

MINUTES  
OF THE  
BOARD OF TRUSTEES  
UNIVERSITY OF SOUTH ALABAMA

A meeting of the Board of Trustees of the University of South Alabama was held Friday, March 9, 1984, in the Executive Workshop, Brookley campus, commencing at 10:30 o'clock, A.M., Central Standard Time, pursuant to appropriate call in accordance with the statute creating the University.

Mr. Aubrey Green, Vice President of the Board, presided as Chairman of the meeting in the absence of the Governor. On roll call the following were found to be present: Dr. J. "Mac" Bell, Judge Otha Lee Biggs, Mr. L. W. Brannan, Mr. Hubert Bruister, Mr. William "Monty" Collins, Mr. John Counts, Mr. Ed Dannelly, Mr. Aubrey D. Green, Mr. Mayer Mitchell, Mr. Sam Sawyer, Mr. Arthur Tonsmeire. Absent: Governor Wallace, Dr. Wayne Teague, Mr. Ernest Cleverdon, Mr. Phil Forrester, Mrs. Earl Goodwin, Judge Charles Woods.

Also attending were President Frederick P. Whiddon; Drs. Ralph Jones, Stanley Crawford, G. Robert Wilson, Jr., Malcolm Howell, Tim Lally, President of the Faculty Senate; Messrs. Gordon Moulton, Doyle Dillard, Wayne Davis, William Pipas, Jimmy Varnado, President of the Student Government Association; Roger Clayton, Vice President of Central Bank of the South, Birmingham; David Wright, President of Central Bank of Mobile; John Harrell, Bond Counsel; Danny Tyler, Underwriters' Counsel; Patrick Mooney, Vice President of Howard, Weil; Colonel George Smith and Ms. Maxey Roberts.

On motion duly made, seconded and unanimously adopted, a copy of the notice of the meeting forwarded to each member of the Board of Trustees was ordered inserted in the Minute Book of the Board immediately following the minutes of this meeting.

The Chairman declared that a quorum was present and that the meeting was open for the transaction of business.

The Chairman called upon Mr. Brannan to deliver the invocation.

Mr. Green presented for approval the minutes of the Board of Trustees meeting of February 2, 1984, mailed to the Trustees prior to the meeting. Upon the motion of Judge Biggs, seconded by Mr. Dannelly, the minutes were unanimously approved.

The Financial Statement of the University as of January 31, 1984, mailed to the Trustees prior to the meeting, was presented and reviewed by Mr. Green.

Mr. Green then requested Mr. Mitchell, Chairman of the Health Services Committee, to present the report from the Committee. Mr. Mitchell reported that the Committee convened and reviewed the following minutes of the various committee meetings of the University of South Alabama Medical Center which were mailed to the Trustees prior to the meeting: Executive Committee, January 10, 1984, Credentials, November 1, 1983; Infection Control, October, 1983; Safety and Health, December 16, 1983; Tissue Review,

November, 1983; Blood Transfusion, November, 1983; Disaster, November 9, 1983; Cancer Coordinating, December 1, 1983; Emergency Room, October 11, November 22, 1983; Surgical, August 17, November 11, 1983; Pediatric Intensive Care, January 11, November 8, August 9, 1983; Quality Assurance, September 27, November 29, 1983; Family Practice, October, November 22, 1983; Medicine, November 2, 1983; Neurology, November 30, 1983; Neurosurgery, October 26, November 30, 1983; Obstetrics and Gynecology, December 15, 1983; Pediatrics, July 1, August 5, September 2, October 7, November 4, December 7, 1983.

Because of a necessity to proceed without delay, requests for Board approval to complete the third floor in the phased renovation of Building 2002, Brookley Center, were mailed to the Trustees prior to the meeting. Upon the motion of Mr. Collins, seconded by Mr. Mitchell, it was unanimously approved to ratify and confirm completion of the third floor of Building 2002, Brookley Center.

Mr. Green referred to a memorandum from Dr. Crawford, dated February 8, 1984, mailed to the Trustees prior to the meeting, in which a request is made for approval of the University Hospital equipment budget. He noted that the request lists items totaling \$1,518,076; however, approval is requested from the Board to expend a total amount of \$1,075,000, to be selected from a list of capital items. Upon the motion of Mr. Mitchell, seconded by Mr. Bruister, the Hospital equipment capital budget in the amount of \$1,075,000 was unanimously approved.

Discussion followed regarding approval of Phase IV of the Hospital Information System, mailed to the Trustees prior to the meeting. Upon the motion of Mr. Collins, seconded by Mr. Counts, it was unanimously approved to proceed with the final phase of the Hospital Information System.

Dr. Whiddon called upon Mr. Doyle Dillard, Vice President for Finance and Business Affairs, to present information regarding the status of the refinancing of the 1978 Bond Issue. Mr. Dillard stated that Messrs. David Wright, Roger Clayton, Patrick Mooney, John Harrell and Danny Tyler were present at this meeting. A lengthy discussion followed concerning proposals submitted by Central Bank of Mobile and AmSouth - E. F. Hutton, and the recommendation of the financial advisor engaged by the University, Howard, Weil, Labouisse, Friedrichs, was that of Central Bank. Further discussion followed concerning advantages of the plan submitted by Central Bank and the fact that this proposal will result in available cash at closing in the amount of \$215,000. Upon the motion of Mr. Collins, seconded by Mr. Mitchell, it was unanimously approved to allocate the sum of \$215,000 for the completion of the Delta Residence Halls.

The President of the University reported on the status of the issuance of \$12,432,196.48 principal amount of Tuition Revenue Refunding Bonds, Series 1984. He stated that a copy of the proposed resolution authorizing the issuance of \$12,432,196.48 principal amount of Tuition Revenue Refunding Bonds, Series 1984, had been mailed to each member of the Board.

Following extensive discussion, the following resolution was introduced in writing by Mr. Mitchell:

A RESOLUTION  
AUTHORIZING THE ISSUANCE OF  
\$12,432,196.48 PRINCIPAL AMOUNT OF  
TUITION REVENUE REFUNDING BONDS, SERIES 1984

BE IT RESOLVED by the Board of Trustees (herein called "the Board") of UNIVERSITY OF SOUTH ALABAMA (herein called "the University") as follows:

Section 1. Findings. The Board has determined and hereby finds and declares that the following facts are true and correct:

(a) The University has heretofore issued its \$21,680,000 University Tuition Fee and Facilities Revenue Bonds, Series 1978 ("the 1978 Bonds"). The 1978 Bonds are secured by a pledge of certain revenues described in the resolution of the Board adopted January 26, 1978 ("the 1978 Authorizing Resolution"), pursuant to which the 1978 Bonds were issued;

(b) Since the time of the issuance of the 1978 Bonds, the University has experienced substantial growth, and revenues received in connection with the operation of the University have increased substantially;

(c) The Board anticipates that, during the next several years, the University will have a need for substantial capital improvements, a portion of the costs of which will be financed out of revenues levied and collected by the University;

(d) At the time of the issuance of the 1978 Bonds, the University pledged for the payment of the 1978 Bonds, in addition to its general student fees, certain miscellaneous fees and revenues of the University;

(e) The University anticipates that those miscellaneous fees could be pledged to the payment of bonds issued by the University for financing of discrete capital improvements were those miscellaneous fees not subject to the lien of the 1978 Authorizing Resolution;

(f) At the time of the issuance of the 1978 Bonds, the University had accumulated a substantial sum of money which was transferred to the reserve fund created in the 1978 Authorizing Resolution for the benefit of the 1978 Bonds;

(g) Because of the substantial increase in the revenues received by the University, the retention of that entire sum of money for security for the outstanding debt of the University is no longer required;

(h) The Board is of the opinion that it is necessary and desirable that the Board issue the bonds hereinafter authorized for the purposes, inter alia, of (i) modifying the provisions of the 1978 Authorizing Resolution, (ii) obtaining the release from the provisions of the 1978 Authorizing Resolution of a portion of the funds now held in a reserve fund created pursuant to the 1978 Authorizing Resolution, (iii) removing the lien on certain revenues of the University, and (iv) financing costs of student housing at the University.

Section 2. Authorization of Bonds. For the purposes specified in Section 1 of this resolution and in the Indenture hereinafter referred to, there is hereby authorized to be issued by the University its Tuition Revenue Refunding Bonds, Series 1984, to be dated March 15, 1984 (herein called "the Bonds"), and aggregating \$12,432,196.48 in principal amount as of the date of their delivery. The Bonds shall bear such dates, shall mature at such times and in such manner, shall be payable at such place, shall bear interest in such manner and at such rates, shall bear such numbers and shall be in such form and contain such provisions as are set out in the Indenture hereinafter authorized. All the provisions of the Indenture and of the Bonds authorized to be issued thereunder are hereby adopted as part of the resolution as though the same were set out in full herein.

Section 3. Source of Payment of the Bonds. All amounts due with respect to the Bonds shall be payable solely from the receipts from the general tuition fees levied against students at the University, which fees are more particularly described and referred to in the Indenture (the said fees being therein and herein called the "Pledged Revenues"). Nothing contained in this resolution, in the Bonds or in the Indenture hereinafter authorized shall be deemed to impose any obligation on the University to pay the principal of or the interest on the Bonds except from the Pledged Revenues. The Bonds shall not represent or constitute obligations of any nature whatsoever of the State of Alabama and shall not be payable out of moneys appropriated to the University by the State. The agreements, covenants or representations contained in this resolution, in the Bonds or in the Indenture do not and shall never constitute or give rise to any personal or pecuniary liability or charge against the general credit of the University, and in the event of a breach of any such agreement, covenant or representation, no personal or pecuniary liability or charge payable directly or indirectly from the general revenues of the University shall arise therefrom. Neither the Bonds, nor the pledge or any agreement contained in the Indenture or in this resolution shall be or constitute an obligation of any nature whatsoever of the State of Alabama, and neither the Bonds nor any obligation arising from the aforesaid pledge or agreements shall be payable out of any moneys appropriated to the University by the State of Alabama. Nothing contained in this section shall, however, relieve the University from the observance and performance of the several covenants and agreements on its part herein contained.

Section 4. Bonds Payable at Par. All remittances of principal of and interest on the Bonds to the holders thereof shall be made at par without deduction for exchange or other cost, fees or expenses. The bank or banks at which the Bonds shall at any time be payable shall be considered by acceptance of their duties hereunder to have agreed that they will make or cause to be made remittances of principal of and interest on the Bonds, out of the moneys provided for that purpose, in bankable funds at par without any deduction for exchange or other cost, fees or expenses. The University will pay to such bank or banks all reasonable charges made and expenses incurred by them in making such remittances in bankable funds at par.

Section 5. Authorization of Indenture. As security for payment of the principal of and the interest (and premium, if any) on the Bonds, pro rata and without preference or priority of one bond over another, the Board does hereby authorize and direct the President of the University to execute and deliver, for and in the name and behalf of the University, a Trust Indenture, dated as of March 15, 1984, to The First National Bank of Mobile, Mobile, Alabama (herein, in its capacity as trustee under said Trust Indenture, called "the Trustee"), and do hereby authorize and direct the Secretary of the Board to affix the corporate seal of the University to said Trust Indenture and to attest the same. The said Trust Indenture shall be in substantially the form presented to the meeting at which this resolution is adopted (which form shall be attached to the minutes of said meeting as Exhibit A and which is hereby adopted in all respects as if the same were set out in full herein).

Section 6. Sale of the Bonds. The Bonds are hereby sold and awarded to Central Bank of the South, E.F. Hutton & Company Inc., AmSouth Bank, N.A., and George M. Wood & Company, Inc., and the other underwriters named in the Purchase Contract, dated March 9, 1984, between the University and the said underwriters (herein together called the "Underwriters") at and for a purchase price equal to \$12,115,175.48 plus accrued interest on the Capital Appreciation Bonds from March 15, 1984, to the date of delivery thereof. The President of the University is hereby authorized and directed to execute and deliver for and in the name and behalf of the University, a Purchase Contract ("the Purchase Contract") between the University and the Underwriters named in the Purchase Contract, in substantially the form, marked Exhibit B, which Purchase Contract is attached to the minutes of the meeting of the Board at which this resolution is adopted and which is hereby made a part of this resolution as if set out in full herein; and the Secretary of the Board is hereby authorized and directed to affix the seal of the University to the Purchase Contract and to attest the same.

Section 7. Authorization of the Official Statement. The Board does hereby authorize and direct the President of the University to execute, for and in the name and behalf of the University, an Official Statement with respect to the Bonds, to be dated the date of the adoption of this resolution, in substantially

the form presented to the meeting at which this resolution is adopted and to be attached as Exhibit C to the minutes of said meeting, which form is hereby adopted in all respects as if set out in full in this resolution. The Board does hereby declare that the Official Statement so executed by the President of the University shall be the Official Statement of the University with respect to the Bonds.

Section 8. Ratification of Preliminary Official Statement. The Board does hereby ratify and confirm the action of the President of the University and the Underwriters in causing to be distributed a Preliminary Official Statement with respect to the Bonds dated March, 1984, in the form presented to the meeting at which this resolution is adopted and to be attached as Exhibit D to the minutes of said meeting.

Section 9. Execution and Delivery of Bonds. The Board does hereby authorize and direct the President of the University to execute the Bonds, in the name and behalf of the University, by causing a facsimile of his signature to be imprinted thereon, and does hereby authorize and direct the Secretary of the Board to cause a facsimile of the corporate seal of the University to be imprinted on the Bonds and to attest the same, all in the manner provided in the Indenture, and the President of the University is hereby authorized and directed to deliver the Bonds, subsequent to their execution as provided herein and in the Indenture, to the Trustee under the Indenture, and to direct the Trustee to authenticate all the Bonds and to deliver them to the Underwriters, upon payment to the University of the purchase price therefor in accordance with the provisions of Section 6 hereof.

Section 10. Authorization of Trust Agreement. Upon delivery of the Bonds, the President of the University is hereby authorized and directed to execute and deliver for and in the name and behalf of the University, a Trust Agreement between the University and Central Bank of the South, in substantially the form, marked Exhibit E, which is attached to the minutes of the meeting of the Board at which this resolution is adopted and which is hereby made a part of this resolution as if set out in full herein; and the Secretary of the Board is hereby authorized and directed to affix the seal of the University to the Trust Agreement and to attest the same. Central Bank of the South, as trustee under the Trust Agreement and as depository of the sinking fund provided for in the 1978 Authorizing Resolution, is hereby specifically authorized and directed, contemporaneously with the delivery of the Bonds and the receipt of the purchase price thereof, to liquidate and sell the \$2,830,000 par amount of 7-7/8% United States Treasury Bonds now held in the said sinking fund and to apply the proceeds received on such liquidation and sale in accordance with the provisions of the Trust Agreement.

Section 11. Application of Proceeds. The entire proceeds derived by the Board from the sale of the Bonds shall be paid to said Trustee under the Indenture, which is thereupon authorized and directed to apply and disburse such moneys for the purposes and in the order specified in Section 7.7 of the Indenture.

Section 12. Resolution Constitutes Contract. The provisions of this resolution shall constitute a contract between the University and each holder of the Bonds.

Section 13. Severability. The various provisions of this resolution are hereby declared to be severable. In the event any provision hereof shall be held invalid by a court of competent jurisdiction, such invalidity shall not affect any other portion of this resolution.

Section 14. General Authorization. The President of the University, the Treasurer of the University and the Secretary of the Board are hereby authorized to execute such further certifications or other documents and to take such other action as any of them may deem appropriate or necessary for the consummation of the matters covered by this resolution, to the end that the Bonds may be executed and delivered as promptly as practicable.

Mr. Mitchell moved that the said resolution be finally adopted, which motion on being seconded by Mr. Brannan, was put to vote, and the following vote was recorded: YEAS: Dr. J. "Mac" Bell, Judge Otha Lee Biggs, Messrs. L. W. Brannan, Hubert Bruister, John Counts, Ed Dannelly, Aubrey D. Green, Mayer Mitchell, Sam Sawyer, Arthur Tonsmeire; NAYS: None; ABSTAIN: Mr. William "Monty" Collins.

Mr. Green called upon Dr. Whiddon to present information concerning the status of the University. Dr. Whiddon reported that the University of South Alabama is a growing entity and that Mr. William Pipas, Executive Director of Operations and University Facilities, deserves much recognition for his efforts in the development of this campus. Dr. Whiddon noted that the entering freshman class averages 21 on the American Collegiate Testing (ACT) test. He observed that a large group of outstanding students in the state are selecting this university. In closing, Dr. Whiddon spoke of the Academic Opportunity Program noting that this program was established to make educational opportunities available to academically disadvantaged but potentially able students.

There being no further business to come before this meeting, on motion duly made, seconded and unanimously adopted, the meeting was adjourned.

Respectfully submitted:

ATTEST:

  
Otha Lee Biggs  
Secretary

  
Aubrey D. Green  
Vice President