated by the Board of Regents 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 Bank, with the approval of the Board of Regents, 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 Board of Regents after the deduction of operation and maintenance expenses.

D. The existing Utility Service Agreements and Control Service Agreements are amended to reflect the additional bonds.

Nothing herein contained shall be construed as preventing the Board of Regents from issuing refunding bonds, nor as preventing the Board of Regents from issuing obligations payable from and constituting a lien or charge on the revenues junior and inferior to the Bonds.

In the event additional bonds are issued, the supplemental Bond Resolution 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, 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 then outstanding and additional bonds to be out-

requirements have been paid shall be transferred to the Special Reserve Fund.

Accrued interest shall be paid to the Bank at the time the Bond proceeds are received. The Bank shall deposit such accrued interest in the Interest Account of the Bond Fund.

#### RESTRICTION OF CHARGES, LIENS AND DISPOSAL OF SYSTEM PROPERTIES

SECTION 17. That the Board covenants and agrees that so long as any Bonds are outstanding against the Plant and Systems, it will not create or permit to be created any charge or lien on the revenues of the Steam and Chilled Water Plant and accompanying systems ranking equal or prior to the charge or lien of the Bonds other than as provided in this Resolution. Further, the Board of Regents covenants and agrees that they shall promptly pay all interest and principal requirements on the Bonds and will faithfully observe and perform all agreements, covenants, and obligations to be performed under the Bond Resolution. Notwithstanding the foregoing, the Board of Regents may at any time sell, destroy, abandon, or otherwise dispose of or alter any of its Project facilities or property, provided that it is in full compliance with all covenants and undertakings in connection with all of its bonds or other obligations then outstanding and payable from the pledged revenues and provided that:

- A. The proceeds from the sale or other dispositions are applied to either (1) redemption of outstanding bonds payable from the pledged income in accordance with the provisions governing redemption of such bonds in advance of maturity, or (2) replacement of the facility or property so disposed of by another facility or other property; and

B. The facility or properties to be disposed of, sold, abandoned, or destroyed are certified, by the Consulting Engineer, and concurred in by the Board of Regents, as being unserviceable, inadequate, obsolete, or unfit to be used, or no longer required for the operations and purposes heretofore enumerated.

C. If facilities or property are to be acquired to replace the Plant and Systems disposed of or altered, the replacement facilities or property shall be of at least equal value or utility disposed of or altered facility or property.

The furnishings and equipment included and used in the Plant Project may be sold, destroyed, abandoned or otherwise disposed of if they are replaced with furnishings and equipment of not less than equal value and utility; provided, however, that movable furnishings and equipment paid for from sources other than bond proceeds may be sold, abandoned, otherwise disposed of, destroyed, or dismantled to the extent that the ability of the Board of Regents to operate the Plant and Systems is not in any way diminished.

#### INSURANCE

SECTION 18. That the Board agrees to keep the Plant, including its furnishings and equipment, continuously insured through fire and extended coverage insurance against loss or damage by fire, lightning, windstorm, explosion and other hazards in amounts sufficient to provide for not less than full recovery whenever the loss from causes covered by such insurance does not exceed the full insurable value of the property. In case of loss the proceeds of insurance shall be promptly applied to the repair or restoration of the damaged or destroyed property

and contents to their former condition. If the Board of Regents determines that the funds received from said insurance policies or otherwise on account of any shall be insufficient to make such property again usable for its intended purpose, then the funds received by reason of such loss shall be deposited in the Principal Account of the Bond Fund and shall be applied, with any other money legally available for such purposes, to the retirement of bonds issued under the Bond Resolution. The Board agrees that it will also carry Use and Occupancy or similar type insurance in an amount sufficient to enable the Board to deposit in the Bond Fund out of the proceeds of such insurance in amount equal to the sum which would have been normally available for deposit in such fund from the revenues of the damaged property during the time the damaged property is unavailable for use: this coverage shall be procured with such terms and provisions as will provide for coverage of not less than four hundred (400) days after a one-hundred (100) day exclusionary period, with provisions for the restitution of all fixed charges and expenses incurred during the period of loss, to the degree such charges and expenses would have been earned, had such loss not occurred. All proceeds derived from such Use and Occupancy policies shall be deposited in the Revenue Fund. Each such insurance policy shall be acceptable to the Bank and shall contain a loss payable clause making any loss thereunder payable to the Bank as its interest may appear.

## PARTICULAR COVENANTS

SECTION 19. The Board of Regents covenants and agrees as follows:

A. To punctually pay all interest and principal requirements on all Bonds issued and the Bond Resolution and to faithfully observe and perform all agreements, covenants and obligations to be performed hereunder.

B. To not create any pledge, lien, charge or other encumbrance upon the pledged income, other than the lien and pledge created by the Bond Resolution and by this Supplemental Bond Resolution and any further supplemental bond resolution which would authorize and secure additional bonds.

C. To pay or cause to be paid any governmental charges lawfully imposed upon the Power Plant and Systems and to keep the Power Plant and Systems free from all judgments, mechanics' and material liens and all other encumbrances.

D. To at all times operate or cause to be operated the heating and cooling system in an efficient manner and at a reasonable cost; to 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 Board of Regents shall be properly and advantageously conducted.

E. The Board of Regents agrees that the heating and cooling service and computerized control system service produced by the Board of Regents shall be disposed of solely for the benefit of the Board of Regents and that the revenues derived from the operation and ownership of the facilities shall be sufficient to meet all requirements of the Bond Resolution and shall be disposed of in the manner specified herein.

F. To fix, maintain, and collect rates and charges for all services furnished and supplied by the Board of Regents, which shall be adequate to provide suffi-

cient revenues for all purposes required by the Bond Resolution; and to not furnish or supply any service or commodity free of charge to any person, firm or corporation, public or private; and to promptly enforce the payment of any and all accounts owed to the Board of Regents by reason of its ownership and operation of the facilities by discontinuing service and/or filing suit therefore within sixty days after any such accounts are due.

G. The Board of Regents 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 Board of Regents may dispose of any portion of the facilities or properties thereof, which have been declared by the Board of Regents 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 Board of Regents' business, as set out in the Bond Resolution.

H. To retain a firm of independent engineers on a continuous basis for the purpose of providing the University with engineering council in the operation of the facilities as requested. In addition to other prescribed duties, the Consulting Engineers shall, not later than 120 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 Board of Regents has complied with the Bond Resolution; a copy of such report shall be filed with the Bank and a copy shall be mailed to any bondholder requesting same in writing.

I. To not consent to the rescission, alteration, amendment or modification of the Utility Service Agreements and the Control Service Agreements except: (i) when additional, similar agreements are entered into, (ii) 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 Board of Regents, and would not materially adversely affect the rights of the holders of the bonds; (iii) as may be necessary in connection with the issuance of additional bonds; or (iv) with the written consent of the holders of two thirds in aggregate principal amount of the bonds then outstanding.

J. To not consent to the assignment or transfer of the Utility Service Agreements or the Control Service Agreements without consent of the Trustee Bank.

#### OPERATING REPORTS

SECTION 20. That the Board of Regents further covenants and agrees to cause to be kept proper books of record and account (separate and apart from all other records and accounts) in which complete and correct entries shall be made of all transactions relating to the Plant and Systems and the allocation and application of the income and revenues thereof, and that such books shall be available for inspection by the holder of any of the bonds, who request the same in writing, his agents or representatives, at reasonable hours and under reasonable conditions. The Board shall cause its accounts to be audited by independent Certified Public or Municipal Accountants within ninety (90) days of the close of each fiscal year

and such audit shall be published and made available for distribution. Not more than one hundred twenty (120) days after the close of each fiscal year the Board agrees to furnish to the Bank, the Financial Consultant, the principal underwriter of the bonds and each holder of any of the bonds who may so request a copy of such audit covering the operation of the Plant and Systems and as to pledged revenue for such fiscal year.

#### ENFORCEMENT OF RIGHTS

SECTION 21. That provisions of this Resolution shall constitute a contract between the Board and the holders of the bonds from time to time, which contract shall be subject to enforcement by such holders by the bringing of appropriate action, either at law or in equity, in any court of competent jurisdiction, as more particularly provided in the Trust Agreement entered into between the Regents and the Bank and approved July 26, 1973, the Supplemental Trust Agreement approved June 9, 1977, and any other Supplemental Trust Agreement executed in conjunction with any additional parity bonds issued. Said Trust Agreement and Supplemental Trust Agreement are incorporated herein by reference.

#### BANK AND PAYING AGENT FEE

SECTION 22. That all charges made by the Bank and paying agent banks for services rendered and for payment of principal of and interest on the bonds will be paid from the Plant and Systems and will not be required to be paid by the holders of the bonds or coupons except as otherwise herein provided



## AUTHORITY OF OFFICERS

SECTION 23. That the officers and agents of the Board and each of them shall be and they are hereby authorized and directed from time to time and at any time to do and perform all such acts and things and to execute and deliver in the name and under the corporate seal and on behalf of the Board all such instruments as may be necessary or desirable to carry out the terms and provisions of this Supplemental Bond Resolution and of the Bonds to be issued hereunder, and without limiting the generality of the foregoing the officers and agents of the Board are hereby specifically authorized and directed to do all acts and things and to execute and deliver all such instruments in the name and under the corporate seal and on behalf of the Board to comply with the existing agreement pertaining to the issuance, sale and delivery of the Bonds herein authorized.

## TRUSTEE

SECTION 24. The First National Bank and Trust Company of Oklahoma City, Oklahoma City, Oklahoma, was designated Trustee Bank for the Regents of the University of Oklahoma Utility System Revenue Bonds, Series 1973; pursuant to the Bond Resolution and Trust Agreement adopted and executed on July 26, 1973, pursuant to which said Series 1973 Bonds are issued and secured on a parity with the Regents of the University of Oklahoma Utility System Revenue Refunding Bonds, Series 1977, authorized by this Supplemental Bond Resolution and Supplemental Trust Agreement adopted and executed the 9th day of June, 1977. Pursuant to the Statutes of the State of Oklahoma and an official ruling by the Attorney Gen-

eral of the State of Oklahoma, one or more co-trustees may be appointed as Trustee Bank or Bank for bonds issued by the Regents of the University of Oklahoma.

In the case an additional or Co-Trustee is appointed in conjunction with any bonds issued under the Bond Resolution, the Bond Fund and the Special Reserve Fund for each such parity issue may be maintained with the additional or Co-Trustee Bank appointed in conjunction with that issue; provided that the Series 1973 and Series 1977 Bonds and all bonds issued in the future on a parity therewith shall be parity bonds and all funds held by whatever additional or Co-Trustee Bank are to be considered to be commingled and are held for the equal benefit of the holders of all the outstanding Series 1973 and Series 1977 Bonds and all bonds issued in the future on a parity therewith and all Trustee Banks shall cooperate to the fullest extent by the immediate transfer of monies or otherwise to insure the equal and ratable payment of principal and interest on all the Series 1973 and 1977 Bonds and all bonds issued in the future payable on a parity therewith. The Trustee Bank shall be held harmless for the transfers of any monies upon the request of the Regents or their authorized agent for this purpose. Conversely, refusal to make such transfer shall constitute grounds for removal of such Trustee Bank by the Regents without any further action. Such Trustee or Co-Trustee, so long as they are acting as Trustee hereunder, shall hold the Bond Fund and its corresponding accounts (Interest, Principal, and Bond Fund Reserve Accounts), established in accordance with the Bond Resolution. The Trustee Bank shall not be required to take notice or be deemed to have notice of any state of default hereunder unless such notice be given in writing by a

bondholder. The Bank may execute any trusts or powers hereunder and perform any duties hereunder through employees, attorneys or agents; and it shall be entitled to advice of counsel relative thereto, and may receive or recover any reasonable costs or expenses in connection therewith.

The Bank shall not be responsible for doing or performing any thing or act which the Board of Regents shall have covenanted to do or perform, or for any other compliance with any covenant by the Board of Regents, or for the sufficiency of the security for the bonds issued, or otherwise as to maintenance of such security; nor shall the Bank be bound to ascertain or inquire as to the performance of any covenant, conditions or agreement by the Board of Regents, but it may require full information and advice in regard to any of the foregoing.

The Bank shall not be accountable for the use of any bonds authenticated or delivered, or for any of the proceeds of such bonds after the same shall have been paid out by it; and holders of the bonds shall not be entitled to any interest from the Bank on funds in its hand for payment of the same.

The Bank shall not be accountable for acting upon any notice, requisition, request, consent, certificate, order, affidavit or other information believed by it to be genuine and correct and to have been signed or sent by the person or persons proper to have done so.

The Bank shall not be bound to recognize any person or persons as a bondholder or bondholders or to take action at his or their request, unless such bond or bonds be deposited with the Trustee Bank or submitted to it for inspection; and any action taken by the Trustee Bank pursuant to such request shall be con-

clusive and binding upon all future owners of the same bond or any bonds issued in exchange therefor or in place thereof.

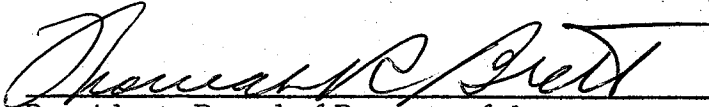
#### SAVING CLAUSE

SECTION 25. That if it shall ever be held by a court of competent jurisdiction that any one or more sections, clauses or provisions of the Bond Resolution or this Supplemental Bond Resolution is invalid or ineffective for any reason such holding shall not effect the validity and effectiveness of the remaining sections, clauses and provisions thereof or hereof.

SECTION 26. This Supplemental Bond Resolution hereby supplements and amends the Bond Resolution passed by the Board of Regents on July 26, 1973, insofar as it authorizes the issuance and prescribes the terms of the \$7,040,000 Regents of the University of Oklahoma Utility System Revenue Refunding Bonds, Series 1977, on a parity with the outstanding \$10,125,000 Regents of the University of Oklahoma Utility System Revenue Bonds, Series 1973, and henceforth both the Bond Resolution and the Supplemental Bond Resolution shall be read together as one and herein collectively referred to as "Bond Resolution" and only insofar as there is conflict between the two shall the Bond Resolution of July 26, 1973, govern. The Bond Resolution is hereby incorporated by reference into the Trust Agreement dated as of July 26, 1973, and the Supplemental Trust Agreement of even date herewith and said Bond Resolution is hereby assigned to the Trustee Bank, or Co-Trustee Bank, as the case may be, for the benefit of the holders of the outstanding Series 1973 and Series 1977 Bonds and all bonds issued in the future on a parity therewith as third party beneficiaries.

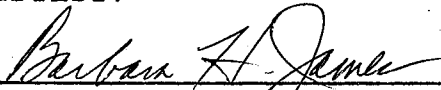
SECTION 27. That all resolutions or parts thereof in conflict herewith  
be and the same are hereby repealed and that this Supplemental Bond Resolution  
shall become effective immediately after its adoption.

ADOPTED and APPROVED this 9th day of June, 1977.

  
\_\_\_\_\_  
President, Board of Regents of the  
University of Oklahoma

(SEAL)

ATTEST:


  
\_\_\_\_\_  
Executive Secretary, Board of Regents  
of the University of Oklahoma

STATE OF OKLAHOMA        )  
                                  )  SS  
COUNTY OF CLEVELAND    )

I, Barbara James, do hereby certify that I am the duly qualified and acting Executive Secretary of the Board of Regents of the University of Oklahoma.

I further certify that the above and foregoing constitutes a true and correct copy of the minutes of the meeting of said Board held on June 9, 1977, and of a resolution adopted at said meeting, as said minutes of said meeting are officially of record in my office.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature and impressed hereon the official seal of said Board this 9th day of June, 1977.

  
\_\_\_\_\_  
Executive Secretary, Board of Regents of the  
University of Oklahoma

(SEAL)

THE BOARD OF REGENTS OF THE UNIVERSITY OF OKLAHOMA MET  
IN REGULAR SESSION AT DINING ROOM NO. 5 OF THE STUDENT UNION OF  
THE UNIVERSITY OF OKLAHOMA IN NORMAN, OKLAHOMA, ON THE 9TH  
DAY OF JUNE, 1977, AT 10:30 O'CLOCK A.M.

PRESENT: Thomas R. Brett, President, Bob G. Mitchell, M.D. Vice  
President, Richard A. Bell, Dee A. Replogle, Jr., Charles E.  
Engleman and Ronald H. White, M.D.

ABSENT: K.D. Bailey

THEREUPON, a resolution entitled:

#### SUPPLEMENTAL TRUST RESOLUTION

ADOPTING A SUPPLEMENTAL TRUST AGREEMENT RELATING TO \$7,040,000 REGENTS OF THE UNIVERSITY OF OKLAHOMA, UTILITY SYSTEM REVENUE REFUNDING BONDS, SERIES 1977 AND AUTHORIZING EXECUTION ON BEHALF OF THE BOARD OF REGENTS.

was introduced and read in full by the Secretary.

THEREUPON, Regent Replogle moved that said resolution be adopted and approved. Such action not requiring a second, a vote was taken with the following result:

AYE: Brett, Mitchell, Bell, Replogle, Engleman and White

NAY: NONE

The President declared the motion carried and the resolution adopted and approved; that resolution reads as follows:

SUPPLEMENTAL TRUST RESOLUTION

ADOPTING A TRUST AGREEMENT RELATING TO \$7,040,000 REGENTS OF THE UNIVERSITY OF OKLAHOMA, UTILITY SYSTEM REVENUE REFUNDING BONDS SERIES 1977 AND AUTHORIZING EXECUTION ON BEHALF OF THE BOARD OF REGENTS.

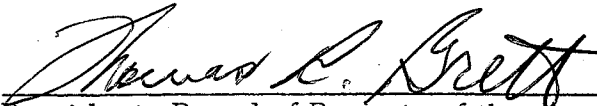
WHEREAS, the Board of Regents of the University of Oklahoma, acting for and on behalf of the University of Oklahoma, did on the 9th day of June, 1977, by resolution authorize the issuance of Bonds in the sum of \$7,040,000 for the purpose of providing the funds necessary to advance refund their outstanding Utility System Revenue Bonds, Series 1975; and

WHEREAS, The First National Bank and Trust Company of Oklahoma City, Oklahoma City, Oklahoma, is designated in said Resolution as Trustee of certain funds for the benefit of the holders of the said Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF REGENTS OF THE UNIVERSITY OF OKLAHOMA ACTING FOR AND ON BEHALF OF THE UNIVERSITY OF OKLAHOMA:

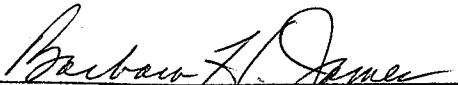
Section 1. That the President and Secretary of the Board of Regents of the University of Oklahoma be and they are hereby authorized to execute on behalf of the Board of Regents, to become effective upon delivery of all or any part of \$7,040,000 Regents of the University of Oklahoma, Utility System Revenue Refunding Bonds, Series 1977, the Trust Agreement attached hereto.

ADOPTED and APPROVED this 9th day of June, 1977.

  
President, Board of Regents of the  
University of Oklahoma

(SEAL)

ATTEST:

  
Executive Secretary, Board of Regents  
of the University of Oklahoma

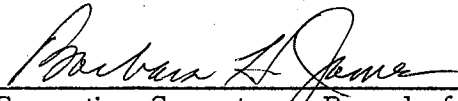


STATE OF OKLAHOMA        )  
                                  )  SS  
COUNTY OF CLEVELAND    )

I, Barbara James, do hereby certify that I am the duly qualified and acting Executive Secretary of the Board of Regents of the University of Oklahoma.

I further certify that the above and foregoing constitutes a true and correct copy of the minutes of the meeting of said Board held on June 9, 1977, and of a resolution adopted at said meeting, as said minutes of said meeting are officially of record in my office.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature and impressed hereon the official seal of said Board this 9th day of June, 1977.

  
\_\_\_\_\_  
Executive Secretary, Board of Regents of the  
University of Oklahoma

(SEAL)

SUPPLEMENTAL  
TRUST  
AGREEMENT

THIS SUPPLEMENTAL TRUST AGREEMENT is made and entered into by the Board of Regents of the University of Oklahoma, Party of the First Part, and The First National Bank and Trust Company of Oklahoma City, Oklahoma City, Oklahoma, a national banking association organized and operating under the laws of the United States of America, herein sometimes called "Trustee Bank", Party of the Second Part.

WITNESSETH:

WHEREAS, the Board of Regents of the University of Oklahoma on the 26th day of July, 1973, by a Bond Resolution authorized the issuance of the Regents of the University of Oklahoma Utility System Revenue Bonds, Series 1973, in the sum of \$10,125,000 for the purpose of paying the cost of purchasing a steam and chilled water plant at the Oklahoma Health Science Center and make additions and improvements to said Power Plant and Systems, including a computerized monitoring system, which Bond Resolution is incorporated by reference and made a part of this Agreement; and

WHEREAS, by Resolution and Trust Agreement, dated July 26, 1973 the Board of Regents did designate The First National Bank and Trust Company of Oklahoma City, Oklahoma, City, Oklahoma, as Trustee Bank for said Series 1973 Bonds; and

WHEREAS, it was determined to be necessary for the comfort, convenience, and welfare, of the students attending the University of Oklahoma at the Health Sciences Center Campus in Oklahoma City, Oklahoma, to improve and extend, the Steam and Chilled Water Plant and Systems at such Health Sciences Center (herein called "Plant") which was accomplished in part by the issuance of the Regents Utility System Revenue Bonds, Series 1975 in the aggregate

principal amount of \$6,500,000 (herein called "1975 Bonds") of which \$6,360,000 are presently outstanding; and

WHEREAS, the Board of Regents of the University of Oklahoma, acting for and on behalf of the University of Oklahoma, did on the 9th day of June, 1977, by a Supplemental Bond Resolution authorize the issuance of the Regents of the University of Oklahoma Utility System Revenue Refunding Bonds, Series 1977, in the sum of \$7,040,000 for the purpose of providing the funds necessary to advance refund the outstanding Utility System Revenue Bonds, Series 1975, the Series 1977 Bonds being on a parity with said Series 1973 Bonds, a copy of which Supplemental Bond Resolution is hereto attached and made a part of this Agreement; and

WHEREAS, said Board of Regents of the University of Oklahoma did by said Supplemental Bond Resolution designate The First National Bank and Trust Company of Oklahoma City, Oklahoma City, Oklahoma, Party of the Second Part herein, as Trustee of certain funds more fully described in the Supplemental Bond Resolution for the benefit and protection of the holders of the Bonds above described; and

WHEREAS, unless otherwise specified, the aforesaid Bond Resolution and Supplemental Bond Resolution shall herein collectively be called "Bond Resolution" and aforesaid Trust Agreement and Supplemental Trust Agreement shall herein collectively be called "Trust Agreement" and further, the aforesaid Series 1973 and Series 1977 Bonds shall be collectively called "bonds"; and

WHEREAS, the Second Party has consented to act as such Trustee for the purposes aforesaid;

NOW, THEREFORE, IT IS AGREED BY THE PARTIES HERETO:

In consideration of the payment by the Second Party to the First Party of the sum of \$1.00, the receipt of which is hereby acknowledged, and in consideration of the acceptance by the Second Party of the trusts 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 Second Party may be or become obligated to pay for and on behalf of the First Party arising in connection with their duties under the Trust Agreement and Bond Resolution, whether by agreement or by operation of law, and to secure and assure the strict, full and prompt performance and observance by the First Party of each and every covenant, warranty and agreement undertaken by it herein, the First Party does by these presents, grant, bargain, sell, alien, remise, release, convey, transfer, assign, confirm, set over, and pledge unto the Trustee Bank, or if a co-trustee bank is appointed hereunder, to the trustee banks, its or their successors in trust and assigns, its interest in the operation and revenues of the Power Plant and Systems situated upon Block 21, Amended Plat of Oak Park Addition, City of Oklahoma City, Oklahoma; together with all improvements thereon and with any personal property belonging to the University located upon, in or about said premises, and all revenues from all such real estate and improvements thereon and personal property located thereon; said revenues to be deposited and transferred in accordance with the Bond Resolution,

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 the Trust Agreement and Bond Resolution, unto the Second Party, 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 Bond Resolution and the Trust Agreement, 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 any bond

has the same rights, privileges and lien under and by virtue of the Bond Resolution and the Trust Agreement; and conditioned, however, that if the First Party shall well and truly pay or cause to be paid or cause sufficient monies to be placed in escrow which, when invested as provided in the Bond Resolution, will cause to be paid fully and promptly when due all the bonds and other indebtedness, liabilities, obligations and sums at any time secured, 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 the Trust Agreement shall become void and of no further force and effect.

The First Party covenants and agrees with, and does hereby covenant unto the Second Party, that it has good right and lawful authority to pledge, 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, demand, 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 Second Party; and that the First Party 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 First Party 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.

A. The First Party hereto accepts and undertakes the performance of the following duties in the manner more fully prescribed in the said Bond Resolution:

1. The Board of Regents shall cause to be punctually paid all interest and principal requirements on the bonds and will faithfully observe and perform all agreements, covenants and obligations to be performed under the Bond Resolution.
2. The Board of Regents shall not create any pledge, lien, charge or other encumbrance upon the pledged income, other than the lien and pledge created by the Bond Resolution and any supplemental bond resolution hereto which would authorize and secure additional bonds.
3. The Board of Regents will pay or cause to be paid any governmental charges lawfully imposed upon the trust estate and will keep the trust estate free from all judgments, mechanics' and materialmen liens and all other encumbrances.
4. The Board of Regents 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 Board of Regents shall be properly and advantageously conducted.
5. The Board of Regents agrees that the heating and cooling service and computerized control system service produced by the Board

of Regents shall be disposed of solely for the benefit of the Board of Regents and that the revenues derived from the operation and ownership of the facilities shall be sufficient to meet all requirements of the Bond Resolution and shall be disposed of in the manner specified therein.

6. The Board of Regents shall fix, maintain, and collect rates and charges for all services furnished and supplied by the Board of Regents, which shall be adequate to provide sufficient revenues for all purposes required by the Bond Resolution; 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 Board of Regents by reason of its ownership and operation of the facilities by discontinuing service and/or filing suit therefor within sixty (60) days after any such accounts are due.
7. The Board of Regents 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 the bonds then outstanding; and the Board of Regents may dispose of any portion of the facilities or properties thereof, which have been declared by the Board of Regents 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 Board of Regents' business in accordance with Section 16 of the Bond Resolution.
8. The Board of Regents shall keep the facilities insured to the extent

available, at reasonable cost with reasonable insurers with policies payable to the Board of Regents and the Trustee 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 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, all as more specifically set out in the Bond Resolution.

9. The Board of Regents shall keep proper books of account and within ninety (90) days after the close of each fiscal year of the Board of Regents, 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 Bank and sent to any holder of the bonds who requests the same in writing.
10. The Board of Regents shall retain a firm of independent engineers on a continuous basis for the purpose of providing the University with engineering counsel in the operation of the facilities as requested. In addition to other prescribed duties, the Consulting Engineers



shall not later than 120 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 the business of the facilities and the operation and maintenance of its properties and state if the Board of Regents has complied with the Bond Resolution; a copy of such report shall be filed with the Trustee Bank or Banks, as the case may be, and a copy shall be mailed to any bondholder requesting same in writing.

11. The Board of Regents shall not expend any of the income, revenues, receipts, profits, and other monies 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 Board of Regents shall not consent to the restriction, alteration, amendment or modification of the Utility Service Agreements or the Control Service Agreements except; (a) with the written consent of the Trustee Bank, or Banks, which consent may be given only if, in the opinion of the Trustee Bank or Banks, 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 Board of Regents, 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 Board of Regents will not consent to the assignment or transfer of the Utility Service Agreements or the Control Service Agreements without consent of the Trustee Bank or Banks.
14. The Board of Regents will vest in the Trustee Bank or Banks or the holder or holders of 50% or more of the bonds the right to enter into possession of the Plant and to operate it until a default is remedied or until all bonded indebtedness related to the Plant is retired, whichever shall first occur.
15. The Board of Regents hereby assigns to the Party of the Second Party for the benefit of the holders of the bonds its right to enforce all Utility Service Agreements and Control Service Agreements entered into with various entities maintaining facilities in and around the University of Oklahoma Health Sciences Center for the provision of heat and chilled water and/or computer monitoring services to secure the payment of all principal of and interest on its \$10,125,000 Utility System Revenue Bonds, Series 1973, its \$7,040,000 Utility System Revenue Refunding Bonds, Series 1977 or any bonds issued on a parity therewith pursuant to the terms of the Trust Agreement and the Bond Resolution.
16. The Board of Regents shall pay all reasonable charges made by the Trustee Bank and Paying Agent Banks for services rendered under this Agreement according to the normal schedule of charges for similar services by a trustee bank and paying agent bank. In cases

of extraordinary services performed, the Trustee Bank or Banks, shall receive just and reasonable compensation for such services.

b. The Second Party hereto accepts and undertakes the performance of the following duties in the manner more fully prescribed in the said Bond Resolution:

1. To maintain separately a Bond Fund (which shall contain an Interest Account and Principal Account and a Bond Fund Reserve Account), and a Special Reserve Fund all as more specifically defined in the aforesaid Bond Resolution.
2. To receive monies from the State Treasurer of the State of Oklahoma from the Revenue Fund and to deposit same in the Principal Account and Interest Account of the Bond Fund and the Bond Fund Reserve Account and Special Reserve Fund in the amounts and in the manner set out in the Bond Resolution.
3. To hold in trust the money paid to the Trustee by First Party or the State Treasurer to be used for the following purposes.
  - a. To pay or cause to be paid promptly the principal of and interest on the bonds when due either by reason of maturity or redemption, whether the bonds and coupons are presented to the Trustee Bank or Banks or the Fiscal Agent of the State of Oklahoma in the City of New York; or in the event of the discontinuance of that Agency, the The Chase Manhattan Bank, N.A., New York, New York, and to pay the required paying agent and Trustee Bank or Banks fees.
  - b. To pay the principal of bonds prior to maturity when so directed

upon proper notice by the First Party.

- c. To make payments to the First Party from the Special Reserve Fund upon request by First Party, as provided in the Bond Resolution.
  - d. To redeem the Term Bonds in part by lot in the amounts and on the dates set out in the Bond Resolution.
4. To secure the amount of money deposited in the funds set out in the previous paragraph numbered (1) by qualified securities as may then be required by all applicable State or Federal laws regarding the security for, or granting a preference in the case of the deposit of Trust Funds which qualified securities shall have a market value not less than the total amounts on deposit in said accounts.
  5. To continuously invest and reinvest monies contained in the Principal Account, the Interest Account, and Bond Fund Reserve Account of the Bond Fund and the Special Reserve Fund in securities that shall mature in a manner consistent with the use of the monies contained in such Account, Reserve, or Fund as set out in Bond Resolution. These monies may be invested in direct general obligations of or obligations for 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 agencies:  
Bank for Cooperatives, Federal Land Banks, or Federal National Mortgage Associations, including Participation Certificates; Public Housing Bonds, Temporary Notes, or Preliminary Loan Notes, fully secured by contracts with the United States of America; full faith

and credit direct and general obligations of any State, or unlimited tax direct and general obligations of any political subdivision thereof, 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 three (3) highest rating categories by one nationally recognized bond rating agency and are legal investments for fiduciaries in both New York and Oklahoma; 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.

6. To deposit interest earned on the investment of the Principal Account, the Interest Account, and the Bond Fund Reserve of the Bond Fund and the Special Reserve Fund in the Account, Reserve, or Fund from which it was derived. When not required to meet requirements as set out in the Bond Resolution, the investment income and other monies contained in the Bond Fund Reserve in excess of the minimum balance required in said Reserve may, at the discretion of the Board of Regents, be transferred to the Principal Account of the Bond Fund to be used to purchase or redeem bonds prior to stated maturity.
7. In the event of failure by First Party to cause to be deposited in the Principal Account and Interest Account of the Bond Fund, at

the time stated in the Bond Resolution, the amounts of money necessary to meet interest and principal payments when due and the amounts of money necessary to create and maintain the Bond Fund Reserve or the deposits in the Special Reserve Fund in accordance with the provisions of the Bond Resolution, then and in the event the Second Party shall, upon request of the holders of fifty (50) percent of the bonds, take appropriate action to enforce compliance with the terms of the said Bond Resolution insofar as they apply to such payments. Second Party shall be indemnified to its satisfaction in reasonable amounts. The obligation of Second Party to enforce compliance with the terms of the Bond Resolution shall not extend beyond those requirements of the Bond Resolution that relate to deposits of money caused to be made by the First Party in the Principal Account and Interest Account in the Bond Fund, the Bond Fund Reserve Account and the Special Reserve Fund, in the custody of the Trustee Bank or Banks; provided, however, that Second Party agrees to perform other and additional services in connection with enforcing terms of the Bond Resolution if so requested in writing by holders of forty (40) percent of the bonds. Second Party shall be properly indemnified to its satisfaction in reasonable amounts in connection with such other and additional services.

#### CONCERNING THE TRUSTEE BANK

C. It is agreed between the First Party and Second Party hereto as follows:

1. The Trustee Bank shall be entitled to rely upon the advice of attorneys, professional architects, and accountants, and any act or omission to act done or omitted by the Trustee Bank in reliance upon such advice and counsel shall not constitute negligence.
2. The Trustee Bank shall not be liable for the consequences of any error in judgment, oversight, or for the acts or omission of any person selected by it with reasonable care.
3. The Trustee Bank shall not be required to take notice or be deemed to have notice of any state of default hereunder unless such notice be given in writing by a bondholder.
4. The Trustee Bank may execute any trusts or powers hereunder and perform any duties hereunder through employees, attorneys, agents or servants, and it shall be entitled to advice of counsel in regard thereto, and may receive or recover any reasonable costs or expenses in connection therewith.
5. The Trustee Bank shall not be responsible for doing or performing any thing or act which the Board of Regents shall have covenanted to do or perform, or for any other compliance with any covenant by the Board of Regents, or for the sufficiency of the security for the bonds issued, or otherwise as to maintenance of such security; nor shall the Bank be bound to ascertain or inquire as to the performance of any covenant, condition or agreement by the Board of Regents, but it may require full information and advice in regard to any of the foregoing.
6. The Trustee Bank shall not be accountable for the use of any bonds

authenticated or delivered, or for any of the proceeds of such bonds after the same shall have been paid out by it; and the holders of the bonds shall not be entitled to any interest from the Trustee Bank on funds in its hands for payment of the same.

7. The Trustee Bank shall not be accountable for acting upon any notice, requisition, request, consent, certificate, order, affidavit or other information believed by it to be genuine and correct and to have been signed or sent by the person or persons proper to have done so.
8. The Trustee Bank shall not be bound to recognize any person or persons as a bondholder or bondholders or to take action at his or their request, unless such bond or bonds be deposited with the Trustee Bank or submitted to it for inspection; and any action taken by the Trustee Bank pursuant to the Bond Resolution upon request or authority of the bondholders shall be conclusive and binding upon all future owners of the same bond or any bonds issued in exchange therefor or in place thereof.
9. If at any future date, it is determined by the Attorney General of the State of Oklahoma that under existing statutes any funds or accounts created by the Bond Resolution should appropriately be maintained by the State Treasurer of the State of Oklahoma, then such funds or accounts shall be transferred from the Trustee Bank accordingly.

#### EVENTS OF DEFAULT

- D. The First Party further covenants and agrees with the Second



Party the holders from time to time of the bonds, in order to protect and safeguard the security for the payment of the bonds, that if any one or more of the following events (hereinafter referred to as "Events of Default") shall happen, that is to say:

1. Should the First Party
  - a. Fail to keep the properties of the Power Plant and System free and clear of all adverse claims and demands and all liens and encumbrances whatsoever, or
  - b. Fail to keep said properties in proper repair, or commit or allow waste thereon with respect thereto, or
  - c. Fail to comply with any statutes, rules or regulations with respect to or affecting said properties and operation thereof by the First Party, or
  - d. Fail to procure and provide the aforesaid insurance.
2. Should the Trustee Bank or Banks encounter any adverse claims or difficulties or obstacles in endeavoring to secure for itself or themselves, or the beneficiaries hereunder the benefit and advantage of all rights, powers, priorities and privileges vested in and conferred upon the banks by the Bond Resolution or there be any litigation concerning the validity of the Bond Resolution, then the Second Party, at its sole option and discretion (after first giving the First Party ten (10) days' written notice to cure such default and failure of the First Party to so comply within said ten-day period), either in its own name or in the name of the First Party, may compromise or discharge any such liens,

adverse claims and demands, claim or liability, and encumbrances; make any such repairs, eliminate any such waste; cause each such statute, rule or regulation to be complied with; procure and provide any such insurance; enter an appearance in and defend against any such judicial or other proceedings and file and prosecute therein such cross-petition or counterclaim as the Second Party may deem proper; institute and prosecute all such suits and actions as may be deemed necessary, expedient or advisable to allay and remove any such adverse claim or other difficulty or obstacle, and (without limitation by virtue of the express enumeration of powers hereinabove) do or cause to be done any and all other and further things which the Second Party may deem proper for the protection of the Power Plant and Systems and its rights under the Utility Service Agreements and/or Control Service Agreement and the bonds, all at the University's expense.

In event of the happening of an Event of Default, or should any bond or any part of the indebtedness, liabilities, obligations or other sums at any time secured hereby, including interest and attorney's fees, be placed in the hands of an attorney or attorneys for collection after the happening of an Event of Default, then the First Party shall, in each and every event, immediately pay from the Revenue Fund a reasonable sum to the Second Party for the purpose of compensating the attorneys for the Second Party for their services in defending against any such judicial or other proceedings and in prosecuting any such cross-petition, counter-claim, suit or action, and also to promptly pay all costs, expenses, outlays and expenditures

incurred or made by or on behalf of the Second Party in connection with the compromise or discharge of any such claims, the procurement of any insurance, the enforcement of the Bond Resolution, the enforcement of the Utility Service Agreements and/or the Control Service Agreements, and making collection by suit. All such costs, expenses, outlays, expenditures, and attorneys' fees shall bear interest from the time of payment thereof by the Second Party at the rate of ten percent (10%) per annum payable semi-annually until paid, and may be included in any judgment, if not paid before that time; and all such costs, expenses, outlays, expenditures and attorneys' fees, with interest, shall be secured, equally and ratably with the bonds, by the Bond Resolution and the Trust Agreement, and notwithstanding any other provisions hereof to the contrary, the Second Party may, in any manner and at any time deemed advisable in its sole discretion, obtain reimbursement for all or any part thereof out of any funds or property collected or received by the Second Party under the Bond Resolution or the Trust Agreement.

The Second Party shall be under the duty and responsibility to properly account for whatever funds or property may actually be received by it hereunder; and further, the undertaking, doing or performance by the Second Party of any of the foregoing acts or things shall never be construed or held to be a waiver of an Event of Default or prevent it from appointing a receiver or temporary trustee or trustees as provided herein because of the happening of an Event of Default.

#### APPOINTMENT OF TEMPORARY TRUSTEES

In the Event of the appointment of a receiver for the First Party or for

any part of the Power Plant and Systems, or in the event bankruptcy proceedings are instituted by or against the First Party, or in the event the First Party makes an assignment of a substantial part of its assets for the benefit of its creditors, or in the event the First Party fails to strictly and promptly comply with any of its covenants and agreements in the Trust Agreement or in the Bond Resolution or to strictly and promptly perform any provisions hereof, or thereof (after the Second Party has first given the First Party ten days' written notice to comply therewith and upon failure of the First Party so to comply within said ten day period), or in the event the First Party fails to pay or cause to be paid promptly when due, all or any of the bonds secured hereby, and by the Bond Resolution, or the interest thereon, or any other indebtedness, liabilities, obligations or other sums at any time secured hereby, including interest and attorneys' fees, or in event the priority of the assignment and pledge contained in the Bond Resolution and the Trust Agreement shall not be established and at all times fully maintained upon and with respect to the Power Plant and Systems and the revenues derived therefrom, or in the event the First Party is found or adjudged not to have had good right and full power and authority to encumber said Power Plant and Systems and Revenues and income therefrom or any part thereof in the manner hereby contemplated, then and in any such event, the Second Party shall be entitled at its option and election and without prior notice to or demand upon the First Party (but, upon written demand of the holders of at least fifty percent (50%) of Bonds then outstanding, the Second Party must immediately proceed) to have or cause to be appointed a receiver or temporary trustee or trustees to take charge of said Power Plant and Systems for the purpose of operating the same and collecting the income

and profits therefrom and the proceeds thereof.

On the happening of an Event of Default as defined herein then and in every such case the Trustee Bank or Banks or the holders of a majority in principal amount of the bonds outstanding under the Bond Resolution may appoint a receiver or temporary trustee or trustees for the First Party and enter into possession of the Plant for the purpose of operating the Plant and collecting the income and profits therefrom and the proceeds thereof. Every appointment shall be in writing and shall specify the default or defaults existing hereunder whereby the power of appointment is invoked, shall designate by name the person or persons to be such receiver or temporary trustee or trustees.

1. Any receiver, temporary trustee or trustees, who shall have been appointed by the Trustee Bank or Banks may be supplanted by a receiver, temporary trustee or trustees appointed by the holders of at least 50% of the bonds then outstanding.

The Receiver, temporary trustee or trustees shall receive a reasonable fee for his or their services in any amount fixed by the Trustee Bank or Banks which may be changed by holders of at least 50% of bonds then outstanding, to be paid from the Revenues of the Trust Estate.

2. The written appointment of any receiver, temporary trustee, or trustees hereunder shall be sent by registered mail to the First Party.
3. Upon the curing of the default or defaults pursuant to which any receiver, temporary trustee or trustees shall have been appointed, and if there shall not be then any default under any of the provisions

of this instrument, the First Party may give written notice to the Trustee Bank or Banks of the curing of said default or defaults and of the non-existence of any other defaults hereunder, and upon the delivery of said notice to the Trustee Bank or Banks, the receiver, temporary trustee or trustees shall ipso facto cease to have any power or authority under the Trust Agreement or under the Bond Resolution and the First Party shall be reinstated with all rights and powers to the same extent as though a receiver or temporary trustee or trustees had not been appointed.

4. During the period of continuance of any Event of Default, the receiver or temporary trustee or trustees appointed shall remain in possession of the Power Plant and Systems, and shall operate and manage the same, and all Revenues of every kind and character received pursuant to the Utility Service Agreements of the Regents shall be deposited and disposed of in accordance with the provisions of the Bond Resolution; provided, however, that the appointment of any receiver or temporary trustee or trustees shall not be construed as curing or waiving any Event of Default and notwithstanding any such appointment of any receiver or temporary trustee or trustees, the Trustee Bank or Banks may enforce any other remedy contained in the Bond Resolution or the Trust Agreement.

Upon the occurrence of any Event of Default, the Trustee Bank or Banks shall, upon written demand of the holders of at least 50% of the bonds then out-

standing, either after entry, or without entry, proceed by suit or suits at law or in equity to enforce payment of the principal of and interest on the bonds then due and to enforce the Bond Resolution.

Upon occurrence of an Event of Default or other default, all amounts collected and received by the Trustee Bank or Banks pursuant to the Bond Resolution shall be deposited in the Bond Fund and used to make the following payments from time to time in the order stated:

- a. All charges, costs and expenses of enforcing the Bond Resolution and the Trust Agreement, including such as may have been incurred in connection with disposition proceedings hereunder;
- b. The then remaining unpaid balance of all indebtedness evidenced by the bonds and additional parity bonds, equally and ratably, with interest thereon at the rate specified;
- c. All other indebtedness, liabilities, obligations and sums then secured by the Bond Resolution and the Trust Agreement, with interest thereon as specified, all of which shall be paid equally and ratably; and
- d. The balance, if any, remaining after the full payment and satisfaction of all items mentioned in subdivisions a, b, and c above, inclusive, shall be paid to the First Party.

The Trustee Bank or Banks may, with the consent of the holders of at least 50% of bonds then outstanding waive any Event of Default other than a default in payment, as and when due, of principal of or interest upon any bonds.

No remedy conferred upon or reserved unto the Trustee Bank or Banks or any beneficiary hereunder is intended to be exclusive of any other remedy so conferred or reserved, or to be exclusive of any other applicable remedies now or hereafter authorized or permitted by law; but each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder, as well as in addition to all such other remedies now or hereafter existing in law, in equity or by statute.

E. It is mutually agreed by the parties hereto that the said Bond Resolution, certified copy of which is attached herewith, is hereby adopted as part of the Trust Agreement, and all provisions of said Bond Resolution that relate to operation of the trusteeship shall be binding on both parties hereto in the same manner as though set forth fully herein; and the failure to specify in this Agreement particular duties expressed or implied in the Bond Resolution shall not be deemed a waiver of such duties by either party to this Agreement; provided, however, enforcement of any of the provisions of said Bond Resolution shall only be in accordance with the terms and provisions of the Trust Agreement.

F. The First Party to this Agreement reserves the right to appoint a new trustee under any of the following conditions:

1. If the Trustee Bank or Banks give notice that it wishes to terminate its trusteeship;
2. If the First Party becomes dissatisfied for good cause reasonably demonstrated with the conduct of the Trustee Bank or Banks in the handling of trust funds or trust affairs;



3. Or upon request of sixty (60) percent of the holders of the bonds authorized by the Bond Resolution herein referred to;
4. If the Trustee Bank or Banks does not comply with the Bond Resolution or Trust Agreement;
5. If additional bonds are issued on a parity with the bonds and it is deemed advisable by the First Party then an additional or co-trustee may be appointed.

In case the First Party wishes to terminate the Trust Agreement with the Trustee Bank or Banks under paragraphs (2) and (3) above it shall give the Trustee Bank or Banks thirty (30) days' notice of such intention, and upon the appointment of a new trustee after the transfer to such new trustee all funds and things of value received by said Trustee Bank or Banks under the terms of this Agreement and to account fully to said First Party for its administration of the trusts herein undertaken.

The provisions of this section shall not be construed as applying to any application to a court of record made by either party to enforce the provisions of the trusts or to remove a trustee or to appoint a new trustee, but this section shall give remedies in addition to the legal remedies last mentioned.

- G. The Second Party to this Agreement reserves the right to resign as Trustee Bank following reasonable notice of such intention. In no case shall such notice be less than thirty (30) days.
- H. The Bond Resolution and Trust Agreement are fully incorporated herein by reference and made a part hereof as if fully set out herein, and it is acknowledged that this Agreement is a Third Party beneficiary contract for the holders of the outstanding bonds.

IN WITNESS WHEREOF, the parties hereto have hereunto affixed their hands and seals on this 9th day of June, 1977.

REGENTS OF THE UNIVERSITY OF OKLAHOMA

By *Thomas R. Burt*  
President

ATTEST:

*Barbara A. James*  
Executive Secretary

(SEAL)

(Party of the First Part)

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

By *Ray D. Kemp*  
Vice President

ATTEST:

*Helen V. Kypur*  
Assistant Cashier

(SEAL)

(Party of the Second Part)



THE BOARD OF REGENTS OF THE UNIVERSITY OF OKLAHOMA MET  
IN REGULAR SESSION AT DINING ROOM NO. 5 OF THE STUDENT UNION OF  
THE UNIVERSITY OF OKLAHOMA IN NORMAN, OKLAHOMA, ON THE 9TH  
DAY OF JUNE, 1977, AT 10: 30 O'CLOCK A.M.

PRESENT: Thomas R. Brett, President, Bob G. Mitchell, M.D. Vice  
President, Richard A. Bell, Dee A. Replogle, Jr., Charles E.  
Engleman and Ronald H. White, M.D.

ABSENT: K.D. Bailey

THEREUPON, a resolution entitled:

REFUNDING ESCROW AGREEMENT RESOLUTION

A RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION  
OF A REFUNDING ESCROW AGREEMENT DATED AS OF JULY 1, 1977  
BY AND BETWEEN THE REGENTS AND THE FIRST NATIONAL BANK  
AND TRUST COMPANY OF OKLAHOMA CITY PROVIDING FOR THE  
ADVANCE REFUNDING AND PAYMENT OF THE REGENTS OUT-  
STANDING UTILITY SYSTEM REVENUE BONDS, SERIES 1975 .

was introduced and read in full by the Secretary.

THEREUPON, Regent Replogle moved that said resolution be adopted  
and approved. Such action not requiring a second, a vote was taken with  
the following result:

AYE: Brett, Mitchell, Bell, Replogle, Engleman and White

NAY: NONE

The President declared the motion carried and the resolution adopted  
and approved; that resolution reads as follows:

## REFUNDING ESCROW AGREEMENT RESOLUTION

A RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION OF A REFUNDING ESCROW AGREEMENT DATED AS OF JULY 1, 1977 BY AND BETWEEN THE REGENTS AND THE FIRST NATIONAL BANK AND TRUST COMPANY OF OKLAHOMA CITY PROVIDING FOR THE ADVANCE REFUNDING AND PAYMENT OF THE REGENTS OUTSTANDING UTILITY SYSTEM REVENUE BONDS, SERIES 1975 .

WHEREAS, the Board of Regents of the University of Oklahoma, acting for and on behalf of the University of Oklahoma, did on the 9th day of June, 1977, by resolution authorize the issuance of Bonds in the sum of \$7,040,000 for the purpose of providing the funds necessary to advance refund their outstanding Utility System Revenue Bonds, Series 1975; and

WHEREAS, it is necessary to secure the Series 1975 Bonds that the Regents enter into a Refunding Escrow Agreement with The First National Bank and Trust Company of Oklahoma City, Oklahoma City, Oklahoma.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF REGENTS OF THE UNIVERSITY OF OKLAHOMA ACTING FOR AND ON BEHALF OF THE UNIVERSITY OF OKLAHOMA:

Section 1. That the President and Secretary of the Board of Regents of the University of Oklahoma be and they are hereby authorized to execute on behalf of the Board of Regents, to become effective upon delivery of all or any part of \$7,040,000 Regents of the University of Oklahoma, Utility System Revenue Refunding Bonds, Series 1977, the Refunding Escrow Agreement attached hereto.

(Other business not pertinent to the above appears in the minutes of the meeting).

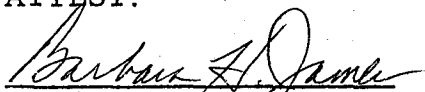
Pursuant to motion duly made and carried, the meeting of the Board of Regents of the University of Oklahoma was adjourned.



President, Board of Regents of the University of Oklahoma

(SEAL)

ATTEST:



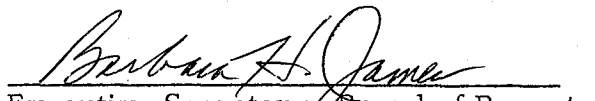
Executive Secretary, Board of Regents of the University of Oklahoma

STATE OF OKLAHOMA        )  
  ) SS  
COUNTY OF CLEVELAND    )

I, Barbara H. James, do hereby certify that I am the duly qualified and acting Executive Secretary of the Board of Regents of the University of Oklahoma.

I further certify that the above and foregoing constitutes a true and correct copy of the minutes of a meeting of said Board held on June 9, 1977, and of resolutions adopted at said meeting as said minutes and a Resolution are officially of record in my possession.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature and impressed hereon the official seal of said Board this 9th day of June, 1977.



Executive Secretary, Board of Regents of the University of Oklahoma

(SEAL)

## REFUNDING ESCROW AGREEMENT

THIS REFUNDING ESCROW AGREEMENT, dated as of the 1st day of July, 1977, by and between the BOARD OF REGENTS OF THE UNIVERSITY OF OKLAHOMA acting for and on behalf of the University (herein called "UNIVERSITY"), and THE FIRST NATIONAL BANK AND TRUST COMPANY OF OKLAHOMA CITY, as Trustee for the holders of the 1975 Bonds, as hereinafter defined, 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 bank is authorized under such laws to exercise corporate powers (hereinafter, together with any bank or trust company appointed as successor hereunder, called "ESCROW AGENT").

### WITNESSETH:

WHEREAS, the UNIVERSITY issued its \$6,500,000 Utility System Revenue Bonds, Series 1975 ("1975 Bonds") of which \$6,360,000 is presently outstanding, for the purpose of extending and improving the Steam and Chilled Water Plant and Systems at the Oklahoma Health Sciences Center, Oklahoma City, Oklahoma, under and pursuant to a Bond Resolution adopted January 9, 1975 ("1975 Resolution") by and between the UNIVERSITY and The First National Bank and Trust Company of Oklahoma City ("1975 Trustee"); and

WHEREAS, due to a change in conditions of the bond market a substantial savings might be realized if said Series 1975 Bonds were advance refunded at this time; and

WHEREAS, the Regents have full power and authority to advance refund said 1975 Bonds pursuant to Title 70 Okla. Stats. §§ 4001 et. seq., as amended; and

WHEREAS, in order to effect said advance refunding the Regents have determined to issue their \$7,040,000 Utility System Revenue Refunding Bonds, Series 1977 (herein called "Bonds") pursuant to a Supplemental Bond Resolution adopted June 9, 1977 (herein called "Bond Resolution") and place the net proceeds thereof in escrow and irrevocably pledge said funds in escrow hereunder to the payment of the 1975 Bonds.

WHEREAS, the UNIVERSITY has determined to provide for the payment of the 1975 Bonds by depositing with the ESCROW AGENT \$569.70 cash and direct and general obligations of the United States of America, specifically United States Treasury Obligations, State and Local Government Series (the "Government Securities") in the principal amount of \$6,952,000, said Government Securities to be so deposited and listed in Exhibit A hereto will bear interest and mature in principal amounts at such times so that sufficient monies will be available from such interest and maturing principal to pay, as the same mature and become due, all principal of and interest on the 1975 Bonds and to redeem the 1975 Bonds on January 1, 1985 at a price of 104%; and



WHEREAS, all things necessary to make this Refunding Escrow Agreement a valid and binding Refunding Escrow Agreement and grant the valid and binding assignment and pledge which it purports to grant have been done and performed and the execution of this Refunding Escrow Agreement has in all respects been authorized.

NOW THEREFORE in consideration of the mutual covenants expressed herein and for the aforesaid sum in hand paid by the UNIVERSITY to the ESCROW AGENT and for other good and valuable consideration the UNIVERSITY and the ESCROW AGENT agrees as follows:

1. Receipt of true and correct copies of the 1975 Resolution and the Bond Resolution are hereby acknowledged by the ESCROW AGENT and reference herein to or citation herein of any provision of said documents shall be deemed to incorporate the same as a part hereof in the same manner and with the same effect as if they were fully set forth herein.

2. There is hereby created and established with the ESCROW AGENT a special and irrevocable escrow fund designated Refunding Escrow Account (the "Refunding Escrow Account") to be held in the custody of the ESCROW AGENT separate and apart from other funds of the UNIVERSITY or of the ESCROW AGENT. \$6,952,000 of the net proceeds of the Bonds which shall be sufficient to purchase the Government Securities listed on Exhibit A attached hereto shall be utilized to immediately acquire said Governmental Securities and same shall immediately be deposited in the Refunding Escrow Account.

3. The deposit of the Government Securities in the Refunding Escrow Account along with cash in the amount of \$569.70, shall constitute an irrevocable appropriation and pledge of said Government Securities and cash for the benefit of the holders of the 1975 Bonds as provided herein. The cash, interest earnings and maturing principal as received shall be herein called "Escrow Income". No substitutions for the Government Securities will be allowed.

4. There is hereby created and established with the ESCROW AGENT the following account which will be used as follows:

A. 1975 Bond Account. The Escrow Income is hereby irrevocably appropriated and pledged for the payment of the principal of and interest on the 1975 Bonds when due until January 1, 1985 and thereupon to redeem all the then outstanding 1975 Bonds at their redemption price of 104%. The ESCROW AGENT shall on or before December 1, 1984 send the Notice of Redemption by registered mail to the holder or holders of the 1975 Bonds to be then redeemed directed to the addresses shown on the Registrar's registration books and cause an appropriate notice to be published in a financial newspaper or journal published in the English language in the City of Oklahoma City, Oklahoma and sent by registered mail to the banks at which the 1975 Bonds are payable.

Between July 1, 1977 and July 1, 1984, the ESCROW AGENT shall deposit the Escrow Income into the 1975 Bond Account until there is contained therein sufficient monies to pay the next then due

principal of and interest on the 1975 Bonds when due.

Between July 2, 1984 and January 1, 1985, the Escrow Income shall be deposited in the 1975 Bond Account until there is sufficient monies therein to redeem the 1975 Bonds on January 1, 1985 at a price of 104%.

5. The liability for the ESCROW AGENT for the transfers of monies and payment of the 1975 Bonds shall be limited to the Escrow Income, above defined.

6. On each principal, interest and mandatory redemption date of the 1975 Bonds, the ESCROW AGENT shall (i) remit by mail to each owner of registered 1975 Bonds without coupons the interest payable on such 1975 Bonds on said payment date and (ii) segregate, in trust, the amount required to effect the payment of the interest on unregistered 1975 Bonds and the principal of the 1975 Bonds due and payable or subject to mandatory redemption on such date. The ESCROW AGENT hereby expressly assumes the duties of Paying Agent for the 1975 Bonds hereunder as same are set out in the 1975 Resolution and Trust Agreement, the 1975 Bonds, respectively, and whenever reference herein is made to any portion of such documents, such portions of said documents shall be deemed to be incorporated herein by reference.

7. The escrow created hereby shall be an irrevocable appropriation by the UNIVERSITY and the holders of the 1975 Bonds shall have a first lien on the Escrow Income to the extent provided hereby.

8. The ESCROW AGENT shall not be liable for any loss resulting from any investment made pursuant to this Refunding Escrow Agreement in compliance with the provisions hereof. Neither the ESCROW AGENT, as such, nor as the 1975 Bond Trustee shall have any lien whatsoever upon any of the monies in the Escrow Fund or the 1975 Bond Account for the payment of fees and expenses for services rendered by any of them under this Refunding Escrow Agreement or the 1975 Bond Resolution, Provided, however, on or about January 15 and July 15 of each year during the term of this Escrow Agreement, the ESCROW AGENT shall bill the UNIVERSITY directly for administration and paying agent fees and expenses incurred. The ESCROW AGENT shall attach to each billing the amount of surplus monies in the 1975 Bond Account not utilized for the payment of the principal of and interest on the 1975 Bonds on the immediately preceding January 1 or July 1 and which will not be needed in the future for the payment of principal of, interest on or redemption premium on the 1975 Bonds. If such surplus monies are in the 1975 Bond Account and upon authorization of an authorized officer of the UNIVERSITY, the ESCROW AGENT may then utilize such surplus monies for the payment of all or a part of such administration and paying agent fees and expenses.

9. In the event of the ESCROW AGENT'S failure to account for any of the Government Securities or Escrow Income received by it, said Government Securities of funds shall be and remain the property of the UNIVERSITY in trust for the holders of the 1975 Bonds, as herein provided.

10. The deposit of the Government Securities described in Section 2 with the ESCROW AGENT shall continue and be considered as full and complete payment to all present and future holders of the 1975 Bonds and the Coupons appurtenant thereto and henceforth said holders shall look solely to the ESCROW AGENT under this Refunding Escrow Agreement for payment of the principal and interest thereon and no recourse shall be had against the UNIVERSITY for such payment. The ESCROW AGENT is serving as the Registrar and Paying Agent for the 1975 Bonds hereunder and shall continue to fulfill such functions and obligations in the manner provided in and by said 1975 Resolution securing the same; notwithstanding the defeasance of the lien of said 1975 Resolution and 1975 Trust Agreement, all terms and conditions of the 1975 Bonds and the rights of the holders thereof pertaining to registration, exchange and like matters as described therein shall remain in full force and effect.

11. The ESCROW AGENT on or before the 15th day of January of each year during the term of this Refunding Escrow Agreement shall forward a written statement to the UNIVERSITY detailing the income, investments, redemptions and withdrawals of all obligations and monies in and from said

Refunding Escrow Account for the immediately preceding year; in addition, the UNIVERSITY shall have the right at any time during regular business hours to examine any and all of the ESCROW AGENT'S records regarding the status of the Accounts created hereunder and the details of said income, investments, redemptions and withdrawals pertaining thereto.

12. Notwithstanding all the provisions hereof, the proceeds of the monies in the various funds and accounts created hereunder, shall not be used, allowed to accumulate or be invested in a manner which would result in the loss of exemption from Federal income taxation of interest on the 1975 Bonds or the Bonds in such manner which would result in such bonds constituting "arbitrage bonds" within the meaning of Section 103(c) of the Internal Revenue Code of 1954, as amended, and the regulations thereunder in effect at the time of such use and applicable to obligations issued on the date of issuance of the bonds.

13. The ESCROW AGENT may resign upon giving the UNIVERSITY ninety (90) days written notice of its intention to do so, and thereby be discharged from the trusts created by this Refunding Escrow Agreement but in such event shall refund the pro rata portion of the fee hereunder based on the length of time served as ESCROW AGENT hereunder.

14. The ESCROW AGENT may be removed at any time by an instrument in writing, executed by the holders of not less than fifty-one percent (51%) in aggregate principal amount of the 1975 Bonds then outstanding; such instrument to be filed with the UNIVERSITY. The ESCROW AGENT may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provisions of this Refunding Escrow Agreement by any court of competent jurisdiction upon the application of the UNIVERSITY or the holders of not less than fifteen percent (15%) in aggregate principal amount of the 1975 Bonds then outstanding.

15. If at any time hereafter, the ESCROW AGENT shall resign, be removed, be dissolved or otherwise become incapable of acting, or shall be taken over by any governmental official agency, department or board, the position of the ESCROW AGENT shall thereupon become vacant. If the position of the ESCROW AGENT shall become vacant for any of the foregoing reasons or for any other reason, the UNIVERSITY shall appoint an ESCROW AGENT to fill such vacancy. The UNIVERSITY shall publish proper notice of any such appointment by it. At any time within one year after any such vacancy shall have occurred, the holders of a majority in principal amount of the 1975

Bonds then outstanding, by an instrument or concurrent instruments in writing executed by such bondholders and filed with the UNIVERSITY may appoint a successor ESCROW AGENT, which shall supersede any ESCROW AGENT theretofore appointed by the UNIVERSITY.

16. This Refunding Escrow Agreement shall terminate when all the principal of and interest on both the 1975 Bonds have been paid. Upon such termination the ESCROW AGENT shall transfer all monies or Government Securities contained in all the Funds and Accounts held by it to the UNIVERSITY and render to the UNIVERSITY a final accounting.

17. If any one or more of the covenants or agreements provided in this Refunding Escrow Agreement on the part of the UNIVERSITY or the ESCROW AGENT to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Refunding Escrow Agreement.


18. This Refunding Escrow Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

IN WITNESS WHEREOF, the UNIVERSITY has caused this Refunding Escrow Agreement to be executed by the President of its Board of Regents and attested by its Executive Secretary and has caused the seal of the UNIVERSITY to be affixed hereto, and the ESCROW AGENT for itself, its successors or assigns, as 1975 Resolution Trustee and ESCROW AGENT has caused this



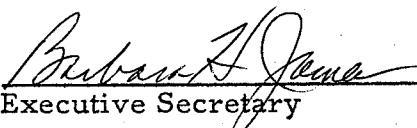
Refunding Escrow Agreement to be executed by its Vice President and attested by its Assistant Cashier and has caused its corporate seal to be affixed hereto, the day and year first above written.

REGENTS OF THE UNIVERSITY OF OKLAHOMA

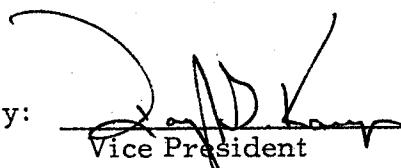
By:   
President

(SEAL)

ATTEST:

  
Executive Secretary

THE FIRST NATIONAL BANK AND TRUST  
COMPANY OF OKLAHOMA CITY, as Escrow  
Agent

By:   
Vice President

(SEAL)

ATTEST:

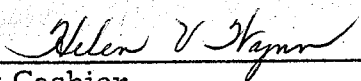
  
Assistant Cashier



EXHIBIT A

Refunding Escrow Account

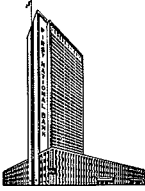
The Bank will invest the funds deposited in the Refunding Escrow Account from the proceeds of the Series 1977 Bonds in the Government Securities listed below:

<u>Description</u>	<u>Maturity Date</u>	<u>Amount</u>
SLGC <u>1/</u>	December 29, 1977	\$ 133,000
SLGC	June 28, 1978	33,000
SLGN <u>2/</u>	December 29, 1978	119,000
SLGN	June 28, 1979	30,000
SLGN	December 29, 1979	121,000
SLGN	June 28, 1980	26,000
SLGN	December 29, 1980	122,000
SLGN	June 28, 1981	23,000
SLGN	December 29, 1981	128,000
SLGN	June 28, 1982	18,000
SLGN	December 29, 1982	129,000
SLGN	June 28, 1983	14,000
SLGN	December 29, 1983	129,000
SLGN	June 28, 1984	10,000
SLGN	December 29, 1984	<u>5,917,000</u>
		<u>\$6,952,000</u>

1/ United States Treasury Certificate of Indebtedness - State and Local Government Series.

2/ United States Treasury Note - State and Local Government Series.

In addition, cash from the proceeds of the Series 1977 Bonds in the amount of \$569.70 will be in the Refunding Escrow Account. Except for the final maturity, all the Government Securities in the Refunding Escrow Account have a yield of 0.00%. The Government Securities of the final maturity, December 29, 1984, bear interest at the rate of 6.99%.



# COUGHLIN & CO. INC.

INVESTMENT BANKERS  
Member Midwest Stock Exchange, Inc.

1200 First National Bank Bldg.  
Denver, Colorado 80202 • (303) 623-3000

June 16, 1977

Mr. J. Scott Brown, Attorney  
Fagin, Brown, Bush, Selvidge & Tinney  
2720 First National Center  
Oklahoma City, Oklahoma 73102

RE: University of Oklahoma Utility Systems  
Refunding Bonds

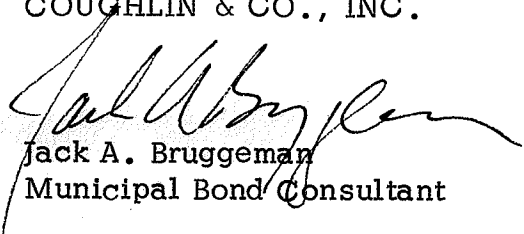
Dear Scott:

Enclosed please find an expense statement and transaction summary for the referenced issue. As I mentioned to you on the phone, I will calculate both the present value of future expenses associated with the refunding bonds and the escrow. In addition, I will also calculate the present value of the savings that will accrue to the University.

Should you have any questions, please advise.

Sincerely,

COUGHLIN & CO., INC.

  
Jack A. Bruggeman  
Municipal Bond Consultant

JAB:ksb

Enclosure

UNIVERSITY OF OKLAHOMA

TRANSACTION SUMMARY

Par of Issue	\$ 7,040,000.00
Present Issuance Expenses	<u>44,945.15</u>
Net Proceeds	<u>\$ 6,995,054.85</u>

Present Value of Future Expenses related to Refunding Bonds is \$53,000.00.

Yield based on \$6,942,054.85 is 6.2721%.

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Par of Escrow	\$ 6,952,000.00
Beginning Cash	<u>569.70</u>
Cost of Escrow	6,952,569.70
Escrow Expenses	<u>42,485.15</u>
Purchase Price	<u>\$ 6,995,054.85</u>

Present Value of Future Escrow Expenses is \$21,000.00.

Yield based on bid of \$7,016,054.85 is 6.2614%.

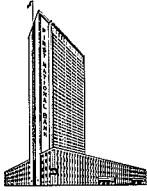
## UNIVERSITY OF OKLAHOMA

## EXPENSE STATEMENT

<u>Purpose</u>	<u>Refunding</u>	<u>Escrow</u>	<u>Total</u>
Financial Consultant	\$8,412.50	\$8,412.50	\$16,825.00
Bond Counsel	9,593.75	9,593.75	19,187.50
Trustee Acceptance	4,100.00		4,100.00
Escrow Bank		3,750.00	3,750.00
Escrow Consultant	2,830.00	11,320.00	14,150.00
C.P.A.	400.00	1,600.00	2,000.00
Actuaries	300.00	1,200.00	1,500.00
Bond Printing	2,500.00		2,500.00
Rating	4,000.00	1,000.00	5,000.00
Official Statement	4,000.00		4,000.00
Travel	5,000.00		5,000.00
Computer	600.00	2,400.00	3,000.00
Miscellaneous	<u>3,208.90</u>	<u>3,208.90</u>	<u>6,417.80</u>
Total	\$44,945.15	\$42,485.15	\$87,430.30

Present Value of Future Expenses associated with Refunding Bonds is \$53,000.00.

Present Value of Future Expenses associated with Escrow is \$21,000.00.



# COUGHLIN & CO. INC.

INVESTMENT BANKERS  
Member Midwest Stock Exchange, Inc.

1200 First National Bank Bldg.  
Denver, Colorado 80202 • (303) 623-3000

June 23, 1977

Mr. Scott J. Brown, Attorney  
Fagin, Brown, Bush, Selvidge & Tinney  
2720 First National Center  
Oklahoma City, Oklahoma 73102

RE: University of Oklahoma Utility Systems  
Refunding Bonds

Dear Scott:

As per my June 16, 1977, letter I am enclosing herewith my calculations and supporting documentations for the present value of future expenses associated with the refunding bonds and the escrow. I am also enclosing documentation which illustrates that the present value of savings to the University, as a result of this refunding, is \$305,222.05.

It is my understanding that the present value of future expenses shall be discounted back to present value at a rate not less than the rate on the refunding bonds, before consideration of other expenses. Based on that assumption, I have determined that the present value of future expenses associated with the refunding bonds is \$53,000.00 and that the present value of expenses associated with the escrow is \$21,000.00. The respective rates that give these present value figures are 6.1786% and 7.0373%. The rate on the refunding bonds before allocating expenses is 6.1299%.


I have just been advised by Milliman and Robertson, Consulting Actuary, that the yield on the refunding bonds, after taking into account all expenses, is 6.2713% and the yield on the escrow, after taking into account all expenses, is 6.2600%. They have also calculated that the accrued interest from a dated date of July 1, 1977, to a closing date of July 13, 1977, is \$14,520.42. Their final report along with the final report of Haskins and Sells will be forthcoming shortly.

Mr. Scott J. Brown, Attorney  
June 23, 1977  
Page two

If I can be of any further assistance, please give me a call.

Sincerely,

COUGHLIN & CO., INC.



Jack A. Bruggeman  
Municipal Bond Consultant

JAB:ksb

Enclosure

*copy to send around*



MAJOR PORTION YIELD AT 6.179% RATE

DELIVERY DATE 7/13/77

DATE	DISTRIBUTION AMOUNT	RATE	P. U. FACTOR	PRESENT VALUE
1/01/78	2,397.00	6.1786	.9719595	2,329.79
7/01/78	2,268.00	6.1786	.9428635	2,138.41
1/01/79	2,378.00	6.1786	.9145784	2,174.97
7/01/79	2,250.00	6.1786	.8872802	1,996.20
1/01/80	2,365.00	6.1786	.8605849	2,035.28
7/01/80	2,231.00	6.1786	.8348230	1,862.49
1/01/81	2,351.00	6.1786	.8097790	1,903.79
7/01/81	2,211.00	6.1786	.7855380	1,736.82
1/01/82	2,341.00	6.1786	.7619725	1,783.78
7/01/82	2,190.00	6.1786	.7391626	1,618.77
1/01/83	2,325.00	6.1786	.7169883	1,667.00
7/01/83	2,167.00	6.1786	.6955250	1,507.20
1/01/84	2,312.00	6.1786	.6746598	1,559.81
7/01/84	2,143.00	6.1786	.6544637	1,402.52
1/01/85	2,303.00	6.1786	.6348303	1,462.81
7/01/85	2,115.00	6.1786	.6158264	1,302.47
1/01/86	2,275.00	6.1786	.5973522	1,358.98
7/01/86	2,088.00	6.1786	.5794702	1,209.93
1/01/87	2,268.00	6.1786	.5620866	1,274.81
7/01/87	2,057.00	6.1786	.5452603	1,121.60
1/01/88	2,247.00	6.1786	.5289030	1,188.44
7/01/88	2,025.00	6.1786	.5130781	1,038.97
1/01/89	2,225.00	6.1786	.4976784	1,107.33
7/01/89	1,990.00	6.1786	.4827802	960.73
1/01/90	2,205.00	6.1786	.4682972	1,032.60
7/01/90	1,953.00	6.1786	.4542786	887.21
1/01/91	2,183.00	6.1786	.4406506	961.94
7/01/91	1,882.00	6.1786	.4274596	804.48
1/01/92	2,127.00	6.1786	.4146361	881.93
7/01/92	1,804.00	6.1786	.4022238	725.61
1/01/93	2,059.00	6.1786	.3901575	803.33
7/01/93	1,723.00	6.1786	.3784780	652.12
1/01/94	1,993.00	6.1786	.3671239	731.68
7/01/94	1,637.00	6.1786	.3561340	582.99
1/01/95	1,927.00	6.1786	.3454582	665.68
7/01/95	1,544.00	6.1786	.3351091	517.41
1/01/96	1,839.00	6.1786	.3250561	597.78
7/01/96	1,487.00	6.1786	.3153254	468.89
1/01/97	1,807.00	6.1786	.3058659	552.70
7/01/97	1,347.00	6.1786	.2967097	399.67
1/01/98	1,682.00	6.1786	.2878087	484.09
7/01/98	1,247.00	6.1786	.2791930	348.15
1/01/99	1,597.00	6.1786	.2708174	432.50
7/01/99	1,126.00	6.1786	.2627104	295.81
1/01/00	1,501.00	6.1786	.2548293	382.58
7/01/00	1,006.00	6.1786	.2472009	248.68
1/01/01	1,396.00	6.1786	.2397851	334.74
7/01/01	880.00	6.1786	.2326071	204.69
1/01/02	1,295.00	6.1786	.2256290	292.19
7/01/02	745.00	6.1786	.2188748	163.06
1/01/03	1,185.00	6.1786	.2123087	251.59
7/01/03	586.00	6.1786	.2059532	120.69
1/01/04	1,045.00	6.1786	.1997747	208.76
7/01/04	334.00	6.1786	.1937944	64.73
1/01/05	850.00	6.1786	.1879807	159.78

PRESENT VALUE  
of FUTURE EXPENSES  
ALLOCATED to  
Refunding bonds

TOTAL 99,514.00

53,000.00

AS OF 7/13/77

MAJOR PORTION

RATE= 7.0373726

VALUE=

\$21,000.00

TOTAL

VALUE=

\$21,000.00

ERUN, NEW, DETAIL, QUIT? DETAIL  
NEW PAGE, CARRIAGE RETURN...

MAJOR PORTION YIELD AT 7.037% RATE

DELIVERY DATE 7/13/77

DATE	DISTRIBUTION AMOUNT	RATE	P. U. FACTOR	PRESENT VALUE
1/01/78	1,595.00	7.0374	.9691903	1,544.26
7/01/78	1,500.00	7.0374	.9353157	1,402.97
1/01/79	1,590.00	7.0374	.9034897	1,436.55
7/01/79	1,465.00	7.0374	.8728120	1,296.13
1/01/80	1,590.00	7.0374	.8431129	1,332.12
7/01/80	1,470.00	7.0374	.8144852	1,197.29
1/01/81	1,570.00	7.0374	.7867709	1,235.23
7/01/81	1,455.00	7.0374	.7600562	1,105.88
1/01/82	1,565.00	7.0374	.7341938	1,149.01
7/01/82	1,440.00	7.0374	.7092645	1,021.34
1/01/83	1,555.00	7.0374	.6851304	1,065.38
7/01/83	1,425.00	7.0374	.6618669	943.16
1/01/84	1,545.00	7.0374	.6393456	987.79
7/01/84	1,410.00	7.0374	.6176368	870.87
1/01/85	7,395.00	7.0374	.5966205	4,412.01
TOTAL	28,580.00			20,999.99

PRESENT VALUE of Escrow & Future Expenses

DELIVERY DATE 7/13/77

Present Value  
of Old DEBT  
Service AT  
RATE on  
bonding bonds.

DATE	DISTRIBUTION AMOUNT	RATE	F. U. FACTOR	PRESENT VALUE
1/01/78	332,143.75	6.1299	.9721741	313,179.83
7/01/78	238,943.75	6.1299	.9432944	225,394.29
1/01/79	323,943.75	6.1299	.9152128	296,477.46
7/01/79	235,543.75	6.1299	.8880251	209,168.77
1/01/80	325,543.75	6.1299	.8615689	280,484.87
7/01/80	231,943.75	6.1299	.8359942	193,903.63
1/01/81	326,943.75	6.1299	.8111069	265,186.33
7/01/81	228,143.75	6.1299	.7870118	179,551.83
1/01/82	333,143.75	6.1299	.7635827	254,382.81
7/01/82	223,943.75	6.1299	.7406994	165,919.80
1/01/83	333,943.75	6.1299	.7188431	240,853.16
7/01/83	219,543.75	6.1299	.6974689	153,129.32
1/01/84	334,543.75	6.1299	.6767248	226,394.06
7/01/84	214,943.75	6.1299	.6566218	141,136.75
1/01/85	344,943.75	6.1299	.6370743	219,754.81
7/01/85	209,743.75	6.1299	.6181492	129,652.92
1/01/86	344,743.75	6.1299	.5997470	206,759.05
7/01/86	204,343.75	6.1299	.5819307	118,913.91
1/01/87	349,343.75	6.1299	.5646668	197,241.87
7/01/87	199,450.00	6.1299	.5478344	109,265.57
1/01/88	354,450.00	6.1299	.5315255	188,399.22
7/01/88	194,218.75	6.1299	.5157358	100,165.57
1/01/89	359,218.75	6.1299	.5003825	179,746.79
7/01/89	188,650.00	6.1299	.4855180	91,592.97
1/01/90	363,650.00	6.1299	.4710642	171,302.51
7/01/90	182,743.75	6.1299	.4570706	83,526.80
1/01/91	372,743.75	6.1299	.4434638	165,298.35
7/01/91	176,093.75	6.1299	.4302901	75,771.39
1/01/92	381,093.75	6.1299	.4174805	159,099.19
7/01/92	168,918.75	6.1299	.4050786	68,425.38
1/01/93	383,918.75	6.1299	.3930196	150,887.58
7/01/93	161,393.75	6.1299	.3813444	61,546.60
1/01/94	396,393.75	6.1299	.3699919	146,662.46
7/01/94	152,287.50	6.1299	.3590007	54,671.33
1/01/95	402,287.50	6.1299	.3483134	140,122.12
7/01/95	142,600.00	6.1299	.3379663	48,193.99
1/01/96	407,600.00	6.1299	.3279051	133,654.12
7/01/96	132,331.25	6.1299	.3181642	42,103.07
1/01/97	417,331.25	6.1299	.3086926	128,827.06
7/01/97	121,287.50	6.1299	.2995224	36,328.33
1/01/98	426,287.50	6.1299	.2906057	123,881.60
7/01/98	109,468.75	6.1299	.2819729	30,867.22
1/01/99	434,468.75	6.1299	.2735786	118,861.37
7/01/99	96,875.00	6.1299	.2654516	25,715.63
1/01/00	446,875.00	6.1299	.2575492	115,092.30
7/01/00	83,312.50	6.1299	.2498983	20,819.66
1/01/01	456,312.50	6.1299	.2424589	111,121.97
7/01/01	68,781.25	6.1299	.2352564	16,181.23
1/01/02	466,781.25	6.1299	.2282529	107,000.66
7/01/02	53,281.25	6.1299	.2214723	11,800.32
1/01/03	478,281.25	6.1299	.2148791	102,772.66
7/01/03	36,812.50	6.1299	.2084958	7,675.25
1/01/04	496,812.50	6.1299	.2022890	100,499.69
7/01/04	18,987.50	6.1299	.1962797	3,726.86
1/01/05	508,987.50	6.1299	.1904365	96,929.81

TOTAL 15,191,318.75

7,345,222.85

# MILLIMAN & ROBERTSON, INC.

## CONSULTING ACTUARIES

SUITE 1350

718 SEVENTEENTH STREET DENVER, COLORADO 80202

303/534-7496

June 24, 1977

ALLAN D. AFFLECK, F. S. A.  
LARRY D. BABER, F. S. A.  
WILLIAM A. BAILEY, F. S. A.  
WES R. BERQUIST, F. C. A. S.  
ORGE L. BERRY, F. S. A.  
WYD R. BICKERSTAFF, F. C. A. S.  
THOMAS R. BLEAKNEY, F. S. A.  
LINO V. BOIN, F. S. A.  
ALLEN D. BOOTH, F. S. A.  
STEPHEN D. BRINK, F. S. A.  
ROBERT M. CHANDLER, F. S. A.  
MILTON F. CHAUNER, F. S. A.  
KENNETH T. CLARK, F. S. A.  
BARTON H. CLENNON, F. S. A.  
ROBERT L. COLLETT, F. S. A.  
JOHN P. COOKSON, F. S. A.  
JAMES A. CURTIS, F. S. A.  
GARY E. DAHLMAN, F. S. A.  
ROBERT H. DOBSON, F. S. A.  
ROBERT H. DREYER, F. S. A.  
ROBERT J. DYMOWSKI, F. S. A.  
JOHN S. ECKERT, F. S. A.  
JANET S. GRAVES, F. C. A. S.  
WILLIAM A. HALVORSON, F. S. A.  
PAUL C. HART, F. S. A.  
ANTHONY L. HOLLOBON, F. S. A.  
FENTON R. ISAACSON, F. S. A.  
HOWARD KAYTON, F. S. A., F. C. A. S.  
GILBERT E. KERNS, F. S. A.

DAVID W. KRUEGER, F. S. A.  
JOHN M. LENSER, F. S. A.  
LEONARD P. J. LEONG, F. S. A.  
FREDERIC T. LHAMON, F. S. A.  
D. ALAN LITTLE, F. S. A.  
TSU-YI LOO, F. S. A.  
ROBERT G. MAULE, F. S. A.  
DANIEL J. MCCARTHY, F. S. A.  
JOSEPH C. NOBACK, F. S. A.  
DAVID E. NORTON, F. S. A.  
RAYMOND E. PINCZKOWSKI, JR., F. S. A.  
JAMES H. RIGGS, F. S. A.  
STUART A. ROBERTSON, F. S. A.  
WALTER S. RUGLAND, F. S. A.  
KEVIN M. RYAN, F. C. A. S.  
ROBERT D. SHAPIRO, F. S. A.  
T. THOMAS SIMESTER, F. S. A.  
WILLIAM D. SMITH, F. S. A.  
JOHN B. SNYDER, II, F. S. A.  
KAREN I. STEFFEN, F. S. A.  
ROBERT W. STEIN, F. S. A.  
DENIS J. SULLIVAN, F. S. A.  
ALAN M. THALER, F. S. A.  
ROBERT C. TOOKEY, F. S. A.  
GERALD G. TOY, F. S. A.  
STANLEY B. TULIN, F. S. A.  
RICHARD A. WINKENWERDER, F. S. A.  
WENDELL MILLIMAN, F. S. A. (1976)

Board of Regents  
University of Oklahoma  
Norman, Oklahoma

Gentlemen:

A bond refunding program has been proposed for the Regents of the University of Oklahoma, Norman, Oklahoma. At the request of the Regents' bond counsel, Fagin, Brown, Bush, Selvidge & Tinney of Oklahoma City, Oklahoma, we have reviewed the attached Schedule A (provided us by Coughlin & Co., Inc. and Leo Oppenheim & Co., Inc.) of proposed Regents of the University of Oklahoma, Utility System Revenue Refunding Bonds, Series 1977, dated July 1, 1977 (hereinafter referred to as "Refunding Bonds"), which Schedule shows the principal amounts, the coupon rates, and the maturity dates of the proposed Refunding Bonds. We have relied on advice from Coughlin & Co., Inc. and Leo Oppenheim & Co., Inc. that such bonds have been sold at par (\$7,040,000.00), plus accrued interest (\$14,520.42) to the closing date of July 13, 1977. We have relied on the advice of Coughlin & Co., Inc. and Leo Oppenheim & Co., Inc. that the reasonably expected administrative costs of issuing, carrying, and repaying the Refunding Bonds are \$44,945.15, and that the present value of estimated future administrative costs of issuing, carrying, and repaying the Refunding Bonds is \$53,000.00. In determining the yield on the Refunding Bonds as hereinafter provided, we have considered the sum of the reasonably expected administrative costs of issuing, carrying, and repaying the Refunding Bonds and the present value of estimated future administrative costs of issuing, carrying, and repaying the Refunding Bonds (\$97,945.15) as a discount on the Refunding Bonds, as instructed by bond counsel.

Based upon an assumed closing date of July 13, 1977, we have computed the annual yield to maturity with interest compounded semiannually on the Refunding Bonds by use of the true actuarial method, using a 365-day year; it is our opinion that this yield is 6.2713%.

We have relied on information given us by Coughlin & Co., Inc. and Leo Oppenheim & Co., Inc. that \$7,040,000.00, the par amount of the Refunding Bonds, less \$87,430.30 of reasonably expected administrative costs, is to be used to purchase United States Government Obligations (hereinafter referred to as "Federal Securities") and to establish an initial cash contribution of \$569.70, both of which will

Regents of the University of Oklahoma  
June 24, 1977  
Page Two

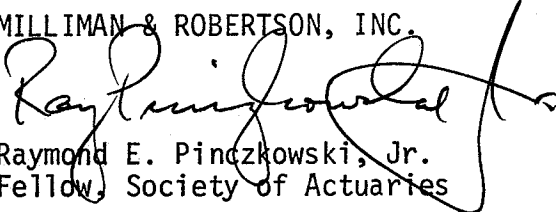
be placed in an irrevocable escrow account (hereinafter referred to as "Escrow"). We have relied upon the certification of Haskins & Sells of Denver, Colorado, certified public accountants, who has certified that the receipt of principal and interest from the Federal Securities placed in Escrow (see attached Schedule B) plus the initial cash contribution of \$569.70 will be sufficient to make principal and interest payments on presently outstanding Regents of the University of Oklahoma, Utility System Revenue Bonds, Series 1975, dated January 1, 1975.

We have relied on the advice of Coughlin & Co., Inc. and Leo Oppenheim & Co., Inc. that the purchase price to the Regents for the Federal Securities is \$6,952,000.00. We have computed the annual yield with interest compounded semiannually on the principal and interest receipts from the acquired Federal Securities during the period from July 13, 1977, to December 29, 1984, by use of the true actuarial method using a 365-day year; it is our opinion that this yield is 6.2600%. In making this calculation, we have treated as a premium, as instructed by bond counsel and provided us by Coughlin & Co., Inc. and Leo Oppenheim & Co., Inc., both the reasonably expected administrative costs to be incurred in purchasing, carrying, and selling or redeeming the acquired Federal Securities (whose principal and interest receipts are shown in attached Schedule B) of \$42,485.15, and the present value of estimated future administrative costs to be incurred in purchasing, carrying, and selling or redeeming the acquired Federal Securities of \$21,000.00. Our calculations were based on the dates of principal and interest receipts from the Federal Securities (see attached Schedule B).

We have made no attempt to interpret the various laws and regulations pertaining to municipal bond refundings. Our function has been to perform certain calculations requested by bond counsel. Therefore our opinion is limited to the mathematical accuracy of the calculations described herein and we offer no opinion as to the interpretation and/or relevance of these calculations.

Respectfully submitted,

MILLIMAN & ROBERTSON, INC.

  
Raymond E. Pinczkowski, Jr.  
Fellow, Society of Actuaries

REP:chs  
Enclosures

SCHEDULE A

\$7,040,000

REGENTS OF THE UNIVERSITY OF OKLAHOMA  
UTILITY SYSTEM REVENUE REFUNDING BONDS  
SERIES 1977

Dated July 1, 1977

Principal and semiannual interest (January 1 and July 1 . . . . .  
First coupon payable January 1, 1978)

MATURITY SCHEDULE

<u>Principal Amount</u>	<u>Maturity Date</u>	<u>Coupon Rate</u>
\$ 120,000	January 1, 1978	7.00%
115,000	January 1, 1979	7.00
120,000	January 1, 1980	7.00
125,000	January 1, 1981	7.00
135,000	January 1, 1982	7.00
145,000	January 1, 1983	7.00
145,000	January 1, 1984	7.00
165,000	January 1, 1985	7.00
175,000	January 1, 1986	7.00
180,000	January 1, 1987	6.05
195,000	January 1, 1988	5.10
200,000	January 1, 1989	5.25
210,000	January 1, 1990	5.35
230,000	January 1, 1991	5.45
240,000	January 1, 1992	5.55
245,000	January 1, 1993	5.65
270,000	January 1, 1994	5.75
280,000	January 1, 1995	5.90
290,000	January 1, 1996	6.00
305,000	January 1, 1997	6.00
325,000	January 1, 1998	6.30
345,000	January 1, 1999	6.30
360,000	January 1, 2000	6.30
380,000	January 1, 2001	6.30
400,000	January 1, 2002	6.30
420,000	January 1, 2003	6.30
450,000	January 1, 2004	6.30
<u>470,000</u>	January 1, 2005	6.30
 \$7,040,000		

SCHEDULE B

REGENTS OF THE UNIVERSITY OF OKLAHOMA

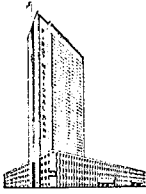
UTILITY SYSTEM REVENUE BONDS

SERIES 1975

Dated January 1, 1975

Principal and Interest Receipts From  
the Federal Securities Placed in Escrow

<u>Date of Principal and Interest Receipt</u>	<u>Principal and Interest Received</u>
December 29, 1977	\$ 323,978.45
June 28, 1978	33,000.00
June 29, 1978	206,799.15
December 29, 1978	325,799.15
June 28, 1979	30,000.00
June 29, 1979	206,799.15
December 29, 1979	327,799.15
June 28, 1980	26,000.00
June 29, 1980	206,799.15
December 29, 1980	328,799.15
June 28, 1981	23,000.00
June 29, 1981	206,799.15
December 29, 1981	334,799.15
June 28, 1982	18,000.00
June 29, 1982	206,799.15
December 29, 1982	335,799.15
June 28, 1983	14,000.00
June 29, 1983	206,799.15
December 29, 1983	335,799.15
June 28, 1984	10,000.00
June 29, 1984	206,799.15
December 29, 1984	<u>6,123,799.15</u>
	\$10,038,166.55



# COUGHLIN & CO. INC.

INVESTMENT BANKERS  
Member Midwest Stock Exchange, Inc.

1200 First National Bank Bldg.  
Denver, Colorado 80202 • (303) 623-3000

June 24, 1977

Roderick W. Durrell, Vice President  
Leo Oppenheim & Co., Inc.  
First National Bank Building  
Oklahoma City, Oklahoma 73102

RE: Regents of the University of Oklahoma  
Utility Systems Revenue Refunding Bonds

Dear Rod:

Enclosed herewith please find a copy of Haskins and Sells' report for the referenced issue. I have verified their report with copies of the subscription forms of the State and Local Governments which I sent to you. I would suggest that you do the same verification prior to the closing.

Should you have any questions, please let me know.

Sincerely,

COUGHLIN & CO., INC.

Jack A. Bruggeman  
Municipal Bond Consultant

JAB:ksb

Enclosure

CC: ✓ Scott J. Brown, Fagin, Brown, Bush, Selvidge & Tinney



# HASKINS & SELLS

CERTIFIED PUBLIC ACCOUNTANTS

633 SEVENTEENTH STREET  
DENVER, COLORADO 80202

June 22, 1977

Coughlin & Co., Inc.,  
1200 First National Bank Building,  
Denver, Colorado 80202.

Dear Sirs:

As requested we have reviewed the computations shown in the accompanying schedules, prepared by you, of the proposed debt payment schedule and proposed escrow fund transactions from July 13, 1977 to January 1, 1985, involving Regents of the University of Oklahoma Utility System Revenue Bonds, Series 1975, dated January 1, 1975.

We have also read the attorneys' opinion, provided by you and attached hereto, relating to the presently outstanding obligations with respect to principal outstanding, interest rates, and redemption provisions. It is our understanding, based upon information supplied by you, that no bonds have heretofore been redeemed or canceled prior to scheduled maturity.

In our opinion, the computations in the accompanying proposed debt payment schedule relating to the presently outstanding bonds dated January 1, 1975 are correct.

Also, in our opinion, the computations as to transactions shown in your schedule of proposed escrow fund transactions from July 13, 1977 to January 1, 1985 are correct, based upon information as to principal amounts of United States Government obligations--state and local series, interest rates, and payment dates shown therein. Assuming that the principal of and interest on the United States Government obligations--state and local series, in escrow are collected when due, as indicated on the schedule of proposed escrow fund transactions, we are of the opinion that the proceeds thereof will be sufficient to pay the bonds refunded as they become due at their respective maturities, or as they are called for redemption and payment on the earlier redemption date indicated, together with interest and redemption premium thereon and fees as shown in the proposed debt payment schedule.

Yours truly,

*Haskins & Sells*

REGENTS OF THE UNIVERSITY OF OKLAHOMA

UTILITY SYSTEM REVENUE BONDS, SERIES 1975, DATED JANUARY 1, 1975  
 PROPOSED DEBT PAYMENT SCHEDULE, JULY 13, 1977 TO JANUARY 1, 1985

DATE	PRINCIPAL	INTEREST	PREMIUM ON REDEMPTION	TOTAL DEBT REQUIREMENT	FEES	TOTAL CASH REQUIREMENT
1/1/78	\$ 80,000	\$ 242,143.75		\$ 322,143.75	\$ 1,595	\$ 323,738.75
7/1/78		238,943.75		238,943.75	1,500	240,443.75
1/1/79	85,000	238,943.75		323,943.75	1,590	325,533.75
7/1/79		235,543.75		235,543.75	1,485	237,028.75
1/1/80	90,000	235,543.75		325,543.75	1,580	327,123.75
7/1/80		231,943.75		231,943.75	1,470	233,413.75
1/1/81	95,000	231,943.75		326,943.75	1,570	328,513.75
7/1/81		228,143.75		228,143.75	1,455	229,598.75
1/1/82	105,000	228,143.75		333,143.75	1,565	334,708.75
7/1/82		223,943.75		223,943.75	1,440	225,383.75
1/1/83	110,000	223,943.75		333,943.75	1,555	335,498.75
7/1/83		219,543.75		219,543.75	1,425	220,968.75
1/1/84	115,000	219,543.75		334,543.75	1,545	336,088.75
7/1/84		214,943.75		214,943.75	1,410	216,353.75
1/1/85	5,680,000	214,943.75	\$222,000	6,116,943.75(1)	7,395	6,124,338.75
<b>TOTALS</b>	<b>\$6,360,000</b>	<b>\$3,428,156.25</b>	<b>\$222,000</b>	<b>\$10,010,156.25</b>	<b>\$28,580</b>	<b>\$10,038,736.25</b>

(1) Bonds due 1/1/85..... \$ 130,000.00  
 Call remaining bonds  
 outstanding..... 5,550,000.00  
 4% premium on bonds called.. 222,000.00  
 Interest due..... 214,943.75  
 Total debt requirement..... \$6,116,943.75

REGENTS OF THE UNIVERSITY OF OKLAHOMA

UTILITY SYSTEM REVENUE BONDS, SERIES 1975, DATED JANUARY 1, 1975  
PROPOSED ESCROW FUND TRANSACTIONS, JULY 13, 1977 TO JANUARY 1, 1985

DATE	\$133,000 (1) 0%	\$33,000 (1) 0%	\$119,000 (2) 0%	\$30,000 (2) 0%	\$121,000 (2) 0%	\$26,000 (2) 0%	\$122,000 (2) 0%	\$23,000 (2) 0%	\$128,000 (2) 0%	\$18,000 (2) 0%	\$129,000 (2) 0%	\$14,000 (2) 0%	\$129,000 (2) 0%	\$10,000 (2) 0%	\$5,917,000 (2) 6.99%	TOTAL RECEIPTS	TOTAL CASH REQUIREMENT	BALANCE			
	12/29/77	6/28/78	12/29/78	6/28/79	12/29/79	6/28/80	12/29/80	6/28/81	12/29/81	6/28/82	12/29/82	6/28/83	12/29/83	6/28/84	12/29/84						
7/13/77	BEGINNING CASH.....																	\$	569.70		
12/29/77	\$133,000.00															\$	190,978.45	\$	323,978.45	\$	324,548.15
1/01/78																					809.40
6/28/78		\$33,000.00																			33,809.40
6/29/78																206,799.15					240,608.55
7/01/78																					164.80
12/29/78			\$119,000.00													206,799.15					325,963.95
1/01/79																					430.20
6/28/79				\$30,000.00																	30,430.20
6/29/79																206,799.15					237,229.35
7/01/79																					200.60
12/29/79					\$121,000.00											206,799.15					327,999.75
1/01/80																					876.00
6/28/80						\$26,000.00															26,876.00
6/29/80																206,799.15					233,675.15
7/01/80																					261.40
12/29/80							\$122,000.00									206,799.15					329,060.55
1/01/81																					546.80
6/28/81								\$23,000.00													23,546.80
6/29/81																206,799.15					230,345.95
7/01/81																					747.20
12/29/81									\$128,000.00							206,799.15					335,546.35
1/01/82																					837.60
6/28/82										\$18,000.00											18,837.60
6/29/82																206,799.15					225,636.75
7/01/82																					253.00
12/29/82											\$129,000.00					206,799.15					336,052.15
1/01/83																					553.40
6/28/83																					14,553.40
6/29/83												\$14,000.00				206,799.15					221,352.55
7/01/83																					383.80
12/29/83													\$129,000.00			206,799.15					336,182.95
1/01/84																					94.20
6/28/84														\$10,000.00							10,094.20
6/29/84																206,799.15					216,893.35
7/01/84																					539.60
12/29/84																6,123,799.15					6,124,338.75
1/01/85																					- 0 -
TOTALS	\$133,000.00	\$33,000.00	\$119,000.00	\$30,000.00	\$121,000.00	\$26,000.00	\$122,000.00	\$23,000.00	\$128,000.00	\$18,000.00	\$129,000.00	\$14,000.00	\$129,000.00	\$10,000.00	\$9,003,166.55	\$10,038,166.55	\$10,038,736.25				

(1) United States Treasury - State and Local Government Series - Certificates of Indebtedness.  
(2) United States Treasury - State and Local Government Series - Notes.

July 13, 1977

REGENTS OF THE UNIVERSITY OF OKLAHOMA  
\$7,040,000  
UTILITY SYSTEM REVENUE REFUNDING BONDS, SERIES 1977

NO-ARBITRAGE CERTIFICATION

The undersigned President of the Regents of the University of Oklahoma (hereinafter called the "University"), certifies with respect to the above issue (hereinafter called the "Bonds") as follows:

(1) That the undersigned, along with other officials of the University, is charged with the responsibility of issuing the Bonds.

(2) That this certification is made pursuant to Section 1.103-13 of the proposed regulations published on May 3, 1973 (as amended on December 3, 1975 and October 29, 1976), all with respect to arbitrage bonds as described in Section 103(c) of the Internal Revenue Code of 1954, as amended (the "Code"), and the words and phrases used herein have the same meaning as defined and used in the regulations.

(3) That the undersigned has read and studied the written legal opinion of Fagin, Brown, Bush, Selvidge & Tinney, Attorneys at Law, Oklahoma City, Oklahoma, certain schedules prepared by Coughlin & Co., Inc., Investment Bankers, Denver, Colorado, and verified by Haskins & Sells, Certified Public Accountants, Denver, Colorado and the report of Milliman & Robertson, Inc., Consulting Actuaries, Denver, Colorado. These schedules are included in the transcript of this proceeding.

(4) That this certification is based on facts, estimates and circumstances in existence on the date of issuance of the Bonds, and on such basis it is reasonably expected that the following will occur with respect to the Bonds:

(a) The Bonds are being issued on the date of this certification and the original proceeds thereof, including accrued interest to this date, are \$ 7,054,520.42.

(b) Certain of the proceeds from the sale of the Bonds (hereinafter called the "refunding proceeds"), will be applied on this date to the acquisition of certain "acquired obligations," being direct obligations of the United States of America, and demand deposits, to be held to meet debt service on the bonds being refunded.

(c)(1) The yield on the Bonds is computed to be slightly greater than 6.2713 percent.

(c)(2) The yield on investments acquired with a major portion of the refunding proceeds is computed to be slightly less than 6.2600 percent.

(d)(1) A total of \$44,945.15 representing issuance costs to be paid from bond proceeds, together with \$53,000 representing the present value of future administrative costs allocated to the Bonds has been treated as discount in computing yield on the Bonds.

(d)(2) A total of \$42,485.15 representing escrow expenses to be paid from bond proceeds, together with \$21,000 representing the present value of future expenses allocated to the escrow has been treated as a premium in determining the yield on the investments acquired with a major portion of the bond proceeds.

(d)(3) The administrative costs allocable to the Bonds, and to the acquired obligations, have been determined on the basis of current prices without regard to any inflation adjustment. The amount of such costs taken into account has been determined by discounting such costs at a yield which is not less than the yield on the Refunding Bonds determined without regard to such costs.

(d)(4) The enumeration of the administrative costs paid from bond proceeds are set forth in the schedules prepared by Leo Oppenheim & Co., Inc., Oklahoma City, Oklahoma, which are included in the transcript of proceedings for the issuance of the bonds.

(d)(5) The present value of the interest savings to the University is \$305,222.05.

(e) The applicable "temporary period" during which a major portion of the refunding proceeds is permitted to be invested at a yield materially higher than the yield on the Bonds is the 30-day period specified and permitted in Section 1.103-14 (e)(3)(ii) of the proposed Treasury Regulations published on December 3, 1975. In fact, none of the refunding proceeds of the Bonds are to be invested at a materially higher yield during such temporary period.

(f) All obligations acquired with the proceeds of the Refunding Bonds, including obligations which may subsequently be purchased with investment proceeds, are being acquired directly from the Bureau of Public Debt of the United States Treasury Department, the issuer of such obligations (other than small balances caused by rounding escrow securities to the minimum denominations accepted by the Bureau of Public Debt). These small balances will be invested in demand deposits with the understanding that the Escrow Holder will not be permitted to retain any benefit from the "float" (if any) as additional compensation for escrow services with regard to the major portion acquired obligations.

(g) The purposes for the issuance of the Bonds, all as more fully set forth in the documents authorizing such issuance, are to effect a substantial savings to the University in debt service.

(h) All accrued interest on the Bonds will be applied to the first interest coming due on the Bonds and will be invested until such time at a yield not in excess of the yield on the Bonds.

(i) Following customary market practices for the sale of Refunding Bonds, which practices are authorized by applicable provisions of state and local law, and which have been followed in similar transactions, the Bonds were sold through negotiation with the underwriters thereof. At all times prior to the sale of the Bonds, the University reserved the right not to proceed with the refunding program, or to modify any or all of the terms of the Bonds issued to implement the program. The Bonds were sold to the underwriters only after due consideration of the maturity schedule and interest rates on the Bonds, the terms on which such Bonds would be sold, the disposition of the proceeds of the Bonds, the costs associated with the issuance of the Bonds (including profit which might be realized by the underwriters) and the benefits accruing to the University from a sale of the Bonds, on the terms agreed, to implement the refunding program. On the basis of this evaluation, advice from counsel with respect to similar issued of Refunding Bonds by other parties, and the University's own evaluation of the terms of the Bonds, it has been concluded by the University that the price to be paid for the Bonds is reasonable under customary standards applicable to similar issues in the market.

(j) The University has covenanted in the documents authorizing issuance of the Bonds that it will make no use of the proceeds of such Bonds which would cause them to be characterized as "arbitrage bonds" under Section 103(c) of the Internal Revenue Code of 1954, as amended, and applicable regulations and rulings thereunder.

(k) The University has not been advised of any listing or contemplated listing of the Internal Revenue Service determining that the University's certification with respect to its obligations may not be relied upon.

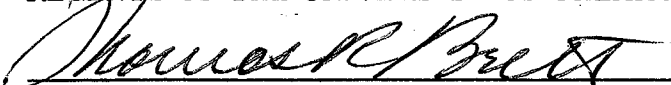
On the basis of the foregoing, it is not expected that the proceeds of the Bonds will be used in a manner that would cause the said Bonds to be arbitrage bonds under Section 103(c) of the Internal Revenue Code of 1954, as amended, and the Regulations thereunder. To the best of my knowledge and belief there are no other facts, estimates or circumstances that would materially change the foregoing situation.

(SEAL)

ATTEST:

  
Executive Secretary

REGENTS OF THE UNIVERSITY OF OKLAHOMA

  
President

FAGIN, BROWN, BUSH, SELVIDGE & TINNEY

ATTORNEYS & COUNSELORS AT LAW

SUITE 2720 FIRST NATIONAL CENTER

OKLAHOMA CITY, OKLAHOMA 73102

GEORGE J. FAGIN  
J. SCOTT BROWN  
GARY M. BUSH  
MARK F. SELVIDGE  
MICHAEL D. TINNEY

July 13, 1977

405-235-3413

REGENTS OF THE UNIVERSITY OF OKLAHOMA  
\$7,040,000  
UTILITY SYSTEM REVENUE REFUNDING BONDS, SERIES 1977

Non-Arbitrage Certification

Opinion of Counsel

We have examined and reviewed the Non-Arbitrage Certification of even date herewith executed on behalf of the Regents of the University of Oklahoma.

We have also examined Section 103(c) of the Internal Revenue Code of 1954, as amended, and all published and proposed Regulations issued thereunder.

We have further examined the terms of the bonds to be issued, including principal and interest requirements thereon, the terms of their sale, and the costs associated therewith. We have examined the schedules of obligations to be acquired with the proceeds of the issue, including principal amounts, coupons thereon, the terms of purchase, and the costs associated therewith.

We have further examined the computed "yield" on both the municipal obligations, and the obligations acquired with the proceeds of this issuance, prepared by Coughlin & Co., Inc., Denver, Colorado.

We have examined those portions of the Bond Resolutions and related documents dealing with the disposition of the proceeds of the bond issue, and the possible future investment of those funds.

Based upon these examinations, and such other examinations which we have deemed appropriate, it is our opinion that the conclusions reached in the said Non-Arbitrage Certification are not unreasonable. No matters have come to our attention which would make unreasonable or incorrect the representations made in said Non-Arbitrage Certification.

Respectfully submitted,

*Fagin, Brown, Bush  
Selvidge & Tinney*

FINANCING STATEMENT

NAME OF DEBTOR: REGENTS OF THE UNIVERSITY OF OKLAHOMA

ADDRESS OF DEBTOR: 660 PARRINGTON OVAL  
NORMAN, OKLAHOMA 73069

NAME OF SECURED PARTY: THE FIRST NATIONAL BANK AND TRUST  
COMPANY OF OKLAHOMA CITY, as Trustee

ADDRESS OF SECURED PARTY: OKLAHOMA CITY, OKLAHOMA 73102


REC- 7358

STATE OF OKLAHOMA  
OKLAHOMA COUNTY  
RECORDED OR FILED  
JUL 14 9 34 AM '77  
CECIL PARHAM  
OKLA. COUNTY CLERK


This Financing Statement covers the Debtor's interest in the operation and revenues of the Power Plant and Systems situated upon Block 21, Amended Plat of Oak Park Addition, City of Oklahoma City, Oklahoma; together with all improvements thereon and with any personal property belonging to the University located upon, in or about said premises, and all revenues from all such real estate and improvements thereon and personal property located thereon; pursuant to the terms and conditions of a Bond Resolution approved by the Debtor on June 9, 1977 and a Trust Agreement by and between the Debtor and Secured Party dated June 9, 1977, both of which documents are on file in the Corporate Trust Department of the Secured Party. The collateral secured the Debtor's \$10,125,000 Utility System Revenue Bonds, Series 1973 and the Debtor's \$7,040,000 Utility System Revenue Refunding Bonds, Series 1977. Proceeds and products are covered including fees, charges, revenues, income, rents, receipts, issues and benefits derived from the Debtor's interest in the above.

REGENTS OF THE UNIVERSITY OF OKLAHOMA  
Debtor


(SEAL)

  
President

ATTEST:

  
Executive Secretary

THE FIRST NATIONAL BANK AND TRUST  
COMPANY OF OKLAHOMA CITY  
Secured Party

  
Authorized Officer



SIGNATURE IDENTIFICATION AND NON-LITIGATION CERTIFICATE

July 13, 1977

The undersigned hereby certify that we are respectively the duly qualified and acting President and Executive Secretary of the Board of Regents of the University of Oklahoma, which Board of Regents constitutes the governing board of the University of Oklahoma. The undersigned Thomas R. Brett has been President of the Board of Regents of the University since March 21, 1977. The undersigned Barbara H. James has been Executive Secretary of the Board of Regents of the University of Oklahoma since July 1, 1974.

We further certify that the following were the officers and members of the Board of Regents of the University of Oklahoma, who were such officials at the time of the passing of the hereinafter mentioned Resolution providing for the issuance of \$7,040,000 Regents of the University of Oklahoma Utility System Revenue Refunding Bonds, Series 1977, dated July 1, 1977 (herein called "Bonds").

Thomas R. Brett, President  
Bob G. Mitchell, Vice President  
K.D. Bailey  
Richard A. Bell  
Dee A. Replogle  
Charles E. Engleman  
Ronald H. White  
Barbara H. James, Executive Secretary

We further certify that pursuant to authorization properly vested in them the undersigned Thomas R. Brett, President, by his facsimile signature, and the undersigned Barbara H. James, by her manual signature, did execute said Bonds by signing them in the manner and capacity indicated by their respective signatures and titles subscribed thereto, and we further certify that the said Thomas R. Brett was at the time of the execution of said bonds the President of the Board of Regents of the University of Oklahoma, and that the undersigned Barbara H. James is now and was at the time of the execution of said bonds the duly qualified and acting Executive Secretary of the Board of Regents of the University of Oklahoma.

We further certify that the facsimile signatures of the said Thomas R. Brett and Barbara H. James are lithographed on the coupons attached to said bonds and that there has been imprinted on each of said bonds the corporate seal of the Regents of the University of Oklahoma.

We further certify that there is no controversy or litigation pending or threatened affecting the corporate existence of the Regents of the University

of Oklahoma, or the Board of Regents of the University of Oklahoma, or the title of the present officials thereof to their respective offices or in any way affecting the validity or enforceability of said bonds, and that none of the proceedings pertaining to the issuance of said bonds, including the Resolution of the Board of Regents of the University of Oklahoma, dated June 9, 1977, have been amended or rescinded.

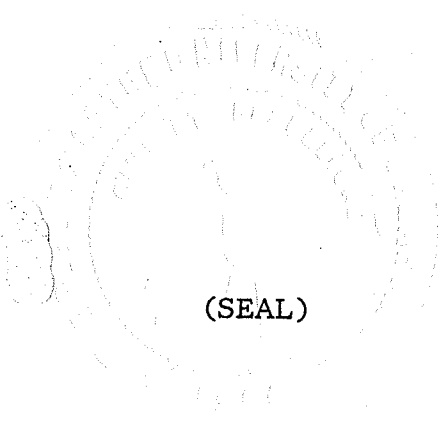
IN WITNESS WHEREOF, we have hereunto affixed our signatures and impressed hereon the official seal of the Regents of the University of Oklahoma this 13th day of July, 1977.



President of the Board of Regents of the  
University of Oklahoma



Executive Secretary of the Board of  
Regents of the University of Oklahoma



(SEAL)

Honorable Leo Winters  
State Treasurer  
State Capitol Building  
Oklahoma City, Oklahoma 73105

July 13, 1977

Dear Sir:

You are hereby authorized and directed to deliver to The First National Bank and Trust Company of Oklahoma City and The Liberty National Bank and Trust Company of Oklahoma City, the following bonds:

\$7,040,000 Utility System Revenue Refunding Bonds,  
Series 1977, dated July 1, 1977, numbered from One  
to 1408, both inclusive, of the denomination of \$5,000  
each (herein called "Revenue Bonds"),

upon receipt by you of par plus accrued interest to the date of delivery of such bonds.


Upon receipt of such monies, accrued interest on the Revenue Bonds in the amount of \$ 14,520.42 shall be immediately transferred to the Interest Account of the Bond Fund kept with The First National Bank and Trust Company of Oklahoma City, as Trustee Bank.

You are further directed to immediately pay to The First National Bank and Trust Company of Oklahoma City the amount of \$6,952,569.70, \$569.70 of which shall be deposited in the Refunding Escrow Account and \$6,952,000 of which shall be used to purchase the United States Treasury Obligations, State and Local Government Series listed on Exhibit A attached hereto.

You are further directed, upon proper authorization by the Board of Regents, to pay the professional and miscellaneous expense incidental and necessary to the issuance of the Revenue Bonds.

You are further directed to transfer any monies remaining from the proceeds of said Revenue Bonds to the Special Reserve Fund maintained with The First National Bank and Trust Company of Oklahoma City.

Yours very truly,

  
President, Board of Regents of the  
University of Oklahoma

TREASURER'S RECEIPT

July 13, 1977

I, the undersigned, do hereby certify that I am the duly qualified and acting State Treasurer of the State of Oklahoma, and as such officer, I further certify that \$7,040,000 Utility System Revenue Refunding Bonds, Series 1977, of the Board of Regents of the University of Oklahoma, a body corporate under the name of Regents of the University of Oklahoma, numbered 1 to 1408, both inclusive, denomination of \$5,000 each, dated July 1, 1977, due serially on January 1 in each of the years 1978 to 2005, inclusive, bearing interest and optional for redemption as provided in the Resolution of the Board of Regents of the University of Oklahoma enacted June 9, 1977, have been on this date delivered to the purchaser thereof, The First National Bank and Trust Company of Oklahoma City, Oklahoma, and associates, and that said Bonds were on said date paid for in full by said purchasers in accordance with the terms of the contract of sale and at a price of par and accrued interest.

I do further certify that the officers whose signatures appear on said Bonds were in occupancy and possession of their respective offices at the time of the execution of said Bonds as aforesaid, and that Thomas R. Brett and Barbara H. James are now, respectively, the duly qualified and acting President and Executive Secretary of the Board of Regents of the University of Oklahoma.


I further certify that the facsimile signatures of the President and Executive Secretary of the Board of Regents of the University of Oklahoma, acting for and in behalf of the University of Oklahoma, are on each of the coupons attached to said Bonds as so delivered, and that there is imprinted on each of said Bonds the corporate seal of the Regents of the University of Oklahoma.

I further certify that \$7,040,000 constituting the proceeds of the Bonds have been turned over to me to be placed in the University of Oklahoma Utility System, Series 1977 Bond Proceeds Fund as set out in Section 11 of the Resolution of the Board of Regents of the University of Oklahoma enacted June 9, 1975, and the disbursements have been made upon proper authorization as set out in Section 11 of said Resolution.

I further certify that accrued interest in the amount of \$14,520.42 has been forwarded to the Trustee Bank under said Bond Resolution for deposit in the Interest Account of the Bond Fund.

I further certify that I have transferred to The First National Bank and Trust Company of Oklahoma City, as Trustee, as delineated in the Bond Resolution, the amount of \$6,952,569.70, \$569.70 to be deposited in the Refunding Escrow Account and \$6,952,000 to be used to acquire the United States Treasury Obligations, State and Local Government Series to be placed in the Refunding Escrow Account.

IN WITNESS WHEREOF I have hereunto set my official hand and affixed  
hereto my official seal of office this 13th day of July, 1977.



State Treasurer

(SEAL)

BOND RECEIPT

July 13, 1977


I have received this day from the Regents of the University of Oklahoma the following described Bonds, properly executed and authenticated with appropriate interest coupons attached thereto: Regents of the University of Oklahoma Utility System Revenue Refunding Bonds, Series 1977, in the aggregate amount of \$7,040,000, numbered from one to 1408, inclusive, in the denomination of \$5,000 each, dated July 1, 1977, being coupon bonds registrable as to principal only or convertible into fully registered bonds of \$5,000 denomination, or with respect to principal maturing on the same date, in multiples of \$5,000. \$3,890,000 being serial bonds shall mature serially in numerical order on January 1 of each of the years 1978 to 1997, inclusive, and \$3,150,000 being term bonds shall mature on January 1, 2005. The Bonds shall bear interest payable semi-annually on January 1 and July 1 of each year beginning January 1, 1978 according to the following schedule:

\$3,890,000 SERIAL BONDS

<u>BOND NOS.</u>	<u>PRINCIPAL</u>	<u>YEAR</u>	<u>INTEREST</u>
1-24	\$120,000	1978	7.00%
25-47	115,000	1979	7.00
48-71	120,000	1980	7.00
72-96	125,000	1981	7.00
97-123	135,000	1982	7.00
124-152	145,000	1983	7.00
153-181	145,000	1984	7.00
182-214	165,000	1985	7.00
215-249	175,000	1986	7.00
250-285	180,000	1987	6.05
286-324	195,000	1988	5.10
325-364	200,000	1989	5.25
365-406	210,000	1990	5.35
407-452	230,000	1991	5.45
453-500	240,000	1992	5.55
501-549	245,000	1993	5.65
550-603	270,000	1994	5.75
604-659	280,000	1995	5.90
660-717	290,000	1996	6.00
718-778	305,000	1997	6.00

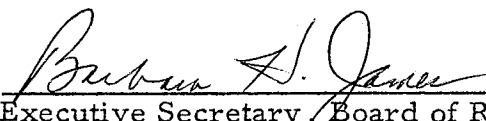
\$3,150,000 TERM BONDS

<u>BOND NOS.</u>	<u>PRINCIPAL</u>	<u>YEAR</u>	<u>INTEREST</u>
779-1408	\$3,150,000	2005	6.30%

  
Authorized Agent of Purchaser

I, the undersigned, Barbara H. James, the duly qualified and acting Executive Secretary of the Board of Regents of the University of Oklahoma, hereby certify that as of the date of the foregoing State Treasurer's Receipt, being the date of the actual delivery to the purchasers of the bonds therein described, there is not threatened or pending litigation of any nature affecting the authorization, issuance or legality of the bonds described in said receipt, or the revenues from which they are to be paid, and that the revenues pledged to the payment of principal of and interest on said bonds have not been pledged or hypothecated in any other manner or for any other purpose except for payment of the Regents bonds issued on a parity therewith.

WITNESS my official signature and the corporate seal of said Board of Regents this 13<sup>th</sup> day of July, 1977.

  
Executive Secretary Board of Regents  
of the University of Oklahoma

(SEAL)