

**MINUTES OF A SPECIAL MEETING
THE UNIVERSITY OF OKLAHOMA BOARD OF REGENTS
DECEMBER 8, 1999**

A Special meeting of the Board of Regents governing The University of Oklahoma, Cameron University and Rogers State University was called to order at the BP Amoco Building, 4502 E. 41st Street, Tulsa, Oklahoma, on December 8, 1999, beginning at 12:08 p.m.

The following Regents were present: Regent Donald B. Halverstadt, M.D., Chairman of the Board, presiding; Regents C. S. Lewis III, Robin Siegfried, Stephen F. Bentley and Christy Everest.

Absent: Regents Mary Jane Noble and G. T. Blankenship.

Others attending all or a part of the meeting included Mr. David L. Boren, President of The University of Oklahoma, Provost Joseph Ferretti; Mr. Ken Lackey, President of the OU Graduate Research and Health Sciences Center Programs, Tulsa; Chancellor Hans Brisch, Oklahoma State Regents for Higher Education; Vice President Mark E. Lemons; Joseph Harroz, Jr., General Counsel; and Dr. Chris A. Purcell, Executive Secretary of the Board of Regents.

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 12:00 p.m. on December 7, 1999, both as required by 25 O.S. 1981, Section 301-314.

THE UNIVERSITY OF OKLAHOMA

**ACQUISITION AND LEASING OF REAL ESTATE AND IMPROVEMENTS
LOCATED AT 4502 E. 41st STREET, TULSA, OKLAHOMA, FROM AMOCO
PRODUCTION COMPANY-HSC**

Subject to the approval of the Board of Regents, the University has entered into a Real Estate Purchase Agreement (the "Agreement") with Amoco Production Company ("Amoco") for the purchase of the Amoco Tulsa Technology Center located at 4502 E. 41st Street in Tulsa, Oklahoma (the "Property"). The purchase price for the Property is \$24 million. The Property has been appraised at \$37,500,000. In connection with this transaction, Amoco will donate to the University the majority of its personal property on the Property (including furniture, computers, telephone equipment and artwork). The personal property will be received by the University pursuant to a separate donation agreement.

Initial funding for this purchase will be provided by The University of Oklahoma Foundation, Inc. (the "Foundation"). At the closing, the University will assign its rights in the Agreement to the Foundation. The Foundation has formed a single member limited liability company to purchase the Property. The Foundation's limited liability company will lease the Property to the University.

The initial lease term will be five years, subject to a "funding out clause" approved by the General Counsel of the University, and the University will have the right to renew the lease for an additional five years. The lease will contain an option to purchase the property which can be exercised at any time by the University. The option price is \$24 million plus any leasehold improvements paid for by the Foundation. Partial prepayment of the option price can be made at

any time. The University anticipates that the potential sources of payments of the option price could include private donors, bond financing or legislative appropriation. The Foundation has also agreed to provide up to \$3,000,000 for leasehold improvements to the Property.

Rent under the lease is equal to 5% of the total of the option purchase price and the amount spent for leasehold improvements, as reduced by any prepayments. Rent is payable annually in arrears on June 30 of each year, beginning June 30, 2000.

If the option to purchase is not exercised, the Foundation will retain any prepayments made by the University and prepayments by donors will be transferred to another fund within the Foundation.

Under the terms of the Lease, the University will be responsible for all operating and maintenance expenses of the Property.

The University, in order to accommodate Amoco's transition out of the Property, will enter into two subleases with Amoco covering certain portions of the Property. One sublease will cover space currently utilized by Amoco for its pipeline control operations (approximately 35,349 rentable square feet). That sublease will have an initial term of three (3) years with one option to renew for an additional three years. That sublease is anticipated to generate approximately \$490,000.00 in average annual revenue for the University.

The University will also enter into a separate sublease with Amoco covering that portion of the Property currently utilized by Amoco as office space in the Property (approximately 40,164 rentable square feet initially). That sublease will expire at different times throughout 2000 and is anticipated to generate approximately \$500,000.00 in revenue during 2000.

The acquisition of the Property will enable the University to expand its Health Sciences Center campus in Tulsa into a centrally located, spacious, state of the art facility.

If approved by the Board of Regents, the Property will be purchased by the Foundation (as assignee of the University), and leased from the Foundation by the University, on or before December 15, 1999.

President Boren recommended the Board of Regents take the following actions:

- (1) approve and ratify the Real Estate Purchase Agreement (the "Agreement") with Amoco Production Company ("Amoco") for the purchase of the Amoco Tulsa Technology Center located at 4502 E. 41st Street in Tulsa, Oklahoma, (the "Property") dated November 30, 1999, that contains a purchase price of \$24 million;
- (2) authorize the President or his designee to assign the University's rights in the Agreement to The University of Oklahoma Foundation, Inc. (the "Foundation") or a limited liability corporation that is wholly owned by the Foundation;
- (3) authorize the President or his designee to execute a five-year lease of the Property with a limited liability corporation that is wholly owned by the Foundation which contains provisions that include the following: (a) an appropriate "funding-out" clause; (b) a five-year conditional option to renew, also containing an appropriate "funding-out" clause; (c) the option to purchase the property for \$24 million at any time plus any leasehold improvements paid for by the

Foundation less any partial payments on the option price; (d) an annual rental payment equal to five percent of the total, unpaid option purchase price and any leasehold improvements, with such improvements not to exceed \$3 million; (e) a provision that the University will be responsible for all operating and maintenance expenses of the Property during the term of the lease;

(4) authorize the President or his designee to execute a three-year sublease with Amoco covering approximately 35,349 rentable square feet that contains an option to renew for one additional three-year period, with the rent to generate approximately \$490,000.00 in annual revenue for the University;

(5) authorize the President or his designee to execute another sublease with Amoco covering approximately 40,164 rentable square feet, initially, with the amount of rented square footage to decrease over the course of twelve months, with the anticipated revenue from such sublease in calendar year 2000 estimated to be \$500,000.00; and

(6) authorize the President or his designee to enter into a "Transitional Services Agreement" with Amoco in which the University will compensate Amoco for continuing to provide services necessary to maintain the Property until March 31, 2000 to allow the University to fully transition into the Property.

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

RESOLUTION TO NAME OUHSC, TULSA

WHEREAS, Charles Schusterman was an outstanding student at The University of Oklahoma, graduating in 1958 with a degree in Petroleum Engineering and is among OU's most distinguished alumni, having achieved tremendous success through Samson Investment Company, an international oil and gas concern that he founded and for which he currently serves as Chairman and Co-CEO.

WHEREAS, as husband and wife, Charles and Lynn Schusterman are dedicated philanthropists deploying both the human and financial resources of their family foundation, the Charles and Lynn Schusterman Family Foundation, to support a wide variety of causes including education, children and community service projects in Tulsa and throughout Oklahoma, as well as a myriad of Jewish organizations on the local, national and international levels.

WHEREAS, individually and as a couple, the Schustermans have been honored many times for their philanthropic leadership and exceptional vision, awards that include the 1996 Maimonides Award from the Jewish Federation of Tulsa, the 1996 Humanitarian Award from the National Jewish Medical and Research Center and the 1998 Annual Award from the National Conference for Community and Justice.

WHEREAS, the Charles and Lynn Schusterman Family Foundation ("Foundation") has been a major contributor to The University of Oklahoma for many years, making the University a beneficiary of the creative, strategic and entrepreneurial approach to philanthropy for which the Foundation is widely respected.

WHEREAS, among the programs the Foundation established at The University of Oklahoma and in which the Foundation continues to play a leadership role are the Schusterman/Josey Chair in Judaic History in the College of Arts and Sciences and the internationally recognized Energy Institute of the Americas at the Sarkeys Energy Center.

WHEREAS, when recently presented with a unique opportunity to combine their personal attachment to OU with their deep commitment to Tulsa and its citizens, the trustees of the Schusterman Family Foundation voted to make a Ten Million (\$10,000,000.00) Dollar grant to The University of Oklahoma ("OU") for the purpose of facilitating the purchase by OU of the BP Amoco Technology Center ("Property").

WHEREAS, this Ten Million Dollar grant is the largest made to date by the Foundation and the third largest single gift in the history of The University of Oklahoma.

WHEREAS, this grant by the Foundation will enable OU to immediately begin utilizing the Property as the new center of its activities in Tulsa, including all of its graduate health science programs.

WHEREAS, the establishment of this new center will enable OU and the Foundation to fulfill their shared vision of a dramatically enhanced presence for OU in Tulsa, one that through OU's expanded educational, research and patient care programs will ensure an increasingly bright future for OU and will improve the quality of life for the citizens of Tulsa and Northeastern Oklahoma.

NOW, THEREFORE, BE IT RESOLVED, that the OU Board of Regents expresses its profound appreciation to Charles and Lynn Schusterman and their family and, in honor of the exceptional contributions made by the Charles and Lynn Schusterman Family Foundation to The University of Oklahoma, hereby names and agrees to refer at all times to the Property as the "Schusterman Health Sciences Center at The University of Oklahoma in Tulsa."

President Boren recommended the Board of Regents approve the Resolution as presented.

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

RESOLUTION - UNIVERSITY OF OKLAHOMA HEALTH SCIENCES CENTER - TULSA

WHEREAS, The University of Oklahoma has offered important health and medical education programs in Tulsa and northeastern Oklahoma for the past 27 years;

WHEREAS, The University of Oklahoma has trained a large portion of the health care professionals practicing in the Tulsa area and over half of the 2000 graduates of College of Medicine programs have entered into primary care practice in the Tulsa area;

WHEREAS, Tulsa-based programs of The University of Oklahoma Health Sciences Center continue to expand and now include programs in medicine, allied health, nursing, pharmacy, and public health, including occupational therapy and physical therapy;

WHEREAS, The University of Oklahoma Health Sciences Center in Tulsa is the single largest provider of indigent care with over 115,000 patient visits annually at the six College of Medicine clinics in the Tulsa area, and outreach services are provided at the Tulsa Day Center for the Homeless, and through Project Get Together and the Neighbor for Neighbor Program;

WHEREAS, The University of Oklahoma Health Sciences Center Programs of the College of Medicine constitute one of the largest community based medical education programs in the United States with an annual operating budget of \$40 million with 100 full-time and part-time faculty and 850 volunteer faculty from the Tulsa medical community;

WHEREAS, The University of Oklahoma has over 675 employees in the Tulsa area in all of its health and other graduate programs;

WHEREAS, it is beneficial to The University of Oklahoma College of Medicine, Tulsa to continue to be a community-based program in partnership with Saint Francis, St. John and Hillcrest hospitals and the V.A. Medical Center instead of developing a freestanding multi-specialty clinical program of its own;

WHEREAS, The University of Oklahoma Health Sciences Center program in Tulsa already conducts some research initiatives including clinical research trials in new pharmaceutical and medical devices, research in health care outcomes, health care education and basic research;

WHEREAS, the absence of a campus and physical facilities for The University of Oklahoma Health Sciences Center in Tulsa has hindered the development of additional educational and research programs, including clinical and basic research initiatives, which have great potential benefit to Tulsa and northeastern Oklahoma including opportunities for economic growth and development;

NOW THEREFORE BE IT RESOLVED that the Board of Regents of The University of Oklahoma strongly reaffirms its support of the programs of The University of Oklahoma Health Sciences Center in Tulsa;

The Board also reaffirms that the programs of the College of Medicine in Tulsa should continue to be community based in cooperation with its local hospital partners and volunteer faculty members while its clinics continue their focus upon the provision of indigent care of great benefit to the area;

The Board expresses its enthusiasm for the new opportunities provided by the new campus facilities and for The University of Oklahoma Health Sciences Center in Tulsa and the Board intends to use these facilities to expand health education programs and research programs to benefit the economic development of the area.


President Boren recommended the Board of Regents approve the Resolution as presented.

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

December 8, 1999

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There being no further business, the meeting adjourned at 12:25 p.m.


Chris A. Purcell
Executive Secretary of the Board of Regents