

MINUTES
OF THE
BOARD OF TRUSTEES
UNIVERSITY OF SOUTH ALABAMA

A conference call of the Board of Trustees of the University of South Alabama was held Monday, May 21, 1990, in the President's Conference Room on campus, commencing at 4:45 P.M.

There were present: Messrs. Otha Lee Biggs, Jack R. Brunson, Phillip Forrester, Aubrey D. Green, Ken Kvlaheim, Mayer Mitchell, James Nix, Charles Woods, Dr. James Herring, Mesdames Earl Goodwin, Emma Hutcherson and President Frederick P. Whiddon. Also attending: Messrs. Wayne Davis, Doyle Dillard, Steve Simmons, Dr. Lewis Anderson and Ms. Maxey Roberts.

Absent: Messrs. John Counts, Plez Watson and Dr. Ullysses McBride.

Mr. Green called the meeting to order and asked that Dr. Whiddon present the agenda.

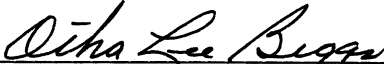
Dr. Whiddon presented a progress report on the proposed purchase of Knollwood and Doctors' Hospitals. He stated that the University proposes to issue Hospital and Auxiliary Revenue Bonds, Series 1990 in the amount of approximately \$39,380,000 to provide financing to purchase these hospitals, and the University must provide a strong package in order to obtain the most favorable financing and an investment grade bond rating. He stated that there shall be no agreement provided in the transaction which shall constitute a general obligation of the University. Dr. Whiddon noted that the bond Indenture requires the University to deposit, into various funds created by the Indenture, approximately \$15,000,000, and the Medical Center currently has funded depreciation reserves available for this purpose. The bond will be collateralized by Hospital and Auxiliary revenues. He explained that the structure of the bond issue provides both favorable treatment from Medicare and Medicaid reimbursement as well as the opportunity for a maximum return on University invested funds.

A lengthy discussion period followed during which Dr. Whiddon, Ms. Roberts, Mr. Dillard and Mr. Davis responded to questions concerning the financial structure of the bond issue and upon the motion of Judge Biggs, seconded by Mr. Brunson, it was unanimously agreed that the structure of financing of the bond issue be approved. A summary explaining the financial structure of the bond issue, with related material, will be available to the Trustees prior to the May 25, 1990 meeting of the Board of Trustees.

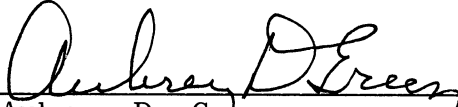
Upon motion duly made, seconded and unanimously approved,
the meeting adjourned at 5:30 P.M.

Respectfully submitted:

ATTEST:



Otha Lee Biggs
Secretary



Aubrey D. Green
Vice President