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THE UNIVERSITY OF OKLAHOMA BOARD OF REGENTS
JANUARY 27-28, 1998

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**MINUTES OF A REGULAR MEETING
THE UNIVERSITY OF OKLAHOMA BOARD OF REGENTS
JANUARY 27-28, 1998**

A regular meeting of the Board of Regents governing The University of Oklahoma and Cameron University was called to order in the Auditorium of the Robert M. Bird Library on the Health Sciences Center Campus in Oklahoma City, Oklahoma on January 27, 1998 beginning at 3:10 p.m.

The following Regents were present: Regent Stephen F. Bentley, Chairman of the Board, presiding; Regents Melvin C. Hall, Donald B. Halverstadt, M.D., C. S. Lewis III, Robin Siegfried (present on January 27 only), and Mary Jane Noble.

Absent: Regent G. T. Blankenship

Others attending all or a part of the meeting included Mr. David L. Boren, President of The University of Oklahoma, Provosts Nancy L. Mergler and Joseph J. Ferretti, Vice Presidents Russell W. Driver, Richard E. Hall, Mark E. Lemons, David L. Maloney, Eddie C. Smith, Jerry B. Vannatta, and Joseph Waxman, Joseph Harroz, Jr., General Counsel, and Dr. Chris A. Purcell, Executive Secretary of the Board of Regents.

Those attending the meeting from Cameron University were Dr. Don Davis, President of the University, Provost Terral McKellips, and Vice Presidents Louise Brown and Don Sullivan.

Notice of the time, date, and place of this meeting were submitted to the Secretary of State, and the agenda was posted in the Office of the Board of Regents on or before 3:00 p.m. on January 26, 1998, both as required by 25 O.S. 1981, Section 301-314.

MINUTES

Regent Halverstadt moved approval of the minutes of the regular meeting held on December 9, 1997 as printed and distributed prior to the meeting. The following voted yes on the motion: Regents Hall, Halverstadt, Lewis, Siegfried, and Noble. The Chair declared the motion unanimously approved.

THE UNIVERSITY OF OKLAHOMA

REPORT OF THE PRESIDENT OF THE UNIVERSITY

President Boren presented the following report:

The University's record remains unbroken. For the fourth straight year OU has ranked first per capita among all public universities in the country in the enrollment of national merit scholars. This year OU had 153 in the freshman class, 16 national achievement scholars, 21 national Hispanic scholars and OU has moved up from ninth to sixth in absolute numbers among all institutions. We continue to outrank Yale, Princeton and many other leading private institutions in the country. OU is second per capita only to Harvard in national merit scholars.

President Boren discussed the Resolution in the agenda supporting a capital bond issue for higher education. The University has a seven-point Higher Education Plan and President Boren discussed each point as follows:

1. A \$300 million capital bond issue for serious physical needs throughout Oklahoma higher education and to prevent limitations on research growth due to shortages of facilities.
2. An increase of at least \$70 million in State funding for higher education this legislative session to help close the gap in the percentage of State funds going to higher education.
3. Funding for 200 fellowships of \$5,000 to attract outstanding graduate and research students, to be phased in over a period of four years.
4. \$1 million to establish technology spin-off offices at Oklahoma colleges and universities to create economic growth.
5. \$500,000 in bridge funds to retain outstanding professors and researchers between research grants.
6. \$5 million to \$10 million to hire research stars and match the backlog for privately endowed faculty and research positions, plus \$3 million to enhance research library facilities.
7. Remove barriers so faculty researchers and universities can participate in equity ownership of commercial ventures resulting from university-based research.

Charts were distributed on higher education as a percentage of total State appropriations and State per capita personal income and State per capita industry research and development expenditures. The charts indicate the progress that is going to have to be made. We must have improved programs at the graduate level, an increase in University-based research and we must learn how to better spin off the results of that research into products, goods and services that can become commercially feasible, that will create jobs for the people of our State. It is a matter of having the will to invest in that infrastructure. President Boren said we have shared our ideas with a number of legislative leaders, the Governor and members of his staff. There is no greater task than building a great university and a great higher education system in our State because what has driven economic growth and improved the quality of life in all of these other states is the presence of truly strong comprehensive universities that have the graduate, professional and research component, that being the element that is the catalyst for spinning off economic growth and higher per capita jobs.

RESOLUTION SUPPORTING BOND ISSUE FOR HIGHER EDUCATION

Chairman Bentley read the Resolution as follows:

WHEREAS, excellence in higher education has long been recognized as necessary to the quality of life in any state; and

WHEREAS, there is a direct correlation between per capita income and levels of higher education and research in a state; and

WHEREAS, The University of Oklahoma has experienced rapid movement toward excellence and has increased its externally funded research and training grants by almost 10 percent each year during the last five years and is now receiving approximately \$120 million each year in such grants; and

WHEREAS, continued progress in graduate education and research at The University of Oklahoma, Oklahoma State University, and other institutions of higher education in Oklahoma depends upon continued public financial support in critical areas; and

WHEREAS, The University of Oklahoma has increased the number of private donors to the University in the past three years from 18,000 to 43,000, providing funds to endow faculty positions and for other crucial initiatives; and

WHEREAS, continued private fund raising to bring increased national stature to the University depends upon continued improvements in State funding to serve as encouragement for private giving,

NOW THEREFORE BE IT RESOLVED by The University of Oklahoma Board of Regents:

THAT the Legislature and the Governor are respectfully urged to unite behind a bipartisan plan and

THAT the Regents of The University of Oklahoma commend the Legislature and the Governor for their support for higher education during the last two years and appeal to the elected officials to provide the continuity of support needed for real progress.

President Boren recommended the Board of Regents approve the Resolution before the Board, including a seven-point plan as detailed by President Boren.

Regent Siegfried moved approval of the recommendation. The following voted yes on the motion: Regents Hall, Halverstadt, Lewis, Siegfried, and Noble. The Chair declared the motion unanimously approved.

PURCHASE OF PROPERTY - TULSA

This item was a recommendation for the Board of Regents to approve the authority to purchase property in Tulsa. The item was pulled prior to the meeting.

VALIDATION, RATIFICATION AND FURTHER APPROVAL OF TRANSACTION WITH HCA HEALTH SERVICES OF OKLAHOMA, INC. AND RELATED TRANSACTIONS

This action will merely validate and ratify the actions taken to date by the administration involving the transaction between the Board of Regents and HCA Health Services of Oklahoma, Inc., which transaction has been thoroughly discussed at prior meetings. This action will further authorize the execution of a number of ancillary documents important to the consummation of this transaction. The draft document is attached hereto as Exhibit A.

President Boren recommended the Board of Regents (i) validate and ratify the actions previously taken by the President in connection with the referenced transaction, including but not limited to the execution of the Closing Agreement by and among The University Hospitals Authority, The University Hospitals Trust, the Board of Regents of The University of Oklahoma and HCA Health Services of Oklahoma dated September 11, 1997 and all related documents; and (ii) further authorize the President and/or his designee to negotiate and execute certain additional documents required to finalize the proposed transaction including but not limited to the attached versions of (i) the Academic Affiliation Agreement, (ii) the Escrow Agreement, (iii) the Quit Claim Deed, and (iv) the Reciprocal Easement Agreement and such other ancillary documents and amendments as are consistent with the described transaction and which contain no material changes less favorable to the University than the attached drafts, copies of which were available at the meeting and will be attached to the minutes of the meeting.

Regent Siegfried asked if the Board members who are attorneys have reviewed this document and understand that what the Board is acting on is the right thing legally. Regent Hall responded this is essentially the same agreement the Board reviewed several months ago. Regent Lewis asked Provost Ferretti if this agreement has been meticulously negotiated and reviewed by both internal and external counsel. Provost Ferretti said that is correct.

In response to a question by Regent Siegfried, Regent Halverstadt said this agreement with HCA is a multi-faceted opportunity to bring better business management of the hospitals and an opportunity to upgrade the facilities within which our University physicians practice to make them more attractive to potential patients. It is also an opportunity to upgrade our information systems to improve the business aspect of physicians' practices and related activities. It is an opportunity, despite some public criticism, to ensure the current level of care for those who cannot provide their own care will be perpetuated and even increased as this relationship moves into the future. Also, it is an opportunity for the physician staff to present themselves in other locales around Oklahoma, which will enhance the ability to teach at a distance, to encourage referrals of complicated cases, and to solidify the relationships between the faculty and physicians who practice around the State.

Regent Halverstadt moved approval of the recommendation. The following voted yes on the motion: Regents Hall, Halverstadt, Lewis, Siegfried, and Noble. The Chair declared the motion unanimously approved.

ACQUISITION OF PROPERTY FOR THE AMBULATORY CARE CENTER - HEALTH SCIENCES CENTER, OKLAHOMA CITY

The development of an Ambulatory Care Center to meet the teaching and faculty practice needs of the College of Medicine and the University Physicians Medical Group is the first priority for new construction at the Health Sciences Center. In January of last year, the Board of Regents authorized the selection of an Architectural and Engineering consultant, as well as a Construction Management firm for the Ambulatory Care Center project. With support from the Presbyterian Health Foundation, a program of requirements is being completed by the Facilities Committee of the University Physicians Medical Group. Following the completion of programming and funds permitting, site acquisition, design and construction could begin.

Last year, the Health Sciences Center administration expressed an interest in property owned by the Oklahoma City Urban Renewal Authority immediately west of the campus and within the bounds of the Oklahoma Health Center. The Urban Renewal Authority plans to release a Request for Proposals to develop the property, with proposals due by mid-February.

The land will provide the accessibility, visibility, and land mass necessary to develop the Ambulatory Care Center and parking. The acquisition would meet Board of Regents' guidelines in terms of its use for future expansion and to develop a new facility. Independent appraisals seem unnecessary given the parameters of what will be in the University's proposal. Under the terms and conditions of the University's proposal, eight acres will be requested for redevelopment; the development will include an Ambulatory Care Center, medically related facilities including offices, and surface or structured parking; all agreements and contracts will be negotiated and executed by the President or his designee following review and approval by Legal Counsel; and the proposed payment will be at the actual cost of the Oklahoma City Urban Renewal Authority to prepare the site for disposal, including land and environmental surveys, environmental remediation if necessary, legal and title company fees, and other closing costs. A total cost of approximately \$150,000 may be anticipated. A site plan was included in the agenda. The legal description follows:

LOTS 1-14 AND 23-32 IN BLOCK 9; LOTS 9-24 IN BLOCK 10; LOTS 1-3
IN BLOCK 16; AND LOTS 1-27 IN BLOCK 15; ALL IN MAYWOOD
ADDITION

President Boren recommends the Board of Regents approve this plan for property acquisition and authorize the submittal of a proposal to the Oklahoma City Urban Renewal Authority and the expenditure of funds to purchase the land, as cited above. Funds for the purchase will be available with the execution of the Joint Operating Agreement with Columbia and The University Hospitals Authority.

President Boren recommended the Board of Regents (1) approve the submission of a proposal to the Oklahoma City Urban Renewal Authority for the redevelopment of approximately eight acres of land for an Ambulatory Care Center, medically related facilities and parking at the Health Sciences Center; (2) waive the Regents' guideline regarding independent appraisals prior to the purchase of this property; and (3) authorize the President or his designee to negotiate for and acquire the property and to execute all necessary agreements, contracts and payments, as described.

Regent Halverstadt stated the Regents' Health Sciences Committee met and discussed this project at length and is supportive of the recommendations made by Provost Ferretti and Vice President Vannatta. Regent Lewis moved approval of the President's recommendation. The following voted yes on the motion: Regents Hall, Halverstadt, Lewis, Siegfried, and Noble. The Chair declared the motion unanimously approved.

ARCHITECT SELECTION FOR THE AMBULATORY CARE CENTER - HEALTH SCIENCES CENTER, OKLAHOMA CITY

At the January 1997 meeting, the Board was briefed concerning the need to select an architectural and engineering firm to provide design services for the Ambulatory Care Center project at the Health Sciences Center Campus in Oklahoma City.

In accordance with Board policy and Oklahoma State law regarding the selection of architectural and engineering consultants, the University obtained a list of eligible firms from the State Department of Central Services. A Request for Qualifications was sent out to 90 firms on August 14, 1997, with responses due by September 15, 1997. The Vice President for Administrative Affairs appointed an Interview Committee to review proposals, select three to five firms to interview, conduct the interviews and recommend a ranking to the Board of Regents.

The Interview Committee was composed of the following faculty and staff:

Wilton Berry, Associate Campus Architect, Chairman
 Bill Chenoweth, P.E., Assistant Director, Site Support
 Douglas Folger, M.D., Associate Dean for Clinical Practice, College of Medicine
 Tom Godkins, Assistant Vice President and Director of Capital Planning
 David Parke, M.D., President, Dean A. McGee Eye Institute and Chair of
 the Facilities Committee, University Physicians Medical Group

Ten proposals were received in response to the Request of Qualifications (RFQ). The Committee screened the proposals and short listed five teams. Interviews were conducted on October 9 and 10, 1997.

The following qualifications for each firm were considered:

1. Appropriateness of response to the RFQ
2. Experience with similar projects
3. Qualifications of the firm's professional staff
4. Proposed management plan
5. Size of the firm and capability to perform the work
6. Acceptability of design
7. Quality of engineering
8. Adherence to cost and time limits
9. Volume of changes

The Interview Committee obtained information from the consultant application files, consultant proposals, client references and site visits to similar ambulatory care center projects as suggested by each architectural consultant. Based on the information obtained and a detailed review and evaluation of each firm's qualifications, the Interview Committee rated the firms in the following manner:

<u>Principal Firm</u>	<u>The Benham Group Oklahoma City</u>	<u>Miles Associates Oklahoma City</u>	<u>Frankfort, Short, Bruza Oklahoma City</u>	<u>Glover, Smith Bode Oklahoma City</u>	<u>Rees Associates Oklahoma City</u>
<u>Associate Firm</u>	<u>Payette Associates, Inc. Boston, MA</u>	<u>Hellmuth, Obata & Kassabaum, Inc. St. Louis, MO</u>	<u>Watkins Carter, Hamilton Architects Bellaire, TX</u>	<u>Hanson, Lind, Meyer Iowa City, IA</u>	<u>HKS Architects Dallas, TX</u>
Acceptability of design	96	84	70	66	52
Quality of engineering	82	66	72	64	74
Adherence to cost limits	40	42	39	36	35
Adherence to time limits	44	42	35	35	32
Volume of changes	44	40	37	36	36
TOTAL	<u>306</u>	<u>274</u>	<u>253</u>	<u>237</u>	<u>229</u>
Rank	#1	#2	#3	#4	#5

The team of The Benham Group and Payette Associates had the best overall qualifications for the project. The team has a history of Ambulatory Care Center experience and experience with university projects similar to the proposed facility. Projects include the Reynolds Army Hospital, Johns Hopkins Hospital, Massachusetts General Hospital, and the University Hospitals of Cleveland. The Benham Group served as the architect for the Sarkeys Energy Center, Huston Huffman Fitness Center and the Oklahoma Memorial Union Parking Garage. Founded in 1909, The Benham Group is a full service architectural and engineering firm with a staff of over 200 and would lead the project. Payette Associates, founded in 1932, has a portfolio of more than 55 ambulatory care center projects, and would serve as the design consultant.

President Boren recommends the firms be placed in rank order as listed above and requests the Board of Regents authorize the administration to negotiate fees with the top ranked firm. If fee negotiations with this firm are unsuccessful, the second ranked firm will be asked to submit fees and the process can be continued in rank order. No architectural contract will be executed without review of Legal Counsel and until funds are available to pay for services under the contract. The funding source will be revenue generated by the execution of the Joint Operating Agreement between the University, The University Hospital Authority and Columbia.

President Boren recommended the Board of Regents (1) place in rank order the architectural and engineering firms which are under consideration to provide professional services for the Ambulatory Care Center project, and (2) authorize the administration to negotiate the terms of the contract and fees with the highest ranked firm and execute the contract.

Regent Halverstadt moved approval of the recommendation. The following voted yes on the motion: Regents Hall, Halverstadt, Lewis, Siegfried, and Noble. The Chair declared the motion unanimously approved.

CONSTRUCTION MANAGEMENT SELECTION FOR THE AMBULATORY CARE CENTER - HEALTH SCIENCES CENTER, OKLAHOMA CITY

At the January 1997 meeting, the Board was briefed concerning the need to select a construction management firm to provide services for an Ambulatory Care Center at the Health Sciences Center Campus in Oklahoma City. A construction manager is necessary in order to fast-track the construction and achieve earlier occupancy than would otherwise be possible using traditional project delivery methods. During the design stage of the project, the Construction Manager's preconstruction services will include review of the Architect's design schemes for constructability, recommendations on scheduling of the work and packaging of bids, value engineering services and cost estimating. During the construction phase, the Construction Manager will solicit bids for the work, oversee the work of the trade contractors, review payment requests and track the progress of the work against the schedule.

A list of Registered Architects and Professional Engineers who indicated they perform Construction Management services was requested from the State Department of Central Services. Additionally, a list of Oklahoma City and Tulsa construction companies was identified by Architectural and Engineering Services. A Request for Qualifications was sent to 163 firms including 120 from the list of architects and engineers provided by the Department of

Central Services and 43 identified by A & E Services on August 14, 1997. The responses were due by September 15, 1997. A Request for Qualifications was also advertised in *The Daily Oklahoman*, *The Journal Record*, *The Tulsa World* and *The Black Chronicle*. The Vice President for Administrative Affairs appointed an Interview Committee to review proposals, select three to five firms to interview, conduct the interviews and recommend a ranking to the Board of Regents.

The Interview Committee was composed of the following people:

W. Harley Campbell, Campus Architect, Chairman
 Don Cail, Interim Director, Operations
 Michael Moorman, University Architect and Director, Architectural and Engineering Services
 Tom Godkins, Assistant Vice President and Director of Capital Planning
 Burr Milsap, Director of Purchasing

Six proposals were received in response to the Request for Qualifications. The Committee screened the proposals and short-listed four firms. Interviews were conducted on October 17, 1997.

The following qualifications for each firm were considered:

1. Construction Management Approach
2. Capacity of Firm to Accomplish the Work
3. Client References
4. Project Controls
5. Similar Projects
6. Financial Stability

The Interview Committee obtained information from the interviews, consultant proposals, and client references. Based on the information obtained, a detailed review and an evaluation of each firm's qualifications, the firms were rated in the following manner:

Firm and Headquarters	<u>Flintco, Inc. Tulsa</u>	<u>Boldt Construction Oklahoma City</u>	<u>Sverdrup Facilities, Inc. St. Louis, MO.</u>	<u>Manhattan Construction Oklahoma City</u>
Construction Management Approach	43	39	42	34
Capacity of Firm to Accomplish Work	43	42	44	36
Client References	44	39	37	30
Project Controls	41	40	38	28
Similar Projects	45	37	41	38
Financial Stability	<u>41</u>	<u>43</u>	<u>44</u>	<u>41</u>
Subtotal	257	240	246	207

Firm and Headquarters	<u>Flintco, Inc.</u> <u>Tulsa</u>	<u>Boldt</u> <u>Construction</u> <u>Oklahoma City</u>	<u>Sverdrup</u> <u>Facilities, Inc.</u> <u>St. Louis, MO.</u>	<u>Manhattan</u> <u>Construction</u> <u>Oklahoma City</u>
In-State Preference (5% added)	<u>13</u>	<u>12</u>	<u>0</u>	<u>10</u>
TOTAL	270	252	246	217
Rank	#1	#2	#3	#4

Flintco, Inc. was considered by the Committee to be the best qualified firm for the project. They have had extensive experience with large projects and numerous construction management contracts, including Moore-Norman Vo-Tech, Norman Regional Hospital Medical Office Building, Mercy Health Center Ambulatory Care Center and Doctor's Tower and the Columbia HCA Center for Healthy Living at the Oklahoma Health Center. They completed the Stanton L. Young Biomedical Research Center at the Health Sciences Center, the Science Complex at Cameron University, and are currently under contract for the Oklahoma Memorial Union, Catlett Music Center and Sam Noble Oklahoma Museum of Natural History on the Norman Campus. Flintco, established in 1908, is a Native American-owned company and 52% of their current projects are construction management contracts. In the Committee's opinion, Flintco's familiarity with the University and experience with medical facilities would be a great benefit to the University in the design and construction process.

President Boren recommends the firms be placed in rank order as listed above and that the Board of Regents authorize the administration to negotiate fees with the highest ranked firm. If fee negotiations with this firm are unsuccessfully, the second ranked firm will be asked to submit fees and the process can be continued in rank order. The contract will not be executed without Legal Counsel approval and until funds are available to pay for services under the contract. Funds for the project will be available with the execution of the Joint Operating Agreement with Columbia and The University Hospital Authority.

President Boren recommended the Board of Regents (1) place in rank order the construction management firms which are under consideration to provide services required for the Ambulatory Care Center, (2) authorize the administration to negotiate the terms of a contract and fees with the highest ranked firm, and (3) pending the availability of funds, execute a phased contract for construction management services.

Regent Siegfried asked about the pluses and minuses of having a construction management firm and where the liability would rest if there were problems with the project.

General Counsel Joe Harroz described how the construction manager arrangement contrasts with the general contractor model as well as the primary benefits and major potential downsides of the construction management model. He said conventional wisdom right now in the industry is to seriously consider a construction management approach if the project is at least \$5 million. As the scale of the project goes up, the rationale for employing a construction manager is more justified. The larger the scale of the project the greater the amount of coordination needed between the architects and the subcontractors.

Regent Halverstadt moved approval of the recommendation. The following voted yes on the motion: Regents Hall, Halverstadt, Lewis, and Noble. Regent Siegfried voted no. The Chair declared the motion approved.

LITIGATION

Regent Hall moved the Board meet in executive session for the purpose of discussing pending litigation. The following voted yes on the motion: Regents Hall, Halverstadt, Lewis, Siegfried and Noble. The Chair declared the motion unanimously approved. The executive session began at 4:11 p.m. in Conference Room 223.

The meeting resumed in regular session in Auditorium 299 at 4:37 p.m. Chairman Bentley announced the meeting recessed until the following morning at 9:00 a.m.

The Regents reconvened in regular session at 9:16 a.m. on Wednesday, January 28, 1998, in the same location with all Regents present except Robin Siegfried.

CAMERON UNIVERSITY

REPORT OF THE PRESIDENT OF THE UNIVERSITY

President Davis presented the following report:

Cameron Dedicates Sciences Complex

More than 300 dignitaries, faculty, staff and friends of Cameron University were on hand January 24 for the official dedication of the University's state-of-the-art Sciences Complex. A symbolic ribbon cutting was accomplished by OU/CU Regents' Chairman Stephen F. Bentley, Regent Mary Jane Noble, State Regent Bill W. Burgess, Jr., and President Don Davis.

To demonstrate the telecommunications capabilities of the facility, dedicatory remarks by Speaker Loyd Benson, Chairman Bentley, Regent Burgess and President Davis were telecast live to the audience seated in classrooms throughout the building. A message from Chancellor Hans Brisch was provided via video tape. Following the ribbon cutting, tours of the 100,000 square foot building were conducted and faculty and honor students provided demonstrations in their various disciplines.

Preceding the dedication, President Davis hosted a luncheon honoring those who have made substantial contributions to the building project and the Cameron's faculty endowment program. At the luncheon, seven families and business entities were honored who had endowed a professorship in instructional technology and lectureships in agriculture, English, telecommunications, medical technology and teaching excellence. Another 31 donors were honored for their contributions toward the construction and equipping of the Sciences Complex

Cameron Enrollment

A hefty 22 percent increase in graduate enrollment offset a drop of two percent in undergraduate students as Cameron showed a net gain of one percent in FTE enrollment for the 1998 spring semester, compared with figures from a

year ago. The 4,849 students enrolled for the first eight-week session of the semester also signed up for slightly greater class loads than did their last year's counterparts. Statewide, State Regents report higher education enrollment is down slightly.

Professor Honored by Lawton Public Schools

Dr. Fred Smiley, an Assistant Professor in Cameron's Education Department, has been recognized for his work to improve student literacy in the Lawton Public Schools. Dr. Smiley was awarded the Celebration of Literacy Award from the Lawton Area Reading Council for his Touching, Tutoring and Teaching program, which tutors at-risk students who need assistance in English and math. Dr. Smiley launched the program during the 1996-97 school year in three Lawton elementary schools. This year, the program is being expanded into junior high.

Forensics Director Wins Teaching Honor

Cameron Forensics Director Richard Smith has been named the Outstanding Young College Teacher of 1997 by the Oklahoma Speech Theater and Communication Association. Dr. Smith, an Assistant Communications Professor, received the honor during the Association's annual convention in Edmond. A 1987 Cameron graduate, Dr. Smith joined the faculty in 1994. Last year, he was named the D. J. Nabors Forensic Coach of the Year by the Oklahoma Speech Theater and Communication Association.

Technology Training for Area Teachers

Teachers in 17 Southwest Oklahoma counties will benefit from a \$187,000 grant from the State Department of Vocational and Technical Education to provide high-tech multimedia and telecommunications training. Cameron will serve as regional coordinator for a 16-member consortium that will use the grant to train approximately 6,400 educators in grades K-12, vocational-technical schools and higher education institutions. The Southwest Regional Multimedia and Telecommunications Teaching and Learning Development Center will provide training in the effective use of multimedia, telecommunications and distance learning technology. Teachers will learn to use technology to create an interactive learning environment giving students greater intellectual freedom and the ability to control their pace of learning, while still retaining competent teacher guidance. It is expected to take five years to make the training available to all eligible teachers. Funding for the project comes from House Bill 1815 which initiated a \$7 million, five-year program for teacher training.

ESTABLISHMENT OF B. H. AND FLORA BREWER ENDOWED PROFESSORSHIP

Mr. B. H. Brewer, a long time Cameron University faculty member, administrator and friend, has donated \$125,000 to advance the study of multimedia and instructional design at Cameron University. In recognition of this gift, President Davis recommends the establishment of the B. H. and Flora Brewer Endowed Professorship in Instructional Technology and asks

approval to seek matching funds from the Endowed Chairs Program of the State Regents. This endowed professorship will help advance the new multimedia curriculum design and development program at Cameron University.

President Davis recommended the Board of Regents approve the establishment of the B. H. and Flora Brewer Endowed Professorship in Instructional Technology at Cameron and the application for matching funds from the Oklahoma State Regents for Higher Education.

Regent Halverstadt moved approval of the recommendation. The following voted yes on the motion: Regents Hall, Halverstadt, Lewis, and Noble. The Chair declared the motion unanimously approved.

ASSOCIATE OF APPLIED SCIENCE AND BACHELOR OF SCIENCE DEGREES IN MULTIMEDIA DESIGN

During the last five years, Cameron has provided increasing levels of training and support to encourage faculty members to enhance teaching and learning through applications of computers, telecommunications and multimedia technology. Initial support was primarily technical and was provided through Instructional Technology Support Services. As both the technology and teaching strategies advanced in complexity, it became necessary to provide support by professional educators as well as technical assistance. The Institute for Applied Telematics was established for that purpose and has continued to provide non-credit courses for faculty members at Cameron as well as for public school teachers and other institutions of higher education.

Concurrent with the growth of multimedia applications on campus, several local businesses were expanding into the multimedia based training development industry. The growth of that industry locally and nationally has created a severe shortage of multimedia training development specialists.

A curriculum designed to meet the requirements for multimedia training development specialists must be both technical and interdisciplinary. The base of skills is primarily composed of the capabilities which have been offered by the Institute for Applied Telematics. Other essential components require the inclusion of courses or components of courses in radio and television, communications, art, management, and education. The proposed curriculum has been reviewed and endorsed by representatives from all of the local businesses in this industry, by the Fort Sill multimedia training development organization and by several companies headquartered in the Orlando, Florida research park.

Faculty members who have served part-time or full-time in the Institute for Applied Telematics have the expertise necessary to offer most of the new courses. Cameron will contract with Allen Communications, the company which produces the number one selling training development software, Designer's Edge, to provide a training program later this spring for all of the faculty members assigned to the program. In addition, advertising is underway for two additional full time faculty members for the department. At least one of those two positions will require prior experience in the multimedia training industry.

President Davis recommended the Board of Regents approve a new program request for an Associate of Applied Science Degree and a Bachelor of Science Degree in Multimedia Design.

Regent Halverstadt moved approval of the recommendation. The following voted yes on the motion: Regents Hall, Halverstadt, Lewis, and Noble. The Chair declared the motion unanimously approved.

TRANSFER OF \$174,000 TO UNEXPENDED PLANT FUND 470

This transfer of funds will cover a portion of the modernization and repairs to the four traction elevators in Ned Shepler Hall with the balance being paid through Section 13 and New College Funds. The modernization and repairs were approved by the Board of Regents at the December, 1997, Board meeting.

President Davis recommended the Board of Regents approve the transfer of \$174,000 from the Repairs and Replacement Account to Fund 470 to cover a portion of the cost of modernizing the traction elevators in Ned Shepler Hall.

Regent Halverstadt moved approval of the recommendation. The following voted yes on the motion: Regents Hall, Halverstadt, Lewis, and Noble. The Chair declared the motion unanimously approved.

CURRICULUM CHANGES

The Oklahoma State Regents for Higher Education confer upon each institution the authority to delete, modify and add courses, but require that the changes be communicated to them for information only. The course modifications and additions itemized on the list, which was included in the agenda, have been approved by the Provost of Cameron University, upon recommendation of the cognizant departments and schools, and approved by either the Graduate Council or the Curriculum Committee.

This was presented for information only. No action was required.

ANNUAL GAS LEAK SURVEY

Cameron University's annual gas leak survey was performed by Heath Consultants, Houston, Texas on November 20, 1997. The survey encompassed 33 points within 1.5 miles of the main line. The survey disclosed one Class I and four Class III aboveground leaks and no underground leaks.

A summary of the results is as follows:

<u>Category</u>	<u>Disposition</u>	<u>Quantity</u>
Class I	Repair immediately	1
Class II	Repair within six months	0
Class III	Repair as work schedule permits	4

Within the Classification(s) I, II and III, Class I is the most critical, designated as "Schedule for immediate repair." This leak was repaired immediately by ARKLA Gas Company. The remaining four leaks have also been repaired.

This report was presented for information only. No action was required.

INTERNAL AUDITING REPORT

This item was included in the agenda for a report on any pending or potential audit issues by Glen Earley, Director of Internal Auditing.

There was no report.

QUARTERLY REPORT ON PURCHASES

Policies of the Board of Regents require that purchases in excess of \$75,000 be referred to the Board of Regents for action, with the exception that the President or his designee may award purchase orders and construction contracts up to, but not exceeding, \$100,000 where (a) competitive bids were solicited, (b) more than one bid was received, and (c) the low responsive bid is selected. Purchases made in these authorized instances are reported quarterly to the Board of Regents.

The report covering purchases made from September 1, 1997 through December 31, 1997 was as follows:

<u>Item</u>	<u>Department</u>	<u>Vendor</u>	<u>Amount</u>
Radio Transmitting Equipment	KCCU Radio Station	Harris Corporation	\$72,133

This report was presented for information only. No action was required.

QUARTERLY FINANCIAL ANALYSIS

Being reported this month is the Quarterly Financial Analysis for the quarter ended September 30, 1997. The following comments are submitted for consideration:

ALL FUNDS, CAMERON UNIVERSITY

STATEMENT OF REVENUES AND EXPENDITURES

1. At September 30, 1997, revenues for all funds were at \$9.6 million which were 30.9% of the budget.

Expenditures were at \$8.2 million or 24.0% of the budget. Overall, the budget's revenues and expenditures are close to the amounts anticipated.

STATEMENT OF REVENUES AND EXPENDITURES - EDUCATION AND GENERAL
PART I - UNRESTRICTED

1. Revenues - Revenues of \$6.8 million were reported and are 29.3% of the budget. This is comparable to last year's revenue of \$5.4 million and 19.9% of the budget. Revenues are up due to an increase in State appropriations.
2. Expenditures - Expenditures of \$5.4 million are reported at 19.9% of the budget. This is compared to the prior year expenditures of \$4.4 million and 16.4% of the budget. Expenditures have increased due to salary and benefits adjustments.

STATEMENT OF REVENUES AND EXPENDITURES - EDUCATION AND GENERAL
PART II - RESTRICTED:

1. Revenues - Revenues of \$1.9 million were reported at 40.4% of the budget. This is comparable to the prior year revenues of \$1.8 million and 42.7% of the budget.
2. Expenditures - Expenditures of \$2.0 million were reported at 42.0% of the budget. This is comparable to last year's expenditures of \$1.8 million at 42.1% of the budget. Most areas show a slight increase or decrease. These minor fluctuations are in line with expectations.

STATEMENT OF REVENUE AND EXPENDITURES - AUXILIARY ENTERPRISES

1. Revenues - Revenues for Auxiliary Enterprises are at their anticipated levels.
2. Expenditures - Expenditures for Auxiliary Enterprises are at their anticipated levels.

DISCRETIONARY RESERVES:

Discretionary reserves represent that portion of the University's resources which are not currently budgeted for expenditure or otherwise held for specific future uses. As such, resources of this nature are available to fund future capital projects, operating needs, and/or unforeseen contingencies for any lawful purpose of the University.

E & G PART I

The E&G Part I discretionary reserves are \$2,000,000 at September 30, 1997. Adjustments will be made to this reserve figure throughout the year.

E & G PART II

The E&G Part II has no discretionary reserves. These reserves are needed for working capital for the programs to operate, many of which are reimbursed in arrears.

AUXILIARY ENTERPRISES

The decline of student credit hour enrollment will likely require a reduction in student activity allocations in future budgets.

Miscellaneous Auxiliary Funds have a very small discretionary reserve of approximately \$22,000.

The Housing System has no discretionary reserves. This is the area of the Auxiliary accounts that has the most budgetary pressures to bring revenues and expenditures in line with each other. Some progress has been made but there is still work to do in this area.

Facility Fee discretionary reserves are approximately \$1,300,000. Several projects on the Campus Master Plan will likely be funded from this source.

PLANT FUNDS

Section 13 and New College Funds currently have discretionary reserves of \$150,000. Private Sources discretionary reserve is \$10,000 at this time.

Renewals and Replacements - Auxiliary Enterprises Funds were initially created as an R & R fund for the Housing System. The current discretionary reserves are approximately \$1,300,000.

The Facility Fee Bond Fund has a discretionary reserve of \$359,547. Several projects on the Campus Master Plan will likely be funded from the above sources.

This report was presented for information. No action was required.

ACADEMIC PERSONNEL ACTIONS

APPOINTMENT:

James F. Ronan, Jr., M.C.J.A., Instructor, Department of Politics, Sociology and Criminal Justice, annual rate of \$30,000 for 9/10 months. Salary for Spring Semester appointment will be \$15,000 for the term January 5, 1998 through May 17, 1998.

CHANGES:

Theodore Snider, Professor of Physical Science; title Chair, Department of Physical Science, deleted, January 31, 1998. Change in FY 1997-1998 salary from \$56,520 to \$55,520.

Gary Buckley, Professor of Physical Science; given additional title of Chair, Department of Physical Science, February 1, 1998. Change in FY 1997-1998 salary from \$44,892 to \$45,892.

RESIGNATIONS:

Julie Lavender, Instructor, Department of Nursing, December 24, 1997.

Greg Thomas, Instructor, Department of Psychology and Human Ecology, May 8, 1998.

RETIREMENT:

Donald Phillips, Associate Provost, January 9, 1998.

President Davis recommended the Board of Regents approve the academic personnel actions shown above.

Regent Lewis moved approval of the recommendation. The following voted yes on the motion: Regents Hall, Halverstadt, Lewis, and Noble. The Chair declared the motion unanimously approved.

LITIGATION

This item was included in the agenda for the purpose of meeting with General Counsel for a report on pending and possible litigation.

There was no report.

THE UNIVERSITY OF OKLAHOMA

DIRECTOR, UNIVERSITY OF OKLAHOMA PRESS

John N. Drayton was born in Australia and received a B.A. from Brigham Young University with a major in English and minor in chemistry. He also completed course requirements for a master's degree in Literature of English Renaissance. An "Outstanding Graduate" of the Denver Publishing Institute, Mr. Drayton has been in academic publishing for 24 years, 16 as Assistant Director/Editor-in-Chief at The University of Oklahoma Press. He has been Interim Director of the Press since January 1997. Before coming to The University of Oklahoma, Mr. Drayton held the titles of Editor and Managing Editor of the Brigham Young University Press.

Mr. Drayton is a member of the Organization of American Historians, and the American Anthropological Association, and in 1996 he was elected a member of the Council, the governing body of the Western History Association. He has assisted many authors in completing their works, many of which have received literary prizes.

Mr. Drayton brings with him a diverse background including many years of experience in publishing and a reputation as a patient and encouraging editor.

President Boren recommended the Board of Regents approve the appointment of John N. Drayton, Director, University of Oklahoma Press.

Regent Hall moved approval of the recommendation. The following voted yes on the motion: Regents Hall, Halverstadt, Lewis, and Noble. The Chair declared the motion unanimously approved.

OUTSOURCING OF DEVELOPMENT AND TESTING ENVIRONMENT FOR YEAR 2000 COMPLIANCE TESTING - HSC

In 1994, the Board of Regents approved a multi-year computer migration plan in order to provide responsive information systems at the Health Sciences Center. A new architecture, generally referred to as a Client/Server Environment, was selected and the migration towards the new environment began.

In April 1996, the Board of Regents approved the outsourcing of computing services for the administrative applications of the Health Sciences Center to Partners Resources, Inc. from a competitive bid. The administrative applications that are yet to be migrated to the new environment have been running on the Partner's supplied resources since that time. The HSC will begin work immediately on performing modifications to the Student Information System and various financial applications running in that environment. The modifications are required to ensure these applications will process information correctly with Year 2000 and beyond dates. This effort will require the current environment as well as a second Year 2000 Compliant environment for the development and testing of the modifications. During this period, applications within the new environment must interface with other applications in the current environment and therefore this testing environment must be purchased on a sole source basis.

It is the recommendation of administration to award purchase orders to Partners Resources, Inc., an AZ Corporation, for the required development and testing environment in the total amount of \$192,000. Funds are available in the Information Technology account number 18049800.

President Boren recommended the Board of Regents authorize the Health Sciences Center to issue a purchase order to Partners, Inc., an AZ Corporation, for outsourcing of a development and testing environment for year 2000 remediation efforts from March 1, 1998 through June 30, 1998 and from July 1, 1998 through June 30, 1999 for a total cost of \$192,000.

Regent Lewis moved approval of the recommendation. The following voted yes on the motion: Regents Hall, Halverstadt, Lewis, and Noble. The Chair declared the motion unanimously approved.

CONSULTING SERVICES FOR PEOPLESOFT FINANCIAL IMPLEMENTATION - HSC

In 1994, the Board of Regents approved a multi-year computer migration plan in order to provide responsive information systems at the Health Sciences Center. A new architecture, generally referred to as Client/Server, was selected and migration to the new environment is well underway.

In September of 1995, the Health Sciences Center began the migration to this new environment with the first phase of the implementation of the PeopleSoft Human Resource Management System. This phase included the implementation of Human Resources, core Benefits and Payroll applications. The current project consists of upgrading the current PeopleSoft HRMS to a new version of the system that incorporates changes delivered in version 6 of the product as well as new functionality specific to the public sector. This project also will provide the campus with additional modules such as FSA administration and Applicant Tracking. With this phase nearing completion, priorities will be placed on implementing specific modules within the PeopleSoft Financials for Public Sector product suite.

The University is now in need of consulting services for the phase one implementation of the PeopleSoft Public Sector Financials. This phase will include the implementation of the PeopleSoft modules for General Ledger, Purchasing, Accounts Payable and Assets Management. Activities will include prototyping of the applications, business process redesign, extension and modification development, system test planning and administration, quality assurance review and training for the core functional business units and the University

community at the Health Sciences Center. This project will provide new financial systems that have capabilities and functionality exceeding the current systems. This project will also provide the Health Sciences Center with year 2000 compliant applications for those modules included in this phase.

The demand for qualified, knowledgeable consultants for PeopleSoft implementations far exceeds the availability of these resources. This can result in paying high rates for lower levels of expertise than desired, as well as posing a risk to the success of the implementation. Having an option to request resources from multiple vendors can minimize this risk.

Request for Proposals were issued to 44 vendors known to supply this type of consulting service. Responses were received from six vendors.

Administration requests authorization to issue purchase orders to PeopleSoft, Inc., Cambridge Technology Partners, and Mastech Corporation based on availability of experienced resources as required for this phase of the implementation in a total amount not to exceed \$1,895,000. Funds are available in the Information Technology account 18049800 and FY97 and FY98 carryover funds.

President Boren recommended the Board of Regents authorize issuing purchase orders for implementation consulting services from PeopleSoft, Inc., Cambridge Technology partners, and Mastech Corporation in a total amount not to exceed \$1,895,000.

Regent Lewis asked have we complied with the required bidding process and lowest and best bid selection?

Vice President Lemons responded in some instances it is difficult to identify the true low bid and as a State agency we are required to take the lowest and best bid. The bid process was followed and these firms have been identified as being very capable. General Legal Counsel Joe Harroz stated it is the lowest and best bid based on the appraisal of the experts in the area, especially in light of the previous work they have done with PeopleSoft and their work on the prior phase.

Regent Halverstadt moved approval of the recommendation. The following voted yes on the motion: Regents Hall, Halverstadt, Lewis, and Noble. The Chair declared the motion unanimously approved.

PURCHASE OF A BIOSPECTROMETRY WORKSTATION - HSC

The Department of Biochemistry and Molecular Biology's Mass Spectroscopy Facility at the Health Sciences Center is in need of a Biospectrometry Workstation to perform highly accurate mass measurements on samples in the liquid state. The system will enhance existing equipment and be used primarily to analyze proteins to determine the presence of modifications to their basic structure. Mass is a fundamental property of all substances and its accurate measurement leads to the molecular identification of a substance and its chemical properties. Accurate mass measurements are required in all areas of biology, chemistry, biotechnology, geology, and physics.

In January 1996, the Board approved the purchase of a matrix-assisted laser desorption ionization mass spectrometer which is capable of highly accurate mass measurements on large numbers of samples in the solid state only. It was the first such instrument in the State of

Oklahoma and being centrally located the Health Sciences Center receives dry samples, from across the state or various agencies, prepared for analysis and transmits the results immediately to the submitting investigators by electronic mail. This instrument will be utilized in the same way providing the State with cutting edge technology to accurately measure the mass of a wide variety of substances in liquid form. Both systems have extremely high mass accuracy capabilities and have compatible software. Having both systems housed in the Health Sciences Center Biomedical Sciences Building will visibly enhance the research enterprise by providing ready and inexpensive access to them for all Oklahoma researchers.

A bid was forwarded to nine vendors. Responses were received from two vendors. PerSeptive Biosystems, Inc. responded with a bid of \$135,000 plus freight charges and Finnigan Corporation responded with a no bid.

It is the recommendation of the administration to award a purchase order to PerSeptive Biosystems, Inc. to purchase and install a Biospectrometry Workstation in the amount of \$135,000 plus freight charges. Funds are available from DNA Sequencing Facility Technology account C4195401 and Research Incentive Program account D9121100.

President Boren recommended the Board of Regents authorize issuing a purchase order to PerSeptive Biosystems, Inc. for the purchase of a Biospectrometry Workstation in the amount of \$135,000 plus freight charges.

Regent Halverstadt moved approval of the recommendation. The following voted yes on the motion: Regents Hall, Halverstadt, Lewis, and Noble. The Chair declared the motion unanimously approved.

MODIFICATION OF THE LEASE AGREEMENT BETWEEN THE UNIVERSITY OF OKLAHOMA HEALTH SCIENCES CENTER AND THE HOSPITAL AUTHORITY FOR THE G. RAINEY WILLIAMS PAVILION

The G. Rainey Williams Pavilion is a 138,733 gross square foot building owned by The University Hospital Authority. The building is occupied solely by the University and is used for both office and clinic space by the College of Medicine. Currently, the University pays no lease payment on the building; however, the terms of the lease agreement provide that the University will pay for a portion of the building's operating costs, including heating and cooling, custodial services, and mail services.

As a result of the new arrangement between The University Hospital Authority and Columbia/HCA, the University will assume responsibility for other operating costs associated with the building. Terms of the new lease agreement provide that the University will pay lease cost of one dollar each year and other operating costs including maintenance and repairs, elevator maintenance, electricity, water/sewage, insurance, and security. Based on information provided by Hospital personnel, it is estimated that additional operating costs to the University will total approximately \$250,000 annually. The additional operating costs for the remainder of this fiscal year is estimated to be \$104,000 and will be funded from the HSC's Maintenance and Utility budgets.

President Boren recommended the Board of Regents authorize the President or his designee to negotiate and execute a lease agreement between The University of Oklahoma Health Sciences Center and The Hospital Authority for the G. Rainey Williams Pavilion to

include terms that will provide that the University will pay lease costs of one dollar per year and other operating costs, including maintenance and repairs, elevator maintenance, electricity, water/sewage, insurance and security.

Regent Halverstadt moved approval of the recommendation. The following voted yes on the motion: Regents Hall, Halverstadt, Lewis, and Noble. The Chair declared the motion unanimously approved.

MODIFICATION TO GROUND LEASE AGREEMENT - HSC

The University operates a laboratory Resources Annex under a Ground Lease with The University Hospitals Authority which terminates December 31, 2064. At the June 1986 Board of Regents' meeting, approval was given to enter into a 75-year Ground Lease with the Department of Human Services. The Ground Lease was executed on November 26, 1986. Subsequently, the lease terms were modified to 78 years at a cost of one dollar annually, a new laboratory Resources Annex was constructed on the site, and, under State law, the property was transferred from the Department of Human Services to The University Hospitals Authority.

In order to better align lease and lot boundaries and provide some additional land for a future University development, The University Hospitals Authority and the University administration agreed to reduce the North boundary by about 17 feet which would place it on an existing fence and lot line and extend the East property line by approximately 50 feet to accommodate a possible future building addition. The University Hospitals Authority approved the new boundaries. An Amendment to the Ground Lease was executed on October 20, 1997 after approval by Legal Counsel. A legal description and site plan were included in the agenda and are attached hereto as Exhibit B. There is no additional cost associated with these changes.

This was presented for information only. No action was required.

PROPOSALS, CONTRACTS, AND GRANTS

In accord with Regents' policy, a list of awards and/or modifications in excess of \$100,000 or that establish or make policy for the University, or that otherwise involve a substantial or significant service to be performed by the University was included in the agenda. Comparative data for fiscal years 1994 through 1997, and current month and year-to-date, was also included.

The Provisions of Goods and Services policy (amended December 4, 1992) provides that new contracts and grants in excess of \$100,000 must be referred to the Board of Regents for ratification. In addition, in those cases where a contract, grant, document, or arrangement involved would establish or make policy for the University, or otherwise involve a substantial or significant service to be performed by the University, that contract, arrangement, or document shall be referred to the Board of Regents for approval.

President Boren recommended the Board of Regents ratify the awards and/or modifications for November 1997 as submitted.

Regent Lewis moved approval of the recommendation. The following voted yes on the motion: Regents Bentley, Hall, Lewis, and Noble. Regent Halverstadt was out of the room at the time of the vote. The Chair declared the motion unanimously approved.

PURCHASE OF DNA SEQUENCERS AND ASSOCIATED EQUIPMENT - NC

As part of a National Institutes of Health (NIH) research contract, the Department of Chemistry and Biochemistry is authorized to purchase two additional DNA Sequencers. The department currently has nine Applied Biosystems Division instruments. The department desires to purchase the instrument on a sole source basis from the manufacturer, Applied Biosystems/Perkin Elmer with the following justification:

1. All students, including doctoral students, involved in DNA research are trained in rapid DNA sequencing techniques which have been developed on the ABD equipment over the years. A new learning process would have to be developed if Perkin Elmer was not the source.
2. The ABD instrument loads 50% more samples in a single run than any other instrument.
3. The Chemistry Department has written computer software specific to the data format of the ABD instruments. No funding exists to convert this software to the instruments of other manufacturers.

The estimated cost of the two sequencers, the two upgrades and ancillary equipment is \$236,200. The purchase will be funded from NIH research account 125-5307 and departmental account 122-7221.

President Boren recommended the Board of Regents approve the award of a purchase order to Applied Biosystems, a Division of Perkin Elmer, in the amount of \$236,200 for two DNA Sequencers, two DNA Sequencer Upgrades and ancillary equipment.

Regent Hall moved approval of the recommendation. The following voted yes on the motion: Regents Bentley, Hall, Lewis, and Noble. Regent Halverstadt was out of the room at the time of the vote. The Chair declared the motion unanimously approved.

PURCHASE OF ONE MTS 22 KIP MODEL 810 MATERIAL TESTING SYSTEM - NC

A three-year Aerospace and Mechanical Engineering Department research project funded by the Air Force Office of Scientific Research and the Oklahoma State Regents for Higher Education to study "Fatigue and Fracture Characterization of Aircraft Aluminum Alloys Damaged by Prior Corrosion" has been approved. This grant authorizes the purchase of a 22,000 pound capacity material test system from MTS Systems Corporation. This system is a servohydraulic machine for testing laboratory specimens under tensile and compressive loadings.

The MTS Model 810 22 KIP System is a sole source purchase for the following reasons:

- MTS is the only supplier capable of providing an integrated load frame and control system suitable for 20 Hz operation as required by the experimental protocol outlined in the grant proposal.

- MTS is the only supplier capable of configuring the machine with alignment fixtures, grips and extensometry required by the testing protocol.
- The personnel who will use the machine are already trained on the MTS TestStar control system; retraining would cause a significant delay in project productivity.

The Department of Aerospace and Mechanical Engineering has written inhouse software for use on the control system that is not usable on any other manufacturer's system. The purchase will be funded with Department of Defense funds.

President Boren recommended the Board of Regents approve the award of a sole source purchase order to MTS Systems Corporation in the amount of \$93,879 for one MTS 22 KIP Model 810 Material Testing System.

Regent Lewis moved approval of the recommendation. The following voted yes on the motion: Regents Hall, Halverstadt, Lewis, and Noble. The Chair declared the motion unanimously approved.

REPLACE GAS DISTRIBUTION SYSTEM AT PARKVIEW APARTMENTS

The gas distribution system (+ or - 7,500 linear feet) at Parkview Apartments has deteriorated through age (45 years) and corrosion to the point that failures are frequent. Each failure requires shutting down part or all of the system at an inconvenience to some or all of the approximately 400 residents. The recommendation is to replace the entire system to avoid more costly, piecemeal repairs and to address significant regulatory compliance issues.

An invitation to bid was sent to 12 vendors. The responses were evaluated by Brent Everett, Mechanical Engineer, Physical Plant, and George Horn, Senior Buyer, Purchasing.

Evaluation criteria included price, prior experience and conformance to specifications.

The team evaluated the responding firms on the basis of the evaluation criteria and rated the firms from highest to lowest as follows:

<u>Company</u>	<u>Bid Amount</u>
Rudy Box and Associates, Inc. Norman	\$146,630
Clark-Tech Oklahoma City	\$154,454
Snelson Companies, Inc. Tulsa	\$163,423
ICS, Inc. Norman	\$192,000

The project will be funded from Physical Plant funds.

President Boren recommended the Board of Regents approve the award of a purchase order in an amount not to exceed \$146,630 to Rudy Box and Associates, Inc. to replace the gas distribution system and install two shutoff valves at Parkview Apartments.

Regent Lewis moved approval of the recommendation. The following voted yes on the motion: Regents Hall, Halverstadt, Lewis, and Noble. The Chair declared the motion unanimously approved.

CATLETT MUSIC CENTER AUDIOVISUAL SYSTEM

Construction of Phase II of the Catlett Music Center is anticipated to be completed in late May 1998. As a part of the project, an audiovisual system has been designed by the project audiovisual consultant, Acentech, Incorporated of Cambridge, Massachusetts. To complete the project, loud speaker systems and other audiovisual equipment need to be installed in the Paul F. Sharp Concert Hall, the Recital Hall, and Gothic Hall. Other electronic audio and video equipment needs to be installed in the classrooms, control booths and other areas of the building.

Six firms were invited to submit bids for the audiovisual system and two responses were received. One firm (Corey's Audio-Visual) returned its bid form indicating "no bid". On January 12, 1998, a single bid was received from Ford Audio-Video Systems, Inc. of Oklahoma City, as follows:

Base Bid - Concert Hall Audiovisual System	\$225,554
Base Bid - Recital Hall Audiovisual System	38,182
Total Base Bid	<u>\$263,736</u>
Alternate No. 1 - Concert Hall Front Left and Right Loudspeaker Systems	\$ 18,121
Alternate No. 2 - Concert Hall Back Left and Right Loudspeaker Systems	\$ 13,989
Alternate No. 3 - Recital Hall Projection Screen	\$ 9,730
Alternate No. 4 - Recital Hall Mobile Video System	\$ 10,513
Alternate No. 5 - Recital Hall Monitor/Page System	\$ 1,077
Alternate No. 6 - Concert Hall Soundfield Microphone System	\$ 31,223

The bid was evaluated by the following people:

- Jeffrey Bollinger of Acentech, Incorporated, the University's audio-visual consultant
- Allan Ross, Interim Director and Professor, School of Music
- Carolyn Bremer, Associate Professor of Music
- Brian Shepard, Visiting Assistant Professor, School of Music
- Lance Drege, Assistant to the Director, School of Music
- Carole Hunter, Senior Buyer, Purchasing
- David Nordyke, Senior Staff Architect, Architectural and Engineering Services

Ford Audio-Video is a well established firm that has completed numerous projects on a national basis, including a number of other projects on the Norman Campus. However, the firm was the only bidder on the project, thus resulting in a non-competitive bidding situation. In order to insure the best possible value, a detailed value engineering analysis of the project

involving Ford Audio-Video; Acentech, Incorporated; and representatives of the Purchasing Department, Architectural and Engineering Services, and the School of Music will be undertaken. If it is determined that reductions in scope can be made without seriously affecting the overall quality of the system, modifications will be made to the project to reduce costs. Only the equipment and work included in the two base bids is under consideration at this time. The exact amount of the revised purchase order will be developed after performing this analysis.

Funds for this portion of the project were approved as part of the Catlett Music Center, Phase II project budget and are available in the project funds.

President Boren recommended the Board of Regents approve the award of a purchase order in an amount not to exceed \$263,736 to Ford Audio-Video Systems, Inc. for the installation of the Catlett Music Center Audiovisual System.

Regent Hall moved approval of the recommendation. The following voted yes on the motion: Regents Hall, Halverstadt, Lewis, and Noble. The Chair declared the motion unanimously approved.

NORMAN CAMPUS POWER AND CHILLED WATER MASTER PLAN UPDATE

Campus chilled water plants received their last major improvement in 1969. Since that time, no additional capacity has been added. Retrofit and enhancement of the existing equipment have occurred, but expansion has not. The plants and systems have served the University well, but growth and expansion have become the limiting factors.

At the March 1996 meeting, the Board of Regents authorized the administration to select a planning consultant and to proceed with Norman Campus utility master planning. In June 1997, an Agreement for Professional Services was executed with Frankfurt-Short-Bruza (FSB) of Oklahoma City.

A comprehensive analysis was undertaken, including review of the previous master plan, the existing conditions of the utility systems and facilities, anticipated campus upgrades and expansion, environmental factors, and campus land use. Based on this analysis and forecasts of projected utility needs, the master plan for power and chilled water was prepared. Goals of increased efficiency, redundant capacity, safety, and replacement of CFC refrigerants were integral to the development of the plan.

Work on the Power and Chilled Water Master Plan for the Norman Campus has been completed. The Summary of Recommendations from the plan was attached to the agenda item and is attached hereto as Exhibit C. Besides functioning as a typical master plan, this document will also provide detailed information to vendors capable of meeting the University's utility service requirements for their consideration in preparing proposals to that end. The plan represents a sound, reasonable engineering solution to the campus's future power and chilled water challenges.

The plan calls for the following.

- Upgrade and expansion of chilled water plant #1
- Replacement of the existing chilled water plant #2 with a new, larger plant

- Improvements in the chilled water distribution system (piping, pumps valves, etc.)
- Construction of a new electrical substation at a location on south campus to provide redundant electrical supply

The master plan covers a 20-year period, but identifies the potential need for approximately \$36 million in capital improvements during the next 10 years.

President Boren recommended the Board of Regents accept the Power and Chilled Water Master Plan as the guide for future development and improvement of the Norman Campus utility system.

Vice President Driver said this is only a plan with no commitment for funds or actually working on specific projects. This Plan is designed to show where the University needs to be headed over the next 10 years with respect to increased electrical and chilled water demands. Mr. Bill Henwood, Director of the Physical Plant, was present. He provided an overview of the master planning effort. Frankfurt-Short-Bruza consultants have identified options to correct deficiencies that have been found to improve system efficiency, to meet short- and long-term load requirements, and have provided a schedule for implementation as well as budgetary estimates. Mr. Henwood discussed some of the major findings and recommendations.

Regent Hall asked if problems are anticipated this next summer with respect to the chillers. Mr. Henwood responded a new chiller is being installed and a new cooling tower is going up - both will be on-line for summer. Regent Lewis asked if this plan is the bare minimum of need or a "cadillac plan." Mr. Henwood said this is not bare minimum or "cadillac" - it is a realistic plan.

Chairman Bentley requested this Plan be discussed at a Regents' Norman Campus Committee meeting prior to the Board meeting in March.

Regent Halverstadt moved to refer this item to the Regents' Norman Campus Committee for discussion and to place it on the next Board of Regents' meeting agenda. The following voted yes on the motion: Regents Hall, Halverstadt, Lewis, and Noble. The Chair declared the motion unanimously approved.

OKLAHOMA MEMORIAL STADIUM PUBLIC FACILITIES RENOVATION, PHASE II

In December 1997, the Board of Regents approved the design development phase plans; authorized the preparation of final plans and specifications; and authorized the University administration to advertise and receive bids for construction of the Oklahoma Memorial Stadium Public Facilities Renovation, Phase II project.

The project includes both interior and exterior improvements to the east stands of the Oklahoma Memorial Stadium. Base bid work includes the construction of modern new men's and women's restroom facilities to serve those patrons sitting in the east stands of the stadium. Alternate one includes the construction of additional men's and women's restrooms. Alternate two includes the installation of new concourse lighting. Alternate three includes the

re-establishment of glazed window openings in the east facade of the stadium. Alternate four includes the installation of a new sidewalk extending north from the All-American Plaza of the Barry Switzer Center along the east face of the stadium; the area currently consisting of the graveled surface would be replaced with bermuda sod and planted with oak trees. Alternate five includes the replacement of the existing chain link entrance gates with wrought iron style gates. Alternate six includes the construction of four new concession stands.

I. AWARD A CONTRACT

The construction project was advertised and bids were received from six bidders. The bids have been evaluated by the project architects (Hellmuth Obata & Kassabaum, Inc. Sports Facilities Group) and representatives of the University administration (Larry Naifeh, Associate Athletic Director, Michael Moorman, Director, Architectural and Engineering Services, and David Nordyke, Senior Staff Architect, Architectural and Engineering Services). A complete tabulation of the bids received was included in the agenda.

Very competitive and reasonable bids were received for a number of desirable alternates that, if undertaken, would make significant improvements to both the interior and exterior appearances of the east stadium. The Athletic Department will seek to develop additional funds through reallocation of other available project funds that, when combined with the possible cost-savings resulting from undertaking value engineering exercises, would allow the acceptance of the base bid work as well as alternates two through five. If these efforts are successful, then it is recommended that a contract be awarded to Berryman Enterprises, Inc. of Oklahoma City, the low bidder, in an amount not to exceed \$1,237,020 based on the following:

Base Bid	\$1,065,000
Alternate No. Two - Concourse Lighting	57,350
Alternate No. Three - Install Windows at Exterior Wall	31,280
Alternate No. Four - New Exterior Sidewalk and Landscaping	64,900
Alternate No. Five - Install New Entry Gates	<u>18,490</u>
Maximum Contract Amount	\$1,237,020

If a reallocation of funds is not feasible, then it is recommended that a contract be awarded to Berryman Enterprises, Inc., the low bidder, in an amount not to exceed \$1,065,000 for completion of the base bid work. Cost-saving value engineering exercises will be undertaken to help reduce the cost of this work.

If sufficient value engineering reductions cannot be found to reduce the cost of the base bid project, then it is recommended that all bids received be rejected and that the project be rebid to include only the work in alternates two through five. All men's and women's restroom improvements would be delayed until Phase III of the Oklahoma Memorial Stadium Public Facilities Renovation project is undertaken at some future date.

II. SIGN THE AGREEMENT FOR CONSTRUCTION AND ALL NECESSARY CHANGE ORDERS TO THE AGREEMENT FOR CONSTRUCTION

III. MODIFY THE CAMPUS MASTER PLAN

Current funding for the project comes from Oklahoma Development Finance Authority (ODFA) revenue bond funds in the amount of \$1,125,000. If funds are added and the project budget is increased, it will be necessary to modify the Campus Master Plan of Capital Improvements for the Norman Campus.

President Boren recommended the Board of Regents:

- I. Authorize the award a contract in an amount not to exceed \$1,237,020 for the Oklahoma Memorial Stadium Public Facilities Renovation, Phase II project to Berryman Enterprises, Inc. of Oklahoma City, the low bidder, to include the base bid and selected alternates;
- II. Authorize the President or his designee to sign the Agreement for Construction and all necessary change orders to the Agreement for Construction if a contract is awarded; and
- III. Authorize the necessary modifications to the Campus Master Plan of Capital Improvement Projects.

Regent Halverstadt moved approval of the recommendation. The following voted yes on the motion: Regents Hall, Halverstadt, Lewis, and Noble. The Chair declared the motion unanimously approved.

OKLAHOMA MEMORIAL UNION RENOVATION AND ADDITION, PHASE I

At the November 1995 meeting, the Board of Regents authorized the award of a contract for construction of the Oklahoma Memorial Union renovation project. A contract in the amount of \$5,572,251 was subsequently awarded to Flintco, Inc.

Substantial completion inspections of the project were held during the period December 3 through December 10, 1997. In attendance were representatives of Flintco, Inc.; Dewberry Design Group, Inc., the project architects; and the University. The results of the inspections indicated that the project was substantially complete. A punch list of minor work items was developed and given to Flintco, Inc. for correction.

President Boren recommended the Board of Regents:

- I. Accept the Oklahoma Memorial Union Renovation and Addition, Phase I project as substantially complete effective December 22, 1997; and
- II. Authorize the final payment to Flintco, Inc. following completion of all punch list items.

Regent Halverstadt moved approval of the recommendation. The following voted yes on the motion: Regents Hall, Halverstadt, Lewis, and Noble. The Chair declared the motion unanimously approved.

MAX WESTHEIMER AIRPORT RUNWAY AND TAXIWAY PRESERVATION PROJECT

In July 1997, the Board of Regents authorized the administration to receive bids, to award a contract to the lowest and best bidder, and to execute the Agreement for Construction, subject to receipt of a grant from the Oklahoma Aeronautics Commission (OAC). The grant was approved by the OAC, and a contract in the amount of \$117,349 was executed with Tri-City Seal Company, Inc. A report was provided to the Board at the October meeting on the results of the bidding and the receipt of the grant.

A substantial completion inspection of the project was held on December 2, 1997. In attendance were representatives of Tri-City Seal Company, Inc. and the University. The results of the inspection indicated that the project was substantially complete. A punch list of minor work items was developed and given to Tri-City Seal Company, Inc. for correction.

President Boren recommended the Board of Regents:

- I. Accept the Max Westheimer Airport Runway and Taxiway Preservation project as substantially complete effective December 2, 1997; and
- II. Authorize the final payment to Tri-City Seal Company, Inc. following completion of all punch list items.

Regent Lewis moved approval of the recommendation. The following voted yes on the motion: Regents Hall, Halverstadt, Lewis, and Noble. The Chair declared the motion unanimously approved.

L. DALE MITCHELL BASEBALL PARK IMPROVEMENTS

At the September 1997 meeting, the Board of Regents authorized award of a contract for construction of initial elements of the L. Dale Mitchell Baseball Park Improvements project. A construction contract in the amount of \$1,065,000 was awarded to Nashert Constructors, Inc. for this work, which includes construction of the upper concourse, concessions and restrooms, and the canopy roof at the facility. The total project cost for this element of work is \$1,300,000. The work associated with the locker room and the National Championship Meeting Room was deleted from the project in order to keep the project within the approved budget and the funds then available.

The project architects, Triad Design Group, now have completed the design development phase plans for a second phase of the project. This phase will include the team locker room and other related team facilities. The estimated project cost for this second phase of work is \$800,000. This brings the total budget for the first two phases of the L. Dale Mitchell Baseball Park Improvements project to \$2,100,000. This project will be funded with Oklahoma Development Finance Authority revenue bond and private funds.

Design and construction of the National Championship Meeting Room along with other additions to the park will be deferred to a later date and treated as a separate project. This future project will proceed once the project scope and budget have been defined and the necessary additional funding has been identified.

President Boren recommended the Board of Regents:

- I. Approve the design development phase plans for the second phase of the L. Dale Mitchell Baseball Park Improvements project;
- II. Approve an increase in the total project budget for phases one and two of the project from \$1,800,000 to \$2,100,000 and authorize the necessary changes to the Campus Master Plan of Capital Improvement Projects for the Norman Campus;

- III. Authorize the preparation of final plans and specifications for the project; and
- IV. Authorize the University administration to advertise the project for bids and to receive bids for construction.

Regent Halverstadt moved approval of the recommendation. The following voted yes on the motion: Regents Hall, Halverstadt, Lewis, and Noble. The Chair declared the motion unanimously approved.

ON-CALL ARCHITECTS AND ENGINEERS

In March 1996, the Board of Regents authorized the administration to proceed with the selection of consultant architects and engineers to provide professional services for small projects. At that time, it was indicated that the administration would provide a quarterly report to the Board of the work completed by each architect or engineer during the period. In June 1996, the Board authorized a group of architectural and engineering firms to provide professional services on an on-call basis to the University.

The work completed by on-call architectural and engineering firms during the second quarter of Fiscal Year 1998 is summarized below.

For the Norman Campus:

<u>Firm Name</u>	<u>Date Initiated</u>	<u>Work Performed</u>	<u>Fee</u>
Robert B. Hendrick and Sons Co., Inc.	September 9, 1997	Topographic Survey (Cate Honors Facility)	\$4,300
Gary Sparks Companies	June 20, 1997	Elevator Upgrade Master Plan, Part I	\$25,000

For the Health Sciences Center:

<u>Firm Name</u>	<u>Date Initiated</u>	<u>Work Performed</u>	<u>Fee</u>
Cornforth Associates	November 13, 1997	Structural Engineering (Keys Speech and Hearing Elevator Addition)	\$2,192
Determan-Scheirman Consulting Engineers	October 3, 1997	ADA Phase III (Keys Speech and Hearing Elevator Addition)	\$731

This was reported for information only. No action was required.

QUARTERLY REPORT OF PURCHASES

Current Board of Regents' policy requires that all purchase obligations over \$100,000, and all purchases between \$75,000 and \$100,000 that are not awarded to the lowest competitive bidder be referred to the Board of Regents for approval. In addition to these purchase

approvals by the Board, there is a Quarterly Report to the Board summarizing all competitively awarded purchases between \$35,000 and \$100,000 which is provided to the Board of Regents as an information item. The Quarterly Report for October 1, 1997 through December 31, 1997 was included in the agenda

This report was presented for information. No action was required.

HONORARY DEGREE POLICY

Proposed changes are underlined and deletions are lined through:

Awarding of Honorary Degrees - Section 2.20

SELECTION: Nominations are encouraged by ~~September 1~~ March 1 each year for the awards to be presented the following spring. ~~and~~ Nominations will be reviewed and evaluated by ~~an~~ the Honorary Degree Screening Committee reporting to the President. It shall consist of:

- Provost of the Norman Campus
- Provost of the Health Sciences Center
- Vice President for University Affairs Development
- Associate Vice President for Public Affairs
- two members of the Faculty Awards and Honors Committee, one appointed by the Faculty Awards and Honors Committee, and one appointed by the President
- one Norman Campus faculty member appointed by the Norman Campus Faculty Senate
- one Health Sciences Center faculty member appointed by the Health Sciences Faculty Senate
- three deans of degree recommending colleges (two from the Norman Campus and one from the Health Sciences Center Campus) appointed by the President
- one member of the OU Board of Regents appointed by the Chairman of the Board

Members other than the Provosts, Vice President for University Affairs Development, Associate Vice President for Public Affairs and Regent will serve one three-year term and may not be appointed to a consecutive term.

All nominations for honorary degrees must be acted upon by the Honorary Degrees Screening Committee.

The Committee shall conduct its deliberations in secret and the nominations shall be kept secret. The Committee will forward its recommendation(s) to the President by ~~November 1~~ May 1 so that the President may make a recommendation to the Board of Regents at its ~~December~~ June or July meeting. ~~Invitations to the recipients should be issued no later than February 1.~~ The President may choose not to forward one or more of the recommended recipients to the Board of Regents. The President will seek the approval of the State Board of Regents at its earliest scheduled meeting. Invitations to the recipients should be issued in early fall.

President Boren recommended the Board of Regents approve changes to the Honorary Degree policy as proposed.

Regent Halverstadt moved approval of the recommendation. The following voted yes on the motion: Regents Hall, Halverstadt, Lewis, and Noble. The Chair declared the motion unanimously approved.

HONORARY DEGREES

The Board of Regents' policy and the policy of the Oklahoma State Regents for Higher Education on awarding honorary degrees states that nominees and alternate(s) must be approved by the Board of Regents prior to awarding of the degrees. The policy of the Oklahoma State Regents for Higher Education on awarding honorary degrees was included in the agenda for reference. The names of the nominees and alternate(s) must be kept confidential until final arrangements have been made for nominees to be present at Commencement.

President Boren recommended the nominees and alternate(s) presented in his letter of January 13, 1998 to the Board of Regents be approved to receive honorary degrees at the Spring, 1998 Commencement.

Regent Lewis moved approval of the recommendation. The following voted yes on the motion: Regents Hall, Halverstadt, Lewis, and Noble. The Chair declared the motion unanimously approved.

REVISIONS TO REGENTS' POLICY ON CERTIFICATIONS AND DIPLOMAS

A copy of the complete Policy on Certifications and Diplomas was included in the agenda for reference. The following revisions are proposed (deletions are lined through and additions are underlined):

2.18 CERTIFICATIONS AND DIPLOMAS

(2) The Office of Admissions and Records is charged with the responsibility of administering the regulations governing the issuance of certificates. Except for those prepared by the Health Sciences Center and by Continuing Education and Public Service as provided elsewhere in this policy, all certificates are to be printed under the supervision of the Office of Admissions and Records with their design and typography being prescribed by the Office of Admissions and Records. ~~in consultation with the University Press. The University Press shall print all certificates to the extent to which their facilities and schedule permit such printing.~~

President Boren recommended the Regents' Policy on Certifications and Diplomas be revised as proposed.

Regent Lewis moved approval of the recommendation. The following voted yes on the motion: Regents Hall, Halverstadt, Lewis, and Noble. The Chair declared the motion unanimously approved.

ACADEMIC PERSONNEL ACTIONS**Norman Campus:****LEAVES OF ABSENCE:**

Greene, Ellen S., Associate Professor of Classics, sabbatical leave of absence with full pay, January 1, 1998 through May 15, 1998, postponed until fall 1998.

Mallinson, Richard, Associate Professor of Chemical Engineering and Materials Science, sabbatical leave of absence with full pay, January 1, 1998 through December 30, 1998 changed to sabbatical leave of absence with half pay, August 16, 1998 through May 15, 1999.

Tharp, Jr., Paul A., Associate Professor of Political Science, short term disability leave of absence with pay, October 28, 1997 through May 15, 1998.

APPOINTMENTS OR REAPPOINTMENTS:

Conway, John W., reappointed Research Associate, Cooperative Institute for Mesoscale Meteorological Studies, salary remains at annual rate of \$45,604 for 12 months (\$3,800.34 per month), December 1, 1997 through June 30, 1998. Paid from grant funds; subject to availability of funds.

Cortinas, Jr., John V., reappointed Research Scientist, Cooperative Institute for Mesoscale Meteorological Studies, salary remains at annual rate of \$52,381 for 12 months (\$4,365.11 per month), December 1, 1997 through June 30, 1998. Paid from grant funds; subject to availability of funds.

Dodson, Arlis B., reappointed Research Associate, Cooperative Institute for Mesoscale Meteorological Studies, salary remains at annual rate of \$57,360 for 12 months (\$4,780.02 per month), December 20, 1997 through June 30, 1998. Paid from grant funds; subject to availability of funds.

Elmore, Kimberly L., reappointed Research Associate, Cooperative Institute for Mesoscale Meteorological Studies, salary remains at annual rate of \$48,788 for 12 months (\$4,065.67 per month), December 20, 1997 through June 30, 1998. Paid from grant funds; subject to availability of funds.

High, Nathan R., Adjunct Instructor in Architecture, annual rate of \$10,000 for 9 months (\$833.33 per month), .20 time, January 1, 1998 through May 15, 1998.

Horton, Andrew S., Ph.D., Jeanne Hoffman Smith Professor in Film and Video Studies with tenure, annual rate of \$70,000 for 9 months (\$7,777.78 per month), August 16, 1998.

Jing, Zhongqi, reappointed Research Scientist, Cooperative Institute for Mesoscale Meteorological Studies, salary remains at annual rate of \$71,519 for 12 months (\$5,959.90 per month), December 1, 1997 through June 30, 1998. Paid from grant funds; subject to availability of funds.

Keck, Thomas Moylan, Assistant Professor of Political Science, annual rate of \$36,000 for 9 months (\$4,000.00 per month), August 16, 1998 through May 15, 1999. If Ph.D. not completed by August 16, 1998, title to be changed to Acting Assistant Professor and salary changed to \$34,000 for 9 months.

Kogan, Yefim L., reappointed Research Scientist, Cooperative Institute for Mesoscale Meteorological Studies, salary remains at annual rate of \$68,817 for 12 months (\$5,734.72 per month), December 1, 1997 through February 28, 1998. Paid from grant funds; subject to availability of funds.

Lamb, William J., reappointed Research Associate, School of Geology and Geophysics, salary remains at annual rate of \$70,000 for 12 months (\$5,833.33 per month), January 1, 1998 through March 31, 1998. Paid from grant funds; subject to availability of funds.

Lin, Rong, reappointed Research Associate, Department of Chemistry and Biochemistry, salary remains at annual rate of \$20,004 for 12 months (\$1,667.00 per month), .50 time, January 1, 1998 through May 31, 1998. Paid from grant funds; subject to availability of funds.

Marzban, Caren, reappointed Research Scientist, Cooperative Institute for Mesoscale Meteorological Studies, salary remains at annual rate of \$45,604 for 12 months (\$3,800.34 per month), November 6, 1997 through June 30, 1998. Paid from grant funds; subject to availability of funds.

Melnikov, Valery M., reappointed Research Scientist, Cooperative Institute for Mesoscale Meteorological Studies, salary remains at annual rate of \$48,000 for 12 months (\$4,000.00 per month), January 1, 1998 through June 30, 1998. Paid from grant funds; subject to availability of funds.

Mitchell, Edwin D., reappointed Research Associate, Cooperative Institute for Mesoscale Meteorological Studies, salary remains at annual rate of \$43,752 for 12 months (\$3,646.00 per month), January 1, 1998 through June 30, 1998. Paid from grant funds; subject to availability of funds.

O'Brien, Dennis Jay, Ph.D., John A. and Donnie Brock Chair, Professor, and Director, Energy Economics and Policy/Affiliate, OU International Academic Programs, annual rate of \$85,000 for 9 months (\$9,444.44 per month), January 1, 1998 through May 15, 1998.

Owens, Jr., Thomas J., Ph.D., Assistant Professor of Educational Leadership and Policy Studies, annual rate of \$41,000 for 9 months (\$4,555.55 per month), January 1, 1998 through May 15, 1998.

Portis, Diane M., reappointed Research Associate, Cooperative Institute for Mesoscale Meteorological Studies, salary remains at annual rate of \$33,935 for 12 months (\$2,827.91 per month), .75 time, January 1, 1998 through June 30, 1998. Paid from grant funds; subject to availability of funds.

Rasmussen, Erik N., reappointed Research Scientist, Cooperative Institute for Mesoscale Meteorological Studies, salary remains at annual rate of \$58,856 for 12 months (\$4,904.66 per month), January 1, 1998 through June 30, 1998. Paid from grant funds; subject to availability of funds.

Ray, Jr., Thomas Shelby, Ph.D., Professor of Zoology with tenure, annual rate of \$100,000 for 9 months (\$11,111.11 per month), August 16, 1998. (New tenured faculty.)

Schuur, Terry J., reappointed Research Scientist, Cooperative Institute for Mesoscale Meteorological Studies, salary remains at annual rate of \$41,580 for 12 months (\$3,465.00 per month), November 25, 1997 through June 30, 1998. Paid from grant funds; subject to availability of funds.

Scott, Thurman E., reappointed Senior Research Associate, Energy Center Director's Office, salary remains at annual rate of \$49,995 for 12 months (\$4,166.25 per month), January 1, 1998 through June 30, 1998. Paid from grant funds; subject to availability of funds.

Spear, David B., Adjunct Instructor in Architecture, annual rate of \$10,667 for 9 months (\$888.89 per month), .20 time, January 1, 1998 through May 15, 1998.

Trapp, Robert J., reappointed Research Scientist, Cooperative Institute for Mesoscale Meteorological Studies, salary remains at annual rate of \$44,210 for 12 months (\$3,684.18 per month), November 23, 1997 through June 30, 1998. Paid from grant funds; subject to availability of funds.

Tucker, Edwin E., reappointed Adjunct Professor of Chemistry and Biochemistry and Senior Research Associate, Department of Chemistry and Biochemistry, salary remains at annual rate of \$61,800 for 12 months (\$5,150.00 per month), January 1, 1998 through April 30, 1998. Paid from grant funds; subject to availability of funds.

Ward, Michael N., Research Associate Professor of Meteorology and Senior Research Scientist, Cooperative Institute for Mesoscale Meteorological Studies, annual rate of \$65,000 for 12 months (\$5,416.67 per month), January 1, 1998 through June 30, 1998. Paid from grant funds; subject to availability of funds.

Zaras, Daphne S., reappointed Research Associate, Cooperative Institute for Mesoscale Meteorological Studies, salary remains at annual rate of \$40,543 for 12 months (\$3,378.62 per month), November 23, 1997 through June 30, 1998. Paid from grant funds; subject to availability of funds.

CHANGES:

Knapp, Roy M., Mewbourne Professor of Petroleum and Geological Engineering; reappointed Interim Director, School of Petroleum and Geological Engineering, January 1, 1998 through June 30, 1998.

Lewelling, Kevin R., reappointed Adjunct Assistant Professor of Electrical Engineering, salary changed from annual rate of \$26,300 for 9 months (\$2,922.22 per month), .50 time, to annual rate of \$27,002 for 9 months (\$3,000.22 per month), .50 time, January 1, 1998 through May 15, 1998.

Nitzov, Boyko M., reappointed Research Associate, Energy Center Director's Office, salary changed from annual rate of \$40,000 for 12 months (\$3,333.33 per month), .75 time, to annual rate of \$24,000 for 12 months (\$2,000.00 per month), .50 time, January 1, 1998 through June 30, 1998. Paid from grant funds; subject to availability of funds.

Pitstick, Gerald M., reappointed Adjunct Assistant Professor of Electrical Engineering, salary changed from annual rate of \$20,800 for 9 months (\$2,311.12 per month), .50 time, to annual rate of \$13,900 for 9 months (\$1,544.44 per month), .25 time, January 1, 1998 through May 15, 1998.

Richardson, Scott J., Research Scientist, Cooperative Institute for Mesoscale Meteorological Studies; given additional appointment as Research Scientist, Oklahoma Climatological Survey; salary changed from annual rate of \$20,140 for 12 months (\$1,678.34 per month), .50 time, to annual rate of \$40,280 for 12 months (\$3,356.68 per month), full time, December 1, 1997 through June 30, 1998. Paid from grant funds; subject to availability of funds.

Solovtsov, Igor L., Visiting Research Associate, Department of Physics and Astronomy, salary changed from annual rate of \$24,000 for 12 months (\$2,000.00 per month) to annual rate of \$48,000 for 12 months (\$4,000.00 per month), November 20, 1997 through December 31, 1997.

Budget correction.

Wagener, Jerrold L., reappointed Adjunct Professor of Computer Science, salary changed from annual rate of \$12,000 for 9 months (\$1,333.34 per month), .25 time, to annual rate of \$24,000 for 9 months (\$2,666.68 per month), .50 time, January 1, 1998 through May 15, 1998.

Exception to Nepotism Policy

Professor Luis Cortest was appointed as Chair of the Department of Modern Languages, Literatures and Linguistics in January, 1992, and subsequently reappointed as Chair beginning January 1, 1995. However, no provisions were made regarding the appointment of his wife, Rachel W. Cortest, as a Visiting Lecturer in the Department. Mrs. Cortest was first appointed to teach Spanish in the department in 1988. In order to comply with the Regents' Nepotism Policy, it has been arranged that Rachel Cortest's courses be assigned and evaluated by the coordinator for 1000-level Spanish courses and Professor Cortest will play no role in her assignments or evaluations. This exception is reported as required by the Regents' Nepotism Policy.

RESIGNATIONS AND/OR TERMINATIONS:

Ha, Louisa, Assistant Professor of Journalism and Mass Communication, December 31, 1997.

Havener, W. Michael, Associate Professor of Library and Information Studies, January 1, 1999.

Hummel, Ralph P., Associate Professor of Political Science, December 5, 1997.

Legates, David R., Associate Professor of Geography, December 31, 1997.

Health Sciences Center:

LEAVES OF ABSENCE:

Netherton, Sandra, Clinical Assistant Professor of Psychiatry and Behavioral Sciences, short term disability leave of absence with pay, December 10, 1997 to May 4, 1998.

Porter, Brenda, Assistant Professor of Nursing, short term disability leave of absence with pay, December 18, 1997 (first seven days of leave without pay due to no paid leave account).

APPOINTMENTS OR REAPPOINTMENTS:

Acker, Robin E., M.D., Clinical Assistant Professor of Radiological Sciences, annual rate of \$50,000 for 12 months (\$4,166.67 per month), .60 time, December 1, 1997 through June 30, 1998.

Beebe, Laura Ann, Ph.D., Assistant Professor of Biostatistics and Epidemiology and Project Coordinator, Health Agency Training, Department of Biostatistics and Epidemiology, annual rate of \$47,500 for 12 months (\$3,958.34 per month), December 1, 1997 through June 30, 1998.

Botchkarev, Alexei, Ph.D., Assistant Professor of Biochemistry and Molecular Biology, annual rate of \$60,000 for 12 months (\$5,000.00 per month), May 1, 1998 through June 30, 1998.

Claxton, Anthony Lee, M.D., Associate Professor of Psychiatry and Behavioral Sciences, annual rate of \$86,600 for 12 months (\$7,216.67 per month), November 15, 1997 through June 30, 1998.

McKenzie, Ernest J., M.D., Clinical Assistant Professor of Radiological Sciences, annual rate of \$50,000 for 12 months (\$4,166.67 per month), November 26, 1997 through June 30, 1998.

Reynolds, Suzanne A., Pharm.D., Clinical Assistant Professor of Pharmacy Practice, annual rate of \$52,000 for 12 months (\$4,333.34 per month), November 15, 1997 through June 30, 1998.

CHANGES:

Blackstock, Rebecca, Associate Professor of Microbiology and Immunology, salary changed from annual rate of \$45,601 for 12 months (\$3,800.09 per month) to annual rate of \$47,425 for 12 months (\$3,952.08 per month), January 1, 1998. Budget correction.

Couch, James R., Professor and Chair of Neurology; given additional title The Lynn Chair in Neurology, January 1, 1998.

Hamilton, Donald R., Assistant Professor of Pediatrics, Tulsa; changed from tenure track to consecutive term faculty, December 1, 1997 through June 30, 1998.

Kathuria, Pranay, title changed from Assistant Professor to Clinical Assistant Professor of Internal Medicine, Tulsa; beginning date of appointment changed from September 1, 1997 to November 12, 1997 through June 30, 1998.

Lane, Connie J., Clinical Assistant Professor of Medicine, Tulsa, salary changed from annual rate of \$12,480 for 12 months (\$1,040.00 per month), .10 time, to without remuneration, October 31, 1997.

McKnight, Patricia A., Clinical Professor of Psychiatry and Behavioral Sciences, salary changed from annual rate of \$4,000 for 12 months (\$333.34 per month), .05 time, to annual rate of \$10,000 for 12 months (\$833.33 per month), 12.5 time, January 1, 1998 through June 30, 1998.

Nyame, Kwame, title changed from Research Associate to Assistant Professor of Research, Department of Biochemistry and Molecular Biology, December 1, 1997.

Raskob, Gary E., Associate Professor of Biostatistics and Epidemiology and of Medicine, salary changed from annual rate of \$68,447 for 12 months (\$5,703.91 per month) to annual rate of \$75,692 for 12 months (\$6,307.66 per month), January 1, 1998 through June 30, 1998. Increase for additional responsibilities for Hematology/Oncology Section.

Root, Paula, title changed from Assistant Professor to Clinical Assistant Professor of Family and Preventive Medicine, salary changed from annual rate of \$71,262 for 12 months (\$5,938.50 per month) to without remuneration, November 30, 1997 (with accrued vacation through January 2, 1998).

Sutter, Steven H., Assistant Professor of Dermatology, salary changed from annual rate of \$92,000 for 12 months (\$7,666.67 per month) to annual rate of \$135,000 for 12 months (\$11,250.00 per month), September 1, 1997 through June 30, 1998. Salary represents a temporary addition to maximize clinical research and facilities supported by Veterans Affairs Medical Center and Presbyterian Health Foundation grant.

Thompson, Glenn C., Associate Professor of Otorhinolaryngology; changed from tenure track to consecutive term, July 1, 1997 through June 30, 1998.

White, David A., Clinical Assistant Professor of Medicine, Tulsa, salary changed from annual rate of \$5,200 for 12 months (\$433.33 per month), .10 time, to annual rate of \$12,480 for 12 months (\$1,040.00 per month), .10 time, January 1, 1998 through June 30, 1998. (Mid-year salary adjustment in clinic standard rate.)

RESIGNATIONS AND/OR TERMINATIONS:

Herrera, Denise R., Clinical Assistant Professor of Physical Therapy, December 19, 1997 (with accrued vacation through February 4, 1998).

Kolodziej, Michael, Associate Professor of Medicine, December 31, 1997 (with accrued vacation through January 30, 1998).

Lerious, Valentine, Research Instructor in Ophthalmology, February 28, 1998.

Nelson, Daniel A., Clinical Assistant Professor of Psychiatry and Behavioral Sciences, Tulsa, January 9, 1998.

Resta, Regina, Assistant Professor of Medicine, December 31, 1997 (with accrued vacation through February 16, 1998).

Syzek, Elizabeth J., Assistant Professor of Radiological Sciences and Section Chief, Radiation Therapy, December 31, 1997 (with accrued vacation through January 27, 1998).

RETIREMENTS:

Sabala, Clyde L., Professor and Chair of Endodontics, December 31, 1997 (with accrued vacation through February 24, 1998); named Professor Emeritus of Endodontics.

Srouji, Elias, Professor of Pediatrics, December 31, 1997 (with accrued vacation through February 11, 1998).

Tunell, William P., Professor of Surgery, December 31, 1997 (with accrued vacation through February 16, 1998); named Clinical Professor of Surgery.

President Boren recommended the Board of Regents approve the academic personnel actions shown above.

Regent Halverstadt moved approval of the recommendation. The following voted yes on the motion: Regents Hall, Halverstadt, Lewis, and Noble. The Chair declared the motion unanimously approved.

ADMINISTRATIVE AND PROFESSIONAL PERSONNEL ACTIONS**Norman Campus:****APPOINTMENTS OR REAPPOINTMENTS:**

Adams, Richard W., Software Engineer, Cooperative Institute for Mesoscale Meteorological Studies, annual rate of \$48,500 for 12 months (\$4,041.67 per month), January 5, 1998 through June 30, 1998. Professional Staff. Paid from grant funds; subject to availability of funds.

Barlow, George, Jr., Assistant Football Coach, Athletic Department, annual rate of \$40,000 for 12 months (\$3,333.33 per month), December 1, 1997. Professional Staff.

Benner, Mark R., reappointed Senior Systems Analyst, Cooperative Institute for Mesoscale Meteorological Studies, salary remains at annual rate of \$45,604 for 12 months (\$3,800.34 per month), December 1, 1997 through June 30, 1998. Professional Staff. Paid from grant funds; subject to availability of funds.

Bennett, Phil G., Assistant Football Coach, Athletic Department, annual rate of \$70,000 for 12 months (\$5,833.33 per month), January 12, 1998. Professional Staff.

Burcham, Darwin H., reappointed Senior Software Engineer, Cooperative Institute for Mesoscale Meteorological Studies, salary remains at annual rate of \$61,754 for 12 months (\$5,146.13 per month), November 29, 1997 through June 30, 1998. Professional Staff. Paid from grant funds; subject to availability of funds.

Buzzard, Martha A., reappointed Senior Program Development Specialist, Department of Public Management, salary remains at annual rate of \$10,135 for 12 months (\$844.58 per month), .25 time, January 1, 1998 through June 30, 1998. Professional Staff. Paid from grant funds; subject to availability of funds.

Cates, Carla L., reappointed Manager, Administration and Operations, Energy Center Director's Office, salary remains at annual rate of \$41,986 for 12 months (\$3,498.83 per month), January 1, 1998 through June 30, 1998. Managerial Staff. Paid from grant funds; subject to availability of funds.

Cruickshank, Donald J., reappointed Manager, Network Services, Energy Center Director's Office, salary remains at annual rate of \$46,776 for 12 months (\$3,898.00 per month), January 1, 1998 through June 30, 1998. Managerial Staff. Paid from grant funds; subject to availability of funds.

Forren, Eddie, reappointed Senior Software Engineer, Cooperative Institute for Mesoscale Meteorological Studies, salary remains at annual rate of \$52,992 for 12 months (\$4,416.00 per month), November 22, 1997 through June 30, 1998. Professional Staff. Paid from grant funds; subject to availability of funds.

Horn, Jeffrey D., reappointed Senior Software Engineer, Cooperative Institute for Mesoscale Meteorological Studies, salary remains at annual rate of \$45,996 for 12 months (\$3,833.00 per month), December 1, 1997 through June 30, 1998. Professional Staff. Paid from grant funds; subject to availability of funds.

Kennedy, Douglas W., reappointed Data Manager, Cooperative Institute for Mesoscale Meteorological Studies, salary remains at annual rate of \$44,212 for 12 months (\$3,684.34 per month), January 1, 1998 through June 30, 1998. Professional Staff. Paid from grant funds; subject to availability of funds.

Knudson, David P., Coordinator, Field Operations, College of Continuing Education, annual rate of \$41,500 for 12 months (\$3,458.33 per month), December 1, 1997 through September 30, 1998. Professional Staff.

Lakshmanan, Valliappa, reappointed Programmer/Analyst II, Cooperative Institute for Mesoscale Meteorological Studies, salary remains at annual rate of \$50,782 for 12 months (\$4,231.86 per month), January 1, 1998 through June 30, 1998. Professional Staff. Paid from grant funds; subject to availability of funds.

Poarch, David A., Law Center Program Director, Development/Alumni/Career Services, College of Law, annual rate of \$65,000 for 12 months (\$5,416.67 per month), November 24, 1997. Managerial Staff.

Priegnitz, David L., reappointed Senior Software Engineer, Cooperative Institute for Mesoscale Meteorological Studies, salary remains at annual rate of \$57,355 for 12 months (\$4,779.60 per month), December 1, 1997 through June 30, 1998. Professional Staff. Paid from grant funds; subject to availability of funds.

Rice, Craig E., Staff Physician, Goddard Health Center, annual rate of \$90,000 for 12 months (\$7,500.00 per month), January 26, 1998. Professional Staff.

Riggan, Jr., William E., reappointed Executive Associate Editor and Interim Director, World Literature Today, salary remains at annual rate of \$62,239 for 12 months (\$5,186.52 per month), January 1, 1998 through February 28, 1998.

Skaggs, Gary A., reappointed Manager, Network Services, Cooperative Institute for Mesoscale Meteorological Studies, salary remains at annual rate of \$42,799 for 12 months (\$3,566.59 per month), December 1, 1997 through June 30, 1998. Managerial Staff. Paid from grant funds; subject to availability of funds.

Smith, James A., Coordinator, Field Operations, College of Continuing Education, annual rate of \$43,000 for 12 months (\$3,583.33 per month), November 15, 1997 through September 30, 1998. Professional Staff.

Standefer, William E., Institutional Research Systems Analyst, Department of Institutional Research, annual rate of \$44,000 for 12 months (\$3,666.67 per month), January 6, 1998. Professional Staff. Transferred from Health Sciences Center.

Stumpf, Gregory J., reappointed Senior Scientific Programmer/Analyst, Cooperative Institute for Mesoscale Meteorological Studies, salary remains at annual rate of \$48,392 for 12 months (\$4,032.63 per month), January 1, 1998 through June 30, 1998. Professional Staff. Paid from grant funds; subject to availability of funds.

Thomas, Keith J., Assistant Football Coach, Athletic Department, annual rate of \$60,000 for 12 months (\$5,000.00 per month), December 19, 1997. Professional Staff.

Thomas, Kevin W., reappointed Senior Scientific Programmer/Analyst, Cooperative Institute for Mesoscale Meteorological Studies, salary remains at annual rate of \$48,563 for 12 months (\$4,046.93 per month), January 1, 1998 through June 30, 1998. Professional Staff. Paid from grant funds; subject to availability of funds.

Thompson, John L., reappointed Senior Software Engineer, Cooperative Institute for Mesoscale Meteorological Studies, salary remains at annual rate of \$54,996 for 12 months (\$4,583.00 per month), November 8, 1997 through June 30, 1998. Professional Staff. Paid from grant funds; subject to availability of funds.

Thurston, Tad R., Software Engineer, Cooperative Institute for Mesoscale Meteorological Studies, annual rate of \$46,000 for 12 months (\$3,833.33 per month), December 15, 1997 through June 30, 1998. Professional Staff. Paid from grant funds; subject to availability of funds.

Washington, Sherwood, Director of Personnel, Personnel Services, annual rate of \$80,000 for 12 months (\$6,666.67 per month), March 2, 1998. Administrative Officer.

White, James D., reappointed Assistant Director, Advanced Center for Genome Technology, Department of Chemistry and Biochemistry, salary remains at annual rate of \$65,000 for 12 months (\$5,416.66 per month), January 1, 1998 through May 15, 1998. Paid from grant funds; subject to availability of funds.

CHANGES:

Brogden, Jeffrey W., Senior Software Engineer, Cooperative Institute for Mesoscale Meteorological Studies, salary corrected from annual rate of \$55,679 for 12 months (\$4,639.92 per month) to annual rate of \$57,492 for 12 months (\$4,791.00 per month), November 17, 1997 through June 30, 1998. Original paperwork submitted incorrect salary. Paid from grant funds; subject to availability of funds.

Drayton, John N., title changed from Interim Director to Director, University Press; titles Assistant Director and Editor-in-Chief, University Press, deleted; salary changed from annual rate of \$61,771 for 12 months (\$5,147.58 per month) to annual rate of \$92,355 for 12 months (\$7,696.25 per month), October 1, 1997. Changed from Administrative Staff to Administrative Officer.

Duca, Sylvia V., Program Director, Oklahoma Climatological Survey, salary changed from annual rate of \$53,310 for 12 months (\$4,442.53 per month) to annual rate of \$57,672 for 12 months (\$4,806.00 per month), July 1, 1997 through June 30, 1998. Increase in grant funds. Paid from grant funds; subject to availability of funds.

Geis, Donald R., Assistant Dean of External Relations, College of Engineering, salary changed from annual rate of \$13,500 for 12 months (\$1,125.00 per month), .20 time, to annual rate of \$14,500 for 12 months (\$1,208.33 per month), .20 time, January 1, 1998 through June 30, 1998. Due to Social Security restrictions, increase was not given in October.

Gilmore, Suzanne S., Manager, Payroll and Records, Personnel Services, salary changed from annual rate of \$43,500 for 12 months (\$3,625.00 per month) to annual rate of \$55,000 for 12 months (\$4,583.33 per month), November 1, 1997; title changed to Assistant Director of Personnel, Personnel Services, March 2, 1998. Changed from Managerial Staff to Administrative Staff.

Gissey, Francine M., title changed from Program Director to Interim Director, Business and Economic Development, College of Continuing Education, salary temporarily changed from annual rate of \$52,862 for 12 months (\$4,405.16 per month) to annual rate of \$53,062 for 12 months (\$4,605.16 per month), November 1, 1997. Managerial Staff.

Hatlelid, Carl M., reappointed Special Project Consultant, Center for Computational Geosciences, salary changed from annual rate of \$30,000 for 12 months (\$2,500.00 per month), .50 time, to annual rate of \$60,000 for 12 months (\$5,000.00 per month), full time, January 1, 1998 through February 28, 1998. Paid from grant funds; subject to availability of funds.

Jackson, Bobby, promoted from Supervisor, Landscape and Grounds to Assistant Manager, Landscape and Grounds, Physical Plant, salary increased from annual rate of \$32,698 for 12 months (\$15.72 per hour) to annual rate of \$42,000 for 12 months (\$3,500.00 per month), January 1, 1998. Changed from Hourly to Managerial Staff.

Ketner, Gregory C., Manager, Systems Analysis; transferred from Department of Computing and Telecommunications Services to College of Law; salary changed from annual rate of \$37,280 for 12 months (\$3,106.67 per month) to annual rate of \$43,000 for 12 months (\$3,583.33 per month), January 1, 1998. Professional Staff.

Kumin, Elaine F., Assistant Director, Scholar-Leadership Enrichment Program, salary changed from annual rate of \$32,066 for 12 months (\$2,672.16 per month), .75 time, to annual rate of \$42,755 for 12 months (\$3,562.88 per month), full time, January 1, 1998.

Langston, Charles L., Assistant Football Coach, Athletic Department, salary changed from annual rate of \$30,000 for 12 months (\$2,500.00 per month) to annual rate of \$40,000 for 12 months (\$3,333.33 per month), December 1, 1997. Increased responsibilities.

Lehmann, Michael A., title changed from Programmer/Analyst II to Software Engineer, Cooperative Institute for Mesoscale Meteorological Studies, salary changed from annual rate of \$39,308 for 12 months (\$3,275.66 per month) to annual rate of \$41,273 for 12 months (\$3,439.42 per month), December 1, 1997 through June 30, 1998. Professional Staff. Paid from grant funds; subject to availability of funds.

McPherson, Renee A., title changed from Manager, Technical Projects, to Assistant Director, Oklahoma Climatological Survey, salary changed from annual rate of \$44,981 for 12 months (\$3,748.41 per month) to annual rate of \$47,494 for 12 months (\$3,957.83 per month), January 1, 1998 through June 30, 1998. Managerial Staff.

Morrow, Brett A., Senior Systems Analyst; changed from Cooperative Institute for Mesoscale Meteorological Studies to Oklahoma Climatological Survey; salary remains at annual rate of \$41,580 for 12 months (\$3,465.00 per month), December 1, 1997 through June 30, 1998. Professional Staff. Paid from grant funds; subject to availability of funds.

Summers, Ann L., title changed from Property Manager to Interim Administrator, University Research Park, salary changed from annual rate of \$37,815 for 12 months (\$3,151.25 per month) to annual rate of \$42,015 for 12 months (\$3,501.25 per month), January 5, 1998.

Tarver, Jerry D., title changed from Supervisor, Facilities Operations to Manager, Forum and Conference Services, Oklahoma Memorial Union Administrative Services, salary changed from annual rate of \$37,440 for 12 months (\$18.90 per hour) to annual rate of \$42,303 for 12 months (\$3,525.25 per month), February 1, 1998. Changed from Hourly to Managerial Staff.

LEAVE OF ABSENCE:

Underwood, John A., Classification Pending, Athletic Department, continuation of administrative leave of absence with pay, January 1, 1998 through February 28, 1998.

RESIGNATIONS AND/OR TERMINATIONS:

Jackson, Jan L., Budget Director, Norman Campus, January 23, 1998.

Moore, John A., Controller, Norman Campus, January 31, 1998.

Pope, Kenith V., Classification Pending, Athletic Department, January 5, 1998.

RETIREMENTS:

Smith, Judith S., Coordinator, Training and Development, Personnel Services, January 31, 1998.

Weddle, Karen S., Systems Analyst, University Computing Services , December 31, 1997.

Health Sciences Center:

APPOINTMENT OR REAPPOINTMENT:

Hendrix, Donna, Senior Systems Analyst, Department of Information Technology, annual rate of \$48,156 for 12 months (\$4,012.92 per month), December 11, 1997. Professional Staff.

CHANGES:

Ables-Denison, Dina L., title changed from Manager, Migration Training and Documentation Project, Personnel Services, to Manager, Enterprise Training and Documentation, Department of Information Technology, salary changed from annual rate of \$40,956 for 12 months (\$3,413.00 per month) to annual rate of \$41,600 for 12 months (\$3,466.67 per month), January 1, 1998. Managerial Staff.

Coffman, Dean, Rapid Applications Development Specialist, Department of Information Technology, salary changed from annual rate of \$36,000 for 12 months (\$3,000.00 per month) to annual rate of \$40,000 for 12 months (\$3,333.33 per month), January 1, 1998. Professional Staff. Market equity increase.

Ebbs, Michael, Rapid Applications Development Specialist, Department of Information Technology, salary changed from annual rate of \$36,000 for 12 months (\$3,000.00 per month) to annual rate of \$40,000 for 12 months (\$3,333.33 per month), January 1, 1998. Professional Staff. Market equity increase.

Lathrop, Robert, Database Analyst, Department of Information Technology, salary changed from annual rate of \$40,950 for 12 months (\$3,412.50 per month) to annual rate of \$44,226 for 12 months (\$3,686.50 per month), January 1, 1998. Professional Staff. Market equity increase.

Ledford, Yvonne, Programmer/Analyst, Department of Information Technology, salary changed from annual rate of \$38,000 for 12 months (\$3,166.68 per month) to annual rate of \$42,000 for 12 months (\$3,500.00 per month), February 1, 1998. Professional Staff. Counteroffer.

Marotta, Sal C., title changed from Assistant Director of Digital Communications, Department of Information Technology, to Director of Digital Communications, Department of Telecommunications, salary changed from annual rate of \$73,000 for 12 months (\$6,083.33 per month) to annual rate of \$78,000 for 12 months (\$6,500.00 per month), January 1, 1998. Administrative Staff.

McKay, Thomas, Senior Systems Security Analyst, Department of Information Technology, salary changed from annual rate of \$44,388 for 12 months (\$3,699.00 per month) to annual rate of \$46,388 for 12 months (\$3,865.67 per month), January 1, 1998. Professional Staff. Market equity increase.

Nguyen, Cung, Senior Database Analyst, Department of Information Technology, salary changed from annual rate of \$57,909 for 12 months (\$4,825.75 per month) to annual rate of \$62,541 for 12 months (\$5,211.75 per month), January 1, 1998. Professional Staff. Market equity increase.

Otakpor, Anthony, Assistant Director, Administrative Systems, Department of Information Technology, salary changed from annual rate of \$62,000 for 12 months (\$5,166.67 per month) to annual rate of \$70,000 for 12 months (\$5,833.33 per month), January 1, 1998. Administrative Staff. Market equity increase.

Pitts, Scott, title changed from Instructional Microcomputer Specialist to Coordinator, Enterprise Services, Department of Information Technology, salary changed from annual rate of \$40,000 for 12 months (\$3,333.33 per month) to annual rate of \$50,000 for 12 months (\$4,166.67 per month), January 1, 1998. Professional Staff. Market equity increase.

Purcell, Mei J., Systems Analyst, Department of Information Technology, salary changed from annual rate of \$43,000 for 12 months (\$3,583.33 per month) to annual rate of \$46,000 for 12 months (\$3,833.33 per month), January 1, 1998. Professional Staff. Market equity increase.

Southerland, Becky, Rapid Applications Development Specialist II, Department of Information Technology, salary changed from annual rate of \$46,000 for 12 months (\$3,833.33 per month) to annual rate of \$48,000 for 12 months (\$4,000.00 per month), January 1, 1998. Professional Staff. Market equity increase.

Trepagnier, Rebecca, Director, Enterprise Services, Department of Information Technology; given additional title Migration Program Manager, Department of Information Technology; salary changed from annual rate of \$70,000 for 12 months (\$5,833.33 per month) to annual rate of \$85,000 for 12 months (\$7,083.33 per month), January 1, 1998. Administrative Staff.

RESIGNATIONS AND/OR TERMINATIONS;

Hewatt, Carolyn J., Practicum Coordinator, University Affiliated Programs, November 18, 1997 (with accrued vacation through November 28, 1997).

Standefer, William E., Senior Systems Analyst, Department of Information Technology, December 31, 1997 (with accrued vacation through January 29, 1998). Transferred to Norman Campus.

President Boren recommended the Board of Regents approve the administrative and professional personnel actions shown above.

January 28, 1998

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Regent Lewis moved approval of the recommendation. The following voted yes on the motion: Regents Hall, Halverstadt, Lewis, and Noble. The Chair declared the motion unanimously approved.

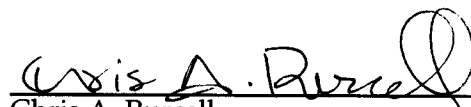
President Boren reported the following death:

Freeman, John B., former Bursar and Assistant Controller, Norman Campus, on January 4, 1998.

INTERNAL AUDITING REPORT

Regent Lewis moved the Board meet in executive session for the purpose of hearing a report by Glen Earley, the Director of Internal Auditing, on any pending or potential audit issues. The executive session was held in Conference Room 223 and began at 11:09 a.m.

The Board reconvened in regular session at 11:15 a.m. and, there being no further business, the meeting adjourned at 11:16 a.m.


Chris A. Purcell
Executive Secretary of the Board of Regents

ACADEMIC AFFILIATION AGREEMENT
BY AND BETWEEN
THE BOARD OF REGENTS OF THE UNIVERSITY OF OKLAHOMA
AND
HCA HEALTH SERVICES OF OKLAHOMA, INC.

DATED: ~~DECEMBER 31, 1997~~ *Draft*

ACADEMIC AFFILIATION AGREEMENT

THIS ACADEMIC AFFILIATION AGREEMENT (this "Agreement") is made and entered into effective as of the 1st day of January, 1998, by and between THE BOARD OF REGENTS OF THE UNIVERSITY OF OKLAHOMA, a constitutional agency of the State of Oklahoma (the "University"), and HCA HEALTH SERVICES OF OKLAHOMA, INC., an Oklahoma corporation (the "Company").

WITNESSETH:

WHEREAS, the University, the Company, The University Hospitals Authority (the "Authority") and The University Hospitals Trust (the "Trust") entered into that certain Closing Agreement (herein so called) of even date herewith, pursuant to which the Company agreed to operate the Hospitals (as hereinafter defined) as, among other things, an academic teaching facility;

WHEREAS, 63 Okla. Stat. (Supp. 1995) § 3203 recites the mission of the Trust to (i) provide a teaching and training site for students enrolled at the University and (ii) provide a site for conducting medical and biomedical research by faculty members of the University Health Sciences Center ("OUHSC");

WHEREAS, the Parties (as hereinafter defined) wish to establish the Hospitals as an integral part of the Academic Program (as hereinafter defined);

WHEREAS, the Parties recognize that the Academic Program will enhance the quality of care provided by the Hospitals;

WHEREAS, the Parties acknowledge that the University has provided or caused to be provided the Services (as hereinafter defined) to the Hospitals prior to the date hereof and that such Services are vital to the continued operation of the Hospitals and the delivery of quality health care services to the community;

WHEREAS, the Parties acknowledge that, pursuant to the terms of the Closing Agreement, they have agreed that the Hospitals and the Columbia Network Facilities (as hereinafter defined) will be the University's Primary Teaching Hospitals (as hereinafter defined);

WHEREAS, the Parties acknowledge that the relationship between an academic institution providing medical and public health programs and patient care facilities such as the Hospitals and the Columbia Network Facilities should be mutually supportive, is always complex and will continue to evolve in response to the variable future demands of the educational and health care markets and that the successful integration of the Academic Program with the Hospitals and the Columbia Network Facilities will require the close and continuous attention of the Parties for the duration of their relationship; and

WHEREAS, pursuant to the terms of the Closing Agreement and to provide for an orderly integration of the Academic Program with the operations of the Company, the Parties desire to enter into this Agreement;

NOW, THEREFORE, for and in consideration of the premises, and the agreements, covenants, representations and warranties hereinafter set forth, and other good and valuable consideration, the receipt and adequacy of which are forever acknowledged and confessed, the Parties agree as follows:

ARTICLE I

CERTAIN DEFINED TERMS

Section 1.1 Certain Definitions. In addition to other terms defined in this Agreement, for all purposes of this Agreement:

(a) "Academic Program" means, for purposes of this Agreement, the educational and research functions of the colleges that currently make up the OUHSC. The educational function includes undergraduate and graduate programs, including residencies; postdoctoral fellowship or other postgraduate instruction and training programs; and continuing education programs sponsored by the University for practitioners in medical and health related fields.

(b) "Accreditation Bodies" means the bodies responsible for accrediting the Academic Program, or any part thereof, or accrediting the Company and/or the Hospitals, including, but not limited to, the Joint Commission on Accreditation of Healthcare Organizations (JCAHO), the Accreditation Council for Graduate Medical Education (ACGME), the Liaison Committee for Medical Education (LCME), and such other accreditation bodies existing on the date hereof or in the future the accreditation of which is material to the operation of the Academic Program, the Company and/or the Hospitals.

(c) "Affiliate" means, as to the entity in question, any person or entity that directly or indirectly Controls, is Controlled by, or is under common Control with, the entity in question; and the term "Control" means possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity whether through ownership of voting securities, by contract or otherwise.

(d) "Columbia Network Facilities" means all hospitals, clinics, ambulatory care facilities, physician practices and other related facilities and practices now owned or acquired during the term of this Agreement in whole or in part by the Company or an Affiliate of the Company within the Oklahoma City, Oklahoma Standard Metropolitan Statistical Area, as modified from time to time (the "Oklahoma City SMSA").

(e) "Dean" means the Executive Dean of the Medical School, unless otherwise indicated.

(f) "Debtor Relief Laws" means the Bankruptcy Code of the United States, as amended, and all other applicable liquidation, conservatorship, bankruptcy, moratorium,

rearrangement, receivership, insolvency, reorganization, or similar Debtor Relief Laws from time to time in effect affecting the rights of creditors generally.

(g) "Faculty" means all persons who hold faculty appointments, as defined by the University (except voluntary faculty), in connection with the Academic Program during the term of this Agreement.

(h) "Hospitals" means, collectively, the University Hospital, Children's Hospital of Oklahoma and, if reopened, the O'Donoghue Rehabilitation Institute and any other healthcare facilities now or hereafter owned by the Company in which any significant teaching programs of the University are conducted as of the execution date of this Agreement or to which any such programs may be transferred (as determined pursuant to this Agreement).

(i) "House Staff" means physicians and dentists in graduate residency or fellowship training programs of the Medical School or College of Dentistry.

(j) "Joint Operating Agreement" means that certain Joint Operating Agreement of even date herewith, executed by the Trust and the Company.

(k) "Medical Staff" means the medical staff of the Hospitals, as defined by the medical staff bylaws, rules and regulations of the Hospitals, as amended from time to time.

(l) "Medical School" means the College of Medicine of the University.

(m) "Parties" means the University and the Company.

(n) "Services" means those services provided or caused to be provided by the University to the Hospitals on or before the date hereof, as described in greater detail in Exhibit A hereto, as such Services may be modified from time to time in accordance with the terms of Article IV hereof.

(o) "Students" means the graduate and undergraduate students enrolled in or otherwise participating in the Academic Program.

ARTICLE II

AFFILIATION BETWEEN HOSPITALS AND THE UNIVERSITY

Section 2.1 Availability of the Hospitals. For so long as the University provides an Academic Program to its Students and House Staff and for so long as this Agreement shall be in full force and effect, the Company shall make the Hospitals available and use its best efforts to make the Columbia Network Facilities available to the Medical School for use by its Students, House Staff

and Faculty to conduct its Academic Program; provided, however the Company shall not be obligated to incur any costs or make any payments as a result of changes in the Academic Program in any greater amount than that provided for in Article V of this Agreement without the mutual agreement of the Company and the University. Without limiting the foregoing commitments, the Company shall continue to provide the University access to the specific facilities and services set forth on Exhibit B attached hereto and made a part hereof for all purposes, in furtherance of the educational mission of the University. Without limiting the foregoing, such availability and use shall include and be conducted in accordance with the following:

(a) Scope and Manner of Instruction. The Hospitals shall be made available to the Students, House Staff and Faculty in accordance with this Agreement and in such a manner and to such an extent as such Hospitals were made available to the Students, House Staff and Faculty during the 1995-1996 Medical School academic year. Subject to Section 2.1(d), the Company shall not reduce the number of House Staff participating in training programs in the Hospitals below the levels established for the 1996-1997 Medical School academic year without the prior consent of the University. The Parties shall negotiate in good faith through the Liaison Committee to establish procedural guidelines (which shall initially be substantially similar to those procedures and practices existing on the date hereof and attached hereto as Exhibit C and made a part hereof for all purposes) specifying the manner in which and extent to which the Hospitals' facilities shall be made available to the Students, House Staff and Faculty, including, without limitation, access to patient care delivery areas, use of study cubicles, access to sleeping quarters, and use of meeting rooms, training rooms and laboratory facilities (the "Procedural Guidelines"). The Parties agree to negotiate in good faith through the Liaison Committee with respect to any modifications which may be necessary to the Procedural Guidelines after the date hereof; provided, however, that the Company reserves the right to modify such Procedural Guidelines to the extent necessary to comply with any law, rule or regulation, or order of any court or governmental agency applicable to the Company or the Hospitals or in the event that modifications to the Procedural Guidelines are necessary as a result of health and safety concerns. The University agrees that it will take all actions reasonably necessary to ensure that the Students, House Staff and Faculty use the Hospitals' facilities in accordance with the Procedural Guidelines as in effect from time to time.

(b) Medical Staff Appointments. Subject to the provisions in Section 3.1 hereof, members of the Faculty shall be admitted to practice in the Hospitals in accordance with the medical staff bylaws, rules and regulations of such Hospitals, as amended by the Company, subject to JCAHO accreditation standards, from time to time. No person may join the Medical Staff of the Hospitals other than in accordance with the Hospitals' bylaws, rules and regulations, as amended by the Company from time to time.

(c) Maintenance of Minimum Standards. The Hospitals shall meet the minimum requirements necessary for the accreditation of the Hospitals and the Academic Program by the Accreditation Bodies.

(d) House Staff Matters. The Hospitals shall maintain at least such number of House Staff as were maintained by the Hospitals during the 1996-1997 Medical School academic year ("Existing Levels") or as may be otherwise agreed by the University and the Company. In the event the Company requests that House Staff in addition to Existing Levels be provided to the Hospitals and such additional House Staff are reasonably available to the University through the Academic Program and will not materially adversely affect the Academic Program, the University shall provide such additional House Staff and the Company shall reimburse the University for any expenses it incurs in respect of such additional House Staff.

(e) Chiefs of Medical Services. The University shall, pursuant to the terms and conditions of the Procedural Guidelines, appoint each chief of a patient care service for each patient care service at the University Hospital and Children's Hospital. Further, the University shall be permitted to appoint an academic chief of service for each patient care service provided at Presbyterian Hospital to the extent such patient care service is directly related to the Academic Program.

Section 2.2 Insurance. The University shall require the House Staff, Students and Faculty to maintain such insurance as is necessary to provide the current level of professional negligence liability protection, subject to changes approved by the Liaison Committee. The University hereby represents and warrants to the Company that it currently requires the House Staff and Faculty to maintain professional negligence liability insurance in the manner set forth in Schedule 2.2 hereof. Such insurance shall be with such carriers, in such amounts, contain such endorsements and cover such risks as shall be reasonably acceptable to the Company.

Section 2.3 Access to Records. The Company shall provide the University with access to the medical records of the Hospitals, in whatever medium they may be stored, to the extent permitted by law and reasonably related to the purposes and intents of this Agreement. The University shall provide the Company with access to records of the University related to the purposes and intents of this Agreement, in whatever medium they may be stored, to the extent permitted by law and required for reimbursement and other reasonable business purposes.

Section 2.4 Conduct of Academic Program. In connection with the conduct of the Academic Program, the University shall maintain the following minimum standards and shall otherwise be responsible for the following:

(a) Safety and Health Policies. The University shall require Faculty, Students and House Staff to meet all reasonable safety and health standards established by the Company for the Hospitals and set forth in published policy statements provided to the University from time to time.

(b) Academic Accreditation Standards. The Academic Program shall meet the minimum requirements for accreditation established by the Accreditation Bodies, unless the

failure to meet such requirements is due in material part to the failure of the Company to provide the support required of it pursuant to Section 2.1(c) or Article V hereof.

(c) Compliance with Laws. The Academic Program shall be conducted in accordance with all laws, rules, regulations and orders which may apply from time to time to the University, the Company or the operation of the Hospitals.

Section 2.5 Covenant Not to Compete. The University recognizes that (i) the Company has entered into the Closing Agreement because of, among other things, the agreement of the University to use the Hospitals and the Columbia Network Facilities as its Primary Teaching Hospitals and to provide services to the Company pursuant to the terms of this Agreement, and (ii) irreparable harm and damage will be done to the Company in the event the University or any of its Affiliates maintains a medical school or any academic program similar to the Academic Program or any significant teaching program thereof and affiliates such program with another hospital or provides services similar to those set forth in Article IV of this Agreement to another hospital. Therefore, in consideration of the premises, the University agrees that during the term of this Agreement neither the University nor any of its Affiliates will directly or indirectly, in any capacity, provide services similar to any of the Services to, or otherwise operate a medical school or any medical education program in conjunction or affiliation with, any tertiary care or teaching hospital that is located within the Oklahoma City SMSA, except as otherwise provided in this Section 2.5. Notwithstanding the foregoing, the University shall be permitted to continue any existing teaching programs conducted by the University in association with other hospitals at the date of execution of this Agreement or any continuation of such programs in reasonably comparable form, content and size, which programs are identified on Exhibit D attached hereto and made a part hereof for all purposes. Additionally, notwithstanding the foregoing, the University shall be permitted to establish teaching programs with other hospitals or other medical facilities, to the extent that the University uses the Hospitals and the Columbia Network Facilities as its Primary Teaching Hospitals and so long as prior to establishing such other teaching programs, the University complies with the provisions set forth in Sections 2.6 and 2.7 hereof. The University further agrees that if any restriction contained in this Section 2.5 is held by any court to be unenforceable or unreasonable, a lesser restriction shall be severable therefrom and be enforced in its place, and the remaining restrictions contained herein shall be enforceable independently of each other. In the event of an actual or threatened breach of this covenant by the University or its Affiliates, the Company shall be entitled to seek temporary and permanent injunctive relief, without the necessity of posting a bond, cash or otherwise, or complying with the dispute resolution procedures set forth in Section 2.12 of this Agreement.

Section 2.6 Right of First Offer. Prior to the University establishing teaching programs that constitute part of the Medical School at other hospitals or other medical facilities, the University shall notify the Company in writing of such intention (the "University Offer Notice"). The University Offer Notice shall state the nature of the proposed teaching program, the material terms of such proposed affiliation, any special requirements of the University for facilities or features pertinent to such teaching program and the name and location of the other hospital or medical facility

where such teaching program is proposed to be established. The Company shall have a period of forty-five (45) days after receipt of the University Offer Notice to make an election to either (a) decline for the Company to enter into such affiliation and to provide comparable facilities or features pertinent to such teaching program to the University or (b) enter into such affiliation and to provide such comparable facilities or features pertinent to such teaching program to the University. If the Company declines to enter into such affiliation and to provide such comparable facilities or features pertinent to such teaching program (or fails to respond within such forty-five (45) day period, which failure shall be deemed to constitute a declination), then the University shall have the right to establish such additional teaching program with such other hospital or other medical facility. In the event that the University has not executed a written affiliation agreement regarding such additional teaching program with such other hospital or medical facility within a period of one hundred eighty (180) days after delivery of the University Offer Notice to the Company, then the University shall be required to repeat the procedures set forth herein prior to establishment of such proposed teaching program with such other hospital or other medical facility. In the event that the Company elects to enter into such affiliation and to provide such comparable facilities or features pertinent to the proposed teaching program to the University, then the University and the Company shall include such additional teaching program on the terms set forth in the University Offer Notice within the terms and conditions of this Agreement and shall execute any amendments required to this Agreement to effectuate the same. In the event the Company has not executed a written affiliation agreement regarding such additional teaching programs within a period of one hundred and eighty (180) days after the date the Company receives the University Offer Notice, the University shall have the right to develop such additional teaching programs in accordance with the terms of the University Offer Notice.

Section 2.7 Use of Primary Teaching Hospitals. During the term of this Agreement, the University shall continue to use the Hospitals and the Columbia Network Facilities as the University's Primary Teaching Hospitals. As used herein, the University shall be deemed to be using the Hospitals as its "Primary Teaching Hospitals" if not less than ninety percent (90%) of the Facilities Based Services (hereinafter defined) provided by Faculty and House Staff take place at the Hospitals or Columbia Network Facilities. For purposes of this Section 2.7, "Facilities Based Services" means those patient care services including, without limitation, surgical services and ancillary diagnostic and treatment services ordered, provided and/or performed by Faculty and/or House Staff at the Hospitals and Columbia Network Facilities as of the date of this Agreement. It is the intention of the Parties that the Faculty and/or House Staff continue to utilize the Hospitals and Columbia Network Facilities for such Facilities Based Services in the same manner and to such an extent as the Hospitals and Columbia Network Facilities were utilized by the Faculty and/or House Staff prior to the date of this Agreement, subject to the language set forth in Section 2.8 below. For purposes of this Section 2.7, Facilities Based Services shall not include patient care services personally performed and/or provided by Faculty and/or House Staff on an outpatient basis including specifically those rendered through the outpatient clinics located in the Hospital facilities as of the date of this Agreement; provided, however, that to the extent Faculty and/or House Staff ordered ancillary diagnostic and treatment services through the Hospitals and/or Columbia Network Facilities in connection with such outpatient clinics as of the date of this Agreement, such ancillary

diagnostic and treatment services shall be included in the definition of Facilities Based Services for purposes of this Section 2.7, except as set forth in Section 2.8 below. For purposes of this Section 2.7, the term "ancillary diagnostic and treatment services" shall include, without limitation, the performance of clinical and pathology laboratories, radiology, cardiostress lab, including EKG, peripheral vascular studies, angiography, technical component of EEG services and the technical component of inpatient EMG services, physical therapy, endoscopy lab, pulmonary lab, chemotherapy, nuclear medicine, bone densitometry, ultrasound and biofeedback and any technical component relating to any new diagnostic and treatment service and technology. The term "ancillary diagnostic and treatment services" does not include any professional interpretative and/or cognitive services rendered by any Faculty and/or House Staff. Facilities Based Services provided by the Faculty and House Staff (i) in conjunction with teaching programs established by the University at a facility other than the Hospitals or Columbia Network Facilities pursuant to a declination by the Company of a University Offer Notice as set forth in Section 2.6 hereof, and (ii) pursuant to the teaching programs set forth in Exhibit D shall be excluded in determining whether such patient care services requirement has been met. Private practices of adjunct Faculty shall be excluded from the calculation of the patient care services requirement set forth in Section 2.7 hereof. The restrictions set forth in this Section 2.7 do not apply to any medical research activities of the University that are not a part of the clinical practice of the Academic Program.

Section 2.8 Development of Non Hospital Based Clinics / Right of First Offer. Notwithstanding the provisions in Section 2.7 above, the University shall have the right to develop non Hospital based clinics for the provision of patient care services, which clinics shall be permitted to provide those ancillary diagnostic and treatment services (as described in Section 2.7) deemed necessary and appropriate by the University. Prior to the University establishing any ancillary diagnostic and treatment service at each non Hospital based clinic, the University shall notify the Company in writing of each ancillary diagnostic and treatment service it plans to provide at such clinic (the "D&T Offer Notice"). The D&T Offer Notice shall state the nature and extent of the proposed ancillary diagnostic and treatment service and shall contain all information reasonably necessary for the Company to determine the required levels of equipment and/or supplies necessary for the provision of such service and shall state the commencement date for the provision of such service to patients. The University shall send the Company a D&T Offer Notice for each ancillary diagnostic and treatment service to be provided at each clinic. The Company shall have a period of seventy-five (75) days after receipt of each D&T Offer Notice to make an election to provide the equipment and/or supplies required for the provision of the ancillary diagnostic and treatment service that is the subject of the D&T Offer Notice, and to retain all technical revenues generated from the provision of such service. In the event the Company declines an offer to provide the equipment and/or supplies for an ancillary diagnostic and treatment service set forth in a D&T Offer Notice within such seventy-five (75) day period (or fails to respond within such seventy-five (75) days, which failure shall be deemed to constitute a declination), then the Company shall not have the right to provide the equipment and/or supplies for such ancillary diagnostic and treatment service or retain any technical revenues relating to the provision of such service. In the event the Company fails to materially perform in accordance with a D&T Offer Notice accepted by the Company, the University

shall have the right to provide, or cause a third party to provide, the equipment and/or supplies for such service and retain all technical revenues from such service.

Section 2.9 Organization of Liaison Committee. At Closing (as defined in the Closing Agreement), there shall be created a Liaison Committee (herein so called) to consider any matters arising hereunder that require the mutual agreement of the Company and the University and to attempt to resolve any disputes that arise hereunder. The Liaison Committee shall be comprised of University Members (herein so called) elected or appointed from time to time by the University and Company Members (herein so called) elected or appointed from time to time by the Company, with the number of such members in each category to be determined from time to time by the incumbent members therein at the time of such determination (but not less than three nor more than five, with the initial number of members in each category to be three). Decisions of the Liaison Committee shall require approval of not less than a majority of a quorum of the University Members, and not less than a majority of a quorum of the Company Members (with the amount constituting a quorum in each category to be determined from time to time by the members therein). Each individual selected to serve on that Liaison Committee shall serve until his or her successor is elected, or until his or her earlier death, resignation or removal. A member of the Liaison Committee may be removed, with or without cause, by the University in the case of the University Members and the Company in the case of the Company Members. Any vacancy occurring in the University Members shall be filled by an appointment by the University and any vacancy occurring in the Company Members shall be filled by an appointment by the Company, with any replacement serving for the unexpired portion of the term of the person replaced. Members of the Liaison Committee shall be entitled to such compensation and reimbursement of expenses as the University, in the case of the University Members, and the Company, in the case of Company Members, may separately determine, which may differ between the two categories of members. The University shall be solely responsible for any and all compensation and reimbursement of expenses in the case of the University Members and the Company shall be solely responsible for any and all compensation and reimbursement of expenses in the case of the Company Members. The procedures concerning the selection, terms, renewal, removal and vacancy of the University Members shall be determined from time to time by the University and the procedures concerning the selection, terms, renewal, removal and vacancy of the Company Members shall be determined from time to time by the Company, which procedures may differ between the two categories of members.

Section 2.10 Meetings of the Liaison Committee. The Liaison Committee shall hold regular meetings on at least a quarterly basis. In addition, each member of the Liaison Committee shall be available at all reasonable times to consult with other members of the Liaison Committee on matters relating to the duties of the Liaison Committee. Meetings of the Liaison Committee shall be held at the call of either the University Members or the Company Members, upon not less than five (5) business days written or telephonic notice to all members of the Liaison Committee, such notice specifying all matters to be addressed by the Liaison Committee for action at such meeting. The presence of any member of the Liaison Committee at a meeting shall constitute a waiver of notice of the meeting with respect to such member. The members of the Liaison Committee may, at their election, participate in any regular or special meeting by means of conference telephone or

similar communications equipment by means of which all persons participating in the meeting can hear each other. A member's participation in a meeting pursuant to the preceding sentence shall constitute presence in person at such meeting for all purposes of this Agreement. The Liaison Committee shall designate a person to take written minutes at each meeting. Additionally, the Liaison Committee shall elect or appoint a person from either the University Members or the Company Members to serve as a chairman to preside over meetings of the Liaison Committee.

Section 2.11 Responsibilities of Liaison Committee. In addition to considering any other matters arising hereunder that require the mutual agreement of the Company and the University, the Liaison Committee shall consider and address modifications in the staffing and funding of programs requiring funding by the Company, new or altered policies, operational procedures and programs requiring collaboration among the University, the Hospitals, Columbia Network Facilities or the Company.

Section 2.12 Resolution of Liaison Committee Deadlock or Dispute. It is the intention of the Liaison Committee to make a good faith effort to settle any dispute, controversy, claim or other matter in question arising under or related to this Agreement, including all issues of fact and law that constitute a Material Dispute. As used herein, the term "Material Dispute" means a dispute as to which one category of members has notified in writing the other category of members that such dispute is material. In settling any Material Dispute, each category of members shall act in accordance with the following procedures:

(a) First, each category of members shall negotiate in good faith with the other category of members to try to settle each Material Dispute for a period of thirty (30) days.

(b) In the event that by the end of the thirty (30) day period set forth in Section 2.12(a) hereof, the Material Dispute is not settled pursuant to the procedures set forth therein, each category of members may invoke the Material Dispute resolution procedure set forth in this Section 2.12(b) by sending written notice to the other invoking the procedures of this Section 2.12(b) no later than fifteen (15) days after the end of such thirty day period. For a period of thirty (30) days after the receipt by the other category of members of such written notice, both categories of members shall then try in good faith to settle the Material Dispute by mutually agreeing on, engaging and meeting with an individual that will serve as a facilitator for the purpose of resolving the Material Dispute. The University and the Company shall each bear fifty percent (50%) of the reasonable fees and related expenses of the facilitator.

(c) In the event that by the end of the thirty (30) day period set forth in Section 2.12(b) hereof, the Material Dispute is not settled pursuant to the procedures set forth therein, including as a result of failing to agree upon an individual to serve as a facilitator, both categories of members shall then attempt in good faith to settle the Material Dispute by informal mediation within a period of fifteen (15) days after such thirty day period. The University and the Company shall each bear fifty percent (50%) of the reasonable fees

(excluding each party's respective attorney's fees) and related expenses incurred in connection with such mediation.

(d) In the event that by the end of the fifteen (15) day period described in Section 2.12(c) hereof, the Material Dispute is not settled pursuant to the procedures set forth therein or neither category of members have invoked the Material Dispute resolution procedures set forth in Section 2.12(b), then either the University or the Company shall, to the extent permitted by applicable law, submit the Material Dispute (together with any ancillary matters arising out of or relating to the Material Dispute) to arbitration provided that if arbitration is not permitted by applicable law then either the University or the Company may resort to litigation for the purpose of settling the Material Dispute. No action or inaction by either category of members under any of the provisions of this Section 2.12(d) shall constitute any basis for granting or denying any relief sought by either category of members in any such litigation.

Section 2.13 Authority of Board of Regents. It is understood by the parties that the Board of Regents of the University of Oklahoma has the sole right, responsibility and authority to govern the University and its constituent programs and parts and that this Agreement does not and shall not interfere in any way with such right, responsibility or authority; provided, however, that nothing herein shall in any manner affect, limit or impair the obligations of the University pursuant to this Agreement.

ARTICLE III

INTEGRATION INTO COLUMBIA NETWORK FACILITIES

Section 3.1 Faculty Privileges.

(a) Non Hospital Based Faculty. The Non Hospital Based Faculty (as hereinafter defined) shall have the right to apply for medical staff privileges at all of the Hospitals and Columbia Network Facilities if and to the extent such Faculty members would be eligible for such privileges under the medical staff bylaws of such facilities. The Company shall use reasonable efforts to cause the relevant Hospitals and Columbia Network Facilities to grant such privileges so long as the applying Faculty member is qualified to be admitted under the medical staff bylaws of such Hospitals and Columbia Network Facilities. As used herein, the term "Hospital Based Faculty" means Faculty specializing in the areas of radiology, anesthesiology and pathology. As used herein, the term "Non Hospital Based Faculty" means Faculty other than Hospital Based Faculty. The grant of privileges at a Columbia Network Facility to Non Hospital Based Faculty shall not obligate the Company to contract with or grant medical staff privileges to any such Non Hospital Based Faculty to provide Hospital Based Contract Services. As used herein, the term "Hospital Based Contract Services" means professional interpretive services and medical administrative positions including, without limitation, medical directors.

(b) Hospital Based Faculty. The Hospital Based Faculty shall not have the right to apply for medical staff privileges at the Columbia Network Facilities except as set forth in (i), (ii) and (iii), herein below. To the extent the Hospital Based Faculty are entitled to apply for medical staff privileges at the Columbia Network Facilities as set forth in (i), (ii) and (iii), the Company shall use reasonable efforts to cause the relevant Columbia Network Facilities to grant such privileges so long as the applying Faculty member is qualified to be admitted under the medical staff bylaws of such Columbia Network Facility and such Hospital Based Faculty member meets any requirements imposed on other specialists within such group at such facility from time to time.

(i) Faculty anesthesiologists shall have the right to apply for medical staff privileges to provide anesthesia support services in conjunction with services provided by Non Hospital Based Faculty at any of the Columbia Network Facilities, other than at the Midtown Ambulatory Surgery Center and the Oklahoma City Surgicare Center; provided, however, at such time as such facilities no longer have an existing contract for anesthesiology services or seek a new contract with a new provider for anesthesiology services, such exclusions shall no longer apply at such facility.

(ii) Faculty pathologists shall have the right to apply for medical staff privileges to provide pathology support services in conjunction with services provided by Non Hospital Based Faculty at any Columbia Network Facility to the extent such facility does not have an existing contract as of the date of this Agreement for pathology services or seeks a new contract with a new provider for pathology services; provided that, the Faculty provides patient care services at the Columbia Network Facility in question which generate revenues in an aggregate amount greater than five percent (5%) of the total revenues of such facility over the twelve (12) month period immediately preceding the date Faculty pathologists apply for such medical staff privileges.

(iii) Faculty radiologists shall have the right to apply for medical staff privileges to provide radiology support services in conjunction with services provided by Non Hospital Based Faculty at any Columbia Network Facility (other than Columbia Presbyterian Hospital) to the extent such facility does not have an existing contract for radiology services or seeks a new contract with a new provider for radiology services; provided that, the Faculty provides patient care services at the Columbia Network Facility in question which generate revenues in an aggregate amount greater than five percent (5%) of the total revenues of such facility over the twelve (12) month period immediately preceding the date Faculty radiologists apply for such medical staff privileges.

(c) Medical Staff Bylaws. The medical staff bylaws of the Hospitals and Columbia Network Facilities shall not be drafted in a manner that excludes Faculty members as a group or class or because such physicians have a Faculty designation.

(d) Right To Bid. The Company or any of its Affiliates shall extend to the University the right to submit proposals for the provision of services under radiology, anesthesiology and pathology contracts for which proposals are solicited at Columbia Network Facilities within a seventy-five (75) mile radius of the Hospitals, as either existing contracts are terminated or new contracts (other than renewals of existing contracts) are proposed for such services at any such facility, to the extent the Faculty are generating at least five percent (5%) of the total revenues of such facility on an annual basis at the time such proposals are solicited.

(e) Five Percent Revenue Threshold. For purposes of Section 3.1(b)(i), (ii), (iii) and 3.1(d), the University shall be deemed to have generated revenues in an aggregate amount greater than five percent (5%) of the total revenues of such facility if (1) the University actually generated such revenues in the twelve (12) month period preceding the date of the determination in question or (2) the University submits pro forma financial statements reasonably acceptable to the Company which project that the University will generate five percent (5%) of such facility's total revenues in the twelve (12) month period succeeding the date of the determination in question; provided that, in the event the actual revenues generated by the University at such facility do not equal five percent (5%) or more of such facility's total revenues for such twelve (12) month period then the Company shall have the right, at its option, to terminate the access to such facilities by Hospital Based Faculty.

(f) Existing Contracts. Notwithstanding anything contained in this Article III, the Company or any of its Affiliates shall not be required to modify, amend, terminate or breach any of their respective contractual commitments in existence on the date of this Agreement at any of the Columbia Network Facilities.

Section 3.2 House Staff Positions. The Company shall use reasonable efforts, where appropriate, to encourage Columbia Network Facilities to implement academic and training programs for the House Staff and Students and to enter into affiliation agreements with the University establishing terms and conditions for such programs.

Section 3.3 Increased Patient Availability. The Company shall, and shall use its reasonable efforts to cause its Affiliates to, grant the Hospitals the opportunity to act as a tertiary care provider of medical services in managed care agreements entered into by the Company and such Affiliates with third parties located within the State of Oklahoma. The Parties acknowledge that it is in the best interest of the community to make the tertiary care services offered by the Hospitals as widely available as possible. To this end, the Parties agree to use their best efforts to establish policies and procedures to inform physicians who are affiliated with the Columbia Network

Facilities of the tertiary care services available at the Hospitals. In addition, to the extent permitted by law, the Parties will cooperate in good faith to establish policies and procedures pursuant to which the Hospitals, in conjunction with the Columbia Network Facilities, may promote and market the medical services to potential patients of the Columbia Network Facilities and the Hospitals.

Section 3.4 Sole Academic Responsibility. The University shall have the sole responsibility for the Academic Program available to House Staff and Students in the Columbia Network Facilities and for obtaining necessary accreditations for such programs, subject to the provisions of Section 2.1(c).

Section 3.5 Primary Care Teaching Support. The Company shall assist the University to increase the primary care physician teaching programs constituting a part of the Academic Program, including, without limitation, using its reasonable efforts to place primary care House Staff into the Columbia Network Facilities, developing physician integration programs in such network and hospitals facilities which include primary care physicians who participate in the Academic Program and developing primary practice sites off the Hospitals' campuses.

ARTICLE IV

SERVICES BY THE UNIVERSITY

Section 4.1 Provision of Services. During the term of this Agreement, the University, through the Medical School, shall provide the Services to the Company in substantially the same quantity as the Services are provided on the date hereof. The Company shall make available to the University and its representatives or agents at no cost or expense to the University such facilities and assistance as may be reasonably required by them to provide the Services. The University agrees that all Services to be provided to the Company pursuant to this Agreement shall be performed in accordance with the standards of quality for services of a similar character which are provided by other academic institutions to other major teaching and tertiary care hospitals in the United States; provided that, in any event, the Services to be provided by the University to the Company pursuant to this Agreement shall be of at least comparable quality as those provided to the Hospitals by the University on or prior to the date of this Agreement. During the term of this Agreement, the Company shall consider any proposals for the provision of services by colleges of the University other than the Medical School; provided, however, that the Company shall have no obligation to agree to and consummate any such proposal. The University shall not be required under this Agreement to maintain, modify or create any specific educational program. To the extent the University lacks sufficient available specific Faculty and/or House Staff to provide any Services set forth in Exhibit A, the University shall so notify the Company in writing. The Company shall, within seventy-five (75) days, notify the University in writing of its election to either (i) permit the University to discontinue the provision of such Services with a reduction in the Base Consideration to reflect the elimination of any such Services or (ii) permit the University to provide such Services through other comparably trained and qualified professionals at no additional net cost to the Company. To the extent the Company fails to notify the University within such seventy-five (75)

day period of its election, the University shall be permitted to discontinue the provision of such Services with a reduction in Base Consideration to reflect the elimination of such Services. Notwithstanding the foregoing, to the extent the Company's election under subsection (ii) above results in a Significant Cost to the University in excess of the payment received pursuant to Section 5.1(b) for the particular Service provided, the University shall be permitted to discontinue the provision of such Service upon ninety (90) days' prior written notice to the Company, with a reduction in Base Consideration to reflect the elimination of such Service. As used herein, the term "Significant Cost" means a cost in excess of ten percent (10%) over the payment received pursuant to Section 5.1(b) for the Service in question. The University shall submit complete and accurate time records documenting all time spent in providing services pursuant to this Agreement. Such time records shall be submitted in intervals and on such forms as the Company may reasonably require.

Section 4.2 Amendment of Services. In the event the Company and the University agree to reduce the quantity of or discontinue any of the Services, the Base Consideration payable for such Services under Article V shall be reduced by the amount allocated thereto on Exhibit A as adjusted pursuant to Section 5.2 (or, in the event of a reduction of such Services, by the pro rata portion of the amount allocated thereto on Exhibit A as adjusted pursuant to Section 5.2), and the Parties shall thereafter modify this Agreement accordingly, including, without limitation, Exhibit A hereto. Certain Services listed on Exhibit A shall be considered by the Liaison Committee on a periodic basis as reflected in Exhibit E. If the Liaison Committee is unable to agree regarding the continuing provision of, and compensation for, such Services, after exhaustion of the dispute resolution procedures set forth in Section 2.12(a) through (c), the Governing Committee established pursuant to Section 2.2 of the Joint Operating Agreement shall determine any changes with respect to such Services. In the event the Company and the University desire either to increase or modify the Services being provided, substitute any existing Services with other related or unrelated Services, or add new Services, the Base Consideration shall be increased or adjusted pursuant to mutual agreement of the Parties and the Parties shall thereafter modify this Agreement accordingly, including, without limitation, Exhibit A hereto.

Section 4.3 Disputes Regarding Services.

(a) Disputes Regarding Provision of Services. In the event the Company believes that the University has failed or refused to provide any Services required to be provided by the University under the terms of this Agreement, the Company shall notify the University in writing that it considers such matter to be a Material Dispute pursuant to Section 2.12 of this Agreement, which shall invoke the dispute resolution procedures set forth in Section 2.12, provided that, if the University agrees with such assertion the Base Consideration shall be adjusted by an amount equal to such agreed upon amount. In the event the University disagrees with such assertion, the Company shall continue to pay to the University all disputed amounts of Base Consideration for a period of time equal to the lesser of (i) seventy-five (75) days from the date of the written notice from the Company to the University of any disputed amount or (ii) written agreement between the Company and the

University resolving the disputed amount. During the period of time commencing with the seventy-sixth day from the date of the written notice from the Company to the University through the pendency of the dispute in accordance with the procedures set forth in Section 2.12 of this Agreement (iii) the Company shall be entitled to withhold from the payment of Base Consideration an amount equal to the applicable amount as set forth on Exhibit A which relates to such disputed service (and such withholding from the payment of Base Consideration shall not constitute a Major AAA Company Default) and (iv) the University shall be entitled to discontinue the provision of the Services that are the subject of such dispute with the Company (and such withholding of Services by the University shall not constitute a Major AAA University Default).

(b) Disputes Regarding the Quality of Services. In the event the Company believes that the University has failed or refused to provide the quality of Services required to be provided by the University under the terms of this Agreement at any time prior to the termination of the Joint Operating Agreement, the Company shall notify the University and the Category A Governors (as such term is defined in the Joint Operating Agreement) in writing that it considers such matter to be a Material Dispute pursuant to Section 2.12 of this Agreement, which shall invoke the dispute resolution procedures set forth in Section 2.12; provided however, the dispute resolution procedures as set forth in Section 2.12(d) shall not be applicable to such Material Dispute. In lieu thereof, the Category A Governors shall determine by the end of the fifteen (15) day period described in Section 2.12(c) hereof whether or not the University has provided the quality of Services required to be provided under this Agreement. Within such fifteen (15) day period, the Category A Governors shall notify the University and the Company of its determination in writing, which notice shall contain findings and recommendations regarding the issues in dispute and whether any performance deficiency on the part of the University constitutes a Major AAA University Default. If the Category A Governors determine that the University has not cured such performance deficiency on or before thirty (30) days after its determination and such performance deficiency constitutes a Major AAA University Default, then the Category A Governors shall notify the University and the Company of such determination in writing and the Company shall be entitled to treat such matter as a Major AAA University Default and exercise its remedies pursuant to Article VI hereof. In the event the Company believes that the University has failed or refused to provide the quality of Services required to be provided by the University under the terms of this Agreement at any time after the termination of the Joint Operating Agreement, the Company shall notify the University in writing that it considers such matter to be a Material Dispute pursuant to Section 2.12 hereof and the dispute resolution procedures set forth in Section 2.12 hereof including, without limitation, in Section 2.12(d) shall be applicable to such Material Dispute.

ARTICLE V

PAYMENTS

Section 5.1 Payments by the Company.

(a) Company Capital Investment Payment. As consideration for the execution and delivery of this Agreement by the University, and the continuation and existence of this Agreement throughout the term of the Lease, the Company shall pay to the University in cash at Closing (as defined in the Closing Agreement) an amount equal to Ten Million Dollars (\$10,000,000.00) (the "Initial Company Capital Investment Payment"). Additionally, at Closing, the Company shall deposit in cash an amount equal to Ten Million Eight Hundred Thousand Dollars (\$10,800,000.00) with BankOne, National Association (the "Escrow Agent") in an interest bearing escrow account, to be disbursed by the Escrow Agent pursuant to the terms and conditions of an escrow agreement to be executed by the University, the Company and the Escrow Agent in substantially the form as attached hereto as Exhibit F (the "Escrow Agreement") at Closing. The Escrow Agreement shall provide that the Escrow Agent shall pay in cash the sum of Two Million Seven Hundred Thousand Dollars (\$2,700,000.00) out of the escrow account to the University on each of the first, second, third and fourth anniversaries of the Closing and shall pay the interest accumulated in the escrow account to the University on the fifth anniversary of the Closing. The Escrow Agreement shall further provide that in the event this Agreement terminates prior to the fifth anniversary of the Closing, the balance of funds remaining in such escrow account shall be paid by the Escrow Agent to the Company. The use of the proceeds of the Company Capital Investment Payment shall be discussed with the Liaison Committee and shall be utilized by the University to enhance its educational and research activities through the development of an integrated health care delivery system, physician networks, managed care plans or other facilities or programs designed to support the programs maintained by, affiliated with or approved by the University and for medical and biomedical research by faculty members of the colleges of the OUHSC. For purposes of this Agreement, the business plan of the University regarding the expenditure of the Company Capital Investment Payment is attached hereto as Exhibit G and made a part hereof for all purposes and the University agrees to implement such expenditures in substantial accordance with such business plan.

(b) Base Consideration. In addition to the Company Capital Investment Payment, as consideration for providing the Services in accordance with Article IV hereof, the Company shall pay the University the compensation set forth on Exhibit A for the provision of the Services, which amount shall be paid in monthly installments in advance commencing on the date hereof (such amount, as adjusted pursuant to Section 4.2, being referred to as the "Base Consideration").

Section 5.2 Adjustments to the Base Consideration.

(a) Direct Expenses. The Parties acknowledge that, from time to time, the Parties may determine by mutual agreement that certain of the Services may be provided by the Company or by third parties engaged by the Company, and that the Company will directly assume or pay for any expenses incurred in connection with such Services (the "Direct Expenses"). The Base Consideration shall be adjusted downward for each payment due under Section 5.1 by the amount of such Direct Expenses.

(b) CPI Adjustment. The Base Consideration shall be adjusted upward or downward as of each anniversary date (the "Adjustment Date") of this Agreement as follows:

(i) Except as provided in Section 5.2(b)(v) below, the base for computing the adjustments is the ALL ITEMS index figure for the month of November, 1997 (the "Index Date"), as shown in the Consumer Price Index ("CPI") for all Urban Consumers for the United States based on the year 1982-1984=100 as published by the U.S. Department of Labor's Bureau of Labor Statistics. The base figure for the Index Date is 161.5.

(ii) The index (the "Index") for the Adjustment Date shall be computed as a percentage of the base figure. For example, assuming the base figure on the Index Date is 110 and the index figure on the Adjustment Date is 121, the percentage to be applied is $121/110=1.10$ (or 110 percent). That percentage shall be applied to the Base Consideration.

(iii) The Index for the Adjustment Date shall be the one reported in the U.S. Department of Labor's newest comprehensive official Index then in use and most nearly answering the foregoing description of the Index to be used. If it is calculated from a base different from the base year 1982-1984=100 used for the base figure above, the base figure used for calculating the adjustment percentage shall first be converted under a formula supplied by the Bureau of Labor Statistics.

(iv) If the Index shall no longer be published, another generally recognized as authoritative shall be substituted by agreement of the Parties. If they are unable to agree within ninety (90) days after demand by any Party, the substitute Index shall, on application of any Party, be selected by the chief officer of the Dallas regional office of the Bureau of Labor Statistics or its successor.

(v) The Index Date applicable to the amount payable for any new Service which the University provides to the Company (which new Service is added to Exhibit A) or any modified or substituted Service which results in an adjustment to the Base Consideration pursuant to Section 4.2 shall be deemed to be the month in

which such Service commences. The parties shall agree in good faith upon the applicable base figure for such Index Date.

(c) Governmental Program Adjustments. The Company shall be allowed a downward adjustment of its obligations for the payment of the Base Consideration to be taken in equal monthly installments coincident with its payment of each installment of Base Consideration commencing with the monthly installment payable on July 1 of the calendar year after the calendar year in which the payment reductions are made in an amount equal to the Net Percentage Reduction. As used herein, the term "Net Percentage Reduction" means an amount expressed in a percentage of the net reduction from month to month of all payments made by government programs (including, without limitation, the Medicare, Medicaid and CHAMPUS programs) for direct and indirect medical education costs at the Hospitals (it being understood that any such credit shall result in a corresponding reduction in Services by the University); provided however that to the extent of any future restoration of any payments for such specific programs, the obligations of the Company for the payment of the Base Consideration will be adjusted upward commencing with the monthly installment payable on July 1 of the calendar year after the calendar year in which the payment restorations are made in an amount equal to the Net Percentage Increase. As used herein, the term "Net Percentage Increase" means an amount expressed in a percentage of the net increase from month to month attributable to such payment restorations. Upon the initial application of any such credit (or change in the amount thereof) against its obligations for the payment of Base Consideration, the Company shall provide the University with documentation satisfactory to the University in support of such actions initiated by any such program, including the specific calculation of any such payment reduction and its effective date.

(d) Other Reimbursement Sources. The Company shall evaluate all new sources of reimbursement for direct medical education and research costs at the Hospitals and, if it determines that qualifying for such reimbursement is in the Company's best interest, shall use its best efforts so to qualify. Such reimbursement shall be included in Base Consideration to the extent credits for reduction in reimbursement are being applied to Base Consideration pursuant to Section 5.2(c).

Section 5.3 Payroll Services Fee. It is agreed that the University will assume responsibility for performing the payroll function for House Staff of the Hospitals or Columbia Network Facilities. The University will be compensated by the Company in an amount equal to two and one-half percent (2.5%) of such gross payroll.

ARTICLE VI

DEFAULT; CERTAIN RIGHTS AND REMEDIES

Section 6.1 Events of Major AAA Company Default. As used herein, the term "Major AAA Company Default" means the occurrence of any one or more of the following events:

(a) Subject to the provisions of Section 4.3 hereof, the failure or refusal of the Company to pay any monthly installment of Base Consideration payable hereunder on the date the same is due in accordance with the terms of this Agreement and such failure or refusal continues for a period of thirty (30) days after written notice thereof from the University to the Company;

(b) The Company shall (i) voluntarily seek, consent or acquiesce in the benefit or benefits of any Debtor Relief Law, or (ii) become a party to (or be made the subject of) any proceeding provided for by any Debtor Relief Law, other than as a creditor or claimant and such proceeding is not dismissed within one hundred twenty (120) days after the filing of the same; or

(c) The Hospitals or Academic Program shall lose any material accreditation by any of the Accreditation Bodies as a direct result of acts or omissions by the Company (and such loss of accreditation is not caused by any acts or omissions by the University or its Students, House Staff, or Faculty or the conduct of the Academic Program); and the Company fails to implement, within a reasonable time, remedial measures satisfactory to such Accreditation Body which are designed to reclaim such accreditation; provided further that the discontinuation of the Accreditation Body in question as an accreditation body or the discontinuance by such Accreditation Body of issuing accreditations for health care organizations shall not be deemed a loss of accreditation hereunder.

Section 6.2 Default Other Than Major AAA Company Default. As used herein, the term "Company Default" means the occurrence of any one or more of the following events:

(a) The failure or refusal of the Company to pay any amounts other than Base Consideration on the date the same is due in accordance with the terms of this Agreement and such failure or refusal continues for a period of thirty (30) days after written notice thereof from the University to the Company; or

(b) The failure or refusal of the Company to comply with any term, provision or covenant of this Agreement, other than the payment of Base Consideration or other sums of money, and such failure or refusal continues for a period of sixty (60) days after written notice thereof from the University to the Company; or if such failure cannot reasonably be cured within sixty (60) days and the Company shall not have commenced to cure such failure

within such sixty (60) day period and shall not thereafter, with all due diligence and good faith, proceed to cure such failure.

Section 6.3 Remedies Upon Major AAA Company Default. In the event a Major AAA Company Default (but not a Company Default) shall occur and shall continue uncured for a period of more than sixty (60) days after the Company's receipt of written notice thereof from the University specifying such event and containing a statement that the University intends to exercise its remedies under this Section 6.3, then in such event the University shall have, as its sole and exclusive remedies, the option to either:

(a) By written notice to the Company, terminate this Agreement and the University's obligations hereunder (other than its obligations under Section 2.3 hereof) and demand payment of all amounts due and owing by the Company to the University hereunder for Services up to and through the date of termination of this Agreement (provided, that, the University shall have no right to collect from the Company any and all sums that would have been payable under this Agreement after such date of termination); or

(b) Not terminate this Agreement, but enforce, by suit or otherwise, all covenants and terms hereof to be performed or complied with by the Company.

Section 6.4 Remedies Upon Company Default. Upon the occurrence of any Company Default, the University shall have the right to enforce, by suit or otherwise, all covenants and terms hereof to be performed or complied with by the Company; provided that, notwithstanding anything contained in this Agreement or at law or in equity to the contrary, the University shall not have the right to terminate this Agreement.

Section 6.5 Events of Major AAA University Default. As used herein, the term "Major AAA University Default" means the occurrence of any one or more of the following events:

(a) The failure or refusal of the University to continue using the Hospitals and the Columbia Network Facilities as its Primary Teaching Hospitals pursuant to the provisions of Section 2.7 hereof;

(b) The violation by the University of the Covenant Not to Compete provisions of Section 2.5 hereof or the Right of First Offer provisions of Section 2.6 hereof;

(c) Subject to the provisions of Section 4.3(a) hereof, the failure or refusal of the University to provide the quantity of Services required pursuant to Section 4.1 hereof as amended from time to time by mutual agreement of the Company and the University pursuant to Section 4.2 hereof; provided, however, the provisions of Section 4.3(a) shall not apply in the event thirty percent (30%) or more of the University personnel providing the Services listed in Exhibit A fail to report to work (except for work stoppages or strikes by

employees attributed to labor disputes or unfair labor practices that do not continue for a period of more than six (6) months);

(d) A material and adverse change in the quality of Services required pursuant to this Agreement as determined by the Category A Governors pursuant to Section 4.3(b) hereof;

(e) The Academic Program shall lose accreditation of any major teaching program affecting the Hospitals by any of the Accreditation Bodies as a result of acts or omissions by the University (and is not caused by any acts or omissions by the Company); and the University fails to implement, within a reasonable time, remedial measures satisfactory to the Accreditation Bodies which are designed to reclaim such accreditation; or

(f) The University shall (i) voluntarily seek, consent or acquiesce in the benefit or benefits of any Debtor Relief Law, or (ii) become a party to (or be made the subject of) any proceeding provided for any Debtor Relief Law, other than as a creditor or as a claimant and such proceeding is not dismissed within one hundred twenty (120) days after the filing of the same.

Section 6.6 Default Other Than Major AAA University Default. As used herein, the term "University Default" means the occurrence of the following event:

(a) The failure or refusal of the University to comply with any term, provision, or covenant of this Agreement, other than the matters set forth in Section 6.5 hereof, and such failure or refusal continues for a period of sixty (60) days after written notice thereof from the Company to the University; or if such failure cannot reasonably be cured within sixty (60) days and the University shall not have commenced to cure such failure within such sixty (60) day period and shall not thereafter, with all due diligence and good faith, proceed to cure such failure.

Section 6.7 Remedies Upon Major AAA University Default. In the event a Major AAA University Default (but not a University Default) shall occur and shall continue uncured for a period of sixty (60) days after the University's receipt of written notice thereof from the Company specifying such event and containing a statement that the Company intends to exercise its remedies under this Section 6.7, then, in such event the Company shall have, as its sole and exclusive remedies, the option to either:

(a) Terminate this Agreement and the Company's obligations hereunder and demand payment of all amounts due and owing by the University to the Company hereunder. The termination of this Agreement by the Company under this Section 6.7(a) shall terminate the Joint Operating Agreement and the Sublease Agreement (as such term is defined in the Joint Operating Agreement); or

(b) Not terminate this Agreement, but enforce, by suit or otherwise, all covenants and terms hereof to be performed or complied with by the University.

Section 6.8 Remedies Upon the University Default. Upon the occurrence of any University Default, the Company shall have the right to enforce, by suit or otherwise, at law or in equity, all covenants and terms hereof to be performed or complied with by the University; provided that, notwithstanding anything contained in this Agreement or at law or in equity to the contrary, the Company shall not have the right to terminate this Agreement.

ARTICLE VII

TERM; TERMINATION

Section 7.1 Term. This Agreement shall continue in full force and effect for the entire term of the Sublease Agreement and may only be terminated prior to the end of the stated term of the Sublease Agreement by (a) a mutual agreement in writing by the University and the Company, (b) in accordance with the exercise by the University of the University's termination rights under Sections 6.3 or 7.2 of this Agreement, (c) in accordance with the exercise by the Company of the Company's termination rights under Section 6.7 of this Agreement, or (d) concurrently with the earlier termination of the Sublease Agreement in accordance with the terms thereof.

Section 7.2 Termination By Notice at Periodic Dates. During the calendar year in which the twenty-fifth (25th) anniversary of the Closing Date occurs and during the year in which the fifth (5th), tenth (10th), fifteenth (15th) and twentieth (20th) anniversary of the twenty-fifth (25th) anniversary of the Closing Date occurs thereafter during the term of this Agreement (each of the aforementioned years are individually referred to hereinafter as a "Termination Year"), if the University shall in good faith determine that the transactions contemplated by and consummated pursuant to the terms and conditions of this Agreement are not achieving the goals and objectives of the parties to this Agreement in establishing the relationships created hereunder, then in such event the University shall have the right to terminate this Agreement by giving written notice (the "Termination Notice") to the Company, which Termination Notice shall state in reasonable detail the reasons for such desired termination and the effective date of such termination (which shall not be less than one hundred eighty (180) days after the delivery of the Termination Notice to the Company) and which Termination Notice shall be delivered not later than January 1st of the Termination Year in question and not more than ninety (90) days prior thereto.

ARTICLE VIII

MISCELLANEOUS

Section 8.1 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Oklahoma (regardless of the application of the conflicts of laws principles of the State of Oklahoma). The Parties acknowledge and agree that each has entered

into this Agreement in the mutual expectation that its terms and conditions will be governed by and interpreted in accordance with the substantive laws of the State of Oklahoma.

Section 8.2 Amendment. This Agreement may not be amended, modified or supplemented except upon the execution and delivery of a written agreement executed by the Parties hereto.

Section 8.3 No Assignment. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assignees. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any Party hereto without the prior written consent of the other such Parties.

Section 8.4 Waiver. Any of the terms or conditions of this Agreement which may be lawfully waived may be waived in writing at any time by the Party which is entitled to the benefits thereof. Any waiver of any of the provisions of this Agreement by any Party hereto shall be binding only if set forth in an instrument in writing signed on behalf of such Party. No failure to enforce any provision of this Agreement shall be deemed to or shall constitute a waiver of such provision and no waiver of any of the provisions of this Agreement shall be deemed to or shall constitute a waiver of any other provision hereof nor shall such waiver constitute a continuing waiver.

Section 8.5 Notices. All communications, notices and exchanges of information contemplated herein or required or permitted to be given in connection with this Agreement shall be in writing, and shall be deemed to have been given and to be effective (i) when delivered personally (including delivery by express or courier services), (ii) if mailed, on the fourth business day after being deposited in the United States first class mail as registered or certified mail, postage prepaid, return receipt requested, or (iii) if sent by facsimile transmission, when transmitted (with request for assurance of receipt in a manner customary for communications of such type), provided that such communications, notices and exchanges are addressed or transmitted to the other Party as follows:

To the University: The Board of Regents of The University of Oklahoma
660 Parrington Oval, Room 119
Norman, Oklahoma 73019
Attention: Executive Secretary

To the Company: HCA Health Services of Oklahoma, Inc.
6501 N. Broadway, Suite 200
Oklahoma City, Oklahoma 73116
Attention: President

with a copy to: Columbia/HCA Healthcare Corporation
One Park Plaza
Nashville, Tennessee 37203
Attention: General Counsel

or to such other address as any Party hereto may, from time to time, designate in a written notice given in like manner.

Section 8.6 Complete Agreement: Conflict. This Agreement and the other documents and writings referred to herein or delivered pursuant hereto, contain the entire understanding of the parties with respect to their subject matter. This Agreement supersedes all prior agreements and understandings, both written and oral, between the Parties with respect to such subject matter. In the event the terms of this Agreement conflict with the terms of the Closing Agreement or the Joint Operating Agreement, the terms of this Agreement shall govern.

Section 8.7 Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and each of which shall be deemed an original.

Section 8.8 Headings. The headings contained in this Agreement are for reference only and shall not affect in any way the meaning or interpretation of this Agreement.

Section 8.9 Severability. In the event any provision of this Agreement is held to be invalid, illegal or unenforceable for any reason and in any respect, such invalidity, illegality, or unenforceability shall in no event affect, prejudice or disturb the validity of the remainder of this Agreement, which shall be and remain in full force and effect, enforceable in accordance with its terms.

Section 8.10 Third Party Beneficiaries. Nothing in this Agreement, expressed or implied, is intended to confer on any person other than the Parties hereto or their respective successors and permitted assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

Section 8.11 Cross References. All references to Articles, Sections and Exhibits in this Agreement shall be to other Articles, Sections and Exhibits of this Agreement.

Section 8.12 Appropriation Requirements. Without otherwise limiting the creation, validity or existence of the obligations of the University under this Agreement and notwithstanding the stated term of duration of this Agreement or any other provision of this Agreement, the parties hereto agree that the continuing obligations of the University under this Agreement are subject to, and expressly conditioned upon, the annual appropriation by the Oklahoma Legislature, and allocation and allotment to the Health Sciences Center (as a separate agency of the University pursuant to 70 Okla. Stat. § 3103) by the Oklahoma State Regents for Higher Education, of

sufficient funds to permit the University to meet its obligations hereunder. To the extent funds appropriated, allocated, and allotted to the Health Sciences Center for all purposes are not sufficient to permit the University to perform its obligations under this Agreement as set forth herein, the University shall only be obligated to perform under this Agreement to the extent of the funds appropriated, allocated and allotted to the Health Sciences Center; provided however, in the event the insufficiency of such funds to the Health Sciences Center requires the reduction of the quantity or discontinuation of any of the Services, the Liaison Committee shall consider and determine the proper mix of Services to be reduced or discontinued and the Base Consideration payable for such Services under Article V shall be reduced by the amount allocated thereto on Exhibit A and the Parties shall thereafter modify this Agreement accordingly, including, without limitation, Exhibit A hereto. The University shall for each fiscal year request sufficient appropriations, allocations and allotments to continue performance under this Agreement, shall make good faith efforts to procure such funding, and, in the event insufficient funds are appropriated, allocated and allotted, shall notify the Company within ten (10) days thereof. The University shall not be liable or subject to any damages or penalty by reason of the reduction or termination of its obligations under this Agreement, as provided in this Section 8.12.

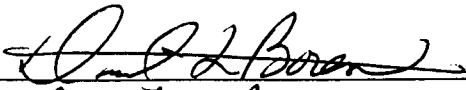
Section 8.13 Access to Books and Records. To the extent required by Section 952 of the Omnibus Reconciliation Act of 1980 and the regulations promulgated thereunder, both Parties agree to provide access to their books and records to required governmental officers and agencies and to the other party. All other information obtained by either party in the performance of this Agreement relating to the other party's costs, pricing methods, concepts and practices or delivering services shall be deemed confidential information and neither party shall disclose such information to any other persons or entities without the express written consent of the other. The mutual covenants contained in this Section 8.13 shall survive the termination of this Agreement.

IN WITNESS WHEREOF, each Party has caused this Agreement to be executed by its duly authorized representative as of the day and year first above written.

HCA HEALTH SERVICES OF OKLAHOMA, INC.,
an Oklahoma corporation

By: _____
Name: _____
Title: _____

THE BOARD OF REGENTS OF THE UNIVERSITY OF OKLAHOMA,
a constitutional agency of the State of Oklahoma

By: 
Name: David L. Boran
Title: President, University of Oklahoma

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EXHIBITS:

Exhibit A -- Services to be Provided By the University to the Company

Exhibit B -- University Access to Facilities and Services for Educational Purposes

Exhibit C -- Initial Procedural Guidelines

Exhibit D -- Existing Teaching Programs of the University

Exhibit E -- Schedule of Periodic Review of Services

Exhibit F -- Escrow Agreement

Exhibit G -- University Business Plan for Company Capital Investment Payment

ESCROW AGREEMENT

ESCROW AGREEMENT, dated _____, 1998 among The Board of Regents of the University of Oklahoma, a body corporate and a constitutional agency of the State of Oklahoma ("University"), HCA Health Services of Oklahoma, Inc. ("HCA Health Services") and Bank One Trust Company, NA, as Escrow Agent (the "Escrow Agent").

RECITALS:

A. University and HCA Health Services are parties to that certain Academic Affiliation Agreement dated _____, 1998 whereby the University will provide certain professional services to HCA Health Services at a number of hospitals operated by such entity and HCA Health Services will compensate the University for such services. The Academic Affiliation Agreement was executed in connection with the Closing Agreement dated September 11, 1997 by and among The University Hospitals Authority, The University Hospitals Trust, The Board of Regents of the University of Oklahoma and HCA Health Services of Oklahoma, Inc. (the "Closing Agreement").

B. Section 5.1 of the Academic Affiliation Agreement and Section 3.5 of the Closing Agreement provide that HCA Health Services shall deposit \$10,800,000 in an interest bearing escrow account upon execution of the Academic Affiliation Agreement, with such sum to be paid to the University in the amount of \$2,700,000 per year on _____, 1999, 2000, 2001 and 2002, with all interest accrued on the escrowed funds to be paid to the University in the final payment on _____, 2003.

C. To the extent the Academic Affiliation Agreement terminates prior to the end of the fifth anniversary date of the Academic Affiliation Agreement, any funds remaining in the escrow account shall be paid by the Escrow Agent to HCA Health Services.

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises and covenants herein contained, the parties hereby agree as follows:

1. **Establishment of Escrow Account; Deposits.**

1.1 The Escrow Agent hereby establishes an escrow account which shall be designated the University and HCA Health Services Escrow Account (the "Escrow Account").

1.2 Concurrent with the execution of the Academic Affiliation Agreement, HCA Health Services shall deposit Ten Million Eight Hundred Thousand Dollars (\$10,800,000) in cash into the Escrow Account (the \$10,800,000 together with all accrued interest, income and other amounts added to the Escrow Account and less amounts payable under this Agreement, shall collectively be referred to as the "Escrowed Funds" and shall constitute the outstanding balance of the Escrow Account outstanding from time to time).

1.3 So long as the Academic Affiliation Agreement remains in effect, Escrow Agent shall make an annual payment out of the Escrow Account to the University of Two Million Seven

Hundred Thousand Dollars (\$2,700,000) on _____, 1999, _____, 2000, _____, 2001 and _____, 2002 and a final payment of accrued interest accumulated on the Escrowed Funds on _____, 2003.

1.4 In the event the Academic Affiliation Agreement terminates prior to the end of the fifth anniversary date of the execution of the Academic Affiliation Agreement (_____, 2003), any portion of the Escrowed Funds remaining, plus accrued interest, shall be paid by the Escrow Agent to HCA Health Services. Such termination must be evidenced by either (i) a document executed by both University and HCA Health Services confirming the termination of the Academic Affiliation Agreement, or (ii) an order of a court of competent jurisdiction confirming the termination of the Academic Affiliation Agreement.

2. **Term and Termination of Escrow Account.** The term of this Agreement shall commence upon Escrow Agent's execution of this Agreement and shall not expire until the earlier to occur of the following dates:

(a) the date that all Escrowed Funds have been released by the Escrow Agent in accordance with this Agreement; or

(b) the date that HCA Health Services and University execute and deliver to Escrow Agent a written notice agreeing to terminate the Escrow Account, pursuant to Section 5.8 of this Agreement (with instructions executed both by HCA Health Services and University directing Escrow Agent as to the name of the successor to the Escrow Agent and as to the distribution of any remaining Escrowed Funds); or

(c) the date the Escrow Agent tenders the Escrowed Funds into the registry of a court of competent jurisdiction for determination as to distribution of the Escrowed Funds, or in connection with the termination of this Agreement pursuant to Section 5.8 below; or

(d) the date that Escrow Agent is presented with a final, non-appealable, judgment or order of a court of competent jurisdiction, which is binding on HCA Health Services, University and Escrow Agent, requiring the payment of the Escrowed Funds in accordance with the provisions of said order or judgment.

3. **Earnings on Escrowed Funds.** Proceeds of investments, interest or earnings on the amount of the Escrowed Funds shall be disbursed as set forth above in Section 1 and shall become part of the Escrowed Funds.

4. **Investment of the Escrowed Funds.**

4.1 Upon receipt of written instruction from University and HCA Health Services or their designated investment manager, the Escrow Agent shall invest the Escrowed Funds as follows:

(a) in United States Treasury Securities having a maturity of not more than 90 days;

(b) a money market fund consisting exclusively of United States Treasuries, which fund is rated in the highest category for money market funds by Moody's and Standards & Poors;

or

(c) in any other investments as may be designated as permitted from time to time in a written notice to the Escrow Agent from University and HCA Health Services or their designated investment manager.

Until written instructions are received from University and HCA Health Services authorizing a different investment, Escrow Agent shall invest the Escrowed Funds pursuant to Section 4.1(b), above.

4.2 The Escrow Agent shall not invest in investments that mature after the next anniversary date of this Agreement such that the Escrow Agent is unable to make a required disbursement. If the Escrow Agent does not have in the Escrow Account sufficient cash to make a disbursement required to be made pursuant to Section 1 hereof, the Escrow Agent shall sell securities held in the Escrowed Account with the earliest occurring maturities until the Escrow Agent has sufficient cash to make such disbursement.

4.3 The Escrow Agent shall have the right to rely upon any written and jointly executed joint investment direction of University and HCA Health Services, and shall be held harmless for any consequences of following such written direction, to the extent that the Escrow Agent acted reasonably and in good faith in attempting to execute such directions.

5. Duties and Responsibilities of Escrow Agent.

5.1 Nothing contained herein shall be deemed to obligate the Escrow Agent to disburse or transfer any monies hereunder unless the same shall have been received by it pursuant to this Agreement.

5.2 The Escrow Agent shall not be responsible for any defaults hereunder by the University or HCA Health Services, or for the application of the funds received by it after the disbursement of such funds in accordance with the terms of this Agreement.

5.3 The Escrow Agent may consult with counsel of its own choice reasonably acceptable to University and HCA Health Services and shall have full and complete authorization and protection for any reasonable action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel pertaining to matters concerning this Agreement.

5.4 The Escrow Agent shall have no duties or responsibilities except those expressly set forth herein. The Escrow Agent is not required to be familiar with the provisions of any instrument or agreement other than this Agreement and shall not be charged with any responsibility or liability in connection with the observance or non-observance by anyone of the provisions of such other instrument or agreement.

5.5 The Escrow Agent may rely, and shall be protected in acting, upon any paper or other document which may be submitted to it in connection with its duties hereunder, and which is reasonably believed by it to be genuine and to have been signed and presented by the proper party or parties, and shall only have the obligation to further investigate if it has reason to question the form, execution or validity of any such paper or document.

5.6 The Escrow Agent shall not be required to institute or defend any action or legal proceeding involving any matter referred to herein which in any manner affects its duties or liabilities hereunder, unless or until required to do so by University or IICA Health Services, and then only upon receiving full indemnity in an amount and of such character as it shall require, against any and all claims, liabilities, judgments, attorneys' fees and other expenses of every kind in relation thereto, except in the case of its own misconduct or negligence.

5.7 The Escrow Agent shall not be bound or in any way be affected by any notice of any modification, cancellation, amendment or rescission of this Agreement, or any fact or circumstance affecting or alleged to affect the rights or liabilities of any other person, unless it has received written notice, signed by the University and HCA Health Services.

5.8 Any party may terminate this Agreement upon 30 days written notice to the other parties. If, after such written notice has been delivered but before the date of termination, University and HCA Health Services are unable to agree on a successor to the Escrow Agent and as to distribution of the Escrowed Funds, then the Escrow Agent shall tender the Escrowed Funds to the registry of a court of competent jurisdiction on or before the termination date of this Agreement.

5.9 If University and HCA Health Services shall disagree about the interpretation of this Agreement, or about the rights and obligations of, or the propriety of any action contemplated by, the Escrow Agent hereunder, the Escrow Agent may, in its discretion, file an interpleader action to resolve the said disagreement. The Escrow Agent shall be indemnified by the parties hereto for all costs, including reasonable attorneys' fees in connection with the aforesaid interpleader action, and shall be fully protected in suspending all or a part of its activities under this Agreement until a final judgment in the interpleader action is received.

6. **Fees of Escrow Agent.** The Escrow Agent shall receive \$999.00 on establishing the Escrow Account. Thereafter, the Escrow Agent shall receive \$999.00 per year, so long as all of the Escrowed Funds are invested pursuant to Section 4.1(b); alternatively, the Escrow Agent shall receive an annual fee of \$1,500 per year in the event any of the Escrowed Funds are invested

pursuant to Section 4.1(a) or (c). Such fees will be borne as follows: 50% by the University and 50% by HCA Health Services.

7. **Notices.** All notices and other communications hereunder shall, unless specifically provided otherwise, be in writing and shall be deemed given if delivered personally or by nationally recognized overnight delivery service or mailed by registered or certified mail (return receipt requested) to the parties at the following addresses (or at such other address for a party as shall be specified by like notice, provided that notices of a change of address shall be effective only upon receipt there):

(a) If to the University, to

The Board of Regents of the
University of Oklahoma
660 Parrington Oval, Room 119
Norman, Oklahoma 73019

Attention: Executive Secretary

with a copy to

Crowe & Dunlevy
1800 Mid-America Tower
20 North Broadway
Oklahoma City, Oklahoma 73102

Attention: James L. Hall, Jr., or
Karen S. Rieger

(b) if to HCA Health Services, to

HCA Health Services
6501 N. Broadway, Suite 200
Oklahoma City, Oklahoma 73116

with a copy to

Liechty & McGinnis, P.C.
10440 North Central Expressway, Suite 1100
Dallas, Texas 75231

Attention: Kevin P. McGinnis

(c) if to the Escrow Agent, to

Bank One Trust Company, NA
100 N. Broadway
Bank One Tower
Oklahoma City, OK 73102

Attention: Corporate Trust Department

with wire transfers to:

Bank One, Oklahoma City
ABA#: 103000648
Attention: CORP. TRUST, OKC
For the Account of #:01-0253510
For credit to: University and HCA Health Services Escrow Account

8. **Governing Law; Venue.** (a) This Agreement shall be governed by the laws of the State of Oklahoma (regardless of the laws that might otherwise govern under applicable principles of conflicts of law) as to all matters, including but not limited to matters of validity, construction, effect, performance and remedies.

(b) The parties hereto agree that the appropriate venue for the resolution of any disputes which arise hereunder shall be Oklahoma County, Oklahoma.

9. **Construction.** The Section headings contained in this Agreement are solely for the purpose of reference, are not part of the agreement of the parties and shall not in any way affect the meaning or interpretation of this Agreement.

10. **Binding Agreement.** This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of, and the obligations created hereby shall be binding upon, the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns, and shall not confer any benefit or enforceable right upon any other party or entity.

11. **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[THIS SPACE LEFT BLANK INTENTIONALLY]

IN WITNESS WHEREOF, the University, HCA Health Services and the Escrow Agent have caused this Agreement to be duly executed on the date first above written.

**BOARD OF REGENTS OF THE
UNIVERSITY OF OKLAHOMA**

By: _____

Name: David L. Boren

Title: President

**HCA HEALTH SERVICES OF OKLAHOMA,
INC.**

By: _____

Name: _____

Title: _____

ESCROW AGENT:

BANK ONE TRUST COMPANY, NA

By: _____

Name: _____

Title: _____

QUIT CLAIM DEED

KNOW ALL MEN BY THESE PRESENTS THAT:

A. Pursuant to Warranty Deed recorded in Book 4131, Page 291, of the Real Property Records of the County Clerk of Oklahoma County, Oklahoma (the "DISRS Warranty Deed"), the Grantor (as hereinbelow defined) conveyed to the Department of Institutions, Social and Rehabilitative Services ("DISRS"), certain property more particularly described therein, "for so long as said premises are used as a hospital and service institution for persons under twenty-one (21) years of age." The DISRS Warranty Deed further provides that "(i)n the event that said premises cease to be used as a hospital and service institution for persons under twenty-one (21) years of age, then said property shall revert to the (Grantor)";

B. Pursuant to Quit Claim Deeds recorded in Book 4275, Page 108, and in Book 4275, Page 110, of the Real Property Records of the County Clerk of Oklahoma County, Oklahoma (collectively, the "Quit Claim Deeds"), the Grantor conveyed to DISRS certain property more particularly described therein, "for so long as said premises are used as a hospital and service institution for persons under twenty-one (21) years of age." The Quit Claim Deeds further provide that "(i)n the event that said premises cease to be used as a hospital and service institution for persons under twenty-one (21) years of age, then said property shall revert to the (Grantor)";

C. Pursuant to Warranty Deed recorded in Book 4147, Page 300, of the Real Property Records of the County Clerk of Oklahoma County, Oklahoma (the "Board of Trustees Warranty Deed") (the DISRS Warranty Deed, the Quit Claim Deeds and the Board of Trustees Warranty Deed are referred to collectively as the "Deeds" and the reversionary interests created by the Deeds are referred to collectively as the "Original Reverter Rights"), the Grantor conveyed to the Board of Trustees of the University Hospital, an agency of the State of Oklahoma, created under the laws of Oklahoma (the "Board of Trustees"), certain property more particularly described therein, "for so long as the Board of Trustees continues to operate the hospital thereon." The Board of Trustees Warranty Deed further provides that "(i)n the event that said premises cease to be used as a hospital, then said property shall revert to the (Grantor)";

D. By this Deed, the Grantor desires to transfer any and all of its right, title and interest in and to the Property (as hereinbelow defined), of whatever kind or nature, regardless of whether or not any of the events described in the Original Reverter Rights have occurred, subject only to the reversionary interest set forth hereinbelow and the Grantee (as hereinbelow defined) desires to accept such transfer, subject only to the reversionary interest created by this Deed.

In consideration of the foregoing, Grantor and Grantee hereby agree and acknowledge:

That, the BOARD OF REGENTS OF THE UNIVERSITY OF OKLAHOMA, a body corporate and constitutional agency of the State of Oklahoma (also known as Board of Regents of the University of Oklahoma, a body corporate under the laws of Oklahoma), having a mailing address of 660 Parrington Oval, Room 119, Norman, Oklahoma 73019 (herein called the "Grantor"), in consideration of the sum of Ten and No/100 Dollars (\$10.00), in hand paid and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, does hereby quitclaim, grant, bargain, sell and convey unto the UNIVERSITY HOSPITALS AUTHORITY, an agency of the State of Oklahoma and body corporate and politic, as successor in interest to both DISRS and the Board of Trustees, having a mailing address of P.O. Box 26307, Oklahoma City, Oklahoma 73126 (herein called "Grantee"), all of the real property and premises located in Oklahoma County, Oklahoma, more particularly described on Exhibit "A" attached hereto (the "Property"), together with (i) any and all improvements thereon and appurtenances thereunto belonging and (ii) any and all reversionary interests of Grantor in any portion of such Property, including without limitation the Original Reverter Rights, except only the reversionary interest created by this Deed as set forth hereinbelow.

TO HAVE AND TO HOLD the above described Property and interests unto the Grantee, its successors and assigns forever so that except as specifically set forth hereinbelow, Grantor shall not hereafter claim or demand any right or title to the Property or any part thereof; but Grantor shall by these presents be excluded and forever barred, PROVIDED HOWEVER, from and after the date hereof, in the event (a) a hospital ceases to be operated on the Property and (b) either (i) that certain Lease Agreement dated as of January __, 1998, by and between Grantee, as landlord, and The University Hospitals Trust (the "Trust"), as tenant, or (ii) that certain Sublease Agreement dated as of January __, 1998, by and between the Trust, as sublandlord, and HCA Health Services of Oklahoma, Inc., an Oklahoma corporation ("HCA"), as subtenant (the "Sublease"), has been terminated, then the Property shall revert to the Grantor. Before such termination shall be deemed to have occurred, the same must be evidenced by either a termination of Sublease as described in Section 14.3 of the Sublease, executed by both the Trust and HCA, or an executed final, non-appealable judgment or order of a court of competent jurisdiction, which is binding on both HCA and the Trust, containing the express finding that the Lease or Sublease as the case may be, is terminated, either of which shall be filed in the Real Property Records of Oklahoma County, Oklahoma.

The Grantee, by its acceptance and execution of this Deed, does hereby agree that the reversionary interest retained by and in favor of Grantor as hereinabove set forth, is and shall be valid and enforceable in all respects from and after the date of this Deed, and if both of the events described in (a) and (b) hereinabove occur, the entire fee interest in the Property shall revert to Grantor as hereinabove provided.

CROWE & DUNLEVY
DRAFT
1-19-98

In the event any provision of this Deed is held to be invalid, illegal or unenforceable for any reason or in any respect, such invalidity, illegality or unenforceability shall in no event affect or prejudice the validity of the remainder of this Deed, all of which shall remain in full force and effect, enforceable in accordance with its terms.

The parties hereto agree that this Deed shall be governed by and construed in accordance with the laws of the State of Oklahoma. This Deed shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective successors and assigns.

SIGNED AND DELIVERED this ____ day of January, 1998.

GRANTOR:

BOARD OF REGENTS OF THE UNIVERSITY OF
OKLAHOMA, A Body Corporate and Constitutional
Agency of the State of Oklahoma

By: _____
David L. Boren, President

STATE OF OKLAHOMA)
) SS.
COUNTY OF _____)

This instrument was acknowledged before me on January ____, 1998, by David L. Boren, as President of the BOARD OF REGENTS OF THE UNIVERSITY OF OKLAHOMA, a body corporate and constitutional agency of the State of Oklahoma.

Notary Public

My Commission Expires:

(SEAL)

GRANTEE:

UNIVERSITY HOSPITALS AUTHORITY,
An Agency of the State of Oklahoma, and a
Body Corporate and Politic

By: _____
_____ President

STATE OF OKLAHOMA)
) SS.
COUNTY OF OKLAHOMA)

This instrument was acknowledged before me on January __, 1998, by _____
_____, as _____ President of the UNIVERSITY HOSPITALS
AUTHORITY, an agency of the State of Oklahoma and a body corporate and politic.

Notary Public

My Commission Expires:

(SEAL)

CROWE & DUNLEVY
DRAFT
1-19-98

EXHIBIT "A"

Legal Description

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RECIPROCAL EASEMENT AGREEMENT

This RECIPROCAL EASEMENT AGREEMENT (this "Agreement") is dated effective as of January 1, 1998, by and between the UNIVERSITY HOSPITALS AUTHORITY, an agency of the State of Oklahoma, a body corporate and politic (the "Authority"), the BOARD OF REGENTS OF THE UNIVERSITY OF OKLAHOMA, a body corporate and a constitutional agency of the State of Oklahoma (the "University"), the COMMISSION FOR HUMAN SERVICES, an agency of the State of Oklahoma, acting by and through the Department of Human Services, an agency of the State of Oklahoma ("DHS"), and HCA HEALTH SERVICES OF OKLAHOMA, INC., an Oklahoma corporation ("Columbia").

WHEREAS, the Authority, the University and DHS are the owners in fee of certain tracts or parcels of land located in Oklahoma City, Oklahoma County, Oklahoma, collectively more particularly described on Exhibit A attached hereto and made a part hereof (hereinafter referred to collectively as the "State Parcel");

WHEREAS, Columbia has acquired a leasehold estate in a certain portion of the State Parcel, more particularly described in Exhibit B attached hereto and made a part hereof, which parcel is owned by the Authority (hereinafter referred to collectively as the "Leasehold Parcel"), pursuant to documents and instruments executed between Columbia and the Authority, and others;

WHEREAS, the Parcels (as defined below) are currently subject to, among other recorded documents, certain recorded easements (the "Prior Easements") created in that certain Warranty Deed (herein so called) recorded in Book 4147, Page 300, deed records of Oklahoma County, Oklahoma; and

WHEREAS, the Authority, the University, and DHS, as fee owners, desire to establish for the benefit of the Parcels (as defined below) certain cross easements between the Parcels, as provided in this Agreement, to terminate the Prior Easements (replacing the Prior Easements with the easements established below), and to enter into other various agreements, all as provided in this Agreement.

NOW, THEREFORE, for and in consideration of the above premises, the agreements set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby declare, create and establish the following easements and agreements affecting the Parcels:

ARTICLE I

DEFINITIONS

Section 1.1 Building Area. The term "Building Area" shall mean the areas of the Parcels within which buildings (including canopies, supports, loading docks, truck ramps and other outward extensions, pilasters and footings) are constructed, together with such additional buildings or improvements as may hereafter be established and constructed upon any portion of

the Parcels in accordance with the provisions of this Agreement. Those portions of Building Area which are not from time to time used or cannot under the terms of this Agreement be used for buildings shall become part of the Common Area.

Section 1.2 Common Area. The term "Common Area" shall mean all areas included in the Parcels which are intended or used for common use within the Parcels, excluding Building Area. Common Area shall include, but shall not be limited to, all driveways, surface areas, parking areas, entrances and exits, utility and other underground tunnels, overhead walkways, sidewalks or other walkways, walls, fences, service drives, landscaping and lighting facilities and storm water detention or retention facilities, and such additional common facilities as may now or hereafter be established and constructed upon any portion of the Parcels for the purposes for which they are provided and intended. Those portions of Common Area which are from time to time used or developed for buildings in accordance with the provisions of this Agreement shall become part of Building Area.

Section 1.3 Occupant. The term "Occupant" shall mean any Person or Persons from time to time entitled to the use and occupancy of the Building Area of a Parcel, pursuant to any lease, license or concession agreement, or other instrument or arrangement under which the Occupant acquires a right to such use and occupancy, together with the officers, directors, employees, agents and independent contractors of such Persons.

Section 1.4 Owner or Owners. The term "Owner" shall mean any Person who is the record owner of fee simple title to a Parcel, and their successors and assigns and shall mean, specifically, the University, the Authority and DHS with respect to the State Parcel; provided, however, that, solely for purposes of this Agreement, Columbia (and its successors and assigns) shall be deemed an Owner of the Leasehold Parcel. The term "Owners" shall mean more than one "Owner".

Section 1.5 Parcel or Parcels. The term "Parcels" shall mean the State Parcel and all parcels resulting from the subdivision thereof, including, specifically the Leasehold Parcel, and any one of such Parcels shall be defined as a "Parcel".

Section 1.6 Permittees. The term "Permittees" shall mean any Person or Persons from time to time entitled to utilize the Common Area or Building Areas, including, without limitation, the Owners, the Occupants, lessees, sublessees, tenants and concessionaires, and all of their employees and service people, licensees, patients, invitees, customers, contractors and agents.

Section 1.7 Person or Persons. The term "Person" shall mean an individual, partnership, firm, association, corporation, trust or any other form of business or legal entity. "Persons" shall mean more than one Person.

ARTICLE II

EASEMENTS

Section 2.1 Reciprocal Easements. (a) In order that all Parcels collectively may be used as an integrated area by the Owners, Occupants and Permittees of the Parcels, the Authority, the University, and DHS hereby declare, establish, grant, reserve and convey, for the use and benefit of the Parcels, a perpetual, non-exclusive easement and right to use the Common Area for the purposes for which they are provided and intended (as the same may now exist or subsequently may be constructed, modified or improved), including, but not limited to, (i) ingress, egress, access, loading and unloading, parking and vehicular and pedestrian traffic, including, without limitation, commercial vehicular traffic such as delivery trucks, upon or across or through the Common Area, for use by the Owners, Occupants and Permittees of each of such Parcels; (ii) installation, operation, maintenance, flow, passage, use, connection, repair, relocation, replacement and removal of lines or systems for utilities serving any Parcel, including, without limitation, sanitary sewers, water, electric and gas lines, cable TV, telephone and communication lines, vaults, conduits and transformers, discharge and drainage lines for surface water and storm water drainage into and through the storm drainage, retention ponds and storm sewer systems, and other utility lines or systems and related facilities; and (iii) the use of landscaping, public restrooms and other public facilities, direction signs and other areas intended for common use. Portions of the Common Area, including the parking areas located thereon, may now or in the future be subject to regulation or management by the Medical Technology and Research Authority of Oklahoma, pursuant to written agreement or statutory authority, including, without limitation, the imposition of parking charges or fees for parking in the Common Areas. Each Owner hereby acknowledges and agrees, for itself and its successors and assigns, that the easements described herein are conveyed subject to such regulation and management.

(b) The discharge and drainage easements created herein are limited to the natural, common and customary drainage of surface and storm waters, and in no event shall any Owner or Occupant cause the discharge of surface or storm waters from its Parcel over, across or into any other Parcel in any manner which materially interferes with or causes damage to the use and enjoyment of such other Parcel by that Parcel's Owner, Occupant or its Permittees. In the event of any such discharge which causes such material interference or damage, the Owner causing such discharge shall be responsible, at its sole cost and expense, for restoring or repairing such other Parcel to substantially the same condition in which it was in prior to such impermissible discharge.

Section 2.2 Easements for Helicopter Use. (a) DHS does hereby declare, establish, grant, reserve and convey for the use and benefit of the Leasehold Parcel, and the Owner, Occupants and Permittees of such Parcel, a perpetual, non-exclusive easement in, to, over, under, along and across those portions of the State Parcel necessary or convenient for the use of the helicopter pad, the re-fueling station and related facilities, as the same may now exist or

subsequently may be constructed or improved, currently commonly referred to as "Love Field", and for ingress and egress thereto.

(b) The Authority, the University, and DHS hereby declare, establish, grant, reserve and convey for the use and benefit of the Parcels, a perpetual, non-exclusive easement and right to use the air space located above the Parcels for the purposes of permitting the use of helicopters or other aircraft to access the helicopter pads currently located on the Leasehold Parcel and on the State Parcel, or as such helicopter pads may subsequently be constructed or improved; provided, however, that all such helicopter pads shall be used for the purpose of assisting the hospital and medical facilities located on the Parcels and shall be used for no other purpose.

Section 2.3 Easement for Minor Encroachments. Each of the Owners hereby grants to the other Owners a perpetual, non-exclusive easement to install, maintain and repair footings and underground supports which extend beyond the boundaries of the respective Parcels. Further, the Authority, the University and DHS hereby consent to all existing encroachments of Building Areas and Common Area over property lines of the Parcels. Accordingly, the Authority, the University and DHS do hereby grant and convey for the use and benefit of the Parcels, and the Owners and Occupants of each of such Parcels, a perpetual, non-exclusive easement on and across each of the Parcels for the repair, maintenance, replacement and improvement of the portion of the Building Area and Common Area that encroaches into adjoining Parcels.

Section 2.4 Construction, Modification or Repair of Building Area or Common Area. Subject to the provisions of subsections (a), (b) and (c) below, each Owner may, at any time and at its sole cost and expense (including any cost or expense for damage caused to another Parcel as a result of such modification or alteration), modify, alter or repair the Common Area or the Building Area on its Parcel, by modifying, constructing or relocating utilities, sidewalks, traffic islands or landscaping or by reducing or expanding the size or configuration of any buildings or other improvements on such Parcel. Any construction, alteration or repair of Common Area or Building Area shall be accomplished in accordance with the following provisions:

(a) Each Owner agrees not to erect, install or place any utility, building, improvement, fence, wall, curb or other barrier on, over across, adjacent to or under any Common Area that would impair, burden or interfere with the easements granted in this Agreement or with the passage of vehicular and/or pedestrian traffic; provided, however, that reasonable traffic controls as may be necessary to guide and control the orderly flow of traffic may be installed so long as access driveways to the parking areas and access to the buildings located on the Parcels are not closed or blocked.

(b) If the construction, alteration or relocation of any such utility, building, fence, wall, curb or other improvement shall cause any damage to another Parcel, then the Owner causing such damage shall be responsible, at its sole cost and expense, for restoring or repairing such other Parcel to substantially the same condition in which it was in prior to such damage.

(c) Any such construction, alteration or repair shall be accomplished as required by the applicable laws of the City of Oklahoma City and Oklahoma County, Oklahoma, and all other relevant laws and ordinances.

Section 2.5 Termination and Release of Prior Easements. The parties do hereby terminate and release the Prior Easements contained in the Warranty Deed.

ARTICLE III

MAINTENANCE

Section 3.1 Maintenance of Common Area and Parking Areas. Each Owner shall maintain or cause to be maintained the Common Area and other portions of its respective Parcel which have been subjected to an easement hereunder, at all times, in good condition. at such Owner's sole cost and expense, such maintenance to include, without limitation, the following:

- (a) maintenance, repair and replacement of all paved surfaces, in a level, smooth and evenly covered condition;
- (b) maintenance, repair and replacement of all curbs, curb cuts, gutters, walkways and retaining walls;
- (c) painting and striping of all parked areas;
- (d) maintenance, repair and replacement of all directional signs, markers, and artificial lighting facilities, including the replacement of fixtures and bulbs;
- (e) maintenance, repair and replacement of any and all storm drains, utility lines, sewers and other utility systems;
- (f) maintenance and replacement of landscaping; and
- (g) removal of all paper, debris, filth and refuse, including thorough sweeping of the easement areas in order to keep the easement areas in a clean and orderly condition, and free from snow or ice.

Section 3.2 Construction and Maintenance of Parcels. Any construction, installation or repair by an Owner of a Parcel shall be done at no expense to other Owners and shall be performed free of liens or claims of liens by mechanics and materialmen, and in such fashion as to minimize disruption to the operation of and the business conducted on the Parcels. Immediately following such construction, installation or repair, the party causing the same to be performed shall replace any lawful improvements and shall restore all surface area to its condition

preceding the construction and installation and repair (including, without limitation, necessary repaving of roadways and parking areas, grading, landscaping and reseeded of grass). All such construction and maintenance of a Parcel shall be accomplished in accordance with the provisions of Section 2.4 above.

Section 3.3 Maintenance Contracts. Nothing contained in this Article III shall prohibit any Owner from entering into an agreement with one or more of the Owners or an independent contractor or contractors to provide for the maintenance otherwise to be provided separately by each Owner pursuant to the provisions of this Article III.

Section 3.4 Condemnation. (a) In the event any part of a Parcel shall be taken by right of eminent domain or any similar authority of law or a deed is given in lieu of eminent domain proceedings, the entire award or purchase price for the value of the Parcel so taken shall belong to the Owners of such Parcel. No Owner may claim any portion of an award with respect to any Parcel other than such Owner's Parcel by virtue of the interest, rights and easements created by this Agreement; provided, however, that (i) all other Owners of Parcels may file collateral claims with the condemning authority for their losses or damages which are separate and apart from the value of the land area and improvements taken from another Owner and (ii) nothing in this Section shall prevent a tenant from making a claim against an Owner pursuant to the provisions of any lease or other agreement between a tenant and an Owner for all or a portion of any award or payment made to such Owner.

(b) In the event any part of a Parcel shall be taken by right of eminent domain or any similar authority of law or a deed is given in lieu of eminent domain proceedings, the Owner of such Parcel so condemned or taken shall promptly repair and restore the remaining portion of the Parcel so owned as near as practicable to the condition of the same immediately prior to such condemnation or taking.

ARTICLE IV

ENFORCEMENT

Section 4.1 Prosecution of Proceedings. Enforcement of this Agreement may be by legal proceedings against any Person or Persons violating or attempting to violate any declaration, restriction, covenant, condition or agreement herein contained, either to restrain or enjoin such violation and/or to recover damages; provided, however, that no such covenants or any such similar rights or privileges may be enforced by legal action or otherwise by any other Person whatsoever except for Owners, and Owners shall be the only Persons entitled to bring an action under and to enforce the rights and remedies of this Agreement.

Section 4.2 Right to Cure. If any Owner shall at any time default in the performance of, or fail to comply with, any of the terms and provisions of this Agreement, then and in such

event the non-defaulting Owner(s) shall have the right to enter upon such portion or portions of the Parcel owned by the defaulting Owner and to pay such obligation, perform such work or furnish such services on behalf, at the cost, and for the account of the defaulting Owner. Prior to the payment of any obligation, performance of any work or furnishing of any services upon or in connection with the any portion or portions of the Parcel of any defaulting Owner, a notice must be sent to the defaulting Owner of the intention to pay such obligation or perform such work or furnish such services. If the default is not cured within thirty (30) days after such notice, then the non-defaulting Owner(s) may pay such obligation, perform such work or furnish such services on behalf of the defaulting Owner and shall send a statement or statements of the cost thereof to the defaulting Owner of the portion or portions of the Parcels concerned and the amount thereof shall immediately be due and payable; provided, however, that if the defaulting Owner has commenced, within such thirty (30) days, reasonable efforts to cure the default, then such thirty (30) day period shall be extended so long as these efforts are diligently pursued. If the obligation, work or service must be performed at regular intervals, the parties performing the same may send statements at such appropriate intervals as it or they may desire. If the non-defaulting Owner(s) elects to cure any default of a defaulting Owner, as provided herein, then the non-defaulting Owner(s). in addition to any other remedy provided in this Agreement, shall have the right to set-off any costs incurred in effecting such cure against any amounts due by the non-defaulting Owner(s) to the defaulting Owner pursuant to this Agreement or otherwise.

Section 4.3 No Termination. No breach of this Agreement or default by any Person shall entitle any party to this Agreement, or any Owner, Occupant, or other Person, to terminate or cancel this Agreement.

ARTICLE V

MISCELLANEOUS

Section 5.1 Binding Effect. This Agreement, together with all of such easements, covenants, conditions and restrictions, shall run with the land for all purposes. This Agreement shall inure to the benefit of, and shall be binding on, the Authority, the University, DHS and Columbia, and their respective successors and/or assigns.

Section 5.2 Modification of Agreement. This Agreement may be modified, amended or terminated only by all of the Owners of the Parcels. No modification, amendment or termination of this Agreement shall be deemed valid, binding or enforceable unless the same is in written form, executed and acknowledged by and on behalf of all of the Owners and duly filed for record in the land records of Oklahoma County, Oklahoma. The Parcels shall be conveyed, encumbered, leased, occupied or transferred, in whole or in part, subject to the provisions of this Agreement.

Section 5.3 Subdivision. Any Owner may subdivide its Parcel into two or more parcels ("New Parcels") subject to the following provisions:

(a) Any subdivision of a Parcel shall be accomplished as required by the applicable subdivision laws of the City of Oklahoma City and Oklahoma County, Oklahoma, and all other relevant laws and ordinances; and

(b) Any New Parcels shall be subject to, and shall benefit from, all of the terms and provisions of this Agreement which were applicable to the Parcel of which such New Parcel previously formed a part.

Section 5.4 Estoppel Certificates. Within fifteen (15) days after written request thereof by another Owner (which Owner shall make such request no more frequently than once annually), an Owner shall execute and deliver an estoppel certificate certifying that, as of the date thereof, the requesting Owner is in full compliance with the terms of this Agreement, that all sums payable hereunder by such requesting Owner have been paid and that the requesting Owner's Parcel complies with all provisions of this Agreement, or providing explanation of any non-compliance.

Section 5.5 Existence and Powers. The parties to this Agreement each covenant to the other parties that each has the requisite power and authority to enter into this Agreement, to perform its obligations hereunder and to conduct its business as now being conducted. The execution, delivery and performance of this Agreement by all parties hereto and all other agreements referenced herein or ancillary hereto to which it is party, and a consummation of the agreements contemplated herein, are within its powers and have been duly authorized by all appropriate governmental and organizational action, do not require any approval or consent of, or filing with, any governmental agency or authority bearing on the validity of this Agreement which is required by law or the regulations of any such agency or authority; will not violate any statute, law, rule or regulation of any governmental authority to which it or the Parcels may be subject and will not violate any judgment of any court of governmental authority to which it or the Parcels may be subject.

Section 5.6 Notice. Any notice, demand or communication required, permitted, or desired to be given hereunder shall be deemed effectively given when personally delivered, when received by telegraphic or other electronic means (including telecopy and telex) or when received by overnight courier, or five (5) days after being deposited in the United States mail, with postage prepaid thereon, certified or registered mail, return receipt requested, addressed to the party to be notified at the following address (or at such subsequent address as may be designated by such party in a written notice executed by such party, which written notice shall be effective only upon recordation of the notice in the real estate records of Oklahoma County, Oklahoma):

To the Authority: The University Hospitals Authority
P.O. Box 26307
Oklahoma City, Oklahoma 73126
Attention: Board Secretary

To Columbia: HCA Health Services of Oklahoma, Inc.
6501 N. Broadway, Suite 200
Oklahoma City, Oklahoma 73116
Attention: President

With a copy to: Columbia/HCA Healthcare Corporation
One Park Plaza
Nashville, Tennessee 37203
Attention: General Counsel

To the University: The Board of Regents of the University of Oklahoma
660 Parrington Oval, Room 119
Norman, Oklahoma 73019
Attention: Executive Secretary

To DHS: _____

Section 5.7 Severability. In the event any provision of this Agreement is held to be invalid, illegal or unenforceable for any reason or in any respect, such invalidity, illegality or unenforceability shall in no event affect, prejudice the validity of the remainder of this Agreement, which shall remain in full force and effect, enforceable in accordance with its terms.

Section 5.8 Counterparts. This Agreement may be executed in several counterparts by one or more of the undersigned and all such counterparts so executed shall together be deemed and constitute one final agreement as if one document had been signed by all parties hereto; and each such counterpart shall be deemed an original, binding the parties subscribed hereto and multiple signature pages affixed with a single copy of this Agreement shall be deemed to be a fully executed original Agreement.

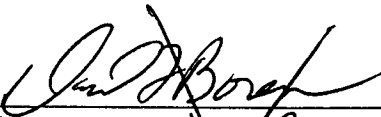
Section 5.9 Governing Law. The parties hereto agree that this Agreement shall be governed by and construed in accordance with the laws of the State of Oklahoma.

IN WITNESS WHEREOF, each of the parties to this Agreement have executed this Agreement to be effective as of the date first set forth above.

UNIVERSITY HOSPITALS AUTHORITY,
an agency of the State of Oklahoma and body corporate and politic

By: _____
Name: _____
Title: _____

BOARD OF REGENTS OF THE UNIVERSITY OF OKLAHOMA,
a body corporate and constitutional agency of the State of Oklahoma

By:  _____
Name: David C. Boron
Title: President, University of Oklahoma

COMMISSION FOR HUMAN SERVICES,
a constitutional agency of the State of Oklahoma

By: _____
Name: _____
Title: _____

DEPARTMENT OF HUMAN SERVICES,
a constitutional agency of the State of Oklahoma

By: _____
Name: _____
Title: _____

HCA HEALTH SERVICES OF OKLAHOMA, INC.,
an Oklahoma corporation

By: _____
Name: _____
Title: _____

ACKNOWLEDGMENTS

STATE OF _____ §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on this ____ day of December, 1997, by _____, _____ of the UNIVERSITY HOSPITALS AUTHORITY, an agency of the State of Oklahoma and body corporate and politic, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of said agency.

Notary Public, State of _____

My Commission Expires:

Printed Name of Notary Public

STATE OF _____ §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on this ____ day of December, 1997, by _____, _____ of the BOARD OF REGENTS OF THE UNIVERSITY OF OKLAHOMA, a body corporate and constitutional agency of the State of Oklahoma, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of said agency.

Notary Public, State of _____

My Commission Expires:

Printed Name of Notary Public

STATE OF _____ §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on this ____ day of December, 1997, by _____, _____ of the COMMISSION FOR HUMAN SERVICES, a constitutional agency of the State of Oklahoma, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of said agencies.

Notary Public, State of _____

My Commission Expires:

Printed Name of Notary Public

STATE OF _____ §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on this ____ day of December, 1997, by _____, _____ of the DEPARTMENT OF HUMAN SERVICES, a constitutional agency of the State of Oklahoma, a constitutional agency of the State of Oklahoma, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of said agencies.

Notary Public, State of _____

My Commission Expires:

Printed Name of Notary Public

STATE OF _____ §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on this ____ day of December, 1997, by _____, _____ of HCA HEALTH SERVICES OF OKLAHOMA, INC., an Oklahoma corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of said corporation.

Notary Public, State of _____

My Commission Expires:

Printed Name of Notary Public

EXHIBIT A

LEGAL DESCRIPTION OF THE STATE PARCEL

A tract of land lying in the Southwest Quarter of Section 26, and the Southeast Quarter of Section 27, and Northeast Quarter of Section 34, and the Northwest Quarter of Section 35, Township 12 North, Range 3 West of the Indian Meridian, Oklahoma County, Oklahoma, being more particularly defined as follows:

Being bounded on the South by N.E. 8th Street, and Lottie Avenue on the East, and N.E. 13th Street on the North, and Phillips Avenue on the West, all in Oklahoma City, Oklahoma County, Oklahoma.

EXHIBIT B

LEGAL DESCRIPTION OF THE LEASEHOLD PARCEL

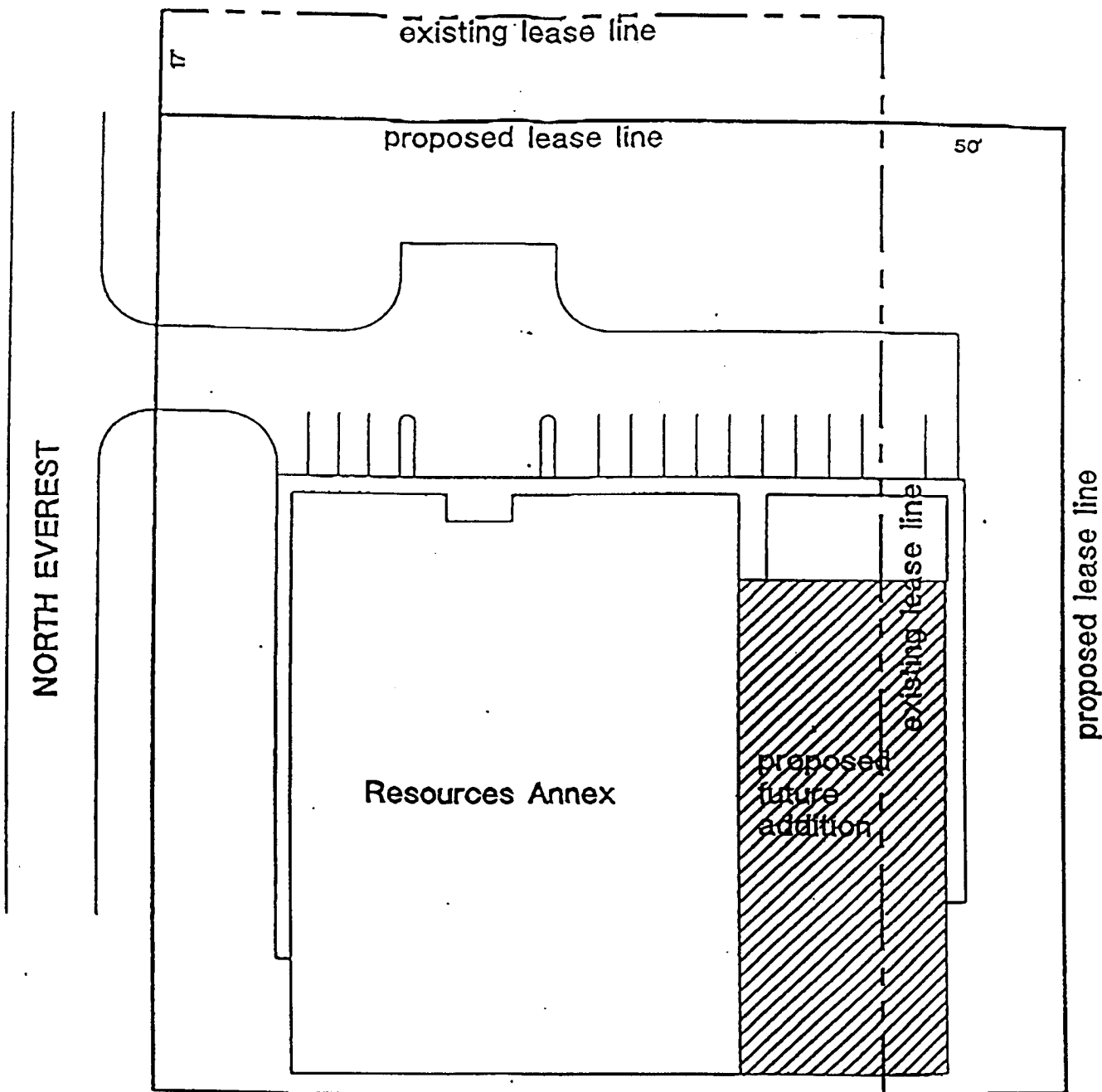
[Parcels 1 through 7 - To Attach]

PROPOSED LEGAL DESCRIPTION
OF
THE ANIMAL RESOURCE ANNEX

A tract of land lying in the Northwest Quarter of Section 35, Township 12 North, Range 3 West of the Indian Meridian, Oklahoma County, Oklahoma, and being further described as follows:

The South 80 feet of Lots 9 through 18, inclusive, Block 3, OAK PARK ADDITION and all of Lots 9 through 18, Block 12, OAK PARK ADDITION to the City of Oklahoma City, Oklahoma, together with that portion of vacated Northeast 10th Street adjacent to said lots, and together with all of the 20 foot alley lying South of and adjacent to Lots 9 through 18, Block 12, said OAK PARK ADDITION. Said parcel being 310 feet North-South and 250 feet East-West and containing 1.78 acres, more or less.

EXHIBIT 2



RESOURCES ANNEX - SITE PLAN



The University of Oklahoma

Norman, Oklahoma

Norman Campus Utilities Master Plan Summary of Recommendations

Prepared by

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January 1998

I. SUMMARY OF RECOMMENDATIONS

Purpose of Study

The purpose of the Campus Utility Master Plan at The University of Oklahoma - Norman was to review the chilled water and electrical power utility systems and provide recommendations for modifications necessary to improve both plant reliability & operating efficiency as well as meet long term loads. Our work effort involved a systematic approach to analyzing existing systems and determining future load projections. The following tasks were completed:

- Detailed Survey and Assessment of Existing Conditions
- Development of Future Load Projections Based on OU Campus Development Plan
- Analysis of Chilled Water Distribution Systems
- Development of Options to Correct Deficiencies, Increase Operating Efficiency and Meet Future Loads
- Analysis of Optimum Equipment Arrangement/Chiller Type
- Electrical Power System Evaluation
- Development of a Detailed Implementation Plan

Following is a brief description of the findings and recommended actions of the report. Budget pricing is included for correcting the deficiencies found and for providing capacity to meet the long term growth requirements.

Summary of Findings

Based on on-site field observations & measurements, discussions with OU personnel, engineering calculations and future load projections, the utility systems were analyzed and the following is a summary of the findings:

- The majority of the existing chillers are over 30 years old and their reliability is suspect. These chillers should be replaced with more reliable chillers and support equipment as soon as possible.
- Eight of the nine chillers in the existing chilled water plants use CFC refrigerant. The use of CFC's should be phased out over the next 5 years to insure availability of refrigerant and minimize operating costs.
- The existing chilled water distribution piping from existing chilled water Plant #1 (CWP-1) is sized to handle a maximum capacity of 8000-9000 tons. Additionally, there are several segments of piping that are undersized for today's loads.
- The existing CWP-1 chilled water pumping is a primary pumping system only and design water flow can not be achieved to the most remote buildings.
- Existing Chilled Water Plant #2 (CWP-2) has a building configuration and physical condition that would make replacement of existing chillers and addition of new chillers a poor investment. The location of existing CWP-2 relative to the main campus and the load capacity of its existing chilled water distribution system are not conducive to economically adding future chilled water loads and providing additional capacity to the main campus chilled water system served by existing CWP-1. Additionally, the space

available for expansion at this site is limited and could not support the long term needs of the campus while providing flexibility for options such as thermal storage.

- If a power plant and electric utility company outage occurs simultaneously, the power plant is unable to produce steam or electricity until the utility service is restored.
- The underground electrical utility feeders from the substation to the power plant are disproportionally loaded and can not serve the load during the summer unless the University is generating power.
- With the University electric load balanced, the incoming utility feeder cables are presently at their maximum capacity at peak campus electric load.
- Projected future load growth from new and remodeled buildings exceed the distribution capacity of the existing electric utility substation, and voltage regulation problems to the south campus are increasing.
- The existing electric utility substation is connected to a radial tap off of the 138 Kv transmission line and the loss of the line or any poles will interrupt electric utility service until the damaged section is repaired.
- The existing main campus electric power distribution cables are more than thirty years old but are presently in good repair and should only be replaced as the load grows. The existing power distribution cables routed submerged in the east campus "duck pond" should be evaluated at some future time for the potential of an "event" that could produce a campus power outage.

Recommended Action

Based on the findings described above, several corrective actions were identified. It should be noted that this implementation plan attempts to project some realistic dates for implementation of various projects. Although the 10 year plan provides a suitable level of redundancy and reliability, the short term (3-4 years) plan will leave OU somewhat at risk until a new chilled water plant and south substation can be constructed.

The following itemizes the general recommendations for improving chilled water and electrical power system reliability and operating efficiency and meeting the long term loads. The construction costs and resultant chilled water capacity increases through year 2007 have been summarized along with the detailed implementation plan in the attached Table 1. The electrical power distribution system construction costs and total power load increases through year 2006 have been summarized along with the detailed implementation plan in the attached Table VII-2, which is reprinted from Part VI, Electrical System Upgrade.

- Rebuild the existing 3000 ton chillers in existing CWP-1 to make them as reliable and efficient as practical. This includes the conversion of Chiller #5 to HFC-134a refrigerant.
- Add 1000 tons of capacity in existing CWP-1 as soon as possible. This project is currently being implemented.

- Begin the process of converting existing CWP-1 to a primary-secondary-tertiary pumping arrangement by adding tertiary pumps in many of the buildings. This will resolve the short term pumping deficiencies.
- Increase the size of the chilled water distribution piping system and interconnect existing CWP-1 and existing Chilled Water Plant #2 (CWP-2) as shown on the attached Drawing SU-1.
- Construct a new "south" chiller plant with an initial capacity of 5000-6000 tons and an ultimate capacity of 10,000-12,000 tons. This will allow for the phase out of the existing CWP-2 chillers and will meet the short term load increases.
- Install a 2,500 ton electric centrifugal chiller and a 2,500 ton steam turbine centrifugal chiller to provide the initial 5,000 tons in the new "south" chiller plant. Electric centrifugal chiller to be capable of providing subcooled chilled water for thermal storage system. Chiller selection subject to re-evaluation prior to purchase in 2001 based on prevailing utility rates and equipment availability.
- Convert the existing CWP-1 to primary-variable speed secondary chilled water pumping. Install primary-variable speed secondary chilled water pumping as part of the new "south" chiller plant. Variable speed pumping significantly reduces pumping energy costs and provides increased operational flexibility.
- Add a free cooling heat exchanger system to the existing CWP-1. Install a free cooling heat exchanger system as part of the new "south" chiller plant. Free cooling utilizes central plant cooling towers to produce chilled water in winter to serve campus winter cooling loads in lieu of inefficiently operating a large central plant chiller or local unitary air conditioning equipment.
- Install a chilled water thermal storage system as part of the installation of new "south" chilled water plant. Thermal storage system will provide significant chilled water system energy cost savings by storing chilled water produced at night with lower electrical costs and cooling buildings with stored chilled water during the day when electrical costs are higher. Thermal storage system subject to re-evaluation prior to purchase in 2001 based on prevailing utility rates.
- Install a 500 Kw diesel engine generator at the power plant to enable the power plant to reenergize after a total system outage. Generator should be capable of electric peak load shaving operation in addition to a power outage recovery unit.
- Balance the load on the incoming electric utility feeders by reconnecting some 2.4 feeder cables and changing the open points in the 12.5 kV distribution system.
- Construct a new electric substation in the vicinity of the Lloyd Noble Center connected to a different section of the utility transmission line consisting of one 12/16/20 Mva transformer with the capability of an additional same size future transformer. Interconnect with the existing electric substation.
- Serve the new "south" chilled water plant from the new electric utility substation and reconfigure the electric distribution system to serve all existing and new loads south of Fourth Street from the new electric substation.

- When existing main campus power distribution cables are replaced, the new cables should be modern three conductor cables with steel or aluminum armor and overall PVC jacket.

TABLE 1
Implementation Plan

Year	Projected Cooling Load (Tons)	Total Plant Capacity (Tons)	Firm Plant Capacity (Tons)	Work Effort	Cost
1997	10,052	12,400	9,400	Rebuild Chiller #4 Turbine Rebalance Chiller # 4 Wheel Confirm Cooling Tower Capacity in CWP-1	\$235,000
1998	10,252	13,400	10,400	Convert Chiller #5 in CWP-1 to HFC-134a Replace Chiller #4 and #5 Tubes Add 1000 Tons of Capacity in CWP-1 Provide Individual Building Pumps for CWP-1 Repair the Cooling Towers in CWP-2	\$2,650,000
1999	10,345	13,400	10,400	CWP-1 Distribution Piping Improvements Continue Installation of Individual Building Pumps Relocate existing Tennis Courts	\$1,100,000
2000	10,602	13,400	10,400	Complete the Tertiary Pump Installation Convert CWP-1 to Primary-Secondary Pumping Install Free Cooling at CWP-1	\$1,100,000
2001	11,278	15,000	12,000	Construct New " South " Chiller Plant With a Capacity of 5000-6000 tons. Phase out CWP-2. Start the New Underground Distribution System	\$16,000,000
2001	11,278	15,000	12,000	Install thermal storage system at the new plant	\$2,000,000
2002	11,398	15,000	12,000	Replace the Power Plant Cooling Towers	\$2,000,000
2003	11,748	15,000	12,000	Replace the Cooling Tower for Chiller #4 and Chiller #5 in CWP-1	\$1,000,000
2004	12,724	17,500	14,500	Add 2500-3000 Tons of Capacity in the New " South " Plant Add New Distribution Piping To Serve New Loads	\$4,000,000
2005	13,074	17,500	14,500	-	\$0
2006	13,490	18,000	15,000	Phase Out Chillers # 1 and #2 in CWP-1 Add 2500-3000 Tons of Capacity in the New " South " Plant	\$3,000,000
2007	13,841	18,000	15,000	-	\$0

Total

\$33,085,000

Note: All costs are for planning purposes only and are based on 1997dollars.

Table VII-2

The University of Oklahoma - Norman, Oklahoma
Campus Utilities Master Plan

Implementation Plan - Electrical

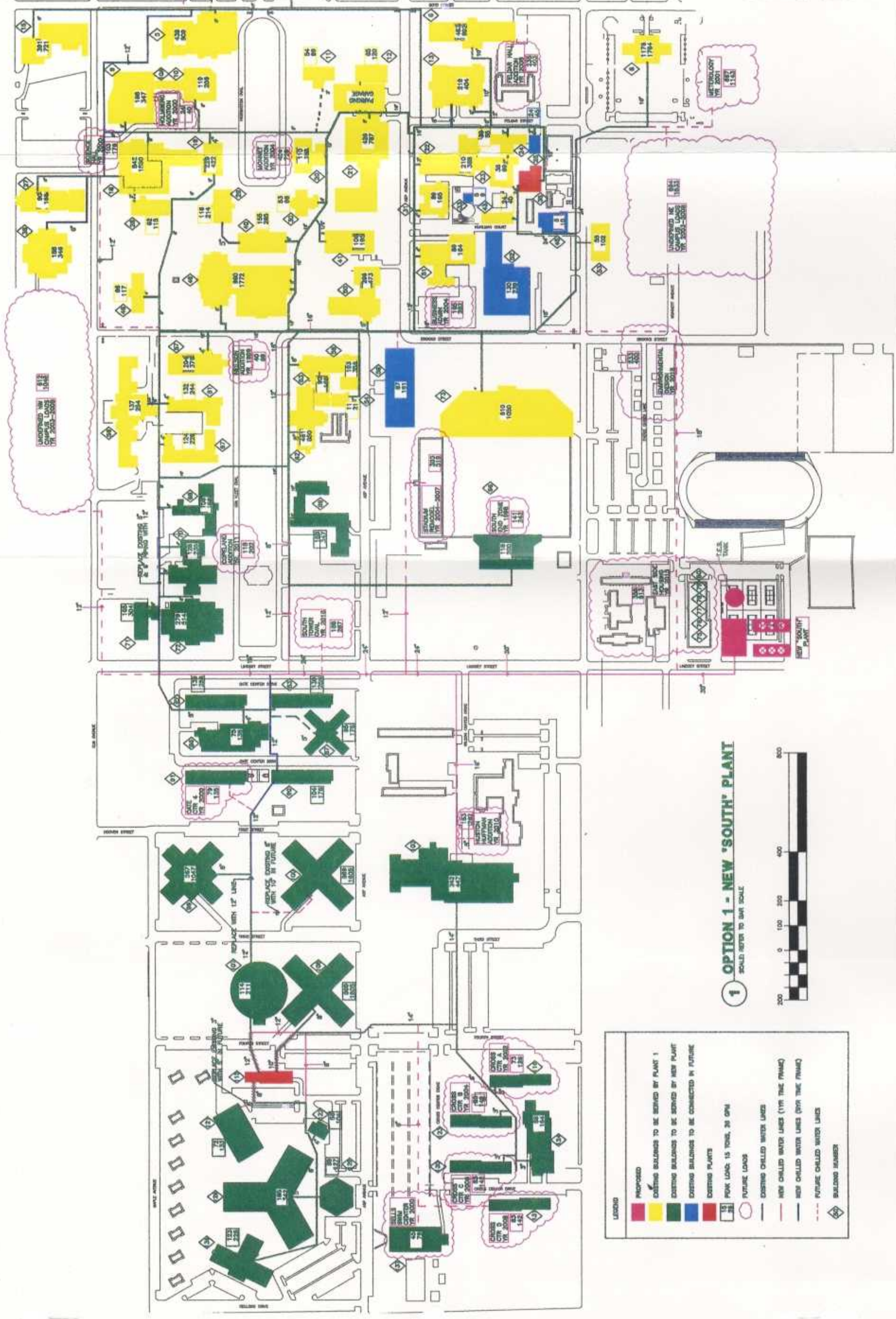
Year	Base Load (KVA)	Cooling Load (KVA)	Total Load (KVA)	Work Effort	Cost
1997	11,500	8,700	20,200	• Serve Elm Street Parking Garage.	\$20,000
1998	13,100 *	9,500	22,600	• Serve South End Zone Addition and Catlett Music. • Replace 1000 Ton Chiller #3 With New 2000 Ton Chiller. • Serve Phase 1 Individual Building Pumps. • Rearrange Power Plant Feeders and Service Breakers • Install 500kW Black Start Diesel Engine Generator	\$465,000
1999	13,850 *	9,500	23,350	• Serve Nielson Addition • Serve Phase 2 Individual Building Pumps	\$50,000
2000	13,950 *	10,200	24,100	• Serve Holmberg Addition. • Construct South Substation • Install Primary/Secondary Pumps at CWP-1 • Serve Phase 3 Individual Building Pumps	\$1,170,000
2001	14,600	12,000	26,600	• Install 12.5 kV Tie Between Power Plant Switchboard and South Substations • Serve Meteorology and Science Hall • ** Demo CWP-2 and Build "New South Plant" (5000 Ton) • Install 12.5kV Underground Feeder Cable to "New South Plant"	\$1,325,000
2002	14,600	12,100	26,700	• ** Replace Power Plant Cooling Towers	---
2003	14,600	12,100	26,700	• ** Replace C4 and C5 Cooling Towers	---
2004	16,100	14,700	30,800	• Monnet Addition • Business Administration Addition • New NW Side Building (260k sq ft) • ** Add One 2500 Ton Chiller "New South Plant"	\$60,000
2005	16,100	14,700	30,800	---	---
2006	17,200	17,300	34,500	• New NE Side Building (380k sq ft) • ** Add One 2500 Ton Chiller "New South Plant"	\$90,000
Total:					\$3,180,000

* Individual Building Chilled Water Pumps Included.

** Electrical Costs in Mechanical Implementation Plan.

Note: All costs are for planning purposes only and are based on 1997 dollars.

This table reprinted from part VI, Electrical System Upgrade.



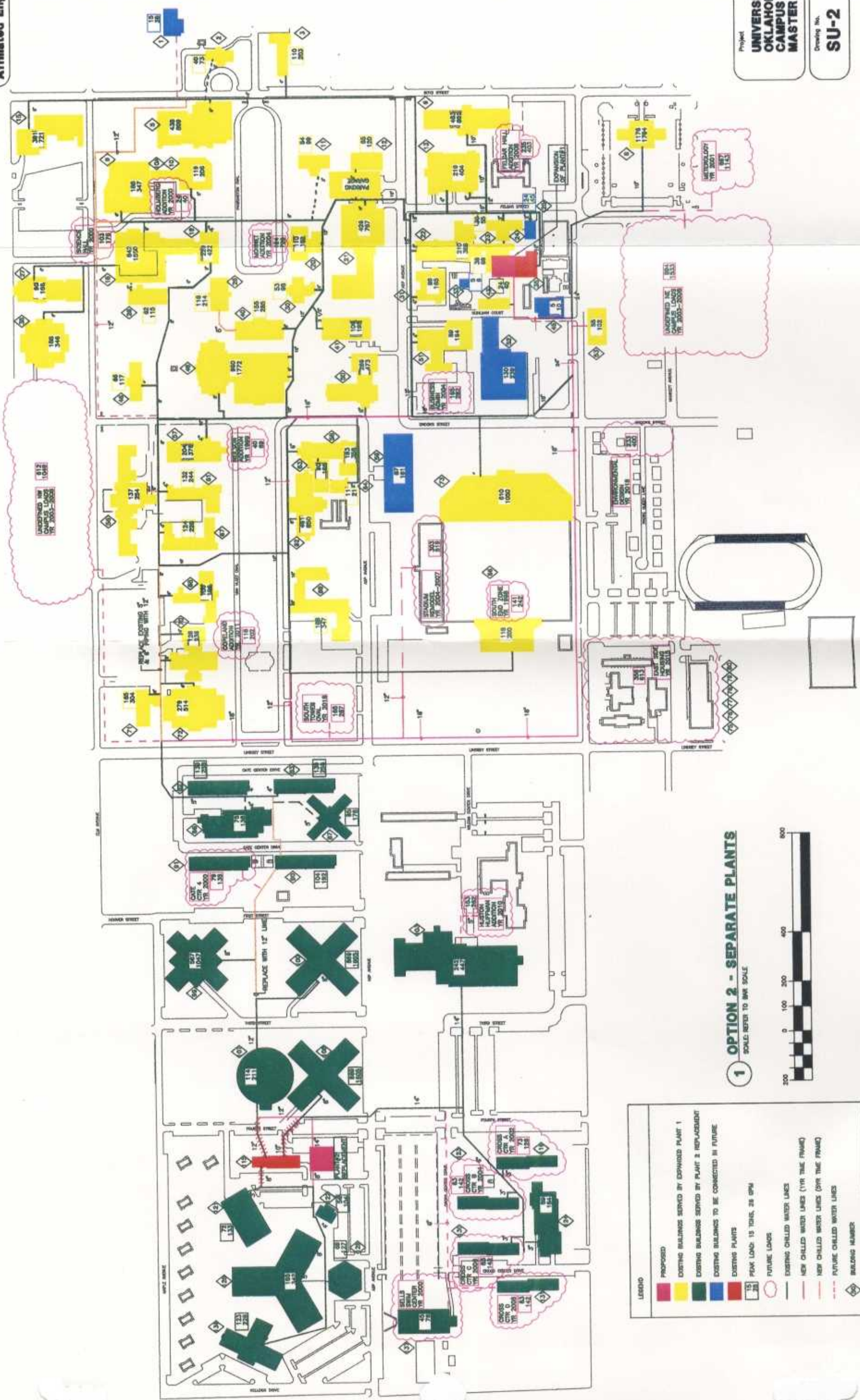
1 OPTION 1 - NEW 'SOUTH' PLANT

SCALE REFER TO BAR SCALE



LEGEND

[Yellow Box]	EXISTING BUILDINGS TO BE SERVED BY PLANT 1
[Green Box]	EXISTING BUILDINGS TO BE SERVED BY NEW PLANT
[Blue Box]	EXISTING BUILDINGS TO BE CONNECTED IN FUTURE
[Red Box]	EXISTING PLANTS
[Red Box]	POPK LOADS: 15 TONS, 20 GPM
[Red Box]	FUTURE LOADS
[Solid Line]	EXISTING CHILLED WATER LINES
[Dashed Line]	NEW CHILLED WATER LINES (1 1/2" THICK FINING)
[Dashed Line]	NEW CHILLED WATER LINES (2" THICK FINING)
[Dashed Line]	FUTURE CHILLED WATER LINES
[Diamond]	BUILDING NUMBER



1 OPTION 2 - SEPARATE PLANTS
SCALE REFER TO BAR SCALE



LEGEND

[Yellow Box]	PROPOSED
[Yellow Box]	EXISTING BUILDINGS SERVED BY EXISTING PLANT 1
[Green Box]	EXISTING BUILDINGS SERVED BY PLANT 2 REPLACEMENT
[Blue Box]	EXISTING BUILDINGS TO BE CONNECTED IN FUTURE
[Red Box]	EXISTING PLANTS
[Blue Box]	PEAK LOAD: 15 TONS, 25 GPM
[Red Box]	FUTURE LOADS
[Red Line]	EXISTING CHILLED WATER LINES
[Blue Line]	NEW CHILLED WATER LINES (110 TONS FRAMED)
[Red Line]	NEW CHILLED WATER LINES (200 TONS FRAMED)
[Blue Line]	FUTURE CHILLED WATER LINES
[Diamond]	BUILDING NUMBER