

MINUTES

COASTAL CAROLINA UNIVERSITY

BOARD OF TRUSTEES

November 10, 1994, 9:00 a.m.
Conference Call

Presiding: Mr. James J. Johnson, Chair

Members Present:

Mr. Gene Anderson
Mr. Payne H. Barnette, Jr.
Mr. Robert Brown
Mr. H. Franklin Burroughs
Mr. Fred F. DuBard
Mr. William L. Lyles, Jr.
Mr. Clark Parker
Mrs. Juli Streater Powers
Mr. Keith S. Smith
Mr. Oran P. Smith
Mr. E. Craig Wall, Jr.

Members Absent:

Mrs. Cathy Harvin
Mr. Dean P. Hudson
Dr. James F. Kane
Mrs. Elaine Marks
Dr. R. Cathcart Smith

Others Present:

Dr. Ronald R. Ingle
Dr. Sally Horner
Mr. Sam Howell
Ms. Carol Clark
Ms. Tina Davis

(In accordance with the requirements of the South Carolina Freedom of Information Act, the news media were notified of the time, location, and agenda for this meeting.)

A roll call was taken, and the presence of a quorum was verified.

Chairman Johnson called the meeting to order at 9:05 a.m. and asked Mr. Sam Howell, Attorney from Haynsworth Law Firm, to review the details of the revenue bond transactions that require Board action.

Mr. Howell explained that the Board is being asked to consider approval of a general bond resolution and a supplemental resolution that would authorize two financings that have been combined into one.

One of these financings is required under the legislation which the General Assembly passed establishing Coastal Carolina University as a separate institution to refund the outstanding USC bonds that were issued to finance the dorm facilities at Coastal Carolina College several years ago. That is the first part of this transaction, so a portion of the bonds will be used to pay off those bonds, and that debt will be shifted from USC books to Coastal's books. As with the USC bonds, the revenues derived from the dormitory facilities at Coastal will be used to pay off the bonds.

The second part of the financing is to fund the dormitory and dining facility project, which the Board previously approved. In addition, we have requirements dealing with issuance, insurance and surety bonds all needed in connection with the total bond package.

The general bond resolution is intended to be a vehicle which would be used for the indefinite future to finance facilities and projects at Coastal where all the revenues derived from the operation of the University, except for state appropriated monies and monies used to pay off state tuition bonds, would be used to pay for any kind of projects that can be financed at Coastal. From time to time as the Board of Trustees needs to borrow money to finance projects, it would authorize supplemental resolutions like the one before us today for a specific project.

Mr. Johnson opened the floor for questions. Mr. Parker asked the amount of the debt which is being paid off. Mr. Howell said there is an outstanding \$4,855,000 of USC bonds and \$800,000 of bond anticipation notes outstanding, for a total of approximately \$5,655,000. Mr. Parker asked the cost of the new dorm facilities. Mr. Howell said you are putting into the construction fund approximately \$7,100,000. He and Mr. Keith Smith explained that the interest earned on these revenues until they are used for the project will allow an expenditure of approximately \$7.5 million on the project. Also, there is approximately \$1 million in capitalized interest to carry the payments on that portion of the bond issue for the new project until it starts generating revenues. There are various monies for bond insurance and defeasance escrow and some other costs like that.

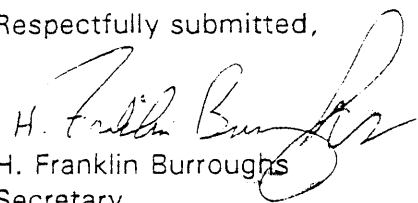
Franklin Burroughs made a motion that the Board of Trustees of Coastal Carolina University adopt the general bond resolution and supplemental resolution, approving the issuance of Coastal Carolina University revenue bonds for the purposes stated therein. Oran Smith seconded the motion, and the motion carried.

Chairman Johnson reminded members of the dedication of the Prince Building at 2:00 p.m. and encouraged their attendance.

Mr. Anderson made a motion to adjourn, seconded by Mr. DuBard, and the motion carried.

The meeting was adjourned at 9:20 a.m.

Respectfully submitted,


H. Franklin Burroughs
Secretary