UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

FREDERICK P. WHIDDON ADMINISTRATION BUILDING
SUITE 130, BOARD ROOM

JUNE 1, 2017
1:30 P.M.

* *Revision*

HEALTH AFFAIRS COMMITTEE Steve Furr, Chair

Roll Call
Approve: Minutes
6 Recommendation to Approve: USA Hospitals Medical Staff Credentials for February, March and April 2017
7 Recommendation to Approve: USA Hospitals Medical Staff Bylaws and Rules and Regulations, Revisions of April 11, 2017
8 Report: USA Health and College of Medicine

ACADEMIC AND STUDENT AFFAIRS COMMITTEE Bettye Maye, Chair

Roll Call
* Approve: Revised Agenda
Approve: Minutes
9 Recommendation to Approve: Naming of Student Residence Halls
10 Recommendation to Approve: Tenure and Promotion
* **11** Recommendation to Approve: Tuition, Fees, Housing and Dining Rates
12 Report: Academic Affairs
13 Report: Student Affairs
14 Report: Research and Economic Development

BUDGET AND FINANCE COMMITTEE Tom Corcoran, Chair

Roll Call
Approve: Minutes
15 Report: Quarterly Financial Statements, Six Months Ended March 31, 2017
16 Report: 2017 Bond Issue

AUDIT COMMITTEE Jimmy Shumock, Vice Chair

Roll Call
Approve: Minutes

DEVELOPMENT, ENDOWMENT AND INVESTMENTS COMMITTEE Jim Yance, Chair

Roll Call
Approve: Minutes
17 Report: Endowment and Investment Performance
18 Report: Development and Alumni Relations

LONG-RANGE PLANNING COMMITTEE Mike Windom, Chair

Roll Call
Approve: Minutes
19 Recommendation to Approve: Campus Master Plan, 2017- 2027

COMMITTEE OF THE WHOLE Ken Simon, Chair

Roll Call
20 Recommendation to Approve: Commendation of The Honorable William S. Stimpson
21 Approve: Executive Session

BOARD OF TRUSTEES

JUNE 2, 2017
10:30 A.M.

Roll Call
* Approve: Revised Agenda
1 Approve: Minutes
2 Approve: Board Meeting Schedule, 2017-2018
3 Report: President's Report
4 Report: Faculty Senate President's Report
5 Report: Student Government Association President's Report

CONSENT AGENDA

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SPECIAL ACKNOWLEDGMENT

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UNIVERSITY OF SOUTH ALABAMA

BOARD OF TRUSTEES

THURSDAY, JUNE 1, 2017:

1:30 p.m. Committee Meetings (Consecutive) — Administration Bldg., Rm. 130

FRIDAY, JUNE 2, 2017:

10:30 a.m. Board of Trustees Meeting — Administration Bldg., Rm. 130

UNIVERSITY OF SOUTH ALABAMA

BOARD OF TRUSTEES

STANDING COMMITTEES
2016-2019

EXECUTIVE COMMITTEE:

Kenneth O. Simon, **Chair *pro tempore***
James H. Shumock, **Vice Chair**
Arlene Mitchell, **Secretary**
E. Thomas Corcoran
Steven P. Furr
John M. Peek
James A. Yance

ACADEMIC AND STUDENT AFFAIRS COMMITTEE:

Bettye R. Maye, **Chair**
Scott A. Charlton, **Vice Chair**
Katherine Alexis Atkins
Steven P. Furr
Bryant Mixon
John M. Peek
Michael P. Windom

AUDIT COMMITTEE:

John M. Peek, **Chair**
James H. Shumock, **Vice Chair**
Scott A. Charlton
Robert D. Jenkins III
Bryant Mixon

BUDGET AND FINANCE COMMITTEE:

E. Thomas Corcoran, **Chair**
James A. Yance, **Vice Chair**
Arlene Mitchell
Bryant Mixon
Steven H. Stokes

DEVELOPMENT, ENDOWMENT & INVESTMENTS CTE.:

James A. Yance, **Chair**
Robert D. Jenkins III, **Vice Chair**
Chandra Brown Stewart
E. Thomas Corcoran
Steven H. Stokes
Michael P. Windom

EVALUATION AND COMPENSATION COMMITTEE:

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Michael P. Windom, **Vice Chair**
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Steven P. Furr
Arlene Mitchell
John M. Peek

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Steven H. Stokes, **Vice Chair**
Katherine Alexis Atkins
Chandra Brown Stewart
Scott A. Charlton
Bettye R. Maye
Arlene Mitchell
Tony G. Waldrop, *ex officio*
John V. Marymont, *ex officio*
Sabrina G. Bessette, *ex officio*

LONG-RANGE PLANNING COMMITTEE:

Michael P. Windom, **Chair**
Chandra Brown Stewart, **Vice Chair**
Robert D. Jenkins III
Bettye R. Maye
James H. Shumock

UNIVERSITY OF SOUTH ALABAMA

BOARD OF TRUSTEES

AGENDA

MINUTES

UNIVERSITY OF SOUTH ALABAMA
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SPECIAL ACKNOWLEDGMENT

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UNIVERSITY OF SOUTH ALABAMA

MEMORANDUM

Office/Department/College

Date:
May 23, 2017

To:
USA Board of Trustees

From:
Arlene Mitchell
Secretary, Board of Trustees

Subject:
Meeting Minutes

Included herein are the unapproved minutes of the Board of Trustees and standing committee meetings held on March 2 and 3, 2017, as well as on May 1, 2017. Please review these documents for amendment or approval at the June 1 and 2 meetings of the Board of Trustees.

UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

March 3, 2017
10:30 a.m.

A meeting of the University of South Alabama Board of Trustees was duly convened by Judge Ken Simon, Chair *pro tempore*, on Friday, March 3, 2017, at 10:30 a.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Members Present:	Alexis Atkins, Chandra Brown Stewart, Scott Charlton (phone), Tom Corcoran, Steve Furr, Ron Jenkins, Bettye Maye, Arlene Mitchell, Bryant Mixon, John Peek, Jimmy Shumock, Ken Simon, Steve Stokes, Mike Windom and Jim Yance.
Member Absent:	Robert Bentley.
Administration and Others:	Owen Bailey, Andrew Byrd, Richard Carter, Lynne Chronister, Josh Cogswell, Josh Crownover (SGA), Taylor Davis, Joel Erdmann, Monica Ezell, Mike Finan, Sam Fisher (Faculty Senate), Happy Fulford, Mike Haskins, Shaun Holloway, Sav Hoyt, David Johnson, John Marymont, Abe Mitchell, Mike Mitchell, Darshan Patel, Aishwarya Prakash, JuWan Robinson, John Smith, Margaret Sullivan, Marcus Tan, Carl Thomas (AASA), Jean Tucker, Chris Vinet, Tony Waldrop, Scott Weldon, Doug Whitmore (NAA) and Kelly Woodford (Faculty Senate).

The meeting came to order and the attendance roll was called. Chairman Simon called for adoption of the revised agenda. On motion by Mr. Corcoran, seconded by Capt. Jenkins, the revised agenda was adopted unanimously.

Chairman Simon called for presentation of **ITEM 2**, the President's Report. President Waldrop recognized Honorary Trustee Mr. Abe Mitchell and National Alumni Association President Mr. Doug Whitmore.

President Waldrop recognized the contributions of Provost Johnson as a member of the Southern Association of Colleges and Schools (SACS) Board of Trustees and Executive Council, as well as in relation to South's creation of Global USA. He asked Provost Johnson to give an update on the searches for the positions of Executive Director of Libraries and the Honors College Dean. Provost Johnson stated Dr. Lorene Flanders, who serves currently as University of West Georgia's Dean of Libraries, accepted the position of Executive Director of Libraries, to become effective April 1. He said the search committee for a Dean of the Honors College had identified four finalists and campus interviews are being coordinated. He projected the position would be filled by the end of the semester and indicated one candidate was internal. As to the position of Vice President for Development and Alumni Relations, President Waldrop said the campus interview

process was complete and a decision would be made once recommendations from the search committee were submitted for evaluation.

President Waldrop reported 15 individuals affiliated with the University of South Alabama as an alumnus and/or an employee were named in the Mobile Bay Magazine annual feature *40 Under Forty*. He introduced Dr. Andrew Byrd, Director of the Office of Commercialization and Industry Collaboration; Mr. Josh Cogswell, Director of University Development; Dr. Aishwarya Prakash, Assistant Professor of Oncologic Sciences at the Mitchell Cancer Institute (MCI); and Dr. Marcus Tan, MCI Surgical Oncologist. He noted Dr. Kari Benson, Pharmacist at USA Medical Center and the MCI, and Ms. Margie Friedman, Neonatal Intensive Care Unit Nurse at USA Children's and Women's Hospital, were named in the article as well.

President Waldrop advised that the Office of Marketing and Communications was recognized by the Council for Advancement and Support of Education (CASE) with an Award of Excellence for the Upward & Onward Campaign promotional booklet and with a Special Merit Award for South's Pandora radio advertising campaign. He congratulated Mr. Haskins and the staff of the Office of Marketing and Communications. He remarked on the clever pitch of Gulf Shores in a student recruitment publication.

President Waldrop called upon Dr. Erdmann for an update on the construction of a covered practice facility. As photos of the site were shown, Dr. Erdmann stated construction of the Jaguar Training Center (JTC) was moving forward with the ground work progressing ahead of schedule and installation of piping, drainage, pilings and the foundation to follow. He said the steel structure would be an asset for all sports programs and for general campus use as well, and noted completion is anticipated in September or October. President Waldrop asked Dr. Erdmann to comment on the recruitment implications. Dr. Erdmann stated a facility of this type is expected nowadays on university campuses and the primary advantage of having the JTC will be to minimize disruption of football practices that would otherwise be canceled or delayed due to lightning and heavy rain.

President Waldrop called for a report from Mr. Fulford. Mr. Fulford gave an update on Leadership South activities. He reminded Board members that the goal of the program is to educate participants about University operations and the roles of others, and, in the process, foster relationships. He called for remarks from Assistant Vice President for Auxiliary Services and Leadership South class member Dr. Chris Vinet. Dr. Vinet called it a privilege to be involved in the Leadership South program. She gave an overview of the first quarter's activities, which included interaction with administrative, academic and health departments, as well as with local and state government officials and business leaders. She stated the experience has proven more rewarding than she anticipated and she thanked President Waldrop, Dr. Smith, Mr. Fulford and Mr. Lawkis for making the opportunity possible.

Chairman Simon called for consideration of **ITEM 1**, the minutes of the Board of Trustees meeting held on December 2, 2016. On motion by Mr. Corcoran, seconded by Mr. Windom, the minutes were approved unanimously.

Chairman Simon called upon Dr. Fisher for presentation of **ITEM 3**, a report by the President of the Faculty Senate. Dr. Fisher noted his term as Faculty Senate President would soon expire. He talked about the role of the faculty in the student experience and expressed pride for the diligent efforts of his colleagues in terms of teaching, research and service. He commented on the wide-ranging research pursuits of the faculty, noting their contributions to a strong research foundation at South. He encouraged the Board and the Administration to continue to seek avenues for additional revenue to help compensate the faculty for their good work. He shared the opinion that the people of the University work cooperatively to move the University forward and he said he had enjoyed working with the leadership.

Chairman Simon called upon Mr. Crownover for presentation of **ITEM 4**, a report by the President of the Student Government Association (SGA). Mr. Crownover stated his address to the Board would be his last as President of the SGA. He conveyed enthusiasm for the meaningful progress made by the SGA over the academic year, noting a significant overhaul of the student organization funding system, as well as efforts promoting engagement in the political process, through which more than 300 students became registered voters. He said the largest musical concert on campus in some time would take place in April at the Mitchell Center. He invited Trustees and guests to attend the event cosponsored with Jaguar Productions and Student Affairs, and added events like these add to the vibrancy of campus life. He stated another priority was setting the framework for enduring relationships that might bridge gaps and be of benefit to his SGA successors. He advised that a summit would be hosted in April to encourage dialogue on the topic of mental health. He commented on Higher Education Day festivities and thanked Mr. Fulford and Mr. Lawkis for coordinating South's presence at the annual event in Montgomery. He reported four buses filled with students and other South constituents made for the largest contingent among the 14 public universities represented. In closing, he said it was gratifying to see fellow student leaders grow and he introduced the SGA's Vice President Mr. Darshan Patel, Chief Justice Ms. Taylor Davis, Attorney General Mr. JuWan Robinson, First Year Council Director Mr. Shaun Holloway and Senate Clerk Ms. Sav Hoyt.

Chairman Simon presented certificates of appreciation to Mr. Crownover, Mr. Thomas and Dr. Fisher for their contributions as organization presidents representing the SGA, African-American Student Association and Faculty Senate, respectively, **ITEM 4.A**. He complimented each for their service and commented on the model of shared governance demonstrated at the University. Mr. Peek asked Mr. Crownover to pass along to the new SGA president his suggestion that a poll be conducted to gauge the views of students on what they feel is important to the student experience.

Chairman Simon addressed consent agenda **ITEMS 5, 7** and **18** as follows, respectively, noting all were unanimously recommended for Board approval by the respective committees that met on March 2. On motion by Mr. Shumock, seconded by Mr. Windom, the items were approved unanimously:

RESOLUTION
USA HOSPITALS MEDICAL STAFF APPOINTMENTS AND REAPPOINTMENTS FOR NOVEMBER AND DECEMBER 2016 AND JANUARY 2017

WHEREAS, the Medical Staff appointments and reappointments for November and December 2016 and January 2017 for the University of South Alabama Hospitals are recommended for Board approval by the Medical Executive Committees and the Executive Committee of the University of South Alabama Hospitals,

THEREFORE, BE IT RESOLVED that the Board of Trustees of the University of South Alabama approves the appointments and reappointments as submitted.

RESOLUTION
DEAN AND PROFESSOR EMERITUS

WHEREAS, Dr. Benjamin Keith Harrison, Professor of Chemical Engineering and Dean of the Graduate School, has retired from the University of South Alabama, and

WHEREAS, in recognition of Dr. Harrison's honorable and distinguished service to the University through extraordinary accomplishments in administrative leadership, teaching and the generation of new knowledge through research and scholarship, and for serving as a consistently inspiring influence to students, and

WHEREAS, in accordance with University policy, the Faculty Senate, the Provost and Senior Vice President for Academic Affairs, and the President have duly recommended the aforementioned individual,

THEREFORE, BE IT RESOLVED, the Board of Trustees of the University of South Alabama hereby appoints Dr. Benjamin Keith Harrison to the rank of Dean and Professor Emeritus with the rights and privileges thereunto appertaining, and

BE IT FURTHER RESOLVED that the Board of Trustees of the University of South Alabama, in recognition of his extraordinary accomplishments and dedicated service to the University of South Alabama, conveys its deep appreciation to Dr. Harrison.

RESOLUTION
DIRECTOR OF THE JAGUAR ATHLETIC FUND, INC.

WHEREAS, pursuant to the Amended Bylaws of the Jaguar Athletic Fund, Inc. ("USAJAF"), the Board of the Trustees of the University of South Alabama ("University") shall approve the USAJAF slate of Officers and Directors, and

WHEREAS, the University and USAJAF have a history of interaction and cooperation that has served the interests of the University, and

WHEREAS, the Board of Directors of the USAJAF, through its Nominating Committee, is authorized to nominate Directors and Officers consistent with the aforesaid for consideration and approval by the Board of Trustees of the University, and

WHEREAS, the Nominating Committee of the Board of Directors and the Board of Directors of USAJAF have nominated Ms. Farish Beard for a three-year term pending the approval of the Board of Trustees of the University,

THEREFORE, BE IT RESOLVED, that the Board of Trustees of the University of South Alabama does hereby approve Ms. Farish Beard as a member of the Board of Directors of the USAJAF with a three-year term beginning March 2017 and ending March 2020.

Chairman Simon called for a report from the Health Affairs Committee. Dr. Furr, Committee Chair, said, at a meeting on March 2, Mr. Danny Rickert gave an update on efforts for health care reform in Alabama through the proposed implementation of a regional care organization provider model and Dr. Marymont announced a title change for Mr. Bailey, who will serve as Chief Executive Officer of USA Health and Senior Associate Vice President for Medical Affairs. He said Mr. Bailey recognized Mr. Sam Dean for his appointment as Hospital Administrator at the USA Medical Center; Ms. Becky Tate, Administrator for Ambulatory Services and Affiliate Development at USA Health, for her March 15 retirement following a long and distinguished career at USA; and Mr. Brian Norris for his transition to the role of Administrator for Ambulatory Services and Affiliate Development at USA Health. He added the Trustees visited the Strada Patient Care Center on March 2.

Chairman Simon called for a report from the Academic and Student Affairs Committee. Ms. Maye, Committee Chair, said, at a meeting on March 2, Provost Johnson recognized Dr. Richard Carter for his appointment as Associate Vice President for Global Engagement and reported on Global USA, a unit established for the advancement of the institutional priority of global engagement, through which international support services will be administered under the direction of Dr. Carter. She stated Dr. Mitchell discussed student engagement projects related to Black History Month, World Democracy Day and Higher Education Day. She said Ms. Chronister introduced Dr. Gary Piazza, distinguished researcher and leader of the MCI's Drug Discovery Research Center, for a presentation on his research on cancer cell growth inhibitors. She stated Dr. Piazza is shown as the inventor on more than 45 patent applications, 30 of which resulted in patents awarded. Dr. Piazza will be inducted as a fellow into the National Academy of Inventors in April.

Chairman Simon called for a report from the Budget and Finance Committee. Mr. Corcoran, Committee Chair, said, at a meeting on March 2, Mr. Weldon presented the quarterly financial statements for the three months ended December 31, 2016, and noted the information was as expected. He said Mr. Weldon reported on plans for Series 2017 bond issues that will have flat amortization schedules -- one for $20 million for 20 years to fund infrastructure projects and one for $25 million for 25 years to fund residence hall construction. He said it is anticipated the bonds will be priced in early June and brought to the Board for final approval at the June meeting.

Chairman Simon called for a report from the Audit Committee. Mr. Peek, Committee Chair, said, at a Committee meeting on March 2, Mr. Weldon presented results of a KPMG audit on the activities of the athletics division for compliance with NCAA bylaws. He said the KPMG report included a statement of revenue and expenditures, as well as a declaration that KPMG's examination was not for the purpose of issuing an opinion on the compliance of the financial statement. He said the Alabama Department of Examiners of Public Accounts Compliance Report for the year ended September 30, 2015, was presented by Mr. Weldon and included one finding related to E-Verify regulations. He said the University's interpretation of the regulations differed from that of the Examiners and an opinion from the Alabama Attorney General (AG) was requested. He stated the University would develop a plan that addresses the AG's opinion once received. He said Mr. Berry gave a brief overview of the activities of the Office of Internal Audit and findings were not reported.

Chairman Simon called for a report from the Development, Endowment and Investments Committee. Mr. Yance, Committee Chair, briefly acknowledged the professional accomplishment of friend Mr. Jim Tate, the track and cross country coach at St. Paul's Episcopal School and husband of USA's Becky Tate, for having won his 100th state championship. He stated, at a meeting on March 2, endowment performance was presented and returns exceeded expectations relative to benchmarks. He stated performance for the first quarter of fiscal year 2016-2017 was 1.35 percent versus a relative index of .44 percent, an outperformance of .91 percent. He added the return through January was 3.01 percent versus a 1.90 percent index, an outperformance of 1.11 percent. He noted the allocation of assets is consistent with endowment policy parameters and shared the annualized performance from inception through December 31, 2016, was 4.93 percent versus the relative index of 3.98, and outperformance by 95 basis points. He advised of plans to gradually invest up to $5 million in available cash to capitalize on improved market conditions.

Mr. Yance said the Committee received an update on *Upward & Onward* Campaign activities and was advised of pledges and gifts totaling $99.3 million, or 66 percent of the $150 million campaign goal, as of February. Of this total, close to $4.8 million would help meet the 2017 fiscal year goal of $15.7 million. He said a meeting of the Campaign Leadership Team would take place later in the day and outside consultant Mr. Dondi Cupp, Associate Vice President of Development from the University of Michigan, would lead discussion on campaign goal achievement and long-term planning strategies. He stated a newly-formed Campaign Celebrations Committee has been charged to develop ideas for festivities to mark campaign milestones for the purpose of maintaining constituent engagement, reported close to $3 million raised for the MacQueen Alumni Center and noted solicitations for the 1974 Society have begun.

Chairman Simon called for a report from the Evaluation and Compensation Committee. Mr. Shumock, Committee Chair, noted President Waldrop would soon complete his third year at the University and stated, at a meeting on March 2, discussion on President Waldrop's contract

took place. In accordance with the Committee's unanimous recommendation, he offered a motion that the Board approve modifications to the terms of President Waldrop's contract that would provide for (1) an extension of the contract for an additional five years effective upon the employment anniversary date of April 1, 2017, and upon expiration of this contract on April 1, 2022, the term of subsequent contracts would be set at three years, (2) an approximate six percent increase in core compensation and (3) tenure eligibility, **ITEM 18.A.** He further moved that Chairman Simon be directed to administer the contract modifications and execute the contract. Chairman Simon said he would consult with the members of the Board to assure satisfaction with the terms of the contract. Mr. Yance seconded and the motion was approved unanimously.

There being no further business, the meeting was adjourned at 11:17 a.m.

Attest to:

Respectfully submitted:

Arlene Mitchell, Secretary

Kenneth O. Simon, Chair *pro tempore*

APPENDIX A

UNIVERSITY OF SOUTH ALABAMA

DISCLOSURE OF INFORMATION ON PURCHASE OF REAL PROPERTY PURSUANT TO ALABAMA ACT 2014-133

PROPERTY ADDRESS:

2675 Hayles Street
Mobile, Alabama 36607
Key Number 00766111

APPRAISAL INFORMATION:

No appraisal was obtained as the property was acquired via negotiated payment of $100.00 for State and County taxes due. The Mobile County Revenue Commission reported a 2016 fair market value of $5,200.00 for the property.

CONTRACTS RELATED TO THE PURCHASE:

Tax Deed issued by the State of Alabama attached as **"Exhibit A"**

PURCHASE TERMS:

Cash Purchase

SOURCES OF FUNDS USED IN THE PURCHASE:

Unrestricted Funds

USA PROPERTIES
775 N. University Blvd. | Suite 150 | Mobile, Alabama 36608-4548
TEL: (251) 460-6100 | FAX: (251) 461-1765 | SouthAlabama.edu

350
50
400
1000
1400
200
1600

EXHIBIT "A"

Deed Number: 58925

2017021343 1/1
Bk: LR7499 Pg:647
Document Type: D

Mobile County, Alabama
I hereto certify this instrument
filed on : 04/19/2017 08:45:39 AM
Don Davis Probate Judge

Deed Tax:	$.50	
Mortgage Tax:	$.00	
Mineral Tax:	$.00	
No Tax	$.00	2017021343
Judge Fee	$.00	Bk LR7499
S.R. Fee:	$2.00	Pg.647
Surcharge Fee:	$10.00	
Recording Fee:	$3.50	
TOTAL	$16.00	

THE STATE OF ALABAMA

KNOW ALL MEN BY THESE PRESENTS:

THAT WHEREAS,on the 4th day of April, 2011, the Probate Court of MOBILE County rendered a decree for sale of lands hereinafter described and conveyed, for payment of State and County taxes then due from BUSH, MARGIE DIANNE the owner of said lands, and for the payment of fees, costs and expenses of and under said decree, and the sale had in execution thereof.

And WHEREAS, thereafter, to-wit, on the 26th day of May, 2011, under and in pursuance of said decree, said lands were regularly offered for sale by the Tax Collector of MOBILE County for said taxes, fees, costs and expenses, and no person having bid a sufficient sum for the said lands to pay the same, said lands, were bid in for the State for the sum of said taxes, fees, costs, and expenses.

AND WHEREAS, the time allowed by law for the redeemption of said lands has elapsed since said sale, and the same not having been redeemed, the title thereto under said sale is still in the State.

And WHEREAS, said land having been entered upon the books of the State Land Commissioner, and the State Land Commissioner of the State of Alabama, with the approval of the Governor, has fixed the price of said land, and ascertained that the sum of ONE HUNDRED DOLLARS & ZERO CENTS is sufficient to cover and satisfy all claims of the State and County against said lands for or on account of taxes, interest, fees, costs and officers' fees which were due upon or have accrued against said lands, as provided by law.

And WHEREAS, application has been made to the State Land Commisioner of the State of Alabama by UNIVERSITY OF SOUTH ALABAMA to purchase said land, and sum of ONE HUNDRED DOLLARS & ZERO CENTS (100.00) therefore has been paid into the State Treasury.

NOW THEREFORE, the State Land Commissioner of the State of Alabama, by virtue of and in accordance with the authority in him vested by law, with the approval of the Governor of Alabama, and in consideration of the premises above set out, has this day granted, bargained, sold, and conveyed and by these presents does grant, bargain, sell and convey unto the said UNIVERSITY OF SOUTH ALABAMA without warranty or covenant of any kind on the part of the State, express or implied, all right and title of the State of Alabama acquired by the tax sale aforesaid in and to said lands, described as follows:

Parcel # 022907230002096

Legal DescriptionLOTS 1 & 2 BLK 2 SOUTH MILLVILLE SUB DBK 128 P 253 LESS & EXC THAT PT INTO MOBILE ST #SEC 23 T4S R1W #MP29 07 23 0 002

lying and being situated in said County and State, to have and to hold the same, the said right and title of the State in the land aforesaid, unto UNIVERSITY OF SOUTH ALABAMA and his/her/their/its heirs, assigns and successors forever.

In testimony whereof I have hereunto set my hand and seal this the 17th day of February, 2017.

Approved

Robert Bentley
Governor of Alabama

STATE LAND COMMISSIONER OF ALABAMA

By Julie P. Magee
State Land Commissioner

THE STATE OF ALABAMA, MONTGOMERY COUNTY

I, Leah M Ishee, a Notary Public in and for said County, in said State hereby certify that Revenue Commissioner Julie P. Magee, whose name is signed to the foregoing conveyance as State Land Commissioner, and who is known to me, acknowledged before me on this day that, being informed of the contents of this conveyance, he/she, in his/her capacity as such State Land Commissioner, executed the same voluntarily on the day the same bears date.

Given under my hand this the 17th day of February, 2017.

Leah Ishee, Notary Public

My Commission expires: 7-14-18

Grantor:
Alabama Department of Revenue
Property Tax Division
Gordon Persons Bldg.
50 N. RIPLEY STREET RM 4103
MONTGOMERY, ALABAMA 36104

This instrument was prepared by: Deanna Coman

Deed Number: 58925

Grantee:
UNIVERSITY OF SOUTH ALABAMA
307 N. UNIVERSITY BLVD.
ROOM 170,
MOBILE, AL 36688

PROPERTY ADDRESS:
Raw Land

UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

EVALUATION AND COMPENSATION COMMITTEE

March 2, 2017
3:21 p.m.

A meeting of the Evaluation and Compensation Committee of the University of South Alabama Board of Trustees was duly convened by Mr. Jimmy Shumock, Chair, on Thursday, March 2, 2017, at 3:21 p.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Members Present:	Tom Corcoran, Steve Furr, Arlene Mitchell, John Peek, Jimmy Shumock and Mike Windom.
Other Trustees:	Alexis Atkins, Chandra Brown Stewart, Ron Jenkins, Bettye Maye, Arlene Mitchell, Bryant Mixon, Ken Simon and Steve Stokes.
Administration and Others:	Owen Bailey, Lynne Chronister, Josh Crownover (SGA), Joel Erdmann, Monica Ezell, Mike Finan, Sam Fisher (Faculty Senate), Happy Fulford, Mike Haskins, David Johnson, John Marymont, Mike Mitchell, John Smith, Jean Tucker, Tony Waldrop and Scott Weldon.

The meeting came to order and the attendance roll was called. With reference to President Waldrop's contract and provisions that performance evaluations be conducted on an annual basis, Mr. Shumock acknowledged, through the completion of two evaluation cycles, President Waldrop's performance was found to be satisfactory. He noted April 1 would be the third anniversary of President Waldrop's appointment and stated, on behalf of the Committee, he and Mr. Windom had taken on the charge of talking to President Waldrop in recent weeks about objectives relating to his appointment and possible amendments to his contract. He noted President Waldrop had received the same adjustments in compensation over his three-year term as had been received by the general University population and advised that a comprehensive survey comparing President Waldrop's compensation with that of presidents at competing peer institutions, such as those in the Sun Belt Conference and those having medical schools and hospitals, was conducted recently. He offered for the Committee's consideration a motion for Board approval of amendments to the terms of President Waldrop's contract that would allow for (1) an extension of the contract for an additional five years effective upon the employment anniversary date of April 1, 2017, and upon expiration of this contract on April 1, 2022, the term of subsequent contracts would be set at three years, (2) an approximate six percent increase in core compensation and (3) tenure eligibility, in recognition of President Waldrop's long career in academia and leadership in his academic field, **ITEM 18.A.** He noted the current contract did not address tenure and said, should President Waldrop seek tenure, he would be required to follow the University's tenure guidelines, which stipulate final approval by the Board. Moreover, he said language dealing with tenure privileges would be added to the contract to protect the University in the unlikely event of a dispute or separation. Dr. Furr seconded the motion.

Mr. Peek asked for clarification on provisions related to a teaching position. Ms. Tucker stated President Waldrop would apply for tenure through the College of Medicine's Department of Physiology and Cell Biology, the unit in which he already holds a faculty position. Mr. Shumock concurred that this faculty position was provided for in the original contract. Dr. Marymont commented briefly on tenure approval channels. Mr. Shumock said most contracts specify if a president were to revert to a teaching position, compensation would be commensurate with that of a faculty member. Mr. Peek asked about tenure provisions at other institutions and Mr. Shumock stated tenure eligibility varies based upon the individual's background and accomplishments. He said, most often, if tenure is important to the individual, provisions are included in the contract. President Waldrop shared insight on the significance tenure eligibility would mean for him. Mr. Peek stressed the importance of the record reflecting that the offer of tenure eligibility to President Waldrop would not constitute a precedent for offering tenure eligibility to future presidents of South Alabama.

Chairman Simon stated President Waldrop was an excellent leader and feedback from University constituents was evidence he exceeded expectations. Mr. Yance reiterated those remarks, stating the views of the community conveyed to him have been overwhelmingly positive. Mr. Windom added that a contract extension at this juncture was a demonstration of confidence in President Waldrop. Mr. Shumock added that a number of individuals consulted had communicated their appreciation for the Board's proactivity in addressing the matter. He called for the vote and the Committee voted unanimously to recommend Board approval of the motion as set forth. President Waldrop said he enjoyed his role at South. He thanked the Committee for its recommendation and expressed the affinity he and his wife, Julee, share for the University and the community. He stated the positive remarks were a reflection of the entire leadership team.

There being no further business, the meeting was adjourned at 3:35 p.m.

Respectfully submitted:

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James H. Shumock, Chair

UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

SPECIAL MEETING

May 1, 2017
4:00 p.m.

A special meeting of the University of South Alabama Board of Trustees was duly convened by Mr. Jimmy Shumock, Vice Chair, on behalf of Judge Ken Simon, Chair *pro tempore*, on Monday, May 1, 2017, at 4:03 p.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Members Present:	Alexis Atkins, Chandra Brown Stewart, Steve Furr (phone), Bettye Maye (phone), Arlene Mitchell (phone), John Peek (phone), Jimmy Shumock, Ken Simon (phone), Mike Windom and Jim Yance.
Members Absent:	Scott Charlton, Tom Corcoran, Kay Ivey, Ron Jenkins, Bryant Mixon and Steve Stokes.
Administration and Others:	Owen Bailey, Lynne Chronister, Monica Ezell, Mike Finan, Sam Fisher (Faculty Senate), Happy Fulford, Mike Haskins, David Johnson, Don Langham, John Marymont, John Smith, Margaret Sullivan, Jean Tucker, Elizabeth VandeWaa (Faculty Senate), Tony Waldrop and Scott Weldon.

The meeting came to order and the attendance roll was called. On behalf of Chairman Simon, Mr. Shumock, Vice Chair, asked Dr. Marymont to start the discussion. Dr. Marymont advised that, in 2016, Alabama passed the University Authority Act that permits public institutions with medical schools to create authorities that would have the advantage of certain flexibilities not ordinarily permissible for government agencies. He stated, over the past year, as work with The Chartis Group continued and transitions in the executive management of USA Health evolved, increasing numbers of private health care providers in the community have expressed a desire to join the University. He said implementation of a health care authority (HCA) at USA, **ITEM 1** as follows (for copies of policies and other authorized documents, refer to **APPENDIX A**), would enable the University to commence with building the necessary infrastructure for furthering provider partnerships, thereby enabling the advancement of the strategic plan.

RESOLUTION
FORMATION OF A HEALTH CARE AUTHORITY
AT THE UNIVERSITY OF SOUTH ALABAMA

WHEREAS, the University of South Alabama is a public body corporate and institution of higher learning which operates a college of medicine as a part of its academic medical center enterprise which also includes a physician faculty practice, two acute care hospitals, the USA Mitchell Cancer Institute, these three endeavors being collectively known as USA Health, and the USA HealthCare Management, LLC., and

WHEREAS, pursuant to Code of Alabama Sections 16-17A-2 to 24 ("Enabling Law"), the "University Authority Act," public universities operating schools of medicine are authorized to form a type of public corporation known as a University Authority if it is found by the Board of Trustees of the sponsoring university that such formation is necessary, desirable, and in the best interests of the sponsoring university, and

WHEREAS, the formation of a University Authority by the University of South Alabama would enhance the University's provision of patient care by providing it with a corporate structure which allows for greater flexibility and options with the exercise of the powers and privileges granted under the Enabling Law to achieve this goal consistent with the public health mission of the University, and

WHEREAS, a form of the articles of incorporation which conform with the provisions of the Enabling Law is attached hereto as Exhibit A, and incorporated herein by reference,

THEREFORE, BE IT RESOLVED, that the Board of Trustees of the University of South Alabama hereby declares that it is necessary, desirable, and in the best interest of the University of South Alabama that the proposed the University of South Alabama Health Care Authority, a University Authority, be incorporated, and

BE IT FURTHER RESOLVED that the Board of Trustees hereby authorizes the formation of the University of South Alabama Health Care Authority; approves the Articles of Incorporation of the University of South Alabama Health Care Authority on Exhibit A; and authorizes the University of South Alabama to proceed to form the University of South Alabama Health Care Authority by filing the articles of incorporation in accordance with Code of Alabama Section 16-17A-4, and

BE IT FURTHER RESOLVED that the Board of Trustees hereby approves the Bylaws of the University of South Alabama Health Care Authority as set forth on Exhibit B, and

BE IT FURTHER RESOLVED that the Board of Trustees hereby appoints the individuals listed on Exhibit C to serve on the Board of Directors of the University of South Alabama Health Care Authority for the terms indicated in accordance with the provisions of the Articles of Incorporation of the University of South Alabama Health Care Authority, and

BE IT FURTHER RESOLVED that the Board of Trustees hereby authorizes any other action necessary for the establishment of the University of South Alabama Health Care Authority,

BE IT FURTHER RESOLVED that the Board of Trustees ratifies any actions taken by officers or employees of the University of South Alabama in connection with the establishment of the University of South Alabama Health Care Authority.

Mr. Weldon said expediting authorization had to do with the time it would take to properly set up accounting procedures in order for the new entity to become fully operational, such as those related to provider billing, payroll and payment of bills. As an example, he referenced the formation of USA's Health Care Management, LLC, (HCM) in 2010, noting full execution was a six- to eight-month process. He stated the Administration had learned from that experience and was confident the groundwork for the HCA could be completed in less time. He advised that a steering committee was working on a target implementation in the next 90 to 120 days and several working groups were focused on the accounting elements that would need to be functional.

Ms. Tucker shared that The University of Alabama at Birmingham (UAB) played a major role in the legislation. She advised University Authorities are exempt from particular legal requirements, such as those related to the Alabama Open Meetings Act and competitive bid regulations, and have greater latitude with respect to retirement options for employees. She reiterated only the state's public universities with schools of medicine -- UAB, The University of Alabama and the University of South Alabama – could take advantage of these flexibilities offered under the new law.

With reference to a legal judgement against a UAB-affiliated HCA that was established under the precepts of foregoing legislation dealing specifically with HCAs, Mr. Peek asked Ms. Tucker if the University Authority Act would preserve sovereign immunity in terms of USA's objectives. Ms. Tucker stated, while the new act has yet to be tried, it states sovereign immunity would not be conferred, but entities having been granted sovereign immunity would continue to have sovereign immunity. She said, in the same way USA Hospitals, as entities that are owned by and a part of the University, have sovereign immunity, it would be reasonable to presume sovereign immunity would be applicable to an authority that also belongs to the University. She pointed out, with the exception of the Chair *pro tempore* as an *ex officio* member, under the recommendation, all HCA board members would be USA employees.

Mr. Yance asked if the University intended to transfer the Hospitals to the HCA. Ms. Tucker said, while this was possible under the law, it was not currently the University's plan to do so. Dr. Marymont explained the primary purpose for implementing the HCA relates to greater versatility in the ability to offer benefits, including retirement, leased space and electronic medical records, to the numerous small private groups that would like to be part of a medical service organization, which, in turn, would enable the University to further outreach and achieve strategic goals, specifically those related to primary care and access point areas. Mr. Yance asked if USA's current physicians would be put into the HCA. Dr. Marymont said, as structured currently, the physicians would not be moved to the authority and he reminded of the transfer of HSF (Health Services Foundation) operations, inclusive of the USA Physicians Group, to the University. Ms. Tucker recalled that the faculty practice plan had been in a separate 501(c)(3) organization before the practice and assets were integrated into the University. Mr. Yance asked if USA's longstanding, in-house physicians had retirement benefits through the RSA (Retirement Systems of Alabama). Ms. Tucker said physicians hired before the HCM was formed were eligible for the RSA pension plan and those hired later as a part the HCM were eligible for a private, defined-contribution retirement plan that is not through the RSA. Mr. Weldon pointed out that some physicians hired prior to 2010 opted to transfer into the HCM. Mr. Yance asked what retirement options would be available to the new private partners assimilated into the HCA. Mr. Weldon said a retirement plan along the lines of a deferred-compensation plan was being developed and the flexibilities allowable under the new law would be incorporated. Mr. Yance agreed this would be an incentive to attract private partners for the HCA. In contrast, Mr. Shumock noted the retirement contribution boundaries dictated by federal law to which employees are generally subject.

Mr. Peek asked Dr. Marymont to elaborate on what makes the HCA a better mechanism for developing affiliations. From a physician-practice perspective, Dr. Marymont reiterated an authority would have versatility such that the rigors otherwise required of a government agency, for instance the competitive bid process and the Open Meetings Act, could be avoided. Mr. Yance observed the HCA would have the ability to negotiate with and hire groups based upon the quality of health care rather than cost. Ms. Tucker said the state's rationale in allowing University Authorities was to promote a public health goal. She added an authority would offer the potential for an increased patient population for South's educational setting, provide immunity from antitrust laws, and allow USA to interact with the private sector in a different way. Mr. Yance noted an authority would help the University establish a base in outlying communities and encourage physician and patient use of USA Hospitals. Mr. Bailey said, most importantly, a health care authority would align with the Institution's strategic plan. President Waldrop stated The Chartis Group recommended additional primary care physicians and the HCA would help the University achieve this faster.

Mr. Yance expressed concern about the appointed HCA board membership as proposed on the basis of the individuals' level of experience for governing a complex primary care organization. Ms. Tucker said, as per the statute, the USA Board of Trustees would have full control over the HCA board, articles of incorporation and bylaws and could make changes to the HCA board any time it was deemed appropriate and necessary to do so.

Mr. Peek shared concern about the HCA board's ability to incur University indebtedness. Ms. Tucker said, as structured currently, the HCA board was granted this authority and suggested the University President would bring significant decisions related to the HCA before the USA Board for deliberation and action. She reiterated the Chair *pro tempore* would represent the USA Board on the HCA board and Dr. Marymont added he, President Waldrop, Mr. Bailey and Mr. Weldon would also serve on the HCA board. He guaranteed the cognizance of the University leadership to direct the HCA in a transparent manner, emphasizing again the primary reason for having an authority was for advancing the strategic plan. President Waldrop agreed and, as to Board composition well into the future, he restated the USA Board of Trustees would have sole control of who is appointed to the authority board. Ms. Maye asked if circumstances had transpired to cause concern or whether this was the first discussion on the matter. Mr. Windom said this was the Board's first opportunity to consider creation of a HCA.

Mr. Shumock asked for an overview of the USA Board's involvement in the activities of the HCA once the HCA board was enacted. Ms. Tucker stated the HCA board would have full authority to transact all business, inclusive of the hiring of private primary care partners. She added the USA Board would continue to have sole control of the existing entities that belong to the University, such as the USA Hospitals. She and President Waldrop acknowledged the *ex officio* members of the HCA board would have full voting rights.

Mr. Yance observed that the University's existing physicians do not currently have sovereign immunity, nor would they if moved to the authority. Ms. Tucker concurred, noting the new individual employees of the HCA would also likely not have sovereign immunity. Mr. Yance remarked that the University would need indemnity coverage for HCA employees.

Mr. Windom asked Ms. Tucker to comment further on the manner in which an entity would be added to the HCA and on the urgency of a special meeting. Ms. Tucker anticipated only health care providers would be hired into the HCA. As to urgency, she and Dr. Marymont explained that obtaining provider identification numbers from health care payers, such as Medicaid or Medicare, is a three-month process and if providers were first hired by the University and then transferred to an authority some time later, the duplication of reapplying for provider identification numbers would be a setback and may have detrimental implications. Mr. Weldon added the lead time needed to establish accounting processes in order for the HCA to transact business and hire providers was motivation for a special meeting as well.

Mr. Yance conveyed appreciation for the responses and oversight of the Administation and said he now had a better understanding of the various benefits an authority would make possible. President Waldrop stated the authority would allow the University to better compete for providers in the community and Mr. Bailey said the USA Health team was working aggressively to get USA's message out about the benefit of academic health care and the uniqueness an association with South Alabama would offer. Mr. Bailey added that interest in and enthusiasm for the direction of USA Health was gaining momentum throughout in the greater Mobile region and he said the new leadership was growth-oriented, physician-friendly and knowledgeable of the academic mission.

Chairman Simon said he was appreciative for the meaningful exchange and the Administration's efforts to communicate with the Board and collect feedback. As to questions on the HCA board's ability to incur bonded indebtedness and make other significant decisions, he said it would be reasonable for pertinent committees of the Board to explore a mechanism for approvals. Alternatively, he and Ms. Tucker talked about regulation of power through bylaws amendments. Notwithstanding, Chairman Simon noted approval of the HCA at this session would not prevent additional discussions. As to the need expressed by the Administration to move quickly on implementing the HCA, Dr. Furr attested contracts currently under negotiation with private providers, as well as the prolonged process for securing provider numbers, necessitates quick action.

Mr. Windom asked about the qualifications of the proposed appointed HCA board members. President Waldrop said the board must be comprised of members who reflect the community. Ms. Tucker agreed, advising that the statute requires the board membership to be proportional to the racial, gender and economic status of the state. She restated, with the exception of the Chair

pro tempore, all of the individuals suggested to serve on the HCA board were employees of the University, and she and President Waldrop conveyed confidence in the abilities of the appointed persons to learn from and work cohesively with the expert *ex officio* members.

As to Chairman Simon's recommendation for additional discussion, Mr. Yance asked for clarification that authorization of the HCA at this meeting would not prohibit the USA Board from revisiting the authority of the HCA board relative to borrowing and bonded indebtedness at the next meeting in June or at any time and that regulation of powers would need to be consistent with the parameters set forth in the statute. Ms. Tucker agreed with these assertions.

Mr. Peek said his interpretation of the bylaws was the HCA board, once authorized, would have sole authority over the bylaws and amendments. Ms. Tucker said this was not the case and assured any amendments to the bylaws would not be effective unless adopted by the USA Board. Dr. Marymont asserted that the leaders entrusted to manage the University and its initiatives would work to maintain the Board's confidence. Mr. Yance pointed out that the USA Board would have the power to abolish the authority if compromised.

Mr. Windom asked about compensation of the directors and if officers would be hired. Ms. Tucker said directors would not receive compensation and officers would not be hired. She said outside counsel advised that the *ex officio* members could not be appointed to officer positions, but would have to be elected. She speculated the officers elected would be among the *ex officio* members who had expertise managing this type of organization.

Chairman Simon asked if an executive session was possible. As per the provisions of the Alabama Open Meetings Act, Ms. Tucker, Senior University Attorney, declared an executive session of the Board was being convened to discuss preliminary negotiations in trade competition. On motion by Mr. Yance, seconded by Mr. Windom, the Board, as recorded below, voted unanimously at 5:00 p.m. to convene a 15-minute executive session. Mr. Shumock noted the Board meeting would reconvene in an open session at 5:15 p.m.:

AYES:
Ms. Atkins
Ms. Brown Stewart
Dr. Furr
Ms. Maye
Ms. Mitchell
Mr. Peek
Mr. Shumock
Chairman Simon
Mr. Windom
Mr. Yance

Ms. Maye indicated she could not participate in the remainder of the proceedings and Ms. Ezell affirmed the existence of a quorum without Ms. Maye represented.

Following the executive session, the Board meeting reconvened at 5:18 p.m. and Mr. Shumock asked Trustees if additional discussion was needed. He called for the vote and, on motion by Mr. Yance, seconded by Ms. Atkins, the Board voted unanimously to authorize the formation of the University of South Alabama Health Care Authority. President Waldrop thanked Board members for the level of interest demonstrated in the conversation.

There being no further business, the meeting was adjourned at 5:21 p.m.

Attest to:

Respectfully submitted:

Arlene Mitchell, Secretary

James H. Shumock, Vice Chair

on behalf of:

Kenneth O. Simon, Chair *pro tempore*

ITEM 2
REVISED
June 2, 2017

RESOLUTION

BOARD MEETING SCHEDULE
2017-2018

WHEREAS, Article II, Section 1, of the Bylaws provides that the Board shall schedule annually, in advance, regular meetings of the Board to be held during the ensuing year, and may designate one of such meetings as the annual meeting of the Board,

THEREFORE, BE IT RESOLVED that the regular meetings of the University of South Alabama Board of Trustees shall be held on the following dates:

Friday, September 8, 2017

Thursday, November 30, 2017

Friday, March 2, 2018

Friday, June 1, 2018

FURTHER, BE IT RESOLVED that the date of June 1, 2018, be designated as the annual meeting of the University of South Alabama Board of Trustees for 2017-2018.

UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

HEALTH AFFAIRS

UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

HEALTH AFFAIRS COMMITTEE

March 2, 2017
1:30 p.m.

A meeting of the Health Affairs Committee of the University of South Alabama Board of Trustees was duly convened by Dr. Steve Furr, Chair, on Thursday, March 2, 2017, at 1:36 p.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Members Present:	Alexis Atkins, Chandra Brown Stewart, Steve Furr, Bettye Maye, Arlene Mitchell and Steve Stokes (arrived at 1:55).
Member Absent:	Scott Charlton.
Other Trustees:	Tom Corcoran, Ron Jenkins, Bryant Mixon, John Peek, Jimmy Shumock, Ken Simon, Mike Windom and Jim Yance.
Administration and Others:	Owen Bailey, Lynne Chronister, Josh Crownover (SGA), Sam Dean, Joel Erdmann, Monica Ezell, Mike Finan, Sam Fisher (Faculty Senate), Happy Fulford, Mike Haskins, David Johnson, John Marymont, Mike Mitchell, Brian Norris, Danny Rickert, John Smith, Becky Tate, Jean Tucker, Tony Waldrop and Scott Weldon.

The meeting came to order and attendance roll was called. Chairman Simon noted the appointment of Ms. Atkins to the Health Affairs Committee, as well as the Academic and Student Affairs Committee. Dr. Furr called for consideration of the minutes of the meeting held on December 1, 2016. On motion by Ms. Brown Stewart, seconded by Ms. Maye, the Committee voted unanimously to adopt the minutes.

Dr. Furr addressed **ITEM 5**, a resolution authorizing the USA Hospitals medical staff appointments and reappointments for November and December 2016 and January 2017 (for copies of resolutions, policies and other authorized documents, refer to the minutes of the Board of Trustees meeting held on March 3, 2017). On motion by Ms. Brown Stewart, seconded by Ms. Maye, the Committee voted unanimously to recommend approval by the Board of Trustees.

Dr. Furr called on Dr. Marymont for presentation of **ITEM 6**, a report on the activities of the Division of USA Health and the College of Medicine. Dr. Marymont advised of a trip on March 1 he, Mr. Bailey and Mr. Rickert made to Montgomery to meet with members of the local legislative delegation and Alabama's Speaker of the House, which included discussions on Medicaid and regional care organization (RCO) development. He asked Mr. Rickert to give an update. Mr. Rickert reminded the Committee of the University's role over the past three years in helping to

establish an RCO program in the state. He observed multiple iterations of the process over the course, noting RCOs were originally designed to be provider-sponsored, Medicaid-managed care plans, but, as deliberations evolved, for-profit entities were allowed to become involved. He stated the growing complexity together with additional risks Medicaid requested that USA bear caused the Gulf Coast Regional Care Organization to withdraw in November, as did the RCOs for Region B covering Birmingham and Region D covering Montgomery, Dothan and Auburn/Opelika. He reported Centene, a Fortune 500 managed-care company based in St. Louis, also declined to participate in recent days. At present, two RCOs remain in contention – a BlueCross BlueShield-sponsored plan affiliated with Eliza Coffee Memorial Hospital in North Alabama and a Huntsville Hospital-affiliated plan in Region A that covers North Alabama and Tuscaloosa. Mr. Rickert noted the desire of each to expand into the regions without RCOs, including Region E for the Gulf Coast. He said, despite a tight timeframe for that to happen, the governor and Medicaid commissioner have expressed optimism that all regions would have an RCO in place by October 1. He added statutory provisions permit an alternative care plan to be substituted if an RCO fails to be implemented in any region. In light of budget challenges, such as significant shortfalls in Medicaid funding and the possible repeal of the Affordable Care Act, and given USA Health currently receives in excess of $100 million in reimbursements from Medicaid annually, he asserted it would be prudent for the Institution to stay involved in the process and continue to explore options. He said, because RCOs have pulled out and due to the uncertainties in Washington, South's message to the state legislature is that RCO implementation should be postponed while the parties continue to work on solutions, and the hope would be USA's existing managed-care health plan would carry on operations for the interim. He stated the message to federal lawmakers is that Alabama's academic health centers, in particular USA and the University of Alabama at Birmingham, should be protected from possible adverse effects that may trickle down as a result of action in Washington.

Mr. Corcoran asked what feedback the local delegation had provided. Mr. Rickert said Mobile and Baldwin county legislators have been consistently supportive and stand ready to act on behalf of the University. As to risk potential, Mr. Yance and Mr. Rickert questioned the judgement of an RCO to move forward under the current terms. Dr. Furr commented on Centene's withdrawal and Mr. Rickert shared opinions on what may have motivated the decision.

Dr. Marymont asked Mr. Bailey to join him as he shared background on a project in which both took part. He advised, shortly after coming to the University seven months prior, President Waldrop charged him with evaluating the structure of the health system and making recommendations. He stated, over the four-month process, he concluded the health system needed a Chief Executive Officer and he described the characteristics and abilities that would be desired of an individual for this role. He said it soon became clear the right person for the position was Mr. Bailey. He announced the reclassification of Mr. Bailey's title from Chief Operating Officer to Chief Executive Officer of USA Health. Mr. Bailey complimented Dr. Marymont for his leadership and said it was a joy to be at the University and work with its talented people.

With reference to recent administrative transitions at USA Health, Mr. Bailey introduced and gave background information on Mr. Sam Dean, who recently joined the USA Medical Center as Hospital Administrator replacing Ms. Beth Anderson. Mr. Dean expressed excitement for the initiatives taking shape at the Medical Center, including a lobby renovation and the addition of a wing on the site of the former helicopter pad that will be fitted with outpatient operating rooms.

Mr. Bailey announced the retirement of Ms. Becky Tate effective March 15 and he asked her to share the floor as he discussed highlights of her career at USA, which began in 1978 and included roles as President and Chief Executive Officer (CEO) of PrimeHealth and as CEO of the USA Health Services Foundation. He said her most recent project was coordination of the construction, organization and opening of the Strada Patient Care Center. He stated she had made a tremendous impact and would be missed. Ms. Tate thanked Mr. Bailey and conveyed pride to be a member of the USA family. She reflected briefly on her long tenure, saying South Alabama had provided opportunities for growth and relationship development beyond expectation, and she thanked the Board for their support. Mr. Bailey invited Trustees and guests to attend a reception in Ms. Tate's honor on March 8.

Mr. Bailey introduced Mr. Brian Norris, who joined USA in 2015 as an assistant administrator for the health system. He said Mr. Norris would be assuming Ms. Tate's position as Administrator of Ambulatory Services for USA Health and stated Mr. Norris's professional credentials made him a perfect fit for this role. Mr. Norris said it was his privilege to work with the leadership and continue the momentum Ms. Tate achieved and he conveyed enthusiasm to be involved in the progress taking place at the health system.

Concerning Mr. Rickert's participation in the Montgomery meetings with Mobile and Baldwin county legislators, Mr. Bailey advised Mr. Rickert had become a respected expert in the state and beyond on matters involving innovative care delivery systems as well as those related to RCOs. He added the University was fortunate to have him on its team and he thanked Mr. Rickert for his efforts.

There being no further business, the meeting was adjourned at 1:58 p.m.

Respectfully submitted:

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Steven P. Furr, M.D., Chair

RESOLUTION

USA HOSPITALS MEDICAL STAFF APPOINTMENTS AND REAPPOINTMENTS FOR FEBRUARY, MARCH AND APRIL 2017

WHEREAS, the Medical Staff appointments and reappointments for February, March and April 2017 for the University of South Alabama Hospitals are recommended for Board approval by the Medical Executive Committees and the Executive Committee of the University of South Alabama Hospitals,

THEREFORE, BE IT RESOLVED that the Board of Trustees of the University of South Alabama approves the appointments and reappointments as submitted.

UNIVERSITY OF SOUTH ALABAMA

MEMORANDUM

USA Health

Date:
May 4, 2017

To:
Tony G. Waldrop, Ph.D.
President

From:
Owen Bailey

Subject:
Board Meeting Documents

Attached for review and approval by the Health Affairs Committee and the Board of Trustees are:

Resolution – University of South Alabama Hospitals Medical Staff Appointments and Reappointments for February, March and April 2017.

- Credentials Report – February, March and April 2017

Resolution – University of South Alabama Hospitals Medical Staff Bylaws and Rules and Regulations Revisions of April 11, 2017

- Proposed Changes to University of South Alabama Hospitals Medical Staff Bylaws and Rules and Regulations Revisions
- University of South Alabama Hospitals Medical Staff Meeting Minutes – April 11, 2017

OB/kh

Attachments

REC'D
Office of the President
MAY 04 2017
University of South Alabama

UNIVERSITY OF SOUTH ALABAMA HEALTHCARE NETWORK
MEDICAL STAFF APPOINTMENTS/REAPPOINTMENTS
FOR BOARD OF TRUSTEE APPROVAL
February 2017, March 2017, and April 2017

The following is a listing of recommendations for approval of new appointments, reappointments and other status changes of physicians and allied staff professionals. These have been reviewed and are recommended by the Medical Executive committee of the respective hospitals.

NAME	USACWH			USAMC			AMBULATORY CARE		
	Type/Stat	Category	Dept/Ser	Type/Stat	Category	Dept/Ser	Type/Stat	Category	Dept/Ser
Andrews, Leslie L., CRNA	Reappt.	Allied	Anesthesiology	Reappt.	Allied	Anesthesiology	NA	NA	NA
Asher, William Michael, MD	Reappt.	Consult/Assoc.	Radiology	Reappt.	Consult/Assoc.	Radiology	NA	NA	NA
Atkins, Christopher, Scrub Tech	New Appt.	Allied	Surgery	NA	NA	NA	NA	NA	NA
Ballard, Haley, MD	Reappt.	Consult/Assoc.	Internal Medicine	Reappt.	Active	Internal Medicine	Reappt.	Consult/Active	Internal Medicine
Baranano, Anne E., MD	Reappt.	Courtesy	Surgery	Reappt.	Courtesy	Surgery	NA	NA	NA
Barber, Matthew D., MD	Reappt.	Courtesy	Orthopaedics	Reappt.	Courtesy	Orthopaedics	NA	NA	NA
Benson-Inge, Antrias L., CMD	NA	NA	NA	Reappt.	Allied	Radiology	NA	NA	NA
Bixler, Quin A., MD	Reappt.	Courtesy	OBGYN	NA	NA	NA	NA	NA	NA
Bodie, Frankie L., MD	Reappt.	Active	OBGYN	Reappt.	Active	OBGYN	Reappt.	Active	OBGYN
Bradham, Kari A., DO	Reappt.	Active	Pediatrics	NA	NA	NA	Reappt.	Active	Pediatrics
Braswell, Katelyn V., MD	Reappt.	Courtesy	OBGYN	NA	NA	NA	NA	NA	NA
Brooks, Ronald M., MD	Reappt.	Active	Surgery	Reappt.	Active	Surgery	Reappt.	Active	Surgery
Burckhartt, Barbara A., MD	Reappt.	Active	Internal Medicine	Reappt.	Active	Internal Medicine	Reappt.	Active	Internal Medicine
Butts-Wilkerson, Ashleigh D., MD	Reappt.	Active	Family Medicine	Reappt.	Active	Family Medicine	Reappt.	Active	Family Medicine
Calderon, Eduardo, MD	Reappt.	Active	Internal Medicine	Reappt.	Active	Internal Medicine	Reappt.	Active	Internal Medicine
Chain, Sarah E., CRNP	New Appt.	Allied	Pediatrics	NA	NA	NA	NA	NA	NA
Chilukuri, Madhu B., Ph.D.	NA	NA	NA	Reappt.	Allied	Radiology	NA	NA	NA
Cromwell, Brian G., MD	New Appt.	Consult/Assoc.	Radiology	New Appt.	Consult/Assoc.	Radiology	NA	NA	NA
Crook, Errol D., MD	Reappt.	Active	Internal Medicine	Reappt.	Active	Internal Medicine	Reappt.	Active	Internal Medicine
Custodio, Haidee T., MD	Reappt.	Active	Pediatrics	NA	NA	NA	Reappt.	Active	Pediatrics
Das, Abhijin, MD	Reappt.	Active	Internal Medicine	Reappt.	Active	Internal Medicine	Reappt.	Active	Internal Medicine
DeCesare, Raymond C., MD	New Appt.	Contract/Locums	OBGYN	New Appt.	Contract/Locums	OBGYN	NA	NA	NA
Dobbins, Devin M., RTT	NA	NA	NA	Reappt.	Allied	Radiology	NA	NA	NA
Dow, Melody A., Hearing Screener	New Appt.	Allied	Surgery	NA	NA	NA	NA	NA	NA
Duke, Kenneth G., CRNA	New Appt.	Allied	Anesthesiology	New Appt.	Allied	Anesthesiology	NA	NA	NA
Dullet, Suneet W., MD	Reappt.	Consult/Assoc.	Internal Medicine	Reappt.	Active	Internal Medicine	Reappt.	Consult/Active	Internal Medicine
Estis, Julie M., Ph.D.	Reappt.	Allied	Surgery	Reappt.	Allied	Surgery	Reappt.	Allied	Surgery
Eurgil, II, David J., CRNA	New Appt.	Allied	Anesthesiology	New Appt.	Allied	Anesthesiology	NA	NA	NA
Eves, Matthew M., MD	NA	NA	NA	Reappt.	Active	Internal Medicine	NA	NA	NA
Fox, Shaketa Shelby, RN	Reappt.	Allied	Internal Medicine	Reappt.	Allied	Internal Medicine	NA	NA	NA
Gallaspy, III, Glenn T., MD	Reappt.	Courtesy	OBGYN	NA	NA	NA	NA	NA	NA
Garrett, Beverly A., CRNA	New Appt.	Allied	Anesthesiology	New Appt.	Allied	Anesthesiology	NA	NA	NA
Gavrilita, Christina E., MD	Reappt.	Active	Pediatrics	Reappt.	Active	Pediatrics	Reappt.	Active	Pediatrics
Ghelani, Janak H., MD	New Appt.	Consult/Assoc.	Psychiatry	New Appt.	Consult/Assoc.	Psychiatry	NA	NA	NA
Gilmore, Shannon M., MD	Reappt.	Courtesy	OBGYN	NA	NA	NA	NA	NA	NA
Granberry, Michael L., MD	Reappt.	Courtesy	Orthopaedics	Reappt.	Courtesy	Orthopaedics	NA	NA	NA

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NAME	USACWH			USAMC			AMBULATORY CARE		
	Type/Stat	Category	Dept/Ser	Type/Stat	Category	Dept/Ser	Type/Stat	Category	Dept/Ser
Grimm, Jr., Leander M., MD	Reappt.	Active	Surgery	Reappt.	Active	Surgery	Reappt.	Active	Surgery
Gulati, Rashmi, MD	Reappt.	Active	Pediatrics	Reappt.	Courtesy	Pediatrics	Reappt.	Active/Courtesy	Pediatrics
Hardin, Marie, PCT	Reappt.	Allied	Internal Medicine	Reappt.	Allied	Internal Medicine	NA	NA	NA
Helmer, II, Robert S., PharmD	NA	NA	NA	Reappt.	Allied	Internal Medicine	NA	NA	NA
Holliday, Nicolette P., MD	Reappt.	Active	OBGYN	Reappt.	Active	OBGYN	Reappt.	Active	OBGYN
Hooks, III, Samuel B., MD	NA	NA	NA	Reappt.	Consult/Assoc.	Internal Medicine	NA	NA	NA
Houston, Eileen D., CRNP	Reappt.	Allied	Pediatrics	NA	NA	NA	Reappt.	Allied	Pediatrics
Howard, IV, Clinton W., MD	Reappt.	Courtesy	Orthopaedics	Reappt.	Courtesy	Orthopaedics	NA	NA	NA
Hundley, Jr., Terry J., MD	Reappt.	Consult/Assoc.	Internal Medicine	Reappt.	Active	Internal Medicine	Reappt.	Consult/Active	Internal Medicine
Iliff, Greire H., CRNP	New Appt.	Allied	Surgery	New Appt.	Allied	Surgery	New Appt.	Allied	Surgery
Johannesmann, Daniel B., CRNA	New Appt.	Allied	Anesthesiology	New Appt.	Allied	Anesthesiology	NA	NA	NA
Jones, Brian, MD	NA	NA	NA	Reappt.	Contr/Locums	Emergency Med.	NA	NA	NA
Jones, Kelly M., DMD	Reappt.	Allied	Surgery	NA	NA	NA	NA	NA	NA
Kahn, Steven A., MD	Reappt.	Active	Surgery	Reappt.	Active	Surgery	Reappt.	Active	Surgery
Kay, John K. CRNA	New Appt.	Allied	Anesthesiology	New Appt.	Allied	Anesthesiology	NA	NA	NA
Kidd, Jonathan, PCT	Reappt.	Allied	Internal Medicine	Reappt.	Allied	Internal Medicine	NA	NA	NA
Krueger, Margaret S., DO	Reappt.	Courtesy	OBGYN	NA	NA	NA	NA	NA	NA
Labbe-Coldsmith, Elisa E., Ph.D.	Reappt.	Allied	Psychiatry	Reappt.	Allied	Psychiatry	Reappt.	Allied	Psychiatry
Lairmore, David A., MD	Reappt.	Active	Surgery	NA	NA	NA	NA	NA	NA
Lambrecht, Lauren E., MD	Reappt.	Courtesy	OBGYN	NA	NA	NA	NA	NA	NA
Lenz, Cara B., MD	Reappt.	Courtesy	OBGYN	NA	NA	NA	NA	NA	NA
Liles, Joe Spencer, MD	Reappt.	Active	Surgery	Reappt.	Active	Surgery	Reappt.	Active	Surgery
Maggio, Anthony, MD	NA	NA	NA	Reappt.	Active	Emergency Med.	NA	NA	NA
Malozzi, Christopher M., DO	Reappt.	Active	Internal Medicine	Reappt.	Active	Internal Medicine	Reappt.	Active	Internal Medicine
Maltese, Carl, MD	Reappt.	Active	Surgery	Reappt.	Active	Surgery	NA	NA	NA
Martinez-Ceballos, Jose E., MD	Reappt.	Active	Pediatrics	Reappt.	Active	Pediatrics	Reappt.	Active	Pediatrics
Mason, Felicia D., CRNP	NA	NA	NA	New Appt.	Allied	Emergency Med.	New Appt.	Allied	Emergency Med.
McAndrew, III, John C., MD	Reappt.	Courtesy	Orthopaedics	Reappt.	Courtesy	Orthopaedics	NA	NA	NA
McGinn, Kaitlin A., PharmD	NA	NA	NA	Reappt.	Allied	Surgery	NA	NA	NA
McQuiston, Jr., Samuel A., MD	Reappt.	Active	Radiology	Reappt.	Active	Radiology	Reappt.	Active	Radiology
Moorer, Ashley C., RN	Reappt.	Allied	Internal Medicine	Reappt.	Allied	Internal Medicine	NA	NA	NA
Otts, Richard L., MD	Reappt.	Courtesy	OBGYN	Reappt.	Courtesy	OBGYN	NA	NA	NA
Pai, Sachin G., MD	New Appt.	Active	Internal Medicine	New Appt.	Active	Internal Medicine	New Appt.	Active	Internal Medicine
Patterson, Scott B., DO	Reappt.	Active	Pediatric Surgery	Reappt.	Active	Pediatric Surgery	Reappt.	Active	Pediatric Surgery
Patterson, Scott B., DO	Reappt.	Active	Trauma/Burn Surgery	Reappt.	Active	Trauma/Burn Surgery	Reappt.	Active	Trauma/Burn Surgery
Perry, Candace L., MD	Reappt.	Consult/Assoc.	Psychiatry	Reappt.	Consult/Assoc.	Psychiatry	NA	NA	NA
Perry, Mark D., MD	Reappt.	Active	Orthopaedics	Reappt.	Active	Orthopaedics	Reappt.	Active	Orthopaedics
Petersen, III, Bendt P., MD	Reappt.	Courtesy	Orthopaedics	Reappt.	Courtesy	Orthopaedics	NA	NA	NA
Presley, Janet K., CRNP	New Appt.	Refer & Follow	Family Medicine	New Appt.	Refer & Follow	Family Medicine	NA	NA	NA

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Qureshi, Ghazanfar, MD	Reappt.	Active	Internal Medicine	Reappt.	Active	Internal Medicine	Reappt.	Active	Internal Medicine
Ringold, Forrest G., MD	Reappt.	Refer & Follow	Surgery	Reappt.	Refer & Follow	Surgery	NA	NA	NA
Rocconi, Rodney P., MD	Reappt.	Active	Gynecology	Reappt.	Active	Gynecology	Reappt.	Active	Gynecology
Sanchez-Villaneuva, Omar A., MD	Reappt.	Active	Pediatrics	Reappt.	Active	Pediatrics	Reappt.	Active	Pediatrics
Schilthuis, Alana, MD	Reappt.	Consult/Assoc.	Internal Medicine	Reappt.	Active	Internal Medicine	Reappt.	Consult/Active	Internal Medicine
Seaman, Rachel T., MD	NA	NA	NA	Reappt.	Active	Emergency Med.	NA	NA	NA
Seaman, Rachel T., MD	Reappt.	Consult/Assoc.	Internal Medicine	Reappt.	Active	Internal Medicine	Reappt.	Consult/Active	Internal Medicine
Sexton, Tyler D., MD	Reappt.	Active	Pediatrics	NA	NA	NA	Reappt.	Active	Pediatrics
Simmons, Jon D., MD	Reappt.	Active	Surgery-Pediatrics	Reappt.	Active	Surgery-Pediatrics	Reappt.	Active	Surgery-Pediatrics
Simmons, Jon D., MD	Reappt.	Active	Surgery-Trauma/Burns	Reappt.	Active	Surgery-	Reappt.	Active	Surgery-
Simpson, Regena A., CRNP	New Appt.	Allied	OBGYN	NA	NA	NA	New Appt.	Allied	OBGYN
Skific, Karen E., NNP	New Appt.	Allied	Pediatrics	NA	NA	NA	New Appt.	Allied	Pediatrics
Smith, Megan K., CRNP	New Appt.	Allied	Pediatrics	NA	NA	NA	NA	NA	NA
Spiro, Arthur, MD	NA	NA	NA	Reappt.	Refer & Follow	Family Medicine	NA	NA	NA
Stewart, Mary E., CRNP	Reappt.	Allied	Pediatrics	NA	NA	NA	Reappt.	Allied	Pediatrics
Stewart, Regina A., CRNP	Reappt.	Allied	Surgery	Reappt.	Allied	Surgery	Reappt.	Allied	Surgery
Swain, Jr., Ronnie E., MD	New Appt.	Courtesy	Surgery	NA	NA	NA	NA	NA	NA
Swingle, Hanes M., MD	Reappt.	Active	Pediatrics	NA	NA	NA	Reappt.	Active	Pediatrics
Tan, Marcus C., MD	Reappt.	Active	Surgery	Reappt.	Active	Surgery	Reappt.	Active	Surgery
Tubbs, Candiann D., PCT	Reappt.	Allied	Internal Medicine	Reappt.	Allied	Internal Medicine	NA	NA	NA
Tyler, Shannon K., MD	Reappt.	Active	Internal Medicine	Reappt.	Active	Internal Medicine	Reappt.	Active	Internal Medicine
Walsh, Christopher L., CRNA	New Appt.	Allied	Anesthesiology	New Appt.	Allied	Anesthesiology	NA	NA	NA
Walsh, Linsay, CRNA	New Appt.	Allied	Anesthesiology	New Appt.	Allied	Anesthesiology	NA	NA	NA
Ward, Brian H., Ph.D.	NA	NA	NA	Reappt.	Allied	Radiology	NA	NA	NA
Weishaar, Brendan A., CRNA	New Appt.	Allied	Anesthesiology	New Appt.	Allied	Anesthesiology	NA	NA	NA
Wells, Rose A., CRNP	Reappt.	Allied	Internal Medicine	Reappt.	Allied	Internal Medicine	Reappt.	Allied	Internal Medicine
Wentworth, Mary E., Dental Assist.	Reappt.	Allied	Surgery	NA	NA	NA	NA	NA	NA
Whitehead, Kelly A., CRNA	New Appt.	Allied	Anesthesiology	New Appt.	Allied	Anesthesiology	NA	NA	NA
Wood, Amanda L., RN	Reappt.	Allied	OBGYN	Reappt.	Allied	OBGYN	NA	NA	NA
Woods, Amy, MD	NA	NA	NA	Reappt.	Refer & Follow	Internal Medicine	NA	NA	NA
Wrights, Sharienne E., MD	Reappt.	Refer & Follow	Pediatrics	Reappt.	Refer & Follow	Pediatrics	NA	NA	NA

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	Type/Stat	Category	Dept/Ser	Type/Stat	Category	Dept/Ser	Type/Stat	Category	Dept/Ser
Change Requests									
Barros, Mary Lee, CRNP	Added Priv.	Allied	Evaluation Center	NA	NA	NA	NA	NA	NA
Dodson, Lindsey K., CRNA	Req. LOA	Allied	Anesthesiology	Req. LOA	Allied	Anesthesiology	NA	NA	NA
Gulati, Rashmi, MD	Added Priv.	Active	Pediatrics	Added Priv.	Courtesy	Pediatrics	Added Priv.	Active/Courtesy	Pediatrics
Hanes, II, Charles R., MD	Added Priv.	Active	OBGYN	Added Priv.	Active	OBGYN	Added Priv.	Active	OBGYN
Hunter, Mary Abby, CRNP	NA	NA	NA	Req. LOA	Allied	Emergency Med.	NA	NA	NA
Jha, Om, MD	Added Priv.	Active	Pediatrics	Added Priv.	Active	Pediatrics	Added Priv.	Active	Pediatrics
Kahn, Steven A., MD	Added Priv.	Active	Surgery	Added Priv.	Active	Surgery	Added Priv.	Active	Surgery
Krueger, Margaret S., DO	Added Priv.	Courtesy	OBGYN	NA	NA	NA	NA	NA	NA
Outlaw, Elesyia D., MD	Added Priv.	Active	Radiology	Added Priv.	Active	Radiology	Added Priv.	Active	Radiology
Parlee, Brandi L., CRNP	NA	NA	NA	Added Priv.	Allied	Surgery	Added Priv.	Allied	Surgery
Quick, Felicia D. Mason, CRNP	NA	NA	NA	Name Chg.	Allied	Emergency Med.	NA	NA	NA
Sharma, Kamal P., MD	Added Priv.	Active	Pediatrics	Added Priv.	Active	Pediatrics	Added Priv.	Active	Pediatrics
Tengsupakul, Supatida, MD	Added Priv.	Active	Pediatrics	NA	NA	NA	Added Priv.	Active	Pediatrics
Retired/Resigned									
Name	**Reason**	**Date**	**Dept.**	**Reason**	**Date**	**Dept.**			
Barbour, Ellen Grace, PA	Resigned	2/7/2017	Neurosurgery	Resigned	2/7/2017	Neurosurgery			
Greene, Joni, Dental Assistant	Resigned	3/3/2017	Surgery	NA	NA	NA			
Greer, Ashley T., PA	Resigned	2/7/2017	Surgery	Resigned	2/7/2017	Surgery			
Griffin, Tiffany L., CRNP	Resigned	3/15/2017	Evaluation Center	NA	NA	NA			
Heins, Alan E., MD	Resigned	1/23/2017	Evaluation Center	NA	NA	NA			
Hinton, Claire, PA	Resigned	2/16/2017	Surgery	Resigned	2/16/2017	Surgery			
Johannesmann, Daniel B., CRNA	Resigned	2/23/2017	Anesthesiology	Resigned	2/23/2017	Anesthesiology			
Leahey, Carlyn S., PA	Resigned	12/30/2016	Surgery	Resigned	12/30/2016	Surgery			
Moore, Lauren Moore, DMD	Resigned	3/3/2017	Surgery	NA	NA	NA			
Payne, Isaac, DO	NA	NA	NA	Resigned	2/14/2017	Emergency Med			
Scott, William W., MD	Resigned	1/9/2017	Neurosurgery	Resigned	1/9/2017	Neurosurgery			
Stauffer, Robert A., MD	Resigned	3/23/2017	OBGYN	Resigned	3/23/2017	OBGYN			
Taliaferro, Jacquise, CRNP	Resigned	2/17/2017	Internal Medicine	Resigned	2/17/2017	Internal Medicine			
Tucker, Elisabeth Dunning, MD	Resigned	3/8/2017	OBGYN	Resigned	3/8/2017	OBGYN			
Williams, Siearra, Dental Assist.	Resigned	3/3/2017	Surgery	NA	NA	NA			

UNIVERSITY OF SOUTH ALABAMA HEALTHCARE NETWORK
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LEGEND:

New Appt.	New application for medical/allied staff privileges recommended for approval.
Reappt.	Reappointment application for medical/ allied staff privileges recommended for approval.
No Privs.	No privileges requested
Change in Status	Added privileges
	Change Department
Retired Resigned	Moved, Retired or Resigned

RECOMMENDED BY:

Benjamin Estrada, M.D., Chair of Medical Executive Committee or Chair Elect
USA Children's & Women's Hospital

Sabrina G. Bessette MD

Sabrina G. Bessette, M.D., Chair of Medical Executive Committee or Chair Elect
USA Medical Center

Owen Bailey
Chief Executive Officer & Senior Associate Vice President for Medical Affairs
USA Health

RESOLUTION

USA HOSPITALS MEDICAL STAFF BYLAWS AND RULES AND REGULATIONS REVISIONS OF APRIL 11, 2017

WHEREAS, revisions to USA Hospitals Medical Staff Bylaws and Rules and Regulations, approved at the April 11, 2017, Medical Staff meeting and attached hereto, are recommended for approval by the Medical Staffs and the Executive Committee of the University of South Alabama Hospitals,

THEREFORE, BE IT RESOLVED that the Board of Trustees of the University of South Alabama approves the revisions as submitted.

Proposed Changes to University of South Alabama Hospitals Medical Staff Bylaws and Rules and Regulations Revision/Additions Descriptions
Approved at the USA Hospitals General Medical Staff Meeting on April 11, 2017

RECOMMENDED TO BE EFFECTIVE June 2, 2016

BYLAWS

1) **ARTICLE XII - APPOINTMENTS**
   Section 12.03 Conditions of Appointment
   Added expectations for practitioners to complete Electronic Medical Records training and gave responsibility for enforcement of these requirements to the Medical Executive Committee Chair.
2) **ARTICLE XIV - PHYSICIAN/HEALTHCARE PROVIDER HEALTH**
   Section 14.04 Reporting and Investigation
   Revised the timeframe for the Medical Review Officer to make recommendations to the Physician Review Committee from 24 hours to two business days.
   Section 14.05 Return to Duty
   Added as a condition of returning to practice, for the practitioner to undergo a "Fitness for Duty" evaluation.
3) **ARTICLE XXI - DEPARTMENTS/ CW SERVICE LINES**
   Added Anesthesia and Pathology to the CW service lines supporting department list
4) **ARTICLE XXIII - MEDICAL EXECUTIVE COMMITTEE**
   Section 23.01 Meetings
   Added attendance limitations to membership plus invited guests determined by the MEC Chair.
   Section 23.03 Membership
   Added majority of MEC members will be voting members who actively practice at the hospital.
   Revised the voting members list for CW to include Residency Program Director for primary service lines.
   Revised Ex-Officio members for both hospitals to include residents from primary services and the College of Medicine Dean/V.P. of Medical Affairs.

RULES AND REGULATIONS

The following sections were revised to eliminate the terminology of using a written format:
2.2.4 Consultation report, 2.3.3 Admission Notes, 2.3.4 Primary attending physician involvement, 2.3.8 Medical Students, 2.4.1 Preoperative documentation requirements, 2.4.6 Anesthesia assessment, 2.4.7 Anesthesia consent, 2.5.6 Admit orders, 2.7.1 Patient discharge, 2.8.2 Release of body, 3.1 Responsibility for Completing Medical Records, 3.2.2 Progress notes, 3.2.5 Documentation requirements, 3.3.8 Permanently filing incomplete records, 3.4.2 Removal from hospital, 3.4.4 Required signatures, 3.4.5 Abbreviations and symbols, 3.5.1 Outpatient Medical Records Requirements, 4.1 Physician Orders, 4.2 Routine orders, 4.3 Legibility, 4.4 Physician Order sets and (down time) Pre-printed orders, 4.7 Laboratory testing orders by Pharmacists and 4.10 Cancellation of orders following operating room procedures.

Additional revisions:

1. **2.5.1 Admissions - Scope of Services (New title)**
   Revised both scope of service sections to include the CMS required nondiscrimination list.
   Revised CW scope to include "limited same day surgical services".
2. **3.2.3 Discharge summary**
   Revised to eliminate written terminology and to state a nurse practitioner or physician assistant can write the discharge plan provided the summary is co-authenticated by the responsible physician.
3. **3.3.2 Procedure**
   Revised the Medical Records Department to Health Information Management Department.
4. **4.5 Verbal or telephone orders**
   Revised to clarify the authentication of verbal/telephone orders not to exceed 96 hours and that any physician covering could authenticate this type of order.
5. **6.4 Emergency Department/Evaluation Center Admissions**
   Deleted this section that states a copy of the ED record will accompany the patient when admitted.

Proposed Changes to University of South Alabama Hospitals Medical Staff Bylaws
Revisions approved at the USA Hospitals General Medical Staff Meeting on April 11, 2017

Bold and Underlined are additions - Strikethroughs are ~~deletions~~

BYLAWS

ARTICLE XII - APPOINTMENTS

Section 12.03 Conditions of Appointment

A. Any person accepting appointment to the Medical Staff of the Hospital agrees to immediate testing of blood and/or urine for controlled substances and/or alcohol upon appropriate request. An appropriate request is based upon suspicion of impairment from alcohol and/or drug abuse and may be made by the Chair of MEC, Department Chair, or Hospital Administrator. Medical Staff members who suspect another member of having impairment have a responsibility to immediately notify the Chair of MEC, Department Chair, or Hospital Administrator of their concerns.

Any person who refuses such testing will be treated administratively as though they tested positive for alcohol and/or controlled substances. Administrative procedures to be followed in such instances will be those defined for the involuntary detection of the impaired Physician.

Mandatory periodic drug and/or alcohol testing shall be required of any Medical Staff member identified as impaired from drug and/or alcohol abuse disorders as part of ongoing treatment and monitoring of the impaired individual.

B. Any person applying for appointment to the Medical Staff of the Hospital, as a condition of maintaining such appointment, agrees that, at the request for cause of the Chair of MEC, Department Chair, Hospital Administrator, or a Fair Hearing or Corrective Action Committee of the MEC, as determined by the requesting body, they will undergo a complete physical and/or mental health evaluation concerning their ability to care for patients and/or ability to work cooperatively with colleagues, support staff, and other members of the USA Hospitals community. This evaluation shall be performed by a Physician and/or other appropriate health care professional who is mutually acceptable to the staff member or applicant and the party requesting the evaluation. The staff member or applicant shall agree to allow the report of the evaluation to be made available to the party requesting the evaluation.

C. It shall be the responsibility of the Medical Staff member to report immediately to his Department Chair any investigation or actions taken against him with regard to any hospital appointment or privileges, licensure, certification, health care affiliation, or criminal charges.

D. Each Medical Staff member must comply with hospital requirements for immunizations as set forth in the hospital policy.

E. All practitioners who seek patient care activities at the time of initial hospital appointment are required to complete training sessions on the use of the hospital's electronic medical record (EMR) prior to the initiation of any clinical activities except as exempted by hospital policy. All practitioners who provide ongoing patient care at the University of South Alabama Hospitals are required to utilize the EMR for computerized order entry and all applicable clinical documentation except as exempted by hospital policy. Non-compliance with these requirements can result in suspension of patient care activities, including elective admissions, outpatient care activities, and non-emergency surgical cases. Enforcement of these requirements is the responsibility of the Medical Executive Committee Chair. Upon documentation that the practitioner has agreed to utilize the EMR for all applicable patient care activities, hospital privileges will be reinstated.

ARTICLE XIV

PHYSICIAN/HEALTHCARE PROVIDER HEALTH

Section 14.01 Purpose

The purpose of identifying and managing individual Physician/healthcare provider illness or any impairment condition is to assist and rehabilitate, rather than discipline, a Physician/healthcare provider in retaining or regaining acceptable professional functioning consistent with the care and protection of patients

Section 14.02 Definition

Impairment is defined as the inability to practice medicine or osteopathy or healthcare with reasonable skill and safety to patients by reason of illness or impairment of capability as a result of any mental or physical condition.

Section 14.03 Education of Medical Staff/healthcare provider

Medical Staff/appointee will be provided information about illness and impairment recognition issues. Education will include, but not be limited to, information provided with the appointment application.

Proposed Changes to University of South Alabama Hospitals Medical Staff Bylaws
Revisions approved at the USA Hospitals General Medical Staff Meeting on April 11, 2017

Section 14.04 Reporting and Investigation

A. The individual who suspects a Physician/appointee of being impaired will provide a verbal or written report to the Administrator or designee, the Chair of MEC, or Department Chair. A Physician/appointee may also self-report to any of these individuals. The report will include a description of the incident(s) or observation(s) that led to the belief that the Physician/appointee might be impaired. This report will immediately be forwarded to the Medical Review Officer (MRO). The MRO is appointed by the Hospital Administrator.

B. The MRO will conduct the initial review and collect any needed additional information, which may include further interviews. The MRO will present the review of the case and recommendations to the Physician Review Committee (PRC) within ~~24 hours~~ **two business days** of receiving a report of a possibly impaired Physician/appointee. The PRC is comprised of the Chair of MEC or designee; Department Chair, and the Hospital Administrator or designee. If the Department Chair cannot participate in the review, an alternate will be designated by the Chair of MEC. At this meeting, the PRC will determine what, if any, immediate action(s) need to be taken. The PRC may also conduct further interviews if necessary. The PRC must reach a decision on the same day the MRO reports to them.

C. If the PRC decides that there is sufficient evidence that the Physician/appointee is impaired, it will meet with that Physician/appointee immediately. The Physician/appointee will be informed that as a result of the complaint and validation via the review by the MRO and PRC, his/her ability to practice medicine/privileges safely is questionable and consequently privileges to practice medicine in any USA Hospital are immediately administratively suspended pending further review. The Physician/appointee may choose to appeal this decision to the Vice President for Health Systems. If not appealed within 24 hours or the appeal is unsuccessful, the Director of the Medical Association of the State of Alabama Physician Health Program/ other supervising authority will be notified of the Physician/appointee's presumed impairment to evaluate the Physician/appointee and, if deemed necessary, establish a mandatory treatment/rehabilitation program. The Director of the Medical Association of the State of Alabama Physician Health Program will determine if the Physician needs to be reported to the licensing board.

D. If the Medical Director of Alabama's Physician Health Program concurs that the Physician is impaired, the Physician's hospital privileges will be suspended pending successful completion of a rehabilitation program.

E. If the Chair of MEC or Hospital Administrator believes that there is an immediate risk of the Physician/appointee compromising patient safety, his hospital privileges will be administratively suspended pending the process described above.

F. The Physician/appointee will be required to provide information regarding his treatment or rehabilitation and monitoring as determined by the treatment program.

G. If the Physician/appointee fails to complete Alabama's Physician Health Program/other applicable authority, he is considered noncompliant with the treatment/rehabilitation program and is considered a Corrective Action (see Article XV) concern.

Section 14.05 Return to Duty

The Physician/appointee may resume patient care duties when recommended by the treatment program and approved by the Vice President for Health Systems. The Department Chair or designee shall monitor the Physician/appointee's exercise of clinical privileges in the hospital following return to duty.

As a condition of returning to practice, a physician/appointee will undergo a "fitness for duty" evaluation to indicate that the practitioner has no physical or mental problem that would interfere with their ability to perform the privileges granted to care for patients and/or ability to work cooperatively with colleagues, support staff, and other members of the USA Hospitals community. This evaluation shall be performed by a physician and/or other appropriate health care professional who is mutually acceptable to the staff member and the party requesting the evaluation. The staff member or applicant shall agree to allow the report of the evaluation to be made available to the MEC Chair, Hospital Administrator or a Fair Hearing or Corrective Action Committee of the MEC requesting the evaluation.

ARTICLE XXI

DEPARTMENTS/ CW SERVICE LINES

The Medical Staff shall be organized in the following Hospital departments and/or service lines:
Children's and Women's Departments are as follows:

Children's and Women's

A. Family Medicine ~~and Internal Medicine~~
B. Obstetrics and Gynecology
C. Pediatrics/ ~~and~~ Neonatology
D. Support Department representatives: Radiology, Surgery, **Anesthesia, Pathology**

These departments are represented in the Women's and Children's service line committees.

Medical Center

A. Anesthesiology
B. Emergency Medicine
C. Family Medicine
D. Internal Medicine
E. Neurology
F. Neurosurgery
G. Obstetrics and Gynecology
H. Orthopedic Surgery
I. Pathology
J. Pediatrics
K. Psychiatry
L. Radiology
M. Surgery

Additionally, other departments may be authorized from time to time by the Executive Committee either independently or on recommendation of the MEC.

ARTICLE XXIII

MEDICAL EXECUTIVE COMMITTEE

Section 23.01 Meetings

The MEC shall meet at least quarterly. Two voting (2) members must be in attendance in order to constitute a quorum and conduct committee business. **Attendance will be limited to membership plus invited guests as determined by the MEC Chair.**

Section 23.03 Membership
Members of the Organized Medical Staff may be appointed for service on the MEC. The membership of the MEC, the majority of which shall be **voting member** physicians **who are actively practicing in the hospital**, shall consist of no more than 22 voting members including the following:

A. Chair
B. Immediate Past Chair
C. Chair-Elect/Secretary
D. Department Chairs and/or CW Service Line Chair
E. Elected At-Large Members of the Medical Staff
F. CW Only - Residency Program Directors (Primary Service)

Biennially, the Chair of MEC, Chair-Elect/Secretary of MEC, and Immediate Past Chair of MEC in collaboration with the Hospital Administrator shall appoint At-Large Members from the Organized Medical Staff.

G. Chair of the Combined Credentials Committee
H. Ex-Officio Members:
    1) Hospital Administrator/**designee**
    ~~2) Assistant Administrator~~
    3) Chief Nursing Officer/**designee**
    4) Quality Management Representatives
    5) College of Medicine Dean/Vice President of Medical Affairs
    6) Residents (primary services)

Proposed Changes to University of South Alabama Hospitals Medical Staff Rules and Regulations Approved at the USA Hospitals General Medical Staff Meeting on April 11, 2017

Bold and Underlined are additions - Strikethroughs are ~~deletions~~

RULES AND REGULATIONS

General Conduct of Care

2.2.4 Consultation report

A ~~written or dictated~~ consultation report must be provided by the consultant for inclusion in the medical record.

2.3.3 Admission Notes

The primary attending physician will enter an admitting note and co-sign the resident's note in the patient's ~~chart~~ **medical record** stating the reason for admission and describing the initial management plans. The admitting note must meet Medicare documentation requirements and be incorporated into the medical record within 24 hours following the patient's admission.

2.3.4 Primary attending physician involvement

The primary attending physician's involvement in the patient's care must be ~~documented~~ at least daily as evidenced by the attending's ~~signature of resident's/fellow's note and a~~ brief ~~written~~ medical record entry ~~note~~.

2.3.8 Medical Students

Medical students cannot independently provide any aspect of patient care. All medical student notes must be ~~cosigned~~ **authenticated** by a resident or attending physician on the day they are written and corrected if necessary. A medical student note **entry** does not take the place of a resident's daily note. A signature provides verification that the information contained in the medical student's note is accurate. An order ~~written~~ **entered into the medical record** by a medical student will be disregarded unless it is ~~cosigned~~ **authenticated via a signature** by a resident or attending physician.

2.4.1 Preoperative documentation requirements

Except in emergencies, a history and physical examination, the pre-operative diagnosis, consent, laboratory reports and radiology reports must be **completed** ~~recorded~~ in the patient's medical record prior to any surgical procedure. Preparation for surgery including pre-medication shall not be performed until proper entries are ~~recorded~~ **completed** in the patient's medical record. The operating room circulating nurse will notify the operating staff surgeon if these criteria are not met. If this causes a delay in surgery, which results in a change in the surgery schedule, the operation shall be rescheduled to the next available time. In the case of an emergency, where any or all of the above entries have not been made in the medical record, the operating attending surgeon shall ~~document~~ **make an entry** in the medical record **regarding** the patient's condition prior to induction of anesthesia and that a delay would be detrimental to the patient.

2.4.6 Anesthesia assessment

Every patient's **medical** record must contain documentation that a pre-anesthesia assessment was performed and anesthesia consent obtained. The record must also document that the patient was re-evaluated in the operating area immediately before anesthesia induction. Documentation must include the choice of anesthesia and the anticipated surgical procedure.

2.4.7 Anesthesia consent

Anesthesia options and risks must be discussed with the patient or surrogate prior to anesthesia administration. That the patient understands the anesthetic risks and agrees to the anesthetic plan including any invasive monitoring, must be ~~documented~~ entered into the medical record.

2.5.1 Admissions-**Scope of Services**

MC-Subject to services offered, patients will be **accepted**, admitted, **treated, transferred or discharged without regard to** ~~regardless of~~ age, **race,** ethnicity, religion, culture, language, physical or mental disability, socioeconomic status, sex, sexual orientation, gender identity or expression, **veteran status** or source of payment.

CW - **Subject to services offered, patients will be accepted, admitted, treated, transferred or discharged without regard to** ~~age,~~ **race, ethnicity, religion, culture, language, physical or mental disability, socioeconomic status, sex, sexual orientation, gender identity or expression, veteran status or source of payment. As a specialty hospital dedicated to children and women, age and gender are reasonable factors to apply in consideration of acceptance, admission, treatment and transfer in accordance with our scope of services.**

Generally, patients from neonate through the age of 18 that require pediatric services, patients of any age who require obstetrics and gynecology services, and patients with illnesses/conditions/disabilities related to ~~unique to~~ the mission of the hospital **or when the medical team determines that the continuum of care for the patient is best served at this hospital such as young**

adults with significant life-limiting conditions. Additionally, limited same day surgical services will be available on an outpatient basis.

The Administrator **or administrator's designee,** at either hospital reserves the right to refuse admission to any patient or to limit the admission of patients whenever, in the opinion of the administrator **or administrator's designee,** that such refusal or limitation is **related to lack of capacity, or beyond the scope of** ~~necessary (to) support~~ the mission /service of the hospital **or capability of hospital.** The decision of the administrator/**administrator's designee** in such cases shall be final.

2.5.6 Admit orders
When required by federal or state law, guideline, or regulations, or when required by regulatory agencies, orders to "admit" the patient are ~~written~~ **entered into the medical record** by the attending physician. If the initial orders are ~~written~~ **entered into the patient's medical record** by a resident, the orders are reviewed and co-signed by the attending physician.

2.7.1 Patient discharge
Patients shall be discharged from the hospital only **after** ~~on~~ the ~~written~~ discharge order **is entered into the medical record** ~~of~~ **by** the patient's attending physician or designee, provided as early as possible on the day of discharge. If a patient leaves the hospital against the advice of the attending physician, or without proper discharge, a notation shall be made in the patient's medical record and an AMA form completed.

2.8.2 Release of body
The body shall not be released until an entry has been made ~~and signed~~ in the medical record of the deceased by the attending physician or designee, or an entry made in the progress notes by the nursing supervisor indicating assessment and time of death.

Medical Records

3.1 Responsibility for Completing Medical Records
The primary attending physician is responsible for ~~the preparation of~~ a complete, accurate, timely ~~and legible~~ medical record for every patient assessed or treated. The medical record should contain sufficient information to identify the patient, support the diagnosis, justify the treatment, document the course and results, and promote continuity of care among health care attending.

3.2.2 Progress notes

1. Progress notes must be ~~dated, timed, signed, and recorded~~ **entered into the ~~electronic~~ medical record** daily by attending physician **or licensed independent practitioner with counter signature**. Patients designated as being long term stay patients will be assessed as per hospital policy. Medical student progress notes must be reviewed and signed by a physician, but cannot take the place of an attending or resident note. These notes should reflect current problems, treatments and plans and patient/family wishes.

3.2.3 Discharge summary
A discharge summary must be completed ~~and placed in the record of~~ **for** every hospitalized patient. ~~All discharge summaries are required to be dictated with one exception at Children's and Women's. Patients at Children's and Women's staying less than 48 hours may have a hand written discharge summary. The Medical Center requires all discharge summaries to be dictated no matter the length of stay of the patient.~~ The discharge summary summarizes the patient's condition on discharge, final diagnosis, follow-up plans, medications and special instructions. The medical record must be sufficiently detailed to justify the diagnoses, treatments and outcomes. Every patient's final diagnoses should be ~~recorded, dated, timed, and signed~~ **entered into the medical record** by the attending physician at the time of discharge.

A physician may delegate ~~to an RN the duty of dictating~~ **the completion of the** discharge summary **to a nurse practitioner or physician assistant**. ~~from information already documented in the record~~. The discharge summary will include all pertinent information which would be required by physicians providing subsequent care as outlined above. ~~The dictated discharge summary shall be reviewed and signed by the physician who shall accept full responsibility for the summary.~~ **Delegated discharge summaries will be co-authenticated by the MD/DO responsible for the patient during his/her hospital stay to verify its content.**

3.2.5 Documentation requirements
All clinical entries **must be completed** in the ~~patient's~~ medical record **system** shall be dated, and timed, ~~and signed~~. ~~The primary attending physician shall complete the medical record at the time of the patient's discharge, including progress notes, final diagnoses and discharge summary. Where this is not possible because final laboratory or other essential reports have not been received at the time of discharge, the attending physician shall note in the space provided for final diagnosis that the diagnosis is incomplete pending certain reports, and those missing reports shall be listed. When the report(s) specified have been entered in the chart, the attending physician shall be notified. The final diagnosis shall then be recorded in full and signed~~. **The medical record shall be completed per hospital policy at the time of the patient's discharge, including progress notes, final diagnoses and discharge summary, when possible.**

3.3.2 Procedure

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All records not completed at the time of discharge shall be **flagged by the Health Information Management Department** ~~placed in the primary attending physician's incomplete file in the Medical Records Department.~~ The ~~Medical Records~~ **Health Information Management** Department will forward ~~weekly~~ lists of incomplete/delinquent records to the primary attending physician and department chairpersons **as warranted**. The department chairpersons will ~~contact the primary attending physician to ensure that~~ work with the primary care physician to facilitate records ~~are completed~~ completion.

3.3.8 Permanently filing incomplete records
A medical record shall not be permanently ~~filed~~ closed until it is completed by the attending physician or is ordered ~~filed~~ **closed** by the Medical Executive Committee. The Medical Executive Committee may order a medical record ~~filed as~~ **closed** in cases where the attending physician has died, become disabled, has moved, or otherwise is unable to complete the record. In such cases, the department chairperson will ensure that appropriate notations are placed in the record explaining the circumstances. In cases where the physician is able, but refuses to complete the record within one year of discharge of the patient, that physician will be permanently removed from the Medical Staff and the **medical** record(s) in question will be closed by the Medical Executive Committee.

3.4.2 Removal from hospital
Records may be ~~removed~~ **released** from the hospital's jurisdiction and safekeeping only in accordance with a court order, subpoena, or statute. All records are the property of the hospital and shall not otherwise be taken away without permission of the Administrator or designate. If a patient is readmitted, previous records shall be available for the use of the patient's current primary attending physician personnel directly involved in the patient's care. Unauthorized ~~removal~~ **release** of charts from the hospital is grounds for suspension for a period to be determined by the Medical Executive Committee.

3.4.4 Required signatures
Entries may be confirmed by ~~written~~ signatures, ~~initials, and computer electronic signatures~~ or by signing off against a list of open records indicating that they have reviewed and approved. ~~Any attending physician using an electronic signature must have a statement on file agreeing to comply with the criteria for electronic signatures and accepting full responsibility for the accuracy of reports signed in this manner.~~

3.4.5 Abbreviations and symbols
There is a list of abbreviations and symbols approved for use at the USA Hospitals, as well as a list of "Do Not Use" abbreviations. **During down time procedure** ~~A~~all notations in a medical record shall be kept on forms approved for such use by the USA Hospitals.

3.5 Outpatient Medical Records
3.5.1 Requirements
An outpatient medical record must be created for all patients having invasive procedures or sedation of any type. The services listed below are examples of areas/situations which may require outpatient documentation:

Certain GI lab procedures
Bronchoscopy; Cardiac catheterization; Blood transfusions; Chemotherapy; Outpatient surgery; Arteriography and Observation

The outpatient department will enter all clinical documentation into the medical record utilizing the established clinical pathway to include: ~~The approved medical record or departmental outpatient record short form, may be used if it includes the following~~: pertinent medical history, physical examination of body system involved (as well as heart and lungs), allergies, plan of care, physician's orders, evidence of monitoring, nurses notes, medication administration record and condition on discharge. ~~This information should accompany the patient at the time of the procedure or test~~. A clinic history and documented physical examination can be substituted for the brief history and physical if done within 30 days of the test/procedure and there have not been any significant changes in the patient's condition, but must be updated immediately prior to test or procedure.

4.0 Physicians Orders:
4.1 All orders for treatment must be Computerized Physician Order Entry (CPOE) ~~or documented in writing~~.

4.1.1 Residents ~~may~~ **must** enter (CPOE) ~~or write patient care orders unless otherwise specified in hospital policy~~.

4.2 Routine orders
The USA ~~electronic~~ medical record system is **the** an ~~acceptable~~ source of physician orders. Physician routine orders, ~~when applicable to a given patient~~, shall be computer entered by physician or ~~transcribed~~ by appropriate hospital personnel (Pharmacists, Nurses, Ward Clerks) to the ~~electronic~~ medical record. **During down time** a physician's ~~routine~~ written orders, when applicable to a given patient, shall be reproduced in detail on the order sheet of the patient's record, dated, timed, and signed by the physician. Pre-printed orders and/or instruction sheets must be authenticated in the same way.

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4.3 Legibility
During ~~electronic~~ medical record system down time written physician's orders, including signature, must be legible. Orders that are illegible or otherwise improperly written will not be carried out until clarified with the physician.

4.4 ~~Electronic~~ Physician Order sets and Pre-printed orders
~~CW- Electronic~~ Physician Order sets and Pre-printed orders must be reviewed and approved by the Medical Executive Committee. ~~MC - Electronic Physician Order sets and Pre-printed order and/or instruction sheets shall be instituted only after approval of the Information Management Committee and the Medical Executive Committee.~~

4.5 Verbal or telephone orders
Physicians should enter CPOE ~~or write patient care orders~~ into the Medical Record. Verbal orders **should be rare** and are to be accepted only in emergent/urgent situations or when physicians are performing procedures. Telephone orders should be communicated by CPOE physicians only when the physician is unable to access the ~~electronic~~ medical record. **Both verbal and telephone orders shall be authenticated by the physician as soon as possible but not to exceed 96 hours.**

In appropriate situations, Verbal or telephone orders may be accepted by licensed, certified registered staff members, within the limits established by the Medical Staff, consistent with the State Practice Acts, from an attending physician or designee. A verbal order shall be considered to be ~~in writing if~~ **complete once** given to a registered nurse functioning within his/her sphere of competence and subsequently ~~signed~~ **authenticated** by the responsible practitioner.

Other personnel authorized to accept or carry out orders within the confines of their respective departments are as follows: Registered Physical Therapist, Registered Respiratory Therapist, Registered Pharmacist, Registered Radiology Technologist, Registered Dietician, Licensed Social Worker, qualified Occupational and Speech Therapists, Ultrasonographer, Registered Medical Technologist, Medical Laboratory Technician, Physician Assistant and Advance Practice Nurse Practitioner. All orders dictated shall be identified by the date and time of the order, the appropriate notation (TOV or VOV for either telephone or verbal order verified), the name of the practitioner, and the name and title of the individual to whom the order was dictated. Verbal orders are to be accepted only in emergent/urgent situations. Based upon the Code of Federal Regulations all entries must be legible, complete, and must be authenticated by the person identified by name and discipline **or another person covering** who is responsible for ordering, providing, or evaluating the service furnished. The responsible physician or another authorized physician who is responsible for the care of the patient shall authenticate~~, date and time~~ any order promptly but in no case longer than 96 hours. The exceptions are: Orders for restraints which have specified time frames for authentication or change in Life Sustaining Medical Treatment status that must be signed within 24 hours. The physician shall take full responsibility for any order given to include written, telephone (TOV) or verbal (VOV).

4.7 Laboratory testing orders by Pharmacists
Registered pharmacists may ~~write~~ **enter** orders for specific laboratory tests according to established protocols.

4.10 Cancellation of orders following operating room procedures
All previous orders are canceled for patients who have procedures performed in the operating room. Therefore, following the completion of the procedure, all orders, including medications must be ~~rewritten~~ **reordered**. ~~Writing~~ **An order** to continue or resume previous orders is not acceptable.

6.0 Emergency Department / Evaluation Center

~~6.4 Admissions~~
~~A copy of the medical record will accompany any patient being admitted to the hospital from the Emergency Department/Evaluation Center.~~

UNIVERSITY OF SOUTH ALABAMA HOSPITALS
MEDICAL STAFF MEETING MINUTES
April 11, 2017

The meeting of the University of South Alabama Hospitals Medical Staff was held at the Strada Patient Care Center on Tuesday, April 11, 2017. John Marymont, MD, Vice President for Medical Affairs and Dean of the College of Medicine called the meeting to order at 6:45 p.m. A roster of attendees is available in the Medical Staff Credentials Office.

John Marymont, MD welcomed everyone and gave a synopsis of Medical School activities. Match Day results for the senior medical students were 100% this year. The Medical School graduation will be held on May 5, 2017 with the USA College graduation being held on May 6, 2017. Liaison Committee on Medical Education (LCME) site visit scheduled for October 2018 is a huge undertaking and critical that all evaluations are submitted on time.

Mr. Owen Bailey, Chief Executive Officer and Senior Associate VP for Medical Affairs of USA Health, introduced new USA physicians in attendance. He reflected on the many recent retirements and changes in leadership positions. Mr. Bailey introduced the new administrative team and spoke of growth and realignment of the organization. An update on the Unity/Cerner Go-Live project included information pertaining to the postponement and a third party entity that will hold Cerner and USA accountable. He reported on the Chartis Group assistance with strategic planning, which included financial steps, contract management, and outsourcing services. Centers of excellence were recognized: Gastroenterology, Neuroscience/Neurosurgery, and Pediatrics.

Michael Finan, MD, Director of the Mitchell Cancer Institute (MCI), reported on future developments. Two fellowship programs are being established: Gynecology Oncology and Medical Oncology. The Gynecology Oncology fellowship will be for three years with two years in clinic and one year in research. Medical Oncology will be a two year fellowship. He acknowledged several physicians and explained their specific focus of care. Dr. Finan, co-chair of the Annual Fund Campaign expressed a sincere "Thank You" for all who are participating this year. After sharing some of the many ways that this fund benefits the community and surrounding areas, he asked that everyone encourage others to participate in hopes of meeting this year's goal of $1,000,000.

Mr. Chris Jett, Administrator of USA Children's & Women's Hospital reported on two major projects underway. The creation of an OB/GYN assessment area and the conversion and renaming of the Evaluation Center to the Pediatrics Emergency Department. These projects have a Go-Live date of August 1, 2017. He spoke of other important events. The Joint Commission survey is expected this year. The Local Goodness fundraising event is scheduled for May 7, 2017. Leadership team continues searching for an OB/GYN Department Chair. Mr. Jett spoke about the benefits, to physicians and patients, of the close proximity of the hospital and the new Strada Patient Care Center.

Mr. Sam Dean, Administrator of USA Medical Center, reported on the percentage of growth in several areas over the past six months: Emergency Department, Gastroenterology, and Surgery. This growth is reflected in the increase in gross revenue. Information was shared about the final plans for the new Outpatient OR project having been accepted and are now awaiting approval from the state. Plans to renovate the front entrance, lobby, and stairwell area are underway, which is being financially supported by Dr. Tony Waldrop, University President. Mr. Dean explained the partnership with Encore Rehabilitation. Currently they are managing the physical therapy services until they assume full responsibility on July 1, 2017 for both the inpatient and outpatient therapy services.

John Marymont, MD explained how much Dr. Tony Waldrop, University President, is financially supporting USA Health in several areas. He encouraged people to give to the Annual Fund Campaign since this is an opportunity to give back to our organization.

Sabrina Bessette, MD, USA Medical Center Medical Executive Committee Chair, presented the proposed revisions to the Medical Staff Bylaws for review and approval, which was granted.

Benjamin Estrada, MD, USA Children's & Women's Hospital Medical Executive Committee Chair, presented the proposed revisions to the Rules and Regulation for review and approval, which was granted.

The meeting was closed with Mr. Owen Bailey again stressing the important of getting involved with the Annual Fund Campaign.

With no further business, the meeting was adjourned at 7:15 p.m.

Respectfully submitted,

Juliana Kuck

Juliana Kuck
Medical Credentialing Coordinator

UNIVERSITY OF SOUTH ALABAMA

BOARD OF TRUSTEES

ACADEMIC AND STUDENT AFFAIRS

UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

ACADEMIC AND STUDENT AFFAIRS COMMITTEE

March 2, 2017
1:58 p.m.

A meeting of the Academic and Student Affairs Committee of the University of South Alabama Board of Trustees was duly convened by Ms. Bettye Maye, Chair, on Thursday, March 2, 2017, at 1:58 p.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Members Present:	Alexis Atkins, Steve Furr, Bettye Maye, Bryant Mixon, John Peek and Mike Windom.
Member Absent:	Scott Charlton.
Other Trustees:	Chandra Brown Stewart, Tom Corcoran, Ron Jenkins, Arlene Mitchell, Jimmy Shumock, Ken Simon, Steve Stokes and Jim Yance.
Administration and Others:	Owen Bailey, Richard Carter, Lynne Chronister, Josh Crownover (SGA), Joel Erdmann, Monica Ezell, Mike Finan, Sam Fisher (Faculty Senate), John Felschow, Petre Freeman, Happy Fulford, Mike Haskins, David Johnson, John Marymont, Mike Mitchell, Gary Piazza, John Smith, Jean Tucker, Jarmora Valrie, Tony Waldrop and Scott Weldon.

The meeting came to order and the attendance roll was called. Ms. Maye called for adoption of the minutes of the meeting held on December 1, 2016. On motion by Mr. Windom, seconded by Sheriff Mixon, the minutes were adopted unanimously.

Ms. Maye called for presentation of **ITEM 7**, a resolution awarding emeritus status to Dr. Keith Harrison for his roles as dean and professor as set forth and conveying the Board's appreciation for his accomplishments and dedication to the University (for copies of resolutions, policies and other authorized documents, refer to the minutes of the Board of Trustees meeting held on March 3, 2017). Provost Johnson stated Dr. Harrison's long tenure included roles as faculty member and interim dean for the College of Engineering, dean of the Graduate School and associate vice president for academic affairs. On motion by Dr. Furr, seconded by Mr. Windom, the Committee voted unanimously to recommend approval by the Board of Trustees.

Ms. Maye asked Provost Johnson to address **ITEM 8**, a report on the activities of the Division of Academic Affairs. Provost Johnson discussed the creation of Global USA, a unit pooling together the offices and services associated with the institutional priority of global engagement. He said Dr. Rick Carter had been asked to lead Global USA as an associate vice president. He introduced Dr. Carter, reminding the group he joined South as dean of the School of Continuing Education and

Special Programs in 2016 and had a strong background in international education. Provost Johnson said Global USA would administer the Office of Global Outreach and International Student Services, the Office of Immigration and International Admissions, the Office of International Education and the English Language Center. He added that Dr. Carter would continue to supervise the Center for Continuing Education and Conference Services, as well as the USA Baldwin County campus.

Ms. Maye called upon Dr. Mitchell for a report on the activities of the Division of Student Affairs, **ITEM 9**. Dr. Mitchell shared details on events and programs the students had been involved in over the Spring semester. He said Black History Month was observed in February and introduced Office of Multicultural Student Affairs (OMSA) staff members Ms. Jarmora Valrie, new director and former USA student and recruiter, and Ms. Petre Freeman, coordinator. He said OMSA, which works with approximately 16 student organizations, sponsored 14 events for Black History Month, including Black Girls Rock, which recognizes the achievements of African-American women on campus and in the community and for which nine organizations raised $1,000 for a scholarship for a LeFlore High School student; the annual Soul Food Luncheon that had more than 200 people in attendance; a Collegiate 100 induction ceremony that welcomed 22 new members; and OMSA night at a basketball game, which supported Jaguar Athletics. He advised Collegiate 100 member Mr. Broderick Morrissette organized and led a tour of the Dora Finley African-American Heritage Trail for 33 students to learn about historic and present-day contributions of African-Americans in Mobile and the region, with the help of fellow tour guide Dr. Joycelyn Finley-Hervey, professor and chair of the Department of Interdisciplinary Studies.

Dr. Mitchell recognized graduate student Mr. John Felschow for his proposal to the Student Government Association (SGA) that resulted in the visit to campus of the Lima Company Memorial, a traveling exhibit that raises awareness of the sacrifices of the U. S. military by honoring 23 fallen soldiers who served in Operation Iraqi Freedom. He stated the Lima Company Memorial was presented in January and more than 200 students attended the exhibit, including several international students who had an opportunity to share their gratitude to Lima Company veterans and volunteers for the actions of the United States military in their home countries.

Dr. Mitchell talked about relief efforts following the January 21 tornado that devastated areas of Hattiesburg, Mississippi, including the campus of William Carey University. He stated a campus drive collected supplies that filled two large vehicles, as well as $1,000 in Walmart gift cards, and a delegation from the SGA delivered the items to the William Carey campus. He shared that the faculty, staff and students of William Carey were appreciative of the efforts of South Alabama students.

Dr. Mitchell discussed the origins of World Democracy Day at South, which took place on February 17. He stated the project, the result of a partnership between the Division of Student Af-

fairs and the College of Arts and Sciences with Drs. Krista Harrell and Robert Coleman coordinating, involved transforming the amphitheater into an outdoor classroom for students to engage in dialogue about what is transpiring in the world. He stated a general assembly broke into smaller groups to consider such topics as nativism, education and democracy, the U. S. Bill of Rights, reproductive rights, media and democracy, and immigration. The sessions were co-led by students and faculty.

Dr. Mitchell shared information about Higher Education Day that took place in February. He said a delegation of more than 225 USA students, led by Mr. Crownover, who served as Chair of the Alabama University Student Presidents Council for 2016-2017, traveled to Montgomery to rally support for higher education. He added that South was the largest student alliance in attendance and the group had the opportunity to hear from legislators and demonstrate the message that higher education should be a priority in Montgomery.

Chairman Simon pointed out the participation of Trustees in student events. Ms. Brown Stewart acknowledged attending the Black Girls Rock event and shared her enthusiasm for the good job of the groups that came together to raise scholarship money for deserving students from LeFlore High School, an underserved high school in the community. Mr. Windom commented on his experience at Higher Education Day, calling it a great opportunity for South students to meet Alabama lawmakers and witness the legislative process. He said no other school could match the presence of USA in Montgomery and added Mr. Shumock was in attendance as well. Mr. Shumock echoed Mr. Windom's remarks, noting also the efforts of the local delegation and the Lt. Governor to break from their business in order to meet and hear from USA representatives. Chairman Simon commended Mr. Peek for advocating on behalf of the University of South Alabama in numerous ways on an ongoing basis. He recognized Dr. Erdmann for leading a delegation of USA travelers to Tucson, Arizona, the hometown of Capt. Jenkins, in December for the USA vs. Air Force Nova Home Loans Arizona Bowl. He shared appreciation for the achievement of the football team and the exposure USA received, adding it speaks well of the University that many are willing to represent. He said efforts such as these raise the University's profile and improve the quality of campus life.

Ms. Maye called on Ms. Chronister for discussion of **ITEM 10**, a report on the activities of the Division of Research and Economic Development. Ms. Chronister introduced Dr. Gary Piazza, Mitchell Cancer Institute (MCI) researcher, advising of the University's nomination of Dr. Piazza as a fellow of the prestigious National Academy of Inventors (NAI), an organization that promotes innovation and entrepreneurship in university and private laboratory settings and recognizes exceptional innovators, entrepreneurs and inventors. She said she was proud to report Dr. Piazza would be inducted into the NAI on April 6. Dr. Finan gave details on Dr. Piazza's educational and research background and noted his role as program director and chief of drug discovery and development and chemo prevention at the MCI. He said Dr. Piazza was a tremendously successful inventor with more than 40 patents issued. Dr. Piazza thanked the Committee for the opportunity to

discuss the work of the MCI's Drug Discovery Research Center. He stated his research team was a diverse group of scientists with various specialties focused solely on drug development and added, in the six years he had been at the MCI, he had received direct funding totaling $6 million through four grants awarded by the National Cancer Institute. He shared his perspective on the challenges associated with drug discovery and ranked the discovery that molecules can affect complex biological processes as one of humanity's greatest achievements. He explained the unique "chemical biology" approach that set his lab apart from others and provided favorable consequences with regard to grant applications, intellectual property and collaborative research. He added that the MCI's high-end robotics capabilities were a critical resource for advanced compound screening and shared insight on his research related to the RAS gene, a critical regulator in tumor growth that eluded the efforts of the scientific community for three decades until his team had success with compounds that vigorously inhibited RAS. He said laboratory testing further demonstrated promising anti-cancer properties of the RAS inhibitor and conveyed optimism about moving to the next phase of clinical trials at the MCI. He gave information on strategic collaborations with distinguished partners, including the University of Alabama at Birmingham and M.D. Anderson, and advised that a spin-off company, ADT Pharmaceuticals, Inc., had been created and conducts business in space leased from the Coastal Innovation Hub on USA's campus. He noted the company, an important vehicle for clinical and commercial development, currently had eight patents filed and was the recipient of two SBIR (Small Business Innovation Research) grants. He, Ms. Chronister and Dr. Finan responded to questions about seed funding for commercial development and publicizing of research.

There being no further business, the meeting was adjourned at 2:29 p.m.

Respectfully submitted:

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Bettye R. Maye, Chair

RESOLUTION

NAMING OF STUDENT RESIDENCE HALLS

WHEREAS, the University completed construction of a new residence hall in 2013 and did not officially name the residence hall at that time, and

WHEREAS, another residence hall is currently under construction and will be ready for occupancy in fall 2018, and

WHEREAS, the 2013 residence hall is currently called "New Hall," and

WHEREAS, the residence hall that will be completed in 2018 has not yet been named, and

WHEREAS, staff has recommended these two residence halls receive names in order to assist with identification, and

WHEREAS, one residence hall is recommended to be named Azalea after the prominent flowering shrub found throughout the city of Mobile, and

WHEREAS, the other residence hall is recommended to be named Camellia after the Alabama state flower,

THEREFORE, BE IT RESOLVED, the University of South Alabama Board of Trustees names the 2013 residence hall, Azalea Hall and the residence hall currently under construction, Camellia Hall.

UNIVERSITY OF SOUTH ALABAMA

TO: Tony Waldrop, President

FROM: John Smith, Executive Vice President

DATE: March 15, 2017

RE: Proposed Residence Hall Names

With another residence hall scheduled to open in 2018, we need to identify a name for it as well as the last residence hall constructed in 2013 (currently called "New Hall"). Dr. Chris Vinet has recommended to me that we name the two residence halls Azalea and Camellia Halls until appropriate individuals are identified for naming of the buildings. The azalea is prominent in Mobile and the camellia is the Alabama state flower, so these appear to be appropriate names to use for these two facilities. Therefore, I recommend we name the 2013 residence hall, Azalea Hall, and the residence hall that will open in 2018, Camellia Hall.

Please let me know if I can provide you with additional information concerning this recommendation.

RECD
Office of the President
MAR 1 5 2017
University of South Alabama

OFFICE OF EXECUTIVE VICE PRESIDENT
AD 130 | 307 University Boulevard, N. | Mobile, Alabama 36688-0002
TEL: (251) 460-6171 | southalabama.edu
EO/AA Employer – minorities/females/veterans/disabilities/sexual orientation/gender identity

UNIVERSITY OF SOUTH ALABAMA

MEMORANDUM

Housing & Dining

Date:
January 5, 2017

To:
Dr. John Smith

From:
Dr. Chris Vinet

Subject:
Proposed Residence Hall Names

The following are proposed residence hall names for the 2013 (currently referred to as "New Hall") and the 2018 residential facilities:

Azalea Hall
Camellia Hall

These names were chosen, in part, to acknowledge our local and state flora. Azaleas are well known in our region and the camellia is the Alabama state flower.

Ideally, these names may be presented for approval during the March 2017 Board of Trustees meeting in order to allow sufficient time to be included in Housing publications distributed late spring and early summer.

Please let me know if you have any questions.

RESOLUTION

TENURE AND PROMOTION

WHEREAS, in accordance with University policy, faculty applications for tenure and promotion have been reviewed by the respective faculty peers, Departmental Chair, College Dean, and by the Provost and Senior Vice President for Academic Affairs or the Vice President for Medical Affairs, and the President, and of those faculty considered, the following individuals are hereby recommended for tenure and/or promotion,

THEREFORE, BE IT RESOLVED, the University of South Alabama Board of Trustees approves and grants tenure and/or promotion to those individuals whose names are listed below to be effective August 15, 2017.

PAT CAPPS COVEY COLLEGE OF ALLIED HEALTH PROFESSIONS:

Tenure:
Padmamalini Thulasiraman

Promotion to Senior Instructor:
Kendra D. Hudson
Ronald E. Morgan, Jr.

Promotion to Associate Professor:
Padmamalini Thulasiraman

Promotion to Professor:
Robert B. Dale

COLLEGE OF ARTS AND SCIENCES:

Tenure:
Stephen E. Costanza
Sarah Koon-Magnin
Phillip N. Smith
Lawrence R. Tatom
Eleanor E. ter Horst

Promotion to Senior Instructor:
D. Andrew Murray
Katherine B. Rigsby

Promotion to Associate Professor:
Stephen E. Costanza
Sarah Koon-Magnin
Phillip N. Smith

Promotion to Professor
Jörg Feldvoss
Joshua D. Foster
Richard L. Hillyer
Mir Zohair Husain
Matthew A. Johnson

MITCHELL COLLEGE OF BUSINESS:

Promotion to Professor:
William E. Gillis

SCHOOL OF COMPUTING:

Tenure:
Jordan D. Shropshire

Promotion to Professor:
Jingshan Huang
Jordan D. Shropshire

COLLEGE OF EDUCATION AND PROFESSIONAL STUDIES:

Tenure:
Brooke E. Forester
Ronald A. Styron

Promotion to Associate Professor:
Brooke E. Forester

COLLEGE OF ENGINEERING:

Tenure:
Eric J. Steward
Christy W. West

Promotion to Associate Professor:
Eric J. Steward
Christy W. West

Promotion to Professor:
Silas J. Leavesley
Bret M. Webb
Kevin N. West

GLOBAL USA:

Promotion to Senior Instructor:
K. Chiméne Gecewicz

MARX LIBRARY:

Tenure:
Elizabeth R. Shepard

Promotion to Senior Librarian:
Angela M. Rand

Promotion to Associate Librarian:
Elizabeth R. Shepard

COLLEGE OF MEDICINE:

Tenure:
Jonathon Audia
Tony Waldrop

Promotion to Associate Professor:
Eduardo Calderon
Seema Singh (Joint Appointment)

Promotion to Professor:
Abu Bakr Al-Mehdi
Mikhail Alexeyev
Phillip Fields
Ajay Singh (Joint Appointment)

BAUGH BIOMEDICAL LIBRARY:

Promotion to Senior Librarian:
Luther Lemley

COLLEGE OF NURSING:

Promotion to Associate Professor:
Taralyn W. McMullan
Margaret M. Nadler
Sarah H. Roberts
Debra M. Swanzy

UNIVERSITY OF SOUTH ALABAMA

MEMORANDUM

OFFICE OF ACADEMIC AFFAIRS

Date:
May 15, 2017

To:
Tony G. Waldrop

From:
G. David Johnson

Subject:
Faculty Tenure and Promotion Recommendations, 2017

Recommend Awarding Tenure:

Stephen E. Costanza – Political Science and Criminal Justice
Brooke E. Forester – Health, Kinesiology and Sport
Sarah Koon-Magnin - Political Science and Criminal Justice
Elizabeth R. Shepard – Marx Library
Jordan D. Shropshire – Information Systems and Technology
Phillip N. Smith – Psychology
Eric J. Steward - Civil, Coastal and Environmental Engineering
Ronald A. Styron – Leadership and Teacher Education
Lawrence R. Tatom – Theatre and Dance
Eleanor E. ter Horst – Modern and Classical Languages and Literature
Padmamalini Thulasiraman – Biomedical Sciences
Christy W. West – Chemical and Biomolecular Engineering

Recommend Promotion to Senior Instructor:

K. Chiméne Gecewicz – English Language Center
Kendra D. Hudson – Speech Pathology and Audiology
Ronald E. Morgan, Jr. – Emergency Medical Services
D. Andrew Murray – Earth Sciences
Katherine B. Rigsby - Communication

Recommend Promotion to Associate Professor

Stephen E. Costanza – Political Science and Criminal Justice
Brooke E. Forester – Health, Kinesiology and Sport

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Office of the President
MAY 16 2017
University of South Alabama

Sarah Koon-Magnin - Political Science and Criminal Justice
Taralyn W. McMullan - Maternal Child Health Nursing
Margaret M. Nadler – Community Mental Health Nursing
Sarah H. Roberts – Adult Health Nursing
Phillip N. Smith - Psychology
Debra M. Swanzy – Adult Health Nursing
Eric J. Steward - Civil, Coastal and Environmental Engineering
Padmamalini Thulasiraman – Biomedical Sciences
Christy W. West – Chemical and Biomolecular Engineering

Recommend Promotion to Associate Librarian:

Elizabeth R. Shepard – Marx Library

Recommend Promotion to Professor:

Robert B. Dale - Physical Therapy
Jörg Feldvoss – Mathematics and Statistics
Joshua D. Foster – Psychology
William E. Gillis – Management
Richard L. Hillyer – English
Jingshan Huang – Computer Science
Mir Zohair Husain - Political Science and Criminal Justice
Matthew A. Johnson - Visual Arts
Silas J. Leavesley – Chemical and Biomolecular Engineering
Jordan D. Shropshire – Information Systems and Technology
Bret M. Webb – Civil, Coastal and Environmental Engineering
Kevin N. West – Chemical and Biomolecular Engineering

Recommend Promotion to Senior Librarian:

Angela M. Rand – Marx Library

UNIVERSITY OF SOUTH ALABAMA

All portfolios and recommendations with accompanying rationales are available for your review. Upon your final action, a resolution for the Board of Trustees will be forwarded.

Approved Jennifer Golding 5-16-17

Disapproved_____

GDJ/pbm

UNIVERSITY OF SOUTH ALABAMA

REC'D
Office of the President
MAY 10 2017
University of South Alabama

TO: Dr. Tony G. Waldrop
President, University of South Alabama

FROM: Dr. John V. Marymont
Vice-President for Medical Affairs and Dean of the College of Medicine

Date: May 3, 2017

SUBJECT: College of Medicine Faculty Promotion and Tenure Recommendations, 2017

Below are my recommendations for the College of Medicine promotion and tenure for 2017. The recommendations are being forwarded to you for your approval and for approval by the Board of Trustees.

RECOMMENDED:

COLLEGE OF MEDICINE:

Tenure:
Dr. Jonathon Audia

Promotion to Associate Professor:
Dr. Eduardo Calderon
Dr. Seema Singh (Joint Appointment)

Promotion to Professor:
Dr. Abu Bakr Al-Mehdi
Dr. Mikhail Alexeyev
Dr. Phillip Fields
Dr. Ajay Singh (Joint Appointment)

BAUGH BIOMEDICAL LIBRARY:

Promotion to Senior Librarian:
Mr. Luther Lemley

VICE PRESIDENT FOR MEDICAL AFFAIRS | DEAN, COLLEGE OF MEDICINE
CSAB 170 | 5795 USA DRIVE N. | Mobile, Alabama 36688-0002
TEL: (251) 341-3030 | FAX: (251) 341-3994 | JMARYMONT@SouthAlabama.edu

UNIVERSITY OF SOUTH ALABAMA

TO: Dr. David Johnson
Provost, University of South Alabama

FROM: Dr. John V. Marymont
Vice-President for Medical Affairs and Dean of the College of Medicine

Date: May 3, 2017

SUBJECT: College of Medicine Faculty Promotion and Tenure Recommendations, 2017

Below are my recommendations for the College of Medicine promotion and tenure for 2017. The recommendations are being forwarded to you for your approval and for approval by the Board of Trustees.

RECOMMENDED:

COLLEGE OF MEDICINE:
Tenure:
Dr. Tony Waldrop

Approved 5/10/17

VICE PRESIDENT FOR MEDICAL AFFAIRS | DEAN, COLLEGE OF MEDICINE
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RESOLUTION

TUITION, FEES, HOUSING AND DINING RATES 2017-2018

WHEREAS, the University of South Alabama is committed to maintaining high-quality educational and student services programs, and

WHEREAS, the Alabama Legislature has approved a 2017-2018 education budget that provides no increase in USA's state funding, and

WHEREAS, USA has faced over $300 million in accumulated reductions in state appropriations since 2007-2008, and

WHEREAS, after extensive analysis of the University's financial needs for 2017-2018 and beyond, the University Administration and Budget Council have determined that increases in tuition, fees, housing and dining rates are necessary to maintain the standard of quality that USA students and their families desire and expect, and

WHEREAS, with the proposed tuition, fees, housing and dining rates for 2017-2018, as set forth in the attached schedules, such costs at the University would continue to be among the lowest in effect at peer public, doctoral-level research institutions in the state of Alabama,

THEREFORE, BE IT RESOLVED that the Board of Trustees of the University of South Alabama approves the tuition, required student fees, housing and dining rates for the 2017-2018 academic year as set forth in the attached schedules.

University of South Alabama
Tuition & Fees, 2017-2018

3.5% Increase

Student Classification	Current*	Proposed *	Change
	2016-2017	2017-2018	
Undergraduate In-State	$302	$313	**$11**
Graduate In-State	$407	$421	**$14**

Non-resident rate is twice the resident rate

Student Classification	Current full academic year tuition plus fees	Proposed full academic year tuition & fees	Change in full academic year tuition
	2016-2017	2017-2018	
Undergraduate In-State	$9,060	$9,390	**$330**
Graduate In-State	$9,768	$10,104	**$336**

Non-resident rate is twice the resident rate

Note: Based on 30 undergraduate and 24 graduate hours over two semesters per academic year

Web Course per-Hour Tuition**

3.5% Increase

Undergraduate	$398	$412	**$14**
Graduate	$483	$500	**$17**

College of Medicine

3.5% Increase

Undergraduate	$29,083	$30,101	**$1,018**

*The rate reflects the required student fees combined with the hourly tuition charge for a general Arts & Sciences major.

**The rate for web tuition reflects the required student fees combined with the hourly tuition charge.

UNIVERSITY OF SOUTH ALABAMA
2017-2018 Proposal

In-State Tuition Rate*	Undergraduate		Graduate	
Tuition Rate by College	**Current Tuition**	**3.5% Increase**	**Current Tuition**	**3.5% Increase**
College of Arts and Sciences College of Education and Professional Studies	$302	$313	$407	$421
Pat Capps Covey College of Allied Health Professions Mitchell College of Business School of Computing	$317	$328	$428	$443
College of Engineering	$321	$332	$433	$448
College of Nursing	$348	$360	$469	$485

Out-of-State Tuition Rate	Undergraduate		Graduate	
Tuition Rate by College	**Current Tuition**	**2 times the in-state rate**	**Current Tuition**	**2 times the in-state rate**
College of Arts and Sciences College of Education and Professional Studies	$604	$626	$814	$842
Pat Capps Covey College of Allied Health Professions Mitchell College of Business School of Computing	$634	$656	$856	$886
College of Engineering	$642	$664	$866	$896
College of Nursing	$696	$720	$938	$970

Web Course Tuition Rate	Undergraduate		Graduate	
Tuition Rate by College	**Current Tuition**	**3.5% Increase**	**Current Tuition**	**3.5% Increase**
College of Arts and Sciences College of Education and Professional Studies	$398	$412	$483	$500
Pat Capps Covey College of Allied Health Professions Mitchell College of Business School of Computing	$412	$426	$506	$524
College of Engineering	$417	$432	$510	$528
College of Nursing	$443	$459	$547	$566

*Includes Study Abroad/Study Away (Outside the State of Alabama)

2017-2018 Cost of Attendance

Full Time Undergraduate Resident (30 hours/year)
for a typical first-time Freshman Arts & Sciences Major

University of South Alabama @ 3.5% Tuition Increase (proposed)	
EXPENSE	**2017-2018 COST**
Tuition & Fees	$9,390
Room*	$5,140
Board**	$3,510
Books	$1,100
Parking Permit	Included in Tuition & Fees
TOTAL	**$19,140**

*Room: New Hall two bed w/ private bath

**Board: Unlimited meals with $175 bonus bucks

Auburn University @ 3.0% Tuition Increase (approved)	
EXPENSE	**2017-2018 COST**
Tuition & Fees	$10,968
Room*	$9,600
Board**	$3,980
Books	$1,100
Parking Permit	$180
TOTAL	**$25,828**

*Room: The Village - 2 bedroom with bath

**Board: 15 meals per week

University of Alabama @ 3.0% Tuition Increase (anticipated)	
EXPENSE	**2017-2018 COST**
Tuition & Fees	$11,234
Room*	$7,250
Board**	$3,999
Books	$1,100
Parking Permit	$320
TOTAL	**$23,903**

*Room: Blount Hall- 2 bed with private bath

**Board: Unlimited meals with required $325 dining dollars

University of Alabama at Birmingham @ 3.0% Tuition Increase (anticipated)	
EXPENSE	**2017-2018 COST**
Tuition & Fees	$10,234
Room*	$6,200
Board**	$3,950
Books	$1,100
Parking Permit	$130
TOTAL	**$21,614**

*Room: Blazer Hall - 2 bedroom with 2 bath suite

**Board: Blazer 2 plan- 150 meals per semester w/ $300 flex dollars

Troy University @ 5.0%[1] Tuition Increase (approved)	
EXPENSE	**2017-2018 COST**
Tuition & Fees	$10,840
Room*	$4,590
Board**	$3,488
Books	$1,100
Parking Permit	$75
TOTAL	**$20,093**

*Room: Newman Center 2 bed/2 person suite

**Board: 14 meals per week plus $350 Flex Dollars

[1]Actual increase is 4.98%

UNIVERSITY OF SOUTH ALABAMA

USA SIMULATION PROGRAM

Proposed Resource Fee Increase

Supporting Simulation Program, Standardized Patient Program, Interprofessional Education, and Biomedical Library for the Colleges of Allied Health Professions, Medicine, and Nursing

Proposed Schedule

2017-2018 (Year 1)	Allied Health/Nursing	Medicine
	3 Semesters	2 Semesters
Current Fee:	$133/sem ($399/yr)	$200/sem ($400/yr)
Proposed Increase:	$12/sem ($36/yr)	$18/sem ($36/yr)
Proposed Fee Total:	$145/sem ($435/yr)	$218/sem ($436/yr)

2019-2020 (Year 3)	Allied Health/Nursing	Medicine
	3 Semesters	2 Semesters
Current Fee:	$145/sem ($435/yr)	$218/sem ($436/yr)
Proposed Increase:	$12/sem ($36/yr)	$18/sem ($36/yr)
Proposed Fee Total:	$157/sem ($471/yr)	$236/sem ($472/yr)

2021-2022 (Year 5)	Allied Health/Nursing	Medicine
	3 Semesters	2 Semesters
Current Fee:	$157/sem ($471/yr)	$236/sem ($472/yr)
Proposed Increase:	$12/sem ($36/yr)	$18/sem ($36/yr)
Proposed Fee Total:	$169/sem ($507/yr)	$254/sem ($508/yr)

UNIVERSITY OF SOUTH ALABAMA

TO: Tony Waldrop, President

FROM: John Smith, Executive Vice President

DATE: April 26, 2017

RE: PROPOSED HOUSING AND DINING RATES: 2017-2018

As true auxiliaries, Housing and Dining must self-fund all operating expenses and major improvements/renovations. In the summer of 2016 Housing used operating revenue and reserves to fund $2.4 million of facilities improvements. For the summer of 2017, another $1 million of improvements is planned. With anticipated increases in operating expenses for 2017-2018 and the need to do future facility improvements, Dr. Chris Vinet, Assistant Vice President for Auxiliary Services has requested an average rate increase of 3.7% for room and 2.8% for board for 2017-2018. I have reviewed her proposed rate increases and support her recommendations.

Room rate increases for Housing vary from a low of approximately 2.8% for a room for 2 in Delta, to a high of 6.4% for the studio apartments in Beta that were recently renovated and brought up to the quality of other apartments on campus. Other than the studio apartments in Beta and the room for 2 in Delta, the average increase for all other residence halls was approximately 3.4%.

Though the average rate increase for board is 2.8%, the increase for the most popular meal plan for freshmen is only going up 1.3%. In response to requests for more flexibility for sophomores, a new meal plan for sophomores and above has been added that provides for 10 meals per week in the dining hall and $500 per semester in "bonus bucks" that can be used in any dining option on campus.

Attached is a copy of Dr. Vinet's recommendations for room and board rates. Please let me know if I can provide you with additional information concerning this recommendation.

c: Scott Weldon
Kelly Peters

OFFICE OF EXECUTIVE VICE PRESIDENT
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UNIVERSITY OF SOUTH ALABAMA

MEMORANDUM

Housing & Dining

Date:
April 18, 2017

To:
Dr. John Smith

From:
Dr. Chris Vinet

Subject:
Housing & Dining Proposed Rate Increase for 2017-2018

Housing maintained a 97% annualized occupancy for the 2016-2017 academic year. This increase from the previous year is attributed to an increase in resident retention from fall to spring semester. For 2017-2018, Housing applications for both returning and new students are consistent with numbers received this same time last year.

Increases in operating expenses are anticipated for the upcoming year and we continue to endeavor to increase reserves for future improvements. More than $2.4 million dollars of facilities improvements were completed in summer 2016. Additional renovations of nearly $1 million are planned for summer 2017.

The recommended rate structure for 2017-2018 is attached and an average rate increase of 3.7% for room and 2.8% for board is proposed. The proposed board increase allows for the creation of a new, optional sophomore and above meal plan. Previously, sophomores were only eligible to choose freshman all-access plans. The proposed average increase for freshmen all-access plans is only 1.3%. We again recommend no increase in summer session rates.

With the proposed increase, USA would continue to remain very competitive within the state of Alabama and the Gulf Coast region. I have attached the rate proposal and comparison for your review. Please let me know if you would like additional information regarding this proposal.

2017 - 2018 Proposed Semester Room Rates

Residence Hall		2016-2017 Current Rate	2017-2018 Proposed Rate	Difference
BETA / GAMMA	Apartment for 4	$1,925	$1,990	$65
	Apartment for 2 / Private Apartment	$2,825	$2,920	$95
	Studio Apartment for 2	$2,320	$2,470	$150
	Suite for 1 / Large Private Room	$2,600	$2,675	$75
	Suite for 2	$1,925	$1,990	$65
DELTA	Room for 2	$1,925	$1,990	$65
	Large Private Room	-	$2,675	
	Private Room	$2,485	$2,570	$85
	Room for 2 w/ kitchenette	$2,285	$2,350	$65
	Private Room w/ kitchenette	$2,485	$2,570	$85
STOKES	Suite for 1	$2,825	$2,920	$95
EPSILON	Room for 2	$2,485	$2,570	$85
NEW HALL	Room for 2	$2,485	$2,570	$85

Housing Comparison
Semester Rates

USA *(2016-2017)*	
Two person room	$1,925 - $2,485
Private room /suite	$2,485 - $2,600
Two person apartment	$2,320 - $2,825
Four person suite / apartment	$1,925
USA *(2017-2018)* ***Proposed average increase –3.7%***	
Two person room	$1,990 - $2,570
Private room/suite	$2,570 - $2,675
Two person apartment	$2,470 – $2,920
Four person suite / apartment	$1,990

Auburn University (*2017-2018*)	
Two person room	$3.000 - $3,550
Private room/suite	$3,750 - $4,350
Two person apartment	$4,800 - $5,700
Private apartment	$4,800 - $5,800
University of Alabama *(2016-2017)*	
Two person room	$2,800 - $3,550
Private room/suite	$3,250
Private apartment	$4,925
Four person apartment	$4,400
University of Alabama at Birmingham *(2017-2018)*	
Freshmen two person room	$3,100
Upperclassmen two person room	$2,770 - $2,950
Upperclassmen private room	$3,210 - $4,340
Troy University *(2016-2017)*	
Two person room	$1,875 - $2,600
Private room	$2,015 - $3,250
Two person apartment	$2,835
Four person suite	$1,775- $2,045

2017 - 2018 Proposed Semester Meal Plan Rates

	Meal Plan Type	2016-2017 Current Rate	2017-2018 Proposed Rate	Difference
Freshmen and above	All Access Pass with $175 Bonus Bucks	$1,745	$1,755	$10
	All Access Pass with $300 Bonus Bucks	$1,860	$1,880	$20
	All Access Pass with $450 Bonus Bucks	$1,985	$2,030	$45
Sophomore and above	10 Meals Per Week with $500 Bonus Bucks*	NA	$1,755	
Junior and above	Block 50 with $1300 Bonus Bucks	$1,300	$1,300	$0
	7 Meals Per Week with $100 Bonus Bucks	$860	$950	$90

**New option in 2017-2018 - Sophomore and above*

Dining Comparison
Meal Plans

USA *(2016-2017)*

Freshmen/Sophomore residential	$1,745 - $1,985
Junior/Senior/Graduate Residential	$ 860 - $1,985

USA ***(2017-2018)*** ***Proposed average increase of freshmen plans – 1.3%***

Freshmen/Sophomore residential	$1,755 - $2,030
Junior/Senior/Graduate Residential	$ 950 - $2,030

Auburn University *(2016-2017)*

All residential	$995
All commuters	$300

University of Alabama *(2016-2017)*

Freshmen residential*	$2,100
Upperclass residential*	$1,231-$2,100
All residents and all commuters above 9 credit hours	$325

**Includes required dining dollars fee.*

University of Alabama at Birmingham *(2016-2017)*

Freshmen residential*	$1,975
Upperclass residential*	$425-$1,975
All residents and all commuters above 12 credit hours	$225

**Includes required dining dollars fee.*

Troy University *(2016-2017)*

Residential w/o kitchen*	$1,744
All commuters*	$300

**Includes tax.*

UNIVERSITY OF SOUTH ALABAMA

BOARD OF TRUSTEES

BUDGET AND FINANCE

UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

BUDGET AND FINANCE COMMITTEE

March 2, 2017
2:29 p.m.

A meeting of the Budget and Finance Committee of the University of South Alabama Board of Trustees was duly convened by Mr. Tom Corcoran, Chair, on Thursday, March 2, 2017, at 2:29 p.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Members Present:	Tom Corcoran, Arlene Mitchell, Bryant Mixon, Steve Stokes and Jim Yance.
Other Trustees:	Alexis Atkins, Chandra Brown Stewart, Steve Furr, Ron Jenkins, Bettye Maye, John Peek, Jimmy Shumock, Ken Simon and Mike Windom.
Administration and Others:	Owen Bailey, Lynne Chronister, Josh Crownover (SGA), Joel Erdmann, Monica Ezell, Mike Finan, Sam Fisher (Faculty Senate), Happy Fulford, Mike Haskins, David Johnson, John Marymont, Mike Mitchell, Randy Moon, John Smith, Jean Tucker, Tony Waldrop and Scott Weldon.

The meeting came to order and the attendance roll was called. Mr. Corcoran called for consideration of the minutes of the meeting held on December 1, 2016. On motion by Mr. Yance, seconded by Dr. Stokes, the minutes were approved unanimously.

Mr. Corcoran called upon Mr. Weldon to present **ITEM 11**, the quarterly financial statements for the three months ended December 31, 2016. Mr. Weldon said the statements did not contain any unusual or unexpected information. He reported an increase in net position of $16.7 million for the quarter as compared to a net position increase of $13.7 million for the previous year.

Mr. Corcoran asked Mr. Weldon to address **ITEM 12**, a report on the Series 2017 bond issue. With reference to prior discussions on the need for new capital to fund phase one of the infrastructure improvement project, which was approved by the Board in September 2015, and construction of a 370-bed residence hall, that was approved in December 2016, Mr. Weldon advised that, over the next 90 days, an official statement on a bond issue in June would be prepared. He anticipated the public-placement bonds would be issued in two series – one for approximately $20 million for the infrastructure project to be paid over 20 years and one at between $24 to $25 million for the residence hall project to be paid over 25 years. He discussed plans to capitalize interest on the bonds for the residence hall until the facility opens in Fall 2018, at which time the University would begin debt service payments solely from rent revenues without impact to the University budget. He added that both bonds would have level amortization with payments of principal and

interest in equal nstallments over the life of the bond. He reminded the group the University had not had a substantial new money bond issue since 2013 and stated consultations with Moody's and Standard & Poor's indicated the transactions were not likely to impact USA's bond rating in a negative way. He projected the bonds would be priced on June 1 in order for Board approval to occur at the next meeting on June 2.

Mr. Yance asked if projected costs for building maintenance and utilities would be covered by the debt service payments. Mr. Weldon said the debt service was a component of the operating expenses of the residence hall and room rates are set to pay debt service and to cover utilities and related overhead. Dr. Smith added, in making the decision to move forward with building the residence hall, a self-supporting function, all projected costs, such as for maintenance, utilities and staffing, were factored into a preliminary budget developed to demonstrate feasibility.

Mr. Peek thanked the Administration for providing ample time for the Board to consider and discuss the information. He noted level amortization was not always structured into previous bond issues and he asked Mr. Weldon to comment. Mr. Weldon said, historically, the University's approach to debt was to manage debt service more so than total debt, and, at times, debt service repayment was delayed beyond the initial years of the bond. As an example, he cited the 2006 bonds, for which payments over the first 17 years of the 30-year term were for interest only. He stated while this strategy may have provided the University with more funds, it hampered South's ability to borrow additional funds. He reminded the Committee that the 2006 bonds were refunded in December 2016. He said, in the last four years, USA has focused on controlling total outstanding debt to provide additional borrowing opportunities in future years. He noted the infrastructure project began one and a half years prior and had been funded internally thus far. Mr. Peek asked about plans for managing upcoming spikes in debt service. Mr. Weldon stated, apart from the recent swaption-related 2006 bond refunding, of which the first $20 million is estimated to mature in five years and which he advised would be refinanced eventually, the University's continuing debt service would start to drop to a more manageable level over the next two years.

Capt. Jenkins asked which external companies would be involved in the bond transaction. Mr. Weldon said a four-member underwriting team had been assembled similar to that used for the June 2016 advanced refunding of 2008 bonds and he anticipated the senior underwriter would be selected within the next two weeks. He said a request for proposals (RFP) was not issued for the upcoming bond transaction because of the short span of time since having completed the last RFP. Chairman Simon asked if the bond issue would have nationwide exposure. Mr. Weldon stated three of the underwriters were national companies and one was Alabama-based. He added, in the next year, the University would issue an RFP to develop a pool of potential underwriters for future bond transactions.

At Chairman Simon's request, Mr. Weldon gave background on the infrastructure improvement project, reminding the Committee that a consultant was engaged three years ago to examine needs, such as repairs and upgrades related to underground pipes, roofs, hot and chilled water, and the electrical substation system. He said the consultant estimated the costs for infrastructure updates at between $35 and $50 million and added Associate Vice President for Facilities Management Mr. Randy Moon was asked to determine the priorities over the next four to five years and make recommendations. He stated that Mr. Moon's plan called for phase one improvements at a projected cost of $25 million, which he said was being completed with internal funds and debt. He reported on the creation of a deferred-maintenance budget two years prior and plans to build the budgeted amount to $2.5 million annually.

There being no further business, the meeting was adjourned at 2:42 p.m.

Respectfully submitted:

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E. Thomas Corcoran, Chair

University of South Alabama
(A Component Unit of the State of Alabama)

Basic Financial Statements

Six Months Ended March 31, 2017 and 2016

Unaudited

University of South Alabama
(A Component Unit of the State of Alabama)

Quarterly Financial Statements

Six Months Ended March 31, 2017 and 2016

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University of South Alabama

Management's Discussion and Analysis

Introduction

The following discussion presents an overview of the financial position and financial activities of the University of South Alabama (the University). This discussion was prepared by University management and should be read in conjunction with the financial statements and notes thereto, which follow.

Financial Highlights

At March 31, 2017, the University had total assets and deferred outflows of $1,156,042,000, total liabilities and deferred inflows of $916,077,000 and net position of $239,965,000. The University's net position increased $21,971,000 for the six months ended March 31, 2017 compared to an increase of $2,769,000 for the six months ended March 31, 2016. An overview of each statement is presented below along with a financial analysis of the transactions impacting the statement.

Condensed financial statements for the University at and for the six months ended March 31, 2017 and 2016 follow (in thousands):

Condensed Statements of Net Position

	2017	2016
Assets		
Current	$ 213,436	$ 219,083
Capital and other noncurrent assets	890,455	832,161
Deferred outflows	52,151	22,952
	1,156,042	1,074,196
Liabilities		
Current	125,438	124,328
Noncurrent	751,963	716,393
Deferred inflows	38,676	35,654
	916,077	876,375
Net Position		
Net investment in capital assets	297,813	282,379
Restricted, nonexpendable	51,269	46,216
Restricted, expendable	57,420	45,514
Unrestricted	(166,537)	(176,288)
	$ 239,965	$ 197,821

Condensed Statements of Revenues, Expenses and Changes in Net Position

	2017	2016
Operating revenues		
Tuition and fees	$ 81,168	$ 71,993
Hospital revenues, net	189,424	142,355
Other	61,171	86,582
	331,763	300,930
Operating expenses		
Salaries and benefits	240,752	233,915
Supplies and other services	108,465	89,423
Other	32,604	28,719
	381,821	352,057
Operating loss	(50,058)	(51,127)
Nonoperating revenues (expenses)		
State appropriations	53,642	52,488
Other, net	15,518	(3001)
Net nonoperating revenues (expenses)	69,160	49,487
Capital gifts, grants and additions to endowment	2,869	4,409
Increase in net position	21,971	2,769
Net Position		
Beginning of period	217,994	195,052
End of period	$ 239,965	$ 197,821

Analysis of Financial Position and Results of Operations

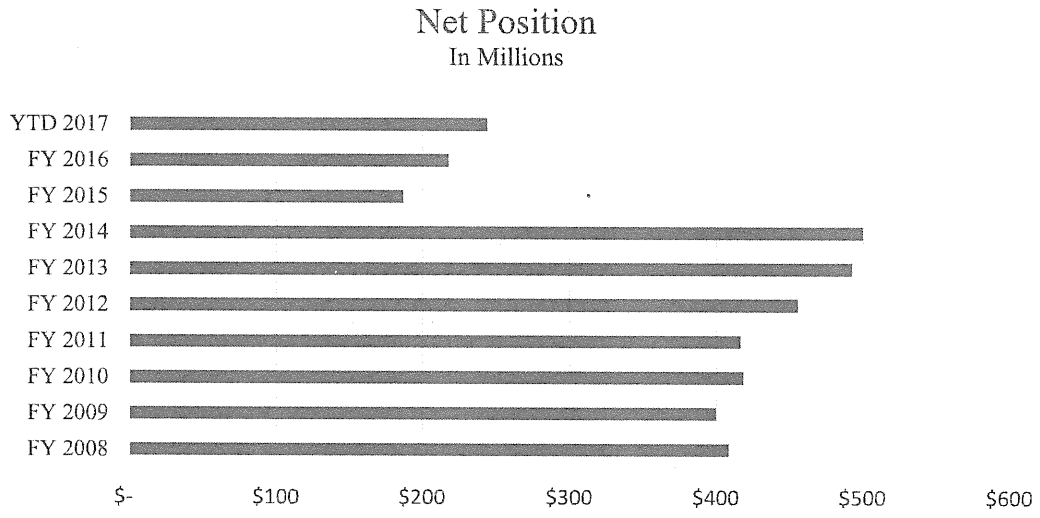
Statements of Net Position

The statements of net position present the assets, liabilities and net position of the University as of the end of the current reporting period. The net position is displayed in three parts, net investment in capital assets net of related debt, restricted and unrestricted. Restricted net position may either be expendable or nonexpendable and are those assets that are restricted by law or by an external donor. Unrestricted net position, while it is generally designated for specific purposes, is available for use by the University to meet current expenses for any purposes. The statements of net position, along with all of the

University's basic financial statements, are prepared under the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred, regardless of when cash is exchanged.

Assets included in the statements of net position are classified as current or noncurrent. Current assets consist primarily of cash and cash equivalents, investments and hospital patient accounts receivable. Current liabilities consist primarily of accounts payable, accrued liabilities and unrecognized revenue.

Net position represents the residual interest in the University's assets after liabilities are deducted. Net position of the University as of the end of the current reporting period is as follows:



Net investment in capital assets represents the University's capital assets less accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.

Restricted nonexpendable net position consists primarily of the University's permanent endowment funds. The corpus of these funds may not be expended and must remain with the University in perpetuity. Only the earnings from these funds may be expended. Restricted expendable net position is subject to externally imposed restrictions governing their use. The funds are restricted primarily for debt service, capital projects, student loans and scholarship purposes.

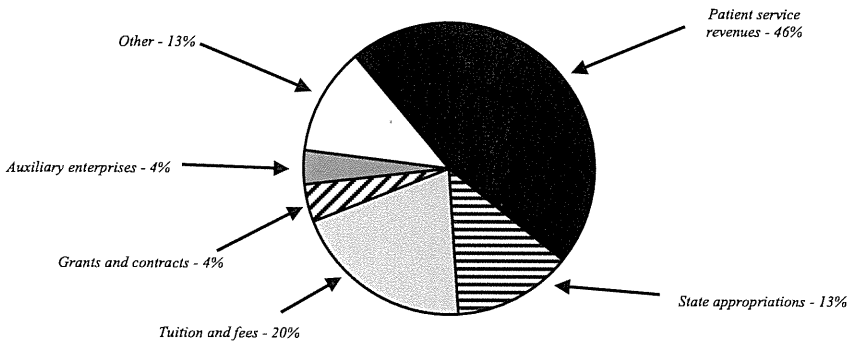
Statements of Revenues, Expenses and Changes in Net Position

Changes in total University net position as presented on the statements of net position is based on the activity presented in the statements of revenues, expenses and changes in net position. The purpose of the statements is to present the revenues recognized by the University, both operating and nonoperating, and the expenses incurred by the University, operating and nonoperating, and any other revenues, expenses, gains and losses recognized or incurred by the University.

Generally, operating revenues are received for providing goods and services to the various customers and constituencies of the University. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues, and to carry out the mission of the University. Nonoperating revenues are revenues received for which goods and services are not provided. GASB Statement No. 34 requires that state appropriations be classified as nonoperating.

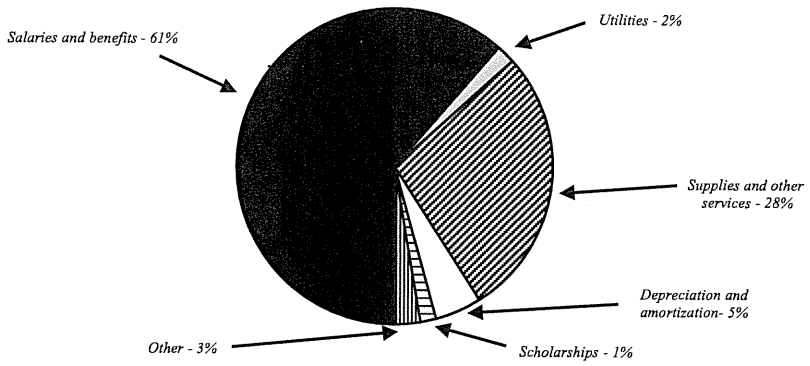
Approximately one-half of the total revenues of the University are hospital patient care revenues. The remainder consists primarily of tuition and fees, state appropriations, grants and contracts and auxiliary enterprise revenues. The following illustration presents the major sources of total University revenues (operating, nonoperating and other) for the current period:

Total Revenues



University expenses are presented using natural expense classifications. Salaries and benefits represent the majority of the University's total expenses. The following illustration presents the University's total expenses, including the hospitals, using natural classifications for the current period:

Total Expenses



Capital Assets and Debt Administration

During the current period, construction and construction planning continued on a new professional medical office building, a medical office building in Fairhope, Alabama and a major upgrade of infrastructure on the University's main campus. Additionally, several other smaller construction and renovation projects at the University and Health System remained ongoing during the current period.

In June 2015, the University issued the University Facilities Revenue Capital Improvement Bond, Series 2015, with a face value of $6,000,000. The proceeds of this bond were used to fund the acquisition of certain property and the construction of certain facilities to be used by the USA Mitchell Cancer Institute.

In September 2016, the University issued its University Facilities Revenue Refunding Bonds, Series 2016, with a face value of $85,605,000. The proceeds from the series 2016 bonds were used to partially defease the Series 2008 bonds. The funds were deposited into escrow trust funds to provide for the subsequent repayment of the Series 2008 bonds when they are called in December 2018. Neither the assets of the escrow trust account, nor the defeased indebtedness is included in the accompanying statement of net position. At the date of refunding, the principal outstanding on all defeased bonds was $93,540,000 and the remaining undefeased portion was $5,565,000. The refunding resulted in net present value cash flow savings of approximately $15,016,000.

In December 2016, the University issued its University Facilities Revenue Refunding Bonds, Series 2016-B, C and D with a face value totaling $100,000,000. The proceeds from the Series 2016 bonds were used to refund the remaining outstanding Series 2006 bonds.

The University's bond credit rating is A1 (Stable) as rated by Moody's Investors Services and A+ (Stable) as rated by Standard and Poor's Rating Services. Neither rate changed during the second quarter of 2017.

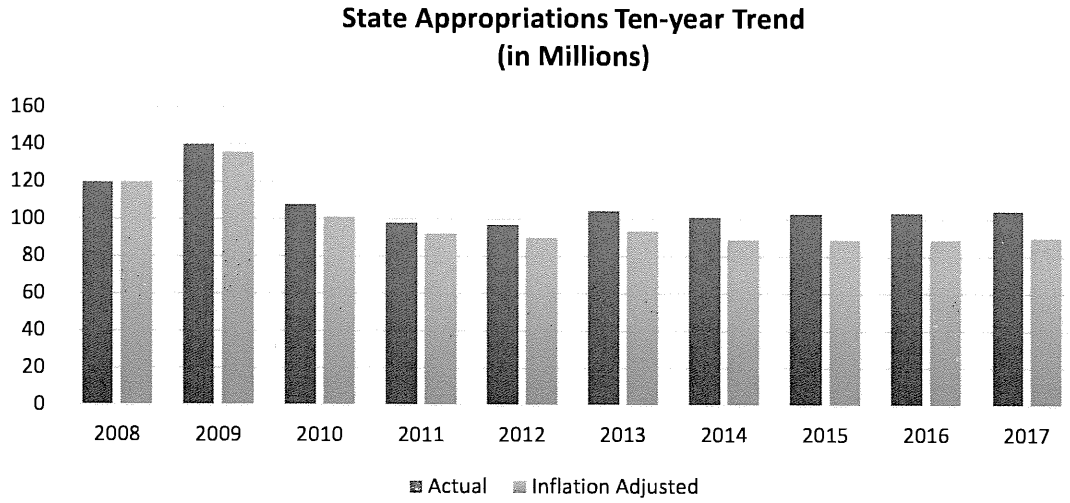
Economic Outlook

While enrollment and tuition have both increased in recent years, state appropriations since 2010 have remained relatively flat.

State appropriations in the amount of approximately $105,024,000 and $103,974,000 were authorized and received for the years ended September 30, 2016 and 2015, respectively.

A state appropriation in the amount of approximately $107,285,000 has been authorized and is being received for the year ending September 30, 2017. This represents a $2,261,000 increase from the fiscal 2016 appropriation received. While no announcement has been made, the University is aware that reductions in the 2017 appropriation are possible.

State appropriations (actual and adjusted for inflation) for the last ten years are illustrated below:



In addition to state appropriations, the University is subject to declines in general economic and political conditions in the United States and, specifically, the State of Alabama. Weakening of the economy, as well as changes in federal and state funding policies, could have a potential negative impact on the University's enrollment, extramural funding, endowment performance, and health care operations.

Other than the issues presented above, University administration is not aware of any other currently known facts, decisions, or conditions that are expected to have a significant effect on the University's financial position or results of operations during fiscal year 2017 beyond those unknown variables having a global effect on virtually all types of business operations.

University of South Alabama

Statements of Net Position

March 31, 2017 and 2016

(In thousands)

	2017	2016
Assets		
Current assets		
Cash and cash equivalents	$ 48,922	$ 62,161
Investments, at fair value	77,850	74,270
Net patient service receivables	53,218	30,816
Accounts receivable, affiliates	37	21,538
Accounts receivable, other	20,309	18,620
Notes receivable, net	514	906
Prepaid expenses, inventories and other	12,586	10,772
Total current assets	213,436	219,083
Noncurrent assets		
Restricted cash and cash equivalents	1,739	15,014
Restricted investments	55,105	58,597
Investments, at fair value	118,698	97,406
Accounts receivable	1,700	2,364
Notes receivable, net	6,852	5,683
Other noncurrent assets	32,198	23,223
Capital assets (net of accumulated depreciation)	674,163	629,874
Total noncurrent assets	890,455	832,161
Deferred outflows	52,151	22,952
Total assets and deferred outflows	1,156,042	1,074,196
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	56,559	45,063
Unrecognized revenue	38,951	52,614
Deposits	1,092	2,158
Current portion of long-term debt	25,526	23,579
Current portion of other long-term liabilities	3,310	914
Total current liabilities	125,438	124,328
Noncurrent liabilities		
Long-term debt	352,562	362,488
Net pension liability	329,294	297,734
Other long-term liabilities	70,107	56,171
Total noncurrent liabilities	751,963	716,393
Deferred inflows	38,676	35,654
Total liabilities and deferred inflows	916,077	876,375
Net position		
Net investment in capital assets	297,813	282,379
Restricted, nonexpendable		
Scholarships	25,396	22,088
Other	25,873	24,128
Restricted, expendable		
Scholarships	15,216	9,119
Other	42,204	36,395
Unrestricted	(166,537)	(176,288)
Total net positon	$ 239,965	$ 197,821

See accompanying notes to basic financial statements.

University of South Alabama

Statements of Revenues, Expenses and Changes in Net Position

Six Months Ended March 31, 2017 and 2016

(In thousands)

	2017	2016
Revenues		
Operating revenues		
Tuition and fees (net of scholarship allowances)	$ 81,168	$ 71,993
Net patient service revenues (net of provision for bad debts)	189,424	142,355
Federal grants and contracts	9,300	9,250
State grants and contracts	3,264	3,157
Private grants and contracts	4,214	31,855
Auxiliary enterprises (net of scholarship allowances)	15,306	15,410
Other operating revenues	29,087	26,910
Total operating revenues	331,763	300,930
Expenses		
Operating expenses		
Salaries and benefits	240,752	233,915
Supplies and other services	108,465	89,423
Scholarships and fellowships	6,189	4,670
Utilities	7,674	6,797
Depreciation and amortization	18,741	17,252
Total operating expenses	381,821	352,057
Operating loss	(50,058)	(51,127)
Nonoperating revenues (expenses)		
State appropriations	53,642	52,488
Investment income and gains (losses) on investments	9,689	(7,708)
Interest on indebtedness	(6,001)	(7,898)
Other nonoperating revenues	16,326	16,521
Other nonoperating expenses	(4,496)	(3,916)
Net nonoperating revenues	69,160	49,487
Income (loss) before other revenues, expenses, gains or losses	19,102	(1,640)
Capital gifts and grants	311	1,126
Additions to endowment	2,558	3,283
Increase in net position	21,971	2,769
Net position		
Beginning of period	217,994	195,052
End of period	$ 239,965	$ 197,821

See accompanying notes to basic financial statements.

University of South Alabama

Statements of Cash Flows

Six Months Ended March 31, 2017 and 2016

(in thousands)

	2017	2016
Cash flows from operating activities:		
Receipts related to tuition and fees	$ 67,597	$ 57,351
Receipts from and on behalf of patients and third-party payers	192,068	143,100
Receipts from grants and contracts	18,814	43,220
Receipts related to auxiliary enterprises	12,465	13,436
Payments to suppliers and vendors	(122,511)	(95,121)
Payments to employees and related benefits	(245,119)	(243,058)
Payments for scholarships and fellowships	(6,189)	(4,670)
Other operating receipts	28,329	41,576
Net cash used in operating activities	(54,546)	(44,166)
Cash flows from noncapital financing activities:		
State appropriations	44,702	34,992
Endowment gifts	2,558	3,283
Agency funds received	721	362
Agency funds disbursed	(659)	(697)
Student loan program receipts	65,852	65,970
Student loan program disbursements	(66,110)	(66,713)
Other nonoperating revenues	19,243	17,562
Other nonoperating expenses	(4,496)	(3,916)
Net cash provided by noncapital financing activities	61,811	50,843
Cash flows from capital and related financing activities:		
Capital gifts and grants	311	1,126
Purchases of capital assets	(38,875)	(37,363)
Proceeds from issuance of capital debt	102,090	2,171
Principal payments on capital debt	(111,359)	(7,191)
Interest payments on capital debt	(5,203)	(7,585)
Net cash used in capital and related financing activities	(53,036)	(48,842)
Cash flows from investing activities:		
Interest and dividends on investments	6,816	5,131
Proceeds from sales of investments	12,683	4,251
Purchases of investments	(40,565)	(15,004)
Net cash used in investing activities	(21,066)	(5,622)
Net decrease in cash and cash equivalents	(66,837)	(47,787)
Cash and cash equivalents (unrestricted and restricted):		
Beginning of year	117,498	124,962
End of period	$ 50,661	$ 77,175

University of South Alabama

Statements of Cash Flows

Six Months Ended March 31, 2017 and 2016

(in thousands)

	2017	2016
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	$ (50,058)	$ (51,127)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization expense	18,741	17,252
Changes in operating assets and liabilities, net:		
Student receivables	9,100	4,443
Net patient service receivables	(5,320)	931
Grants and contracts receivables	2,840	(692)
Other receivables	(2,692)	(1,475)
Prepaid expenses, inventories, and other	(454)	126
Accounts payable and accrued liabilities	(2,980)	(8,014)
Unrecognized revenue	(23,723)	(5,610)
Net cash used in operating activities	$ (54,546)	$ (44,166)

See accompanying notes to basic financial statements.

1. Summary of Significant Accounting Policies

Reporting Entity

The accompanying basic financial statements present the financial position and activities of the University of South Alabama (the University), which is a component unit of the State of Alabama.

The financial reporting entity, as defined by Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* and amended by GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units,* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, consists of the primary government and all of its component units. Component units are legally separate organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the financial statements to be misleading or incomplete. Accordingly, at year-end, the basic financial statements include the accounts of the University, as the primary government, and the accounts of the following entities as component units.

GASB Statement No. 61 amends GASB Statements No. 14 and No. 39, and provides criteria for determining whether organizations should be reported as component units based on the nature and significance of their relationship with the primary government. Such criteria include the appointment of a voting majority of the board of the organization, the ability to impose the will of the primary government on the organization and the financial benefits/burden between the primary government and the potential component unit. The statement also clarifies reporting and disclosure requirements for those organizations. Based on these criteria, the University reports the University of South Alabama Foundation (USA Foundation) and the USA Research and Technology Corporation (the Corporation) as discretely presented component units in its annual financial statements. For quarterly reporting purposes, discretely presented component unit financial statements are not presented in the basic financial statements of the University.

The University is also affiliated with the South Alabama Medical Science Foundation and the Gulf Coast Regional Care Organization. These entities are not considered component units of the University under the provisions of GASB Statement Nos. 14, 39 and 61.

GASB Statement No. 61 requires the University, as the primary government, to include in its basic financial statements, as a blended component unit, organizations that, even though they are legally separate entities, meet certain requirements as defined by GASB Statement No. 61. Based on these criteria, the University reports the Professional Liability Trust Fund, the General Liability Trust Fund and the USA HealthCare Management, LLC as blended component units. For quarterly reporting purposes, only the USA HealthCare Management, LLC is presented as a blended component unit in the basic financial statements of the University.

Professional Liability and General Liability Trust Funds

The professional medical liability of the University is maintained and managed in a separate professional liability trust fund (the PLTF) in which the University, USAHSF, SAMSF, and USA HealthCare Management, LLC are the only participants. In accordance with the bylaws of the trust fund, the president of the University is responsible for appointing members of the trust fund policy committee. Additionally, the general liability of the University is maintained and managed in a general liability trust fund (the GLTF) for which the University is responsible, as defined by GASB Statement No. 14. The PLTF and GLTF are separate legal entities which are governed by the University Board of Trustees through the University president.

USA HealthCare Management, LLC

In 2010, the University's Board of Trustees approved the formation of USA HealthCare Management, LLC (the LLC). The University is the sole member of the LLC, which was organized for the purpose of managing and operating on behalf of and as agent for, substantially all of the health care enterprises of the University.

University of South Alabama Foundation

The USA Foundation is a not-for-profit corporation that was organized for the purpose of promoting education, scientific research and charitable purposes, and to assist in developing and advancing the University in furthering, improving and expanding its properties, services, facilities, and activities. Because of the significance of the relationship between the University and the USA Foundation, the USA Foundation is considered a component unit of the University. The Board of Directors of the USA Foundation is not appointed or controlled by the University. The University receives distributions from the USA Foundation primarily for scholarship, faculty and other support. The USA Foundation presents its financial statements in accordance with standards issued by the Financial Accounting Standards Board (FASB). The USA Foundation has a June 30 fiscal year end which differs from the University's September 30 fiscal year end.

USA Research and Technology Corporation

The Corporation is a not-for-profit corporation that exists for the purpose of furthering the educational and scientific mission of the University by developing, attracting, and retaining technology and research industries in Alabama that will provide professional and career opportunities to the University's students and faculty. Because of the relationship between the University and the Corporation, the Corporation is considered a component unit of the University. The Corporation presents its financial statements in accordance with the GASB.

Measurement Focus and Basis of Accounting

For financial reporting purposes, the University is considered a special purpose governmental agency engaged only in business-type activities, as defined by GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis for State and Local Governments*, as amended by GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*. Accordingly, the University's basic financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires that management make estimates and assumptions affecting the reported amounts of assets and liabilities, revenues and expenses, as well as disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

In particular, laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates related to these programs could change by a material amount in the near term.

Cash and Cash Equivalents

Cash and cash equivalents are defined as petty cash, demand accounts and any short-term investments that take on the character of cash. These investments generally, but not always, have maturities of less than three months and include repurchase agreements and money market accounts.

Investments and Investment Income

The University reports the fair value of investments using the three-level hierarchy established under GASB Statement No. 72, Fair Value Measurement and Application. The fair value of alternative investments (low-volatility multi-strategy funds of funds) do not have readily ascertainable market values and the University values these investments in accordance with valuations provided by the general partners or fund managers of the underlying partnerships or companies, typically based on net asset value (NAV) of the partnership or commingled vehicle. Because some of these investments are not readily marketable, the estimated fair value is subject to uncertainty and, therefore, may differ from the fair value that would have been used had a ready market for the investment existed. Investments received by gift are recorded at fair value at the date of receipt. Changes in the fair value of investments are reported in investment income (loss).

Derivatives

The University has adopted the provisions of GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. GASB Statement No. 53 establishes a framework for accounting and financial reporting related to derivative instruments, requiring the fair value of derivatives to be recognized in the basic financial statements.

The University entered into two interest rate swaptions in January 2008, the Series 2004 swaption and the Series 2006 swaption. As a result of entering into the swaptions, the University received up-front payments. Swaptions are considered hybrid instruments which are required to be bifurcated into the fair value of the derivative and a piece that reflects a borrowing for financial statement purposes, which will accrete interest over time.

In December 2013, the counterparty, Wells Fargo Bank, N. A. (Wells Fargo), exercised its option related to the Series 2004 swaption, and as a result, the University entered into an interest rate swap. As a result of the exercise of the option, the Series 2004 swaption was terminated. The resulting derivative is a "receive-variable, pay-fixed" interest rate swap. The University pays the counterparty a fixed semi-annual payment based on an annual rate of 4.9753% and receives on a monthly basis a variable payment of 68% of the one-month London Interbank Offered Rate (LIBOR) plus 0.25%. The change in the fair value of the swap is reported as a deferred inflow and derivative asset on the statement of net position since the interest rate swap is a hedging derivative.

In September 2016, the counterparty, Wells Fargo Bank, N. A. (Wells Fargo), exercised its option related to the Series 2006 swaption, and as a result, the University entered into an interest rate swap. As a result of the exercise of the option, the Series 2006 swaption was terminated. The resulting derivative is a "receive-variable, pay-fixed" interest rate swap. The University pays the counterparty a fixed semi-annual payment based on an annual rate of 5% and receives on a monthly basis a variable payment of 68% of the one-month London Interbank Offered Rate (LIBOR) plus 0.25%. The change in the fair value of the swap is reported as a deferred inflow and derivative asset on the statement of net position since the interest rate swap is a hedging derivative.

Accounts Receivable

Net patient service receivables primarily result from hospital and ambulatory patient service revenue. Accounts receivable from affiliates primarily represent amounts due from the USA Foundation. Accounts receivable – other includes amounts due from students, the federal government, state and local governments, or private sources in connection with reimbursement of allowable expenditures made pursuant to the University's grants and contracts. Accounts receivable are recorded net of estimated uncollectible amounts.

Inventories

The University's inventories primarily consist of bookstore inventories and medical supplies and pharmaceuticals. Bookstore inventories are valued at the lower of cost (moving average basis) or market. Medical supplies and pharmaceuticals are stated at the lower of cost (first-in, first-out basis) or market.

Capital Assets

Capital assets are recorded at cost, if purchased, or, if donated, at acquisition value at date of donation. Depreciation is provided over the useful life of each class of depreciable asset using the straight-line method. Major renewals and renovations are capitalized. Costs for repairs and maintenance are expensed when incurred. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and the gain or loss, if any, is included in nonoperating revenues (expenses) in the statements of revenues, expenses, and changes in net position.

All capital assets other than land are depreciated using the following asset lives:

Buildings, infrastructure and certain building components	40 to 100 years
Fixed equipment	10 to 20 years
Land improvements	8 to 20 years
Library materials	10 years
Other equipment	4 to 15 years

Certain buildings are componentized for depreciation purposes.

Interest costs for certain assets constructed are capitalized as a component of the cost of acquiring those assets.

Unrecognized Revenue

Student tuition, fees, and dormitory rentals are deferred and recognized over the applicable portion of each school term.

Classifications of Net Position

The University's net position is classified as follows:

Net investment in capital assets represents the University's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets; such debt is excluded from the calculation of *net investment in capital assets.*

Restricted, nonexpendable net position consists of endowment and similar type funds which donors or other outside sources have stipulated, as a condition of the gift instrument, the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal.

Restricted, expendable net position includes resources that the University is legally or contractually obligated to spend in accordance with restrictions imposed by external parties.

Unrestricted net position represents resources derived from student tuition and fees, state appropriations, net patient service revenue, sales and services of educational activities and auxiliary enterprises. Auxiliary enterprises are substantially self-supporting activities that provide services for students, faculty, and staff. While unrestricted net assets may be designated for specific purposes by action of management or the Board of Trustees, they are available for use at the discretion of the governing board to meet current expenses for any purpose. Substantially all unrestricted net assets are designated for academic and research programs and initiatives, and capital programs.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the University addresses each situation on a case-by-case basis prior to determining the resources to be used to satisfy the obligation.

Scholarship Allowances and Student Financial Aid

Student tuition and fees, and certain other revenues from students, are reported net of scholarship discounts and allowances in the statements of revenues, expenses, and changes in net position. Scholarship allowances are the difference between the stated charge for goods and services provided by the University and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants and other federal, state, or nongovernmental programs are recorded as either operating or nonoperating revenues in the University's basic financial statements based on their classification as either an exchange or nonexchange transaction. To the extent that revenues from such programs are used to satisfy tuition and fees and certain other student charges, the University has recorded a scholarship allowance.

Donor Restricted Endowments

The University is subject to the "Uniform Prudent Management of Institutional Funds Act (UPMIFA)" of the Code of Alabama. This law allows the University, unless otherwise restricted by the donor, to spend net appreciation, realized and unrealized, on the endowment. The law also allows the University to appropriate for expenditure or accumulate to an endowment fund such amount as the University determines to be prudent for the purposes for which the endowment was established. The University's endowment spending policy provides that 5% of the three-year invested net assets moving average value (inclusive of net realized and unrealized gains and losses), as measured at September 30, is available annually for spending. The University's policy is to retain the endowment net interest and dividend income and net realized and unrealized appreciation with the endowment after distributions allowed by the spending policy have been made. These amounts, unless otherwise directed by the donor, are included in restricted, expendable net position.

Classification of Revenues

The University has classified its revenues as either operating or nonoperating revenues.

Operating revenues include activities that have the characteristics of exchange transactions such as student tuition and fees, net of scholarship discounts and allowances; sales and services of auxiliary enterprises, net of scholarship allowances; most federal, state, and local grants and contracts; and net patient service revenue.

Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as gifts and contributions, and other revenue sources such as state appropriations, investment income, and gifts.

Gifts and Pledges

Pledges of financial support from organizations and individuals representing an unconditional promise to give are recognized in the basic financial statements once all eligibility requirements, including time requirements, have been met. In the absence of such a promise, revenue is recognized when the gift is received. Endowment pledges generally do not meet eligibility requirements, as defined by GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions* and are not recorded as assets until the related gift has been received. Unconditional promises that are expected to be collected in future years are recorded at the present value of the estimated future cash flows.

Grants and Contracts

The University has been awarded grants and contracts for which funds have not been received or expenditures made for the purpose specified in the award. These awards have not been reflected in the basic financial statements, but represent commitments of sponsors to provide funds for specific research or training projects. For grants that have allowable cost provisions, the revenue will be recognized as the related expenditures are made. For grants with work completion requirements, the revenue is recognized as the work is completed. For grants without either of the above requirements, the revenue is recognized as it is received.

Net Patient Service Revenue

Net patient service revenue is reported at estimated net realizable amounts due from patients, third-party payers and others for healthcare services rendered, including estimated retroactive revenue adjustments due to future audits, reviews and investigations. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered and such amounts are adjusted in future periods, as adjustments become known or as years are no longer subject to such audits, reviews and investigations.

Recently Adopted Accounting Pronouncements

In 2016, the University adopted the provisions of GASB Statement No. 72, Fair Value Measurement and Application. GASB Statement No. 72 provides hierarchical guidance for determining fair value measurement for assets and liabilities for financial reporting purposes and also provides guidance for required disclosure related to fair value measurements.

Compensated Absences

The University accrues annual leave for employees as incurred at rates based upon length of service and job classification.

Reclassifications

Certain amounts in the 2016 basic financial statements have been reclassified in order to conform to the 2017 classification.

2. Income Taxes

The University is classified as both a governmental entity under the laws of the State of Alabama and as a tax-exempt entity under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3). Consistent with that designation, no provision for income taxes has been made in the accompanying basic financial statements.

3. Cash

Pursuant to the Security for Alabama Funds Enhancement Act, funds on deposit may be placed in an institution designated as a qualified public depository (QPD) by the State of Alabama. QPD institutions pledge securities to a statewide collateral pool administered by the State Treasurer's office. Such financial institutions contribute to this collateral pool in amounts proportionate to the total amount of public fund deposits at their respective institutions. The securities are held at the Federal Reserve Bank and are designated for the State of Alabama. Additional collateral was not required for University funds on deposit with QPD institutions. At September 30, 2016, the net public deposits subject to collateral requirements for all institutions participating in the pool totaled approximately $10,674,000,000.

4. Investments

The investments of the University are invested pursuant to the University of South Alabama "Nonendowment Cash Pool Investment Policy," the "Endowment Fund Investment Policy," and the "Derivatives Policy" (collectively referred to as the University Investment Policies) as adopted by the Board of Trustees. The purpose of the non-endowment cash pool investment policy is to provide guidelines by which commingled funds not otherwise needed to meet daily operational cash flows can be invested to earn a maximum return, yet still maintain sufficient liquidity to meet fluctuations in the inflows and outflows of University operational funds. Further, endowment fund investment policies exist to provide earnings to fund specific projects of the endowment fund, while

preserving principal. The University Investment Policies require that management apply the "prudent person" standard in the context of managing its investment portfolio.

Certain investments, primarily related to the University's endowment assets, are pooled. The University uses this pool to manage its investments and distribute investment income to individual endowment funds.

Credit Risk and Concentration of Credit Risk

(i) Non-Endowment Cash Pool Investment Policy

The University Investment Policies limit investment in corporate bonds to securities with a minimum "A" rating, at the time of purchase, by both Moody's and Standard and Poor's. Investments in corporate paper are limited to issuers with a minimum quality rating of P-1 by Moody's, A-1 by Standard and Poor's or F-1 by Fitch.

Additionally, the University Investment Policies require that not more than 10% of the cash, cash equivalents and investments of the University be invested in the obligations of a single private corporation and not more than 35% of the cash, cash equivalents and investments of the University be invested in the obligations of a single government agency.

(ii) Endowment Fund Investment Policy

The University Investment Policies limit investment in fixed income securities to securities with a minimum "BAA" rating, at the time of purchase, by both Moody's and Standard and Poor's. Money Market Funds selected shall contain securities whose credit rating at the absolute minimum would be rated investment grade by Standard and Poor's, and/or Moody's. Investment in fixed income securities within the fixed income portfolio shall be restricted to only investment grade bonds rated "BAA" or higher. Any investment in below investment grade bonds shall be considered an equity or fixed income alternative investment.

Additionally, the University Investment Policies require that not more than 5% of the Endowment Fund assets of the University be allocated to an individual investment manager and no more than 25% of the Endowment Fund assets be allocated to a "Fund of Funds" or multi-manager fund.

Interest Rate Risk

The University's Investment Policies do not specifically address the length to maturity on investments which the University must follow; however, they do require that the maturity range of investments be consistent with the liquidity requirements of the University.

5. Derivative Transactions - Swaps

In January 2008, the University entered into a synthetic advance refunding of the outstanding Series 2004 and 2006 bonds with a counterparty. This transaction was effected through the sale of two swaptions by the University to the counterparty. The transactions resulted in an up-front payment to the University totaling $9,328,000 in exchange for selling the counterparty the option to enter into an interest rate swap with respect to the Series 2004 and 2006 bonds in 2014 and 2016, respectively.

Objective of the derivative transaction

The objective of this transaction is to realize debt service savings currently from future debt refunding and create an economic benefit to the University.

Terms

A summary of the transactions is as follow:

Issue	Date of Issue	Option Expiration Date	Effective Date of Swap	Termination Date	Payment Amount
Series 2004 bonds	2-Jan-08	16-Dec-13	15-Mar-14	15-Mar-24	$ 1,988,000
Series 2006 bonds	2-Jan-08	1-Sep-16	1-Dec-16	1-Dec-36	7,340,000

As further discussed in note 10, in December 2013, the counterparty exercised its option with respect to the 2004 swaption. The University refunded its Series 2004 bonds, issued the Series 2014-A variable rate bond and terminated the Series 2004 swaption. As a result of this termination, the borrowing arising from the Series 2004 swaption and the investment derivative were written off and an investment loss of $2,229,000 was recognized and reported in the statements of revenues, expenses and changes in net position for the year ended September 30, 2014. A liability arising from the 2014 swap of $9,138,000 was recognized and is reported, net of amortization, in the statement of net position.

As further discussed in note 10, in September 2016, the counterparty exercised its option with respect to the 2006 swaption. The University refunded its Series 2006 bonds, issued the Series 2016-B, C & D variable rate bonds and terminated the Series 2006 swaption. As a result of this termination, the borrowing arising from the Series 2006 swaption and the investment derivative were written off and an investment loss of $3,530,000 was recognized and reported in the statement of revenues, expenses and changes in net position for the year ended September 30, 2016. A liability arising from the 2016 swap of $48,530,000 was recognized and is reported, net of amortization, in the statement of net position.

6. Lines of Credit and Note Payable

In March 2015, the University entered into a variable interest rate revolving line of credit with Compass Bank to fund certain property acquisitions of the USA Health System. There is no cost to the University for the maintenance of the line of credit. Interest is accrued on outstanding amounts at a rate calculated at the London Interbank Offered Rate (LIBOR) plus 1%. At March 31, 2017, approximately $3,434,000 was outstanding on the line of credit and is reported as debt in the current liabilities section of the statement of net position.

In March 2016, the University entered into a variable interest rate revolving line of credit with Compass Bank to fund certain capital improvements of the USA Health System. The total amount available under the line of credit is $30,000,000 and interest on the outstanding amounts accrue at the rate of sixty-five percent of the LIBOR plus seventy-seven basis points with a maturity date of June 10, 2018. The amount outstanding at March 31, 2017 is $50,000 and is reported as debt in the current liabilities section of the statement of net position.

The USA Health System entered into a purchase agreement, which commenced during the fiscal year ending September 30, 2017, for a term of ten years to finance Energy Conservation Measures in order to improve the HVAC system.

7. Capital Leases Payable

In April 2015, the University signed a seven-year purchase agreement as a method of financing the purchase of certain computer software and hardware for the USA Health System. In July 2015, the University also signed a second seven-year purchase agreement as a method of financing additional laboratory software and hardware for the USA Health System. In September 2016, the University signed a six-year purchase agreement as a method of financing the purchase of certain hospital equipment for the USA Health System. The USA Health System entered into a services agreement for four years, which commenced during the fiscal year ending September 30, 2017, to finance the purchase of a heat recovery system.

8. Bonds Payable

Bonds payable consisted of the following at the end of the current period:

University Tuition Revenue Bonds, Series 1999 Capital Appreciation, 4.70% to 5.25%, payable November 2011 through November 2018

University Facilities Revenue Capital Improvement Bonds, Series 2008, 3.00% to 5.00%, payable through November 2018

University Facilities Revenue Capital Improvement Bond, Series 2010, 3.81%, payable through August 2030

University Facilities Revenue Capital Improvement Bond, Series 2012-A, 2.92%, payable through August 2032

University Facilities Revenue Capital Improvement Bond, Series 2012-B, 2.14%, payable through February 2018

University Facilities Revenue Capital Improvement Bond, Series 2013-A, 2.83% payable through August 2033

University Facilities Revenue Capital Improvement Bond, Series 2013-B, 2.83% payable through August 2033

University Facilities Revenue Capital Improvement Bond, Series 2013-C, 2.78% payable through August 2025

University Facilities Revenue Refunding Bond, Series 2014-A, variable rate payable at 68% of one-month LIBOR plus 0.73%, payable through March 2024

University Facilities Revenue Capital Improvement Bond, Series 2015, 2.47% payable through August 2030

University Facilities Revenue Refunding Bonds, Series 2016, 3.00% to 5.00% payable through November 2037

University Facilities Revenue Refunding Bond, Series 2016-B, variable rate payable at 68% of one-month LIBOR plus 0.72%, payable through December 2036

University Facilities Revenue Refunding Bond, Series 2016-C, variable rate payable at 68% of one-month LIBOR plus 0.77%, payable through December 2036

University Facilities Revenue Refunding Bond, Series 2016-D, variable rate payable at 68% of one-month LIBOR plus 0.83%, payable through December 2036

Substantially all student tuition and fee and auxiliary revenues secure University bonds. Additionally, security for all bonds includes Children's and Women's Hospital revenues in an amount not exceeding $10,000,000. Series 1999 Capital Appreciation Bonds began maturing in November 2011. Series 1999 Bonds are not redeemable prior to maturity. Series 2006 Bonds were refunded in December 2016 with the issuance of the University Facilities Revenue Refunding Bonds, Series 2016-B, C and D with a face value totaling $100,000,000. Series 2008 Bonds began maturing in August 2009 and are redeemable beginning in September 2018. The Series 2010 Bond began maturing in August 2011 and is redeemable beginning in February 2020. The 2012-A and 2012-B Bonds began maturing in August 2013. The 2012-A Bond is redeemable beginning in August 2021. The 2012-B Bond is redeemable at any time. The 2013-A, 2013-B and 2013-C Bonds began maturing in August 2014 and are redeemable beginning in June 2023. The Series 2014-A bond began maturing in March 2015 and is redeemable at any time. The Series 2015 bond began maturing in August 2015 and is redeemable beginning in June 2020. The Series 2016A

bonds will begin maturing in November 2018 and are redeemable in November 2026. The Series 2016B, C and D bonds will begin maturing in December 2024.

The University is subject to restrictive covenants related to certain note and bonds payable. As of the end of the current period, management believes the University was in compliance with such financial covenants.

9. Net Patient Service Revenues

The Hospitals have agreements with governmental and other third-party payers that provide for reimbursement at amounts different from their established rates. Contractual adjustments under third-party reimbursement programs represent the difference between the Hospitals' billings at established rates for services and amounts reimbursed by third-party payers.

A summary of the basis of reimbursement with major-third party payers follows:

Medicare – Substantially all acute care services rendered to Medicare program beneficiaries are paid at prospectively determined rates. These rates vary according to patient classification systems that are based on clinical, diagnostic, and other factors. Additionally, the Health System is reimbursed for both direct and indirect medical education costs (as defined), principally based on per-resident prospective payment amounts and certain adjustments to prospective rate-per-discharge operating reimbursement payments. The Health System is generally reimbursed for certain retroactively settled items at tentative rates, with final settlement determined after submission of annual cost reports by the Health System and audits by the Medicare fiscal intermediary.

During fiscal year 2016, USA Medical Center received a final settled 2012 cost report. The USA Medical Center's 2013 cost report was amended in April 2015 and the 2014 cost report was amended in December 2015. The 2015 cost report was initially filed in February 2016 and amended in August 2016 and amended again in March 2017. The 2013, 2014 and 2015 cost reports are in the audit process. The 2016 cost report was filed in February 2017 and amended in March 2017.

During fiscal year 2016, USA Children's & Women's Hospital's 2012 cost report was reopened and resettled. The 2013 cost report was settled in October 2015 and re-opened in August 2016 per our request. The 2013, 2014 and 2015 cost reports are in the audit process. The 2016 cost report was filed in February 2017. During fiscal year 2017, an audit commenced to review the Graduate Medical Education unweighted full-time equivalent student counts for 2007, 2008 and 2009.

Blue Cross – Inpatient services rendered to Blue Cross subscribers are paid at a prospectively determined per diem rate. Outpatient services are reimbursed under a cost reimbursement methodology. For outpatient services, the Health System is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Health System and audits thereof by Blue Cross. The 2014 Blue Cross settlement for USA Children's & Women's Hospital was filed and reserved in 2015. It was repaid in installments during 2016. The 2015 Cost Finding was prepared and filed in 2016 with the anticipated settlement being fully reserved. As of September 30, 2016, the 2015 Cost Finding was not completed by BCBS. For 2016, the BCBS Retro Reserve is estimated to be a payable and reserved in the Retro Settlement Account. The Blue Cross 2015 retroactive settlement for USA Medical Center was filed in 2016 and a settlement was received in October 2016.

Medicaid – Inpatient services rendered to Medicaid program beneficiaries are reimbursed at all-inclusive prospectively determined per diem rates. Outpatient services are reimbursed based on an established fee schedule.

The Hospitals qualify as Medicaid essential providers and, therefore, also receive supplemental payments based on formulas established by the Alabama Medicaid Agency. There can be no assurance that the Hospitals will continue to qualify for future participation in this program or that the program will not ultimately be discontinued or materially modified.

Other – The Hospitals have also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The bases for payments to the Hospitals under these agreements include discounts from established charges and prospectively determined daily and case rates.

10. Derivative Transaction – Interest Rate Swaps

The University is a party to two derivatives with Wells Fargo Bank, the counterparty. As more fully described in note 5, in December 2013, Wells Fargo exercised its option with respect to the synthetic advance refunding of the Series 2004 bonds to enter into an interest rate swap agreement with the University with an effective date of March 15, 2014. The resulting derivative is a "receive-variable, pay-fixed" interest rate swap. As part of the overall plan of the synthetic refunding of the 2004 bonds, the University redeemed those bonds in April 2014 with proceeds from the 2014-A bond.

In September 2016, Wells Fargo exercised its option with respect to the synthetic advance refunding of the Series 2006 bonds to enter into an interest rate swap agreement with the University with an effective date of September 1, 2016. The resulting derivative is a "receive-variable, pay-fixed" interest rate swap.

Objective of the transactions. As noted, both interest rate swaps were the result of the original January 2008 synthetic advance refunding of the Series 2004 and Series 2006 bonds. The objective of these transactions was to realize debt service savings currently from future debt refunding and create an economic benefit to the University.

The 2014 swap will terminate in March 2024, when the 2014-A bond matures. The notional amount of the swap will at all times match the outstanding principal amount of the bond. Under the swap, the University pays the counterparty a fixed semi-annual payment based on an annual rate of 4.9753% and receives on a monthly basis a variable payment of 68% of the one-month LIBOR plus 0.25%. Conversely, the Series 2014-A bond bears interest on a monthly basis at 68% of the one-month LIBOR rate plus 0.73%.

The 2016 swap will terminate in December 2036, when the 2006 bond matures. The notional amount of the swap will at all times match the outstanding principal amount of the bond. Under the swap, the University pays the counterparty a fixed semi-annual payment based on an annual rate of 5% and receives on a monthly basis a variable payment of 68% of the one-month LIBOR plus 0.25%. Conversely, the Series 2016-B, C and D bonds bear a weighted average interest on a monthly basis at 68% of the one-month LIBOR rate plus 0.79%.

Fair value. The 2014 interest rate swap had a negative fair value of approximately $(9,138,000) at its inception. This borrowing arising from the 2014 interest rate swap, net of any amortization, is reported as a long-term liability in the 2016 statement of net position. The change in the fair value of the swap is reported as a deferred inflow and derivative asset on the statement of net position since the interest rate swap is a hedging derivative instrument.

The 2016 interest rate swap had a negative fair value of approximately $(48,530,000) at its inception. This borrowing arising from the 2016 interest rate swap, net of any amortization, is reported as a long-term liability in the 2016 statement of net position. The change in the fair value of the swap is reported as a deferred inflow and derivative asset on the statement of net position since the interest rate swap is a hedging derivative instrument.

The fair value of the interest rate swaps were estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement.

Risks Associated with this Transaction

Interest rate risk. As the LIBOR rate decreases, the net payment on the swap increases. This, however, is mitigated by the fact that a decline in the LIBOR rate will also result in a decrease of the University's interest payment on the Series 2014-A and 2016-B, C & D bonds. The University's exposure is limited to 0.48% and a weighted average of 0.79% of the notional amounts of the 2014-A and the 2016-B, C & D bonds, respectively.

Credit risk. As of September 30, 2016, the University was not exposed to credit risk on the interest rate swap because it had a negative fair value. However, if interest rates change and the fair value of the derivative becomes positive, the University would have a gross exposure to credit risk in the amount of the derivative's fair value. The counterparty was rated Aa2 by Moody's Investor Services and AA – by Standard & Poor's Ratings Services as of September 30, 2016.

Termination risk. The University may be required to terminate the swap based on certain standard default and termination events, such as failure to make payments, breach of agreement, and bankruptcy. As of the current date, no events of termination have occurred.

11. Employee Benefits

Retirement and Pension Plans

Employees of the University are covered by two pension plans: a cost sharing multiple-employer defined benefit pension plan administered by the Teachers' Retirement System of the State of Alabama (TRS), and a defined contribution pension plan.

State law establishes retirement benefits as well as death and disability benefits and any ad hoc increase in postretirement benefits for the TRS. Benefits for TRS members vest after ten years of creditable service. TRS members who retire after age sixty with ten years or more creditable service or with twenty-five years of services (regardless of age) are entitled to an annual retirement benefit, payable monthly for life. Service and disability retirement benefits are based on a guaranteed minimum or formula method, with the member receiving payment under the method that yields the higher monthly benefit. Under the formula method, members of the TRS are allowed 2.0125% of their average final compensation (highest three of the last ten years) for each year of service. Act 377 of the Legislature of 2012 established a new tier of benefits (Tier 2) for members hired on or after January 1, 2013. Tier 2 TRS members are eligible for retirement after age sixty-two with ten years or more of creditable service and are entitled to an annual retirement benefit, payable monthly for life. Service and disability retirement benefits are based on a guaranteed minimum or formula method, with the member receiving payment under the method that yields the highest monthly benefit. Under the formula method, Tier 2 members of the TRS are allowed 1.65% of their average final compensation (highest five of the last ten years) for each year of service. Members are eligible for disability retirement if they have ten years of credible service, are currently in-service, and determined by the RSA Medical Board to be permanently incapacitated form further

performance of duty. Preretirement death benefits are calculated and paid to the beneficiary based on the member's age, service credit, employment status and eligibility for retirement.

Tier 1 covered members of the TRS are required by statute to contribute 7.50% of earnable compensation. Tier 1 certified law enforcement, correctional officers, and firefighters of the TRS are required by statute to contribute 8.50% of earnable compensation.

Tier 2 covered members of the TRS contribute 6% of earnable compensation to the TRS as required by statue. Tier 2 certified law enforcement, correctional officers, and firefighters of the TRS are required by statue to contribute 7% of earnable compensation.

The defined contribution pension plan covers certain academic and administrative employees employed prior to October 1, 2009, and participation by eligible employees is optional. Under this plan, administered by Teachers Insurance and Annuity Association – College Retirement Equities Fund (TIAA-CREF), contributions by eligible employees are matched equally by the University up to a maximum of 3% of current annual pay.

Employees of the LLC may, at their option, participate in a defined contribution plan. Under this plan, eligible employees may make contributions to the plan which are matched, dollar-for-dollar, by the LLC up to 5% of compensation.

In 2015, the University adopted the provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions. GASB Statement No. 68 changes accounting and financial reporting for entities participating in a cost sharing plan. GASB Statement No. 68 required the University to record its share, as determined by an independent actuary, of the net unfunded pension liability, and its share of the changes in the net pension liability. The adoption of the provisions of GASB Statement No. 68 required that the University book its share of unfunded net pension liability and therefore resulted in a $313,737,000 decrease in unrestricted net position.

Compensated Absences

Regular University employees accumulate vacation and sick leave and hospital and clinical employees accumulate paid time off. These are subject to maximum limitations, at varying rates depending upon their employee classification and length of service. Upon termination of employment, employees that were hired before January 1, 2012, are paid all unused accrued vacation and paid time off at their regular rate of pay up to a maximum of two times their annual accumulation rate. No accrual is recognized for sick leave benefits since no terminal cash benefit is available to employees for accumulated sick leave.

Other Postretirement Employee Benefits

In 2003, the State of Alabama Legislature passed legislation that requires all colleges and universities to fund the healthcare premiums of its participating retirees. In prior years, such costs have been paid by the State. The University is assessed a monthly premium by the Public Education Employees' Health Insurance Plan (PEEHIP) based on the number of retirees in the system and an actuarially determined premium.

12. Risk Management

As more fully described in Note 1, the University, SAMSF and LLC participate in the PLTF and the University, SAMSF, RTC and LLC participate in the GLTF. Both funds are administered by an independent trustee. These trust funds are revocable and use contributions by the University and LLC, together with earnings thereon, to pay liabilities arising from the performance of its employees, trustees and other individuals acting on behalf of the University. If the trust funds are ever terminated, appropriate provision for payment of related claims will be made and any remaining balance will be distributed to the University and LLC in proportion to contributions made.

Claims and expenses are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Those losses include an estimate of claims that have been incurred but not reported and the future costs of handling claims. These liabilities are generally based on actuarial valuations and are reported at their present value.

The University and LLC participate in a self-insured health plan, administered by an unaffiliated entity. Contributions by the University and the LLC and their employees, together with earnings thereon, are used to pay liabilities arising from healthcare claims. It is the opinion of University administration that plan assets are sufficient to meet future plan obligations.

13. Other Related Parties

South Alabama Medical Science Foundation

The South Alabama Medical Science Foundation (SAMSF) is a not-for-profit corporation that exists for the purpose of promoting education and research at the University. SAMSF reimburses the University for certain administrative expenses and other related support services.

Gulf Coast Regional Care Organization

The Gulf Coast Regional Care Organization (RCO) is a not-for-profit corporation that exists for the purpose of creating and operating a risk-based, community-led network to coordinate the health care of Medicaid patients in a seven-county region of southwest Alabama.

14. Commitments and Contingencies

Grants and Contracts

The University had been awarded certain amounts in grants and contracts for which resources had not been received and for which reimbursable expenditures had not been made for the purposes specified. These awards, which represent commitments of sponsors to provide funds for research or training projects, have not been reflected in the accompanying basic financial statements as the eligibility requirements of the award have not been met. Advances include amounts received from grant and contract sponsors which have not been earned under the terms of the agreements and, therefore, have not yet been included in revenues in the accompanying basic financial statements. Federal awards are subject to audit by Federal agencies. The University's management believes any adjustment from such audits will not be material.

Letters of Credit

In connection with the Hospitals' participation in the State of Alabama Medicaid Program, the University has established a $77,000 irrevocable standby letter of credit with Wells Fargo Bank. The Alabama Medicaid Agency is the beneficiary of this letter of credit. No funds are currently advanced under this letter.

In connection with the establishment of the RCO, the LLC has established a $1,689,000 irrevocable standby letter of credit with Hancock Bank. The Alabama Medicaid Agency is the beneficiary of this letter of credit. No funds are currently advanced under this letter.

HCM Commitment

In September 2016, the LLC entered into a commitment to the RCO. The commitment is to contribute cash or other assets to the RCO only upon the execution of a contract between the RCO and the Alabama Medicaid Agency to provide medical services to Medicaid patients on a capitated basis. As of the current date, that contract has not been executed, nor is it anticipated that it will be executed in the immediate future. The amount of the commitment is $6,644,000. No funds are currently advanced under this commitment.

Federal Program Review

In November 2014, the University was the subject of a program review conducted by the U.S. Department of Education. The program review assessed the University's administration of Title IV, HEA programs for the 2013-2014 fiscal year and the first two months of the 2015 fiscal year. A draft report has been subsequently received by the University and a response to this draft has been sent to the U.S. Department of Education. No final report has been issued. Management believes that there will be no liability to the University beyond what which is reported in the financial statements.

Litigation

Various claims have been filed against the University alleging discriminatory employment practices and other matters. University administration and legal counsel are of the opinion the resolution of these matters will not have a material effect on the financial position or the statement of revenues, expenses, and changes in net position of the University.

Rent Supplement Agreement

The University has entered into two irrevocable rent supplement agreements with the Corporation and a financial institution. These agreements require that, in the event the Corporation fails to maintain a debt service coverage ratio of one to one with respect to all of its outstanding indebtedness, the University will pay to the Corporation any and all rent amounts necessary to cause the Corporation's net operating income to be equal to the Corporation's annual debt service obligations. As of the end of the current period, no amounts were payable pursuant to these agreements.

State Bond Issue

The State of Alabama periodically makes allocations to the University from bonds issued by the State. Pursuant to the allocations, funds are available to the University for certain future construction costs. The allocations are reflected as revenue in the accompanying financial statements to the extent they are incurred and approved by the State. There are currently no such funds available to the University.

15. Significant New Accounting Pronouncements

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. GASB Statement No. 75 changes accounting and financial reporting for entities which participate in plans providing postemployment benefits other than pensions and will be effective for the University's year ending September 30, 2018. In August 2015, the GASB issued Statement No. 77, *Tax Abatement Disclosures*. This statement requires governments that enter into tax abatement agreements to disclose specific information about the agreements. This statement will be effective for the University beginning with the fiscal year ending September 30, 2017. In December 2015, the GASB issued Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. This statement amends Statement No. 68 to exclude pensions that are not governmental pension plans and establishes requirements for the recognition and measurement of non-governmental pension plans that are offered to government employees. Also in December 2015, the GASB issued Statement No. 79, *Certain External Investment Pools and Pool Participants*. This statement addresses accounting and financial reporting for certain external investment pools and pool participants. It establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial statement purposes. Both statements No. 78 and 79 will be effective for the University beginning with the fiscal year ending September 30, 2017.

In January 2016, the GASB issued Statement No. 80, *Blending Requirements for Certain Component Units*. This statement will be effective for the University of South Alabama beginning with the fiscal year ending September 30, 2017. Statement 80 amends the blending requirements for financial statement presentation and requires the blending of a component unit that is incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. In March 2016, the GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements* and Statement No. 82, *Pension Issues*. Both statements will be effective for the University of South Alabama beginning with the fiscal year ending September 30, 2017. Statement No. 81 changes the reporting requirements for gifts given to the University in which USA is a beneficiary of a split-interest agreement. Statement No. 82 was issued to address certain issues that have been raised from Statements No. 67, 68 and 73 and clarifies the presentation of payroll-related measures in the required supplementary information, the selection of assumptions and treatment of deviations from the guidance, and the classification of payments made by employers to satisfy employee contribution requirements. In November 2016, the GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This statement will be effective for the University beginning with the fiscal year ending September 30, 2019. Statement 83 establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for ARO's. The GASB issued Statement No. 84, *Fiduciary Activities*, in January 2017. This statement will be effective for the University beginning with the fiscal year ending September 30, 2020. Statement 84 addresses the criteria for identifying fiduciary activities of all state and local governments. In March 2017 the GASB issued Statement No. 85, *Omnibus 2017*, which will be effective for the University beginning with the fiscal year ending September 30, 2018. The objective of this statement is to ensure consistency in the application of accounting and financial reporting requirements related to various topics, including blending component units, goodwill, fair value measurement and application, and postemployment benefits.

The effect of the implementation of GASB Statements Nos. 75, 80, 81, 82, 84 and 85 on the University has not yet been determined.

Statement Nos. 77, 78, 79 and 83 will not have an impact on the University's financial statements.

16. Subsequent Events

In May 2017, the University's Board of Trustees approved a resolution to form the University of South Alabama Health Care Authority (HCA). The HCA is a public corporation created under and pursuant to the provisions of the University Authority Act of 2016. The HCA will employ physicians and staff of physician practice groups as determined appropriate by the University. It is anticipated that operations will commence on August 1, 2017.

UNIVERSITY OF SOUTH ALABAMA

MEMORANDUM

Finance and Administration

Date:
June 2, 2017

To:
President
Tony G. Waldrop

From:
G. Scott Weldon, V.P. for Finance and Administration GSW

Subject:
Agenda Item for June 2, 2017, Board of Trustees Meeting
Authorization to issue the 2017 Bonds

Attached is a resolution for consideration by the Board of Trustees concerning the University's 2017 Bond issue that will provide the funding for a new residence hall and infrastructure improvements around campus. Some of the specifics of the 2017 Bonds will be:

- $45,000,000 Approximate Proceeds
- 3.41% Approximate Interest Cost
- 20 Year Single Series
- Level Principal and Interest Payments
- Bond Insurance

This resolution will provide the authorization to execute any necessary documents for the issuance of the bonds.

With your consent, this item will be presented to the Board of Trustees for discussion and approval. Further, I recommend the adoption of the resolution by the Board of Trustees.

Attachment

A RESOLUTION AUTHORIZING THE ISSUANCE OF THE $38,105,000 UNIVERSITY FACILITIES REVENUE BONDS, SERIES 2017

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

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

(1) it is necessary, advisable, in the interest of the University and the public that the University design, acquire, construct, install, furnish and equip various capital improvements, equipment and assets on the campus of the University including, without limitation, utility and infrastructure improvements and a new residence hall for students of the University (herein called the "2017 Improvements"); and

(2) it is necessary, advisable and in the interest of the University and the public that the University issue its $38,105,000 University Facilities Revenue Bonds, Series 2017, in order to pay for: (i) the costs of the 2017 Improvements, (ii) capitalized interest respecting the Series 2017 Bonds, (iii) the costs and expenses of issuing the said Series 2017 Bonds, and (iv) the premium for the municipal bond insurance policy respecting certain of the said Series 2017 Bonds.

(b) Series 2017 Bonds to be Issued as Additional Bonds Under the Indenture; Special Findings Under Section 8.2(b) of the Indenture. The Series 2017 Bonds shall be issued as additional parity bonds under Article VIII of the Indenture hereinafter referred to. In accordance with the provisions of Section 8.2(b) of the Indenture, the Board hereby finds and declares as follows:

(1) the University is not now in default under the Indenture, and no such default is imminent;

(2) the Series 2017 Bonds shall be designated "Series 2017";

(3) the persons to whom the Series 2017 Bonds are to be delivered are set forth in Section 6 hereof;

(4) the Series 2017 Bonds are to be issued by sale in accordance with, and at the sale price set forth in, Section 6 hereof;

(5) (a) the only bonds that have previously been issued by the University under the Indenture are its (i) $31,680,000 original principal amount University Tuition Revenue Refunding and Capital Improvement Bonds, Series 1996, dated February 15, 1996 (herein called the "Series 1996 Bonds"), which were issued under and pursuant to the Trust Indenture dated as of February 15, 1996 further described in Section 2 hereof, (ii) $7,055,000 original principal

amount University Tuition Revenue Refunding Bonds, Series 1996B, dated October 15, 1996 (herein called the "Series 1996B Bonds"), which were issued under and pursuant to the First Supplemental Trust Indenture dated as of October 15, 1996, (iii) $40,130,000.70 original principal amount University Tuition Revenue Bonds, Series 1999, dated March 1, 1999 (herein called the "Series 1999 Bonds"), which were issued under and pursuant to the Second Supplemental Trust Indenture dated as of October 15, 1999, (iv) $51,080,000 original principal amount Tuition Revenue Refunding and Capital Improvement Bonds, Series 2004, dated March 15, 2004 (herein called the "Series 2004 Bonds"), which were issued under and pursuant to the Fourth Supplemental Trust Indenture dated March 15, 2004, (v) $100,000,000 original principal amount University Tuition Revenue Refunding and Capital Improvement Bonds, Series 2006, dated December 1, 2006 (herein called the "Series 2006 Bonds"), which were issued under and pursuant to the Fifth Supplemental Trust Indenture dated as of December 1, 2006, (vi) $112,885,000 original principal amount University Facilities Revenue Capital Improvement Bonds, Series 2008, dated September 1, 2008 (herein called the "Series 2008 Bonds"), which were issued under and pursuant to the Sixth Supplemental University Facilities Revenue Trust Indenture dated as of September 1, 2008, (vii) $29,750,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2010, dated June 16, 2010 (herein called the "Series 2010 Bond"), which was issued under and pursuant to the Seventh Supplemental University Facilities Revenue Trust Indenture dated as of June 16, 2010, (viii) $25,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2012-A, dated January 4, 2012 (herein called the "Series 2012-A Bond"), which was issued under and pursuant to an Eighth Supplemental University Facilities Revenue Trust Indenture dated as of January 4, 2012 (herein called the "Eighth Supplemental Indenture"), (ix) $7,740,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2012-B, dated January 4, 2012 (herein called the "Series 2012-B Bond"), which was issued under and pursuant to the Eighth Supplemental Indenture, (x) $32,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2013-A, dated June 28, 2013 (herein called the "Series 2013-A Bond"), which was issued under and pursuant to the Ninth Supplemental University Facilities Revenue Trust Indenture dated June 28, 2013 (herein called the "Ninth Supplemental Indenture"), (xi) $8,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2013-B, dated June 28, 2013 (herein called the "Series 2013-B Bond"), which was issued under and pursuant to the Ninth Supplemental Indenture, (xii) $10,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2013-C, dated June 28, 2013 (herein called the "Series 2013-C Bond"), which was issued under and pursuant to the Ninth Supplemental Indenture, (xiii) $41,245,000 original principal amount University Facilities Revenue Refunding Bond, Series 2014-A, dated March 14, 2014 (herein called the "Series 2014-A Bond"), which was issued under and pursuant to the Tenth Supplemental University Facilities Revenue Trust Indenture dated March 14, 2014, (xiv) $6,000,000 original

principal amount University Facilities Revenue Capital Improvement Bond, Series 2015, dated June 15, 2015 (herein called the "Series 2015 Bond"), which was issued under and pursuant to the Eleventh Supplemental University Facilities Revenue Trust Indenture dated June 15, 2015, (xv) $85,605,000 original principal amount University Facilities Refunding Revenue Bonds, Series 2016, dated September 14, 2016 (herein called the "Series 2016 Bonds"), which were issued under and pursuant to the Twelfth Supplemental University Facilities Revenue Trust Indenture dated as of September 1, 2016, (xvi) $20,000,000 original principal amount University Facilities Revenue Refunding Bond, Series 2016-B, dated December 7, 2016 (herein called the "Series 2016-B Bond"), which was issued under and pursuant to a Thirteenth Supplemental University Facilities Revenue Trust Indenture dated December 7, 2016 (herein called the "Thirteenth Supplemental Indenture"), (xvii) $35,000,000 original principal amount University Facilities Revenue Refunding Bond, Series 2016-C, dated December 7, 2016 (herein called the "Series 2016-C Bond"), which was issued under and pursuant to the Thirteenth Supplemental Indenture, and (xviii) $45,000,000 original principal amount University Facilities Revenue Refunding Bond, Series 2016-D, dated December 7, 2016, which was issued under and pursuant to the Thirteenth Supplemental Indenture (herein called the "Series 2016-D Bond" and, together with the Series 1999 Bonds, the Series 2008 Bonds, the Series 2010 Bond, the Series 2012-A Bond, the Series 2012-B Bond, the Series 2013-A Bond, the Series 2013-B Bond, the Series 2013-C Bond, the Series 2014-A Bond, the Series 2015 Bond, the Series 2016 Bonds, the Series 2016-B Bond, the Series 2016-C Bond and the Series 2016-D Bond, the "Outstanding Bonds"); and (b) in Article VIII of the Indenture, the University has reserved the right to issue additional bonds, secured by a pledge of the Pledged Revenues on a parity with the Outstanding Bonds and with such additional bonds as shall have thereafter been issued thereunder, upon compliance with the applicable provisions of said Article VIII;

(6) the Outstanding Bonds are the only bonds heretofore issued under the Indenture that are at this time and upon issuance of the Series 2017 Bonds outstanding under the Indenture; and

(7) the Series 2017 Bonds will be issued for the purposes described in in paragraph (2) of Section 1 hereof.

The Trustee is hereby requested to authenticate and deliver the Series 2017 Bonds to the purchasers specified in Section 6 hereof upon payment of the purchase price designated therein.

Section 2. Authorization of the Series 2017 Bonds. For the purposes specified in Section 1 of this resolution, the Board does hereby authorize to be issued by the University its $38,105,000 University Facilities Revenue Bonds, Series 2017, dated their date of initial issuance (herein called the "Series 2017 Bonds"), all under the terms, conditions and provisions set out in a Fourteenth Supplemental University Facilities Revenue Trust Indenture dated the date of issuance of the Series 2017 Bonds (herein called the "Fourteenth Supplemental

Indenture"), between the University and The Bank of New York Mellon Trust Company, N.A., as trustee (herein called the "Trustee"), which is supplemental to the University Facilities Revenue Trust Indenture between the University and the Trustee dated as of February 15, 1996 (the said Trust Indenture, as heretofore supplemented and amended and as further supplemented and amended by the said Fourteenth Supplemental Indenture, herein called the "Indenture"). All the provisions of the Indenture respecting the Series 2017 Bonds are hereby adopted as a part of this resolution as fully as if set out at length herein.

Section 3. Source of Payment of the Series 2017 Bonds. The principal of and the interest on the Series 2017 Bonds shall be payable solely from Pledged Revenues as defined in the Indenture. Nothing contained in this resolution, in the Series 2017 Bonds or in the Indenture shall be deemed to impose any obligation on the University to pay the principal of or the interest on the Series 2017 Bonds except from and to the extent of the Pledged Revenues. The Series 2017 Bonds shall not represent or constitute obligations of any nature whatsoever of the State of Alabama (herein called the "State") and shall not be payable out of moneys appropriated to the University by the State. The agreements, covenants and representations contained in this resolution, in the Series 2017 Bonds and 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 Series 2017 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, and neither the Series 2017 Bonds nor any obligations arising from the aforesaid pledge or agreements shall be payable out of any moneys appropriated to the University by the State. 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 and contained in the Indenture.

Section 4. Series 2017 Bonds Payable at Par. All remittances of principal of and interest on the Series 2017 Bonds to the holders thereof shall be made at par without any deduction or exchange or other cost, fees or expenses. The bank at which the Series 2017 Bonds shall at any time be payable shall be considered by acceptance of its duties under the Indenture to have agreed that it will make or cause to be made remittances of principal of and interest on the Series 2017 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 all reasonable charges made and expenses incurred by it in making such remittances in bankable funds at par.

Section 5. Authorization of Fourteenth Supplemental Indenture. 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, to The Bank of New York Mellon Trust Company, N.A., as Trustee under the aforesaid Indenture, the Fourteenth Supplemental Indenture in substantially the form presented to the meeting at which this resolution is adopted and attached as Exhibit I to the minutes of said meeting (which form is hereby adopted in all respects as if set out in full in this resolution), and does hereby authorize and direct the Secretary of the Board and

the Chair Pro Tempore of the Board to affix to the Fourteenth Supplemental Indenture the corporate seal of the University and to attest the same.

Section 6. Sale of the Series 2017 Bonds. The Series 2017 Bonds are hereby sold and awarded to Raymond James & Associates, Inc., Protective Securities, a Division of Proequities, Inc., Wells Fargo Securities, and PNC Capital Markets LLC (collectively herein called the "Underwriters"), at and for a purchase price equal to $44,588,608.57 (representing the principal amount of the Series 2017 Bonds less an underwriting discount of $105,703.43, plus original issue premium of $6,589,312). The Board does hereby authorize and direct the President of the University and the Vice President for Finance and Administration to execute and deliver, for and in the name and behalf of the University, a Bond Purchase Agreement with the Underwriters respecting the Series 2017 Bonds, a copy of which is presented to the meeting at which this resolution is adopted and attached as Exhibit II to the minutes of said meeting (which such Bond Purchase Agreement is hereby adopted in all respects as if set out in full in this resolution). The Series 2017 Bonds shall bear such date, shall mature at such times and in such manner, shall bear such rate or rates of interest, shall be payable at such place, shall be in such denomination, shall bear such numbers and shall be in such form and contain such provisions as are set out in the said Bond Purchase Agreement and the Fourteenth Supplemental Indenture authorized in Section 5 above.

Section 7. Preliminary Official Statement; Official Statement. (a) The actions of the Underwriters in circulating, on behalf of the University, a Preliminary Official Statement dated May 17, 2017, respecting the Series 2017 Bonds, a copy of which is attached hereto as Exhibit III, are hereby ratified and affirmed, and the said Preliminary Official Statement is hereby adopted as the Preliminary Official Statement of the University. The Board hereby ratifies and affirms the actions of the President and of other officers of the University in causing the said Preliminary Official Statement to be "deemed final" as of its date within the meaning of Rule 15c2-12(b)(1) promulgated by the U.S. Securities Exchange Commission (the "Rule").

(b) 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 Series 2017 Bonds dated the date of sale of the Series 2017 Bonds, in substantially the form of the Preliminary Official Statement, with such changes as shall be necessary to conform to the provisions of this resolution and to reflect such other changes as shall be approved by the President of the University or the Vice President for Finance and Administration and acceptable to the Underwriters. 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 Series 2017 Bonds.

Section 8. Authorization of Continuing Disclosure Agreement. The President of the University is hereby authorized and directed to execute and deliver, on behalf of the University, a Continuing Disclosure Agreement for the benefit of the beneficial owners of the Series 2017 Bonds, in substantially the form presented to the meeting at which this resolution is adopted (which form shall be attached as Exhibit IV to the minutes of said meeting and which is hereby adopted in all respects as if set out in full in this resolution). The said Continuing

Disclosure Agreement is to be entered into contemporaneously with the issuance of the Series 2017 Bonds in order to assist the Underwriters of the Series 2017 Bonds in complying with the Rule. The rights of enforcement of the said Continuing Disclosure Agreement shall be as provided therein, and in no event shall a default by the University thereunder constitute a default hereunder or under the Indenture.

Section 9. Execution and Delivery of the Series 2017 Bonds. The Board does hereby authorize the President of the University to execute the Series 2017 Bonds, in the name and on behalf of the University, by manually signing each said bond, and does hereby authorize the Secretary of the Board and the Chair Pro Tempore of the Board to cause the corporate seal of the University to be imprinted or impressed on each of the Series 2017 Bonds and to attest the same by signing the Series 2017 Bonds, and the President of the University is hereby authorized and directed to deliver the Series 2017 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 Series 2017 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. Application of Proceeds. The entire proceeds derived by the University from the sale of the Series 2017 Bonds, less and except the underwriter's discount in the amount of $105,703.43 to be retained by the Underwriters and the $75,290.42 premium for the municipal bond insurance policy to be wired directly by the Underwriters to Build America Mutual Assurance Corporation, the provider thereof, shall be paid to the 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 1.6 of the Fourteenth Supplemental Indenture herein authorized.

Section 11. Resolution Constitutes Contract; Severability. The provisions of this resolution shall constitute a contract between the University and the holders of the Series 2017 Bonds. 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 12. General Authorization. The President of the University, the Vice President for Finance and Administration of the University, and the Secretary of the Board and Chair Pro Tempore of the Board are hereby authorized to execute such further agreements, certifications, instruments or other documents, and to take such other actions as any of them may deem appropriate or necessary, for the consummation of the transactions covered by this resolution and to the end that the Series 2017 Bonds may be executed, issued and delivered.

EXHIBIT I

FORM OF FOURTEENTH SUPPLEMENTAL INDENTURE

FOURTEENTH SUPPLEMENTAL UNIVERSITY FACILITIES REVENUE TRUST INDENTURE

between

UNIVERSITY OF SOUTH ALABAMA

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

Dated June 15, 2017

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EXHIBIT A - Specimen Municipal Bond Insurance Policy

FOURTEENTH SUPPLEMENTAL UNIVERSITY FACILITIES REVENUE TRUST INDENTURE between the **UNIVERSITY OF SOUTH ALABAMA**, public body corporate under the laws of Alabama (herein called the "University"), and **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.** (as successor Trustee to AmSouth Bank of Alabama and being herein called the "Trustee"), a national banking association in its capacity as Trustee under the University Facilities Revenue Trust Indenture dated as of February 15, 1996, as heretofore supplemented and amended (herein called the "Indenture").

RECITALS

The University makes the following findings as a basis for the undertakings herein contained:

(a) Pursuant to the provisions of the Indenture, the University has issued and sold its (i) $31,680,000 original principal amount of University Tuition Revenue Refunding and Capital Improvement Bonds, Series 1996, dated February 15, 1996, which are no longer outstanding, (ii) $7,055,000 original principal amount University Tuition Revenue Refunding Bonds, Series 1996B, dated October 15, 1996, which are no longer outstanding, (iii) $40,130,000.70 original principal amount University Tuition Revenue Bonds, Series 1999, dated March 1, 1999 (the "Series 1999 Bonds"), (iv) $51,080,000 original principal amount Tuition Revenue Refunding and Capital Improvement Bonds, Series 2004, dated March 15, 2004, which are no longer outstanding, (v) $100,000,000 original principal amount University Tuition Refunding and Capital Improvement Bonds, Series 2006, dated December 1, 2006 (the "Series 2006 Bonds"), which are no longer outstanding, (vi) $112,885,000 original principal amount University Facilities Revenue Capital Improvement Bonds, Series 2008, dated September 1, 2008 (the "Series 2008 Bonds"), (vii) $29,750,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2010, dated June 16, 2010 (the "Series 2010 Bond"), (viii) $25,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2012-A, dated January 4, 2012 (the "Series 2012-A Bond"), (ix) $7,740,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2012-B, dated January 4, 2012 (the "Series 2012-B Bond"), (x) $32,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2013-A, dated June 28, 2013 (the "Series 2013-A Bond"), (xi) $8,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2013-B, dated June 28, 2013 (the "Series 2013-B Bond"), (xii) $10,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2013-C, dated June 28, 2013 (the "Series 2013-C Bond"), (xiii) $41,245,000 original principal amount University Facilities Revenue Refunding Bond, Series 2014-A, dated March 14, 2014 (the "Series 2014-A Bond"), (xiv) $6,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2015, dated June 15, 2015 (the "Series 2015 Bond"), (xv) $85,605,000 original principal amount University Facilities Revenue Refunding Bonds, Series 2016, dated September 14, 2016 (the "Series 2016 Bonds"), (xvi) $20,000,000 original principal amount University Facilities Revenue Refunding Bond, Series 2016-B, dated December 7, 2016 (the "Series 2016-B Bond"), (xvii) $35,000,000 original principal amount University Facilities Revenue Refunding Bond, Series 2016-C, dated December 7, 2016 (the "Series 2016-C Bond"), and (xviii) $45,000,000 original principal amount University Facilities Revenue Refunding Bond, Series 2016-D, dated December 7, 2016 (the "Series 2016-D Bond").

(b) In Article VIII of the Indenture, the University has reserved the right to issue Additional Bonds, secured by a pledge of the Pledged Revenues on a parity with all Additional Bonds outstanding under the Indenture, including the Series 1999 Bonds, the Series 2008 Bonds, the Series 2010 Bond, the Series 2012-A Bond, the Series 2012-B Bond, the Series 2013-A Bond, the Series 2013-B Bond, the Series 2013-C Bond, the Series 2014-A Bond, the Series 2015 Bond, the Series 2016 Bonds, the Series 2016-B Bond, the Series 2016-C Bond and the Series 2016-D Bond (collectively, the "Outstanding Bonds"), and with such Additional Bonds as shall hereafter be issued upon compliance with the applicable provisions of said Article VIII.

(c) The University has determined it is necessary, wise and in the best interest of the University and the public to (i) pay the costs of various capital improvements at the University hereinafter defined as the 2017 Improvements, and (ii) cover a deposit into the Capitalized Interest Account hereinafter described, with the issuance of Additional Bonds in the aggregate principal amount of $38,105,000. The University has duly adopted a resolution authorizing the issuance of such Additional Bonds and this Fourteenth Supplemental University Facilities Revenue Trust Indenture is executed in order to specify the details with respect to such Additional Bonds.

(d) This Fourteenth Supplemental University Facilities Revenue Trust Indenture is being executed to provide for the issuance of the Series 2017 Bonds (hereinafter referred to) as Additional Bonds under the Indenture.

Additional Definitions

The following definitions are in addition to those contained in the Indenture:

"**Authorized University Officer**" means the President of the University, the Vice President for Finance and Administration, or such other officer of the University as either of the foregoing officers shall have designated in writing to serve as an Authorized University Officer hereunder.

"**Capitalized Interest Period**" shall mean the period of time from the issuance of the Series 2017 Bonds through and including April 1, 2018.

"**Insurance Policy**" means the municipal bond insurance policy issued by the Insurer guaranteeing the scheduled payment of principal of and interest on the Insured Series 2017 Bonds as provided therein.

"**Insured Series 2017 Bonds**" means those of the Series 2017 Bonds maturing on Ocotber 1 of the years 2020 through 2037, inclusive.

"**Insurer**" means Build America Mutual Assurance Company, a New York-domiciled mutual insurance company, or any successor thereto or assignee thereof.

"**Interest Payment Date**" means, with respect to the Series 2017 Bonds, each October 1 and April 1, commencing October 1, 2017.

"**Record Date**" as used in the Indenture shall be, with respect to the Series 2017 Bonds, the September 15 and March 15 preceding each Interest Payment Date.

"**Series 2017 Bonds**" means those Bonds bearing the designation Series 2017, authorized to be issued in the aggregate principal amount of $38,105,000 and dated June 15, 2017.

"**2017 Improvements**" means various capital improvements and assets on the campus of the University including, without limitation, utility and infrastructure improvements and construction costs for a new residence hall, and other capital improvements.

NOW, THEREFORE, THIS FOURTEENTH SUPPLEMENTAL UNIVERSITY FACILITIES REVENUE TRUST INDENTURE

WITNESSETH:

It is hereby agreed among the University, the Trustee and its successors in trust under the Indenture and the holders at any time of the Series 2017 Bonds hereinafter referred to and the Outstanding Bonds each with each of the others, as follows:

ARTICLE I
SERIES 2017 BONDS

Section 1.1 Authorization and Description of the Series 2017 Bonds. There is hereby authorized to be issued by the University under the Indenture a series of Bonds entitled "University Facilities Revenue Bonds, Series 2017", dated June 15, 2017, which shall be issued in the aggregate principal amount of $38,105,000. The Series 2017 Bonds shall mature and become payable on October 1 in the years and amounts shown below. Interest shall be payable on October 1, 2017, and on each Interest Payment Date thereafter, and the Series 2017 Bonds shall bear interest at the per annum rates set forth below, computed on the basis of a 360-day year of twelve consecutive 30-day months:

Maturity (October 1)	Principal Amount	Interest Rate
Uninsured:		
2017	$ 695,000	2.000%
2018	1,180,000	4.000
2019	1,240,000	5.000
Insured:		
2020	1,300,000	5.000
2021	1,370,000	5.000
2022	1,440,000	5.000
2023	1,515,000	5.000
2024	1,590,000	5.000
2025	1,655,000	2.500
2026	1,710,000	5.000
2027	1,805,000	5.000
2028	1,895,000	5.000
2029	1,990,000	5.000

2030	2,095,000	5.000
2031	2,205,000	5.000
2032	2,315,000	5.000
2033	2,435,000	5.000
2034	2,555,000	5.000
2035	2,690,000	5.000
2036	2,825,000	5.000
2037	1,600,000	5.000

The Series 2017 Bonds shall be issued in denominations of $5,000 or any multiple thereof. The Series 2017 Bonds shall be initially issued in the Authorized Denominations and registered in the names of the Holders as shall be designated by the underwriter for the Series 2017 Bonds.

Section 1.2 Redemption Provisions.

Those of the Series 2017 Bonds having stated maturities in 2028 and thereafter shall be subject to redemption prior to their respective maturities, at the option of the University, in whole or in part (but, if in part, in multiples of $5,000 with those of the maturities to be redeemed to be selected by the University at its discretion, and if less than all the Series 2017 Bonds having the same maturity are to be redeemed, those to be redeemed to be selected by the Trustee by lot), on) October 1, 2027, and on any date thereafter, at and for a redemption price for each Series 2017 Bond redeemed equal to the par or face amount thereof plus accrued interest thereon to the date fixed for redemption.

Section 1.3 Payments into Bond Fund; Method of Payment.

(a) The University will pay into the Bond Fund created in the Indenture, in addition to all other payments required to be paid therein, an amount sufficient to pay the principal of and interest on the Series 2017 Bonds when due. The principal of the Series 2017 Bonds shall be payable at maturity at the designated office of the Trustee in the City of Birmingham, Alabama. Interest on the Series 2017 Bonds shall be payable by check or draft mailed or otherwise delivered by the Trustee to the respective Holders thereof at their addresses as they appear on the registry books of the Trustee pertaining to the registration of the Series 2017 Bonds; provided, that the final payment of such interest shall be made only upon surrender of the appropriate Series 2017 Bond to the Trustee. The principal and the interest on the Series 2017 Bonds shall be payable only upon maturity and only upon surrender of such Series 2017 Bonds to the Trustee. All installments of principal of and interest on each Series 2017 Bond shall bear interest after the respective maturities of such principal and interest until paid or until moneys sufficient for payment thereof shall have been deposited for that purpose with the Trustee, whichever first occurs, at the rate of interest borne by such Series 2017 Bond.

(b) Issued in Book-Entry Form. The Series 2017 Bonds shall be initially issued in book-entry only form, registered in the name of Cede & Co., the nominee of The Depository Trust Company, New York, NY ("DTC") as further described in Article II hereof. So long as the said book-entry only system remains in effect, the provisions of this Fourteenth Supplemental Indenture, including the provisions governing the registration and exchange of Series 2017 Bonds,

places and manner of payment of Series 2017 Bonds, and requirements for presentment of Series 2017 Bonds shall be subject to the standard procedures of DTC.

Section 1.4 Form of Series 2017 Bonds. The Series 2017 Bonds and the Trustee's Authentication Certificate applicable thereto shall be in substantially the following form, respectively, with such insertions, omissions and other variations as may be necessary to conform to the provisions hereof:

> Unless this certificate is presented by an authorized representative of The Depository Trust Company ("DTC"), to the University or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of DTC or the DTC Nominee (as defined in the Indenture referenced in this certificate), as the case maybe, or in such other name as is requested by an authorized representative of DTC (and any payment is made to DTC or the DTC Nominee or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, DTC or the DTC Nominee, as the case may be, has an interest herein No.

UNITED STATES OF AMERICA
STATE OF ALABAMA
UNIVERSITY OF SOUTH ALABAMA
University Facilities Revenue Bonds
Series 2017

Interest Rate	**Maturity Date**	**CUSIP Number**

Subject to the provisions as herein stated

For value received, **UNIVERSITY OF SOUTH ALABAMA,** a public body corporate under the laws of the State of Alabama (herein called the "University"), will pay, solely from the sources hereinafter referred to, to **CEDE & CO.**, or registered assigns, the principal sum of

_____**DOLLARS**

on the date specified above, with interest thereon from the date hereof until the maturity hereof at the per annum rate of interest specified above, payable on October 1, 2017, and semiannually thereafter on each April 1 and October 1 until and at the maturity hereof. Interest shall be computed on the basis of a 360-day year with 12 months of 30 days each. The principal of this bond is payable only upon presentation and surrender of this bond at the designated corporate trust office of The Bank of New York Mellon Trust Company, N.A., in the City of Birmingham, Alabama, or its successor as trustee under the Indenture hereinafter referred to. Interest on this bond is payable by check or draft mailed by the Trustee on the interest payment date to the registered holder hereof and at the address shown on the registry books of the Trustee pertaining to the Series 2017 Bonds

as of the close of business on the March 15 or September 15, as the case may be, next preceding the date of payment of such interest.

Interest payments that are due with respect to this bond and that are made by check or draft shall be deemed timely made if such check or draft is mailed by the Trustee on or before the due date of such interest. Both the principal of and the interest on this bond shall bear interest after their respective maturities until paid or until moneys sufficient for payment thereof have been deposited with the Trustee at the per annum rate stated above. The Indenture provides that all payments by the University or the Trustee to the person in whose name a Bond is registered shall to the extent thereof fully discharge and satisfy all liability for the same. Any transferee of this bond takes it subject to all payments of principal and interest in fact made with respect hereto.

This bond is one of a duly authorized issue of bonds (herein called the "Series 2017 Bonds") issuable in series without express limit as to principal amount under a Trust Indenture dated as of February 15, 1996, as heretofore supplemented and amended and as further supplemented and amended by a Fourteenth Supplemental University Facilities Revenue Trust Indenture dated June 15, 2017 (the said Trust Indenture, as so supplemented and amended, being herein called the "Indenture"), between the University and The Bank of New York Mellon Trust Company, N.A., as trustee (herein called the "Trustee"). The principal of and the interest on the Series 2017 Bonds are payable solely out of and are secured by a lien upon and pledge of (a) certain fees from students levied by the University, (b) the gross revenues derived from certain auxiliary enterprises services furnished by the University, including food services, housing, college stores, dining, concessions and other similar services, as such revenues are shown as a separate item on the audited financial statements of the University, (c) additional fees and revenues, if any, that may be subjected to the lien of the Indenture pursuant to a Supplemental Indenture, and (d) an amount not exceeding $10,000,000 in any fiscal year of the University of the gross revenues derived from that certain hospital facility owned and operated by the University and known as USA Children's and Women's Hospital (herein called the "Pledged Revenues"), and shall not be payable from any other funds or revenues, on a parity of lien with (I) the University's (a) $40,130,000.70 original principal amount University Tuition Revenue Bonds, Series 1999, dated March 1, 1999, (b) $112,885,000 original principal amount University Facilities Revenue Capital Improvement Bonds, Series 2008, dated September 1, 2008, (c) $29,750,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2010, dated June 16, 2010, (d) $25,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2012-A, dated January 4, 2012, (e) $7,740,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2012-B, dated January 4, 2012, (f) $32,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2013-A, dated June 28, 2013, (g) $8,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2013-B, dated June 28, 2013, (h) $10,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2013-C, dated June 28, 2013, (i) $41,245,000 original principal amount University Facilities Revenue Refunding Bond, Series 2014-A, dated March 14, 2014, (j) $6,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2015, dated June 15, 2015, (k) $85,605,000 original principal amount University Facilities Revenue Refunding Bonds, Series 2016, dated September 14, 2016, (l) $20,000,000 original principal amount University Facilities Revenue Refunding Bond, Series 2016-B, dated December 7, 2016, (m) $35,000,000 original principal amount University Facilities Revenue Refunding Bond, Series 2016-C, dated December 7, 2016,

and (n) $45,000,000 original principal amount University Facilities Revenue Refunding Bond, Series 2016-D, dated December 7, 2016, and (II) any Additional Bonds hereafter issued pursuant to Article VIII of the Indenture.

Reference is hereby made to the Indenture for a description of the nature and extent of the security afforded thereby, the rights and duties of the University and the Trustee with respect thereto, the rights of the holders of the Series 2017 Bonds and the terms and conditions on which additional series of Bonds may be issued. The Indenture provides, inter alia, (a) that in the event of default by the University in the manner and for the time therein provided, the Trustee may declare the principal of and the interest accrued on this bond immediately due and payable, whereupon the same shall become immediately due and payable, and the Trustee shall be entitled to pursue the remedies provided in the Indenture, (b) that the holder of this bond shall have no right to enforce the provisions of the Indenture except as provided therein and then only for the equal and pro rata benefit of the holders of all the Bonds, and (c) that if this bond shall not be presented for payment when due (whether by maturity or otherwise) and if funds sufficient for such payment shall have been made available to the Trustee therefore, all liability of the University to the holder of such bond and all rights of such holder against the University under such bond or under the Indenture shall cease and terminate and that the sole right of such holder shall thereafter be against the said funds so made available, which the Trustee is required to set aside and hold, subject to any applicable escheat or other similar law, for the benefit of such holder. The Indenture also provides that the University and the Trustee, with the written consent of the holders of not less than a majority in aggregate principal amount of the Bonds then outstanding under the Indenture, may at any time and from time to time amend the Indenture or any indenture supplemental thereto, provided that no such amendment shall (1) without the consent of the holder of each Bond affected, reduce the principal of or the rate of interest on any Bond, or (2) without the consent of the holders of all the Bonds then outstanding under the Indenture, extend the maturity of any installment of principal or interest on any of the Bonds, make any change in the schedule of required sinking fund or other similar payments with respect to any series of the Bonds, create a lien or charge on the Pledged Revenues ranking prior to or (except in connection with the issuance of additional parity bonds under the Indenture) on a parity with the lien or charge thereon contained in the Indenture, effect a preference or priority of any Bond over any other Bond or reduce the aggregate principal amount of Bonds the holders of which are required to consent to any such amendment.

The series of Bonds of which this is one is designated Series 2017 and is authorized to be issued in the aggregate principal amount of $38,105,000.

Those of the Series 2017 Bonds having a stated maturity on October 1, 2028, and thereafter shall be subject to redemption and payment by the University, at the option of the University, as a whole or in part on October 1, 2027, and on any date thereafter (but if redeemed in part, (i) of such maturity or maturities as the University shall designate, and if less than all the Series 2017 Bonds of a single maturity are to be redeemed, those to be redeemed to be selected by the Trustee by lot, and (ii) only in installments of $5,000 or any integral multiple thereof), at and for a redemption price equal to the par or face amount thereof plus accrued interest to the date fixed for redemption.

The Series 2017 Bonds are not general obligations of the University, and the covenants and representations herein contained or contained in the Indenture do not and shall never constitute a

personal or pecuniary liability or charge against the general credit of the University. The Series 2017 Bonds are not obligations or debts of the State of Alabama nor are the faith and credit of said state pledged for payment thereof, and neither the principal of nor interest on said bonds is payable out of any moneys provided for or appropriated to the University by the State of Alabama.

It is hereby certified that all conditions, actions and things required by the Constitution and laws of Alabama to exist, be performed and happen precedent to or in the issuance of this bond do exist, have been performed and have happened in due and legal form.

The Series 2017 Bonds are issuable only as fully registered bonds in the denomination of $5,000 or any integral multiple thereof. Provision is made in the Indenture for the exchange of Bonds for a like aggregate principal amount of Bonds of the same maturity and interest rate and in an authorized denomination, all as may be requested by the holder surrendering the Bond or Bonds to be so exchanged and upon the terms and conditions specified in the Indenture.

This bond is transferable by the registered holder hereof in person, or by duly authorized attorney, only on the registry books of the Trustee pertaining to the Bonds and only upon surrender of this bond to the Trustee for cancellation, and upon any such transfer a new Bond of like tenor herewith will be issued to the transferee in exchange therefore, all as more particularly provided in the Indenture. Each holder, by receiving and accepting this bond, shall consent and agree and shall be estopped to deny that, insofar as the University and the Trustee are concerned, this bond may be transferred only in accordance with the provisions of the Indenture. The Trustee shall not be required so to transfer or exchange this bond during the period of fifteen days next preceding any interest payment date with respect thereto.

Execution by the Trustee of its authentication certificate hereon is essential to the validity hereof and is conclusive of the due issue hereof under the Indenture.

IN WITNESS WHEREOF, the University has caused this bond to be executed in its name and behalf with the signature of its President, has caused a facsimile of its corporate seal to be hereunto imprinted, has caused this bond to be attested by the signature of the Chair Pro Tempore of its Board of Trustees, and has caused this bond to be dated June 15, 2017.

UNIVERSITY OF SOUTH ALABAMA

By:_____
President

[SEAL]

Attest:

_____
Chair Pro Tempore
of the Board of Trustees

Form of Trustee's Authentication Certificate

Date of Authentication and Registration:

The within bond is one of those described in the within-mentioned Trust Indenture.

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., Trustee

By:_____
Its Authorized Officer

Form of Assignment

For value received, the undersigned hereby sell(s), assign(s) and transfer(s) unto _____ the within bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, with full power of substitution in the premises, to transfer this bond on the books of the within-mentioned Trustee.

DATED this ____ day of _____, ____.

_____

NOTE: The signature on this assignment must correspond with the name of the registered owner as it appears on the face of the within bond in every particular, without alteration, enlargement or change whatsoever.

Signature guaranteed:

_____

(Bank, Broker or Firm)*

By _____

(Authorized Officer)

Its Medallion Number: _____

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* Signature(s) must be guaranteed by an eligible guarantor institution which is a member of a recognized signature guarantee program, i.e., Securities Transfer Agents Medallion Program (STAMP), Stock Exchanges Medallion Program (SEMP), or New York Stock Exchange Medallion Signature Program (MSP).

[Form of Statement of Insurance]

Build America Mutual Assurance Company (herein called "BAM"), New York, New York, has delivered its municipal bond insurance policy (herein called the "Policy") with respect to the scheduled payments due of principal of and interest on Series 2017 Bonds maturing on October 1 of the years 2020 through 2037, inclusive (the "Insured Bonds") to The Bank of New York Mellon Trust Company, N.A., Birmingham, Alabama, or its successor, as trustee and paying agent for the Bonds (herein called the "Trustee"). Said Policy is on file and available for inspection at the principal office of the Trustee and a copy thereof may be obtained from BAM or the Trustee. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. By its purchase of these Insured Bonds, the owner acknowledges and consents to the subrogation and all other rights of BAM as more fully set forth in the Policy.

Section 1.5 Execution and Delivery of the Series 2017 Bonds. The Series 2017 Bonds shall be forthwith executed and delivered to the Trustee and shall be authenticated and delivered by the Trustee from time to time upon receipt by the Trustee of an order signed on behalf of the University by its President, requesting such authentication and delivery and designating the person or persons to receive the same or any part thereof.

Section 1.6 Application of Proceeds from Sale of Series 2017 Bonds. The entire proceeds derived by the University from the sale of the Series 2017 Bonds (less the underwriting discount to be retained by the underwriter for the Series 2017 Bonds and less the sum of $75,290.42 to be paid directly by the Underwriter for the Series 2017 Bonds to the Insurer for the premium for the Insurance Policy) shall be paid to the Trustee and promptly thereafter applied by the Trustee for the following purposes and in the following order:

(a) the sum of $805,685.83 shall be deposited into the Capitalized Interest Account;

(b) the sum of $43,500,000 shall be deposited into a special fund or account of the University and used to pay the costs of the 2017 Improvements (the "2017 Construction Fund"); and

(c) the balance $388,626.27 shall be deposited by the Trustee into a special clearing account herein authorized for the Trustee to create and establish,

and applied by the Trustee for payment of those costs of issuing the Series 2017 Bonds identified in a written directive from an Authorized University Officer to the Trustee on the date of issuance of the Series 2017 Bonds, with any funds remaining in said clearing account following the date of issuance of the Series 2017 Bonds to be remitted by the Trustee to the 2017 Construction Fund.

ARTICLE II
BOOK-ENTRY ONLY SYSTEM

The Series 2017 Bonds will be issued as fully-registered bonds in the name of Cede & Co., as nominee of DTC, as registered owner of the Series 2017 Bonds. Purchasers of such Series 2017 Bonds will not receive physical delivery of Series 2017 Bond certificates. For purposes of this Fourteenth Supplemental Indenture, so long as all of the Series 2017 Bonds are in the custody of DTC, references to Series 2017 Bondholders or Owners shall mean DTC or its nominee.

DTC will act as securities depository for the Series 2017 Bonds. The Series 2017 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2017 Bond will be issued for each maturity of each series of the Series 2017 Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 7A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2017 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2017 Bonds on DTC's records. The

ownership interest of each actual purchaser of each Series 2017 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2017 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2017 Bonds, except in the event that use of the book-entry system for the Series 2017 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2017 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2017 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2017 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2017 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2017 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2017 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2017 Bond documents. For example, Beneficial Owners of Series 2017 Bonds may wish to ascertain that the nominee holding the Series 2017 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2017 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2017 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2017 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2017 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and

corresponding detail information from the University or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Series 2017 Bonds held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the University, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the University or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

NEITHER THE UNIVERSITY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH PARTICIPANTS, OR TO THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE SERIES 2017 BONDS, OR TO ANY BENEFICIAL OWNER IN RESPECT OF THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT, THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT IN RESPECT OF THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE SERIES 2017 BONDS, ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO SERIES 2017 BONDHOLDERS UNDER THE FOURTEENTH SUPPLEMENTAL INDENTURE, THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF PARTIAL REDEMPTION OF THE SERIES 2017 BONDS WITH RESPECT TO LESS THAN ALL OF THE SERIES 2017 BONDS, OR ANY OTHER ACTION TAKEN BY DTC AS REGISTERED SERIES 2017 BONDHOLDER.

For every transfer and exchange of the Series 2017 Bonds, the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto, and any reasonable fees and expenses of the Trustee and the costs incurred in preparing Series 2017 Bond certificates.

DTC may discontinue providing its services as securities depository with respect to the Series 2017 Bonds at any time by giving reasonable notice to the University. In the event of the discontinuance of the book-entry system for the Series 2017 Bonds, Series 2017 Bond certificates will be printed and delivered and the following provisions of the Indenture will apply: (i) principal of the Series 2017 Bonds will be payable upon surrender of the Series 2017 Bonds at the designated office of the Trustee; (ii) Series 2017 Bonds may be transferred or exchanged for other Series 2017 Bonds of authorized denominations as set forth in the next succeeding two paragraphs; and (iii) Series 2017 Bonds will be issued in denominations as described in the front portion of the Official Statement under "THE SERIES 2017 BONDS".

In the event of the discontinuance of the use of the system of book-entry-only transfers through DTC (or a successor depository), Series 2017 Bond certificates will be printed and delivered to DTC.

The information in this article concerning DTC and DTC's book-entry system has been obtained from sources that the University believes to be reliable, but the University takes no responsibility for the accuracy thereof.

ARTICLE III
CAPITALIZED INTEREST ACCOUNT

Section 3.1 Capitalized Interest Account. There is hereby created a special account, the full name of which shall be the "2017 Capitalized Interest Account". The Trustee shall be and remain the depository, custodian and disbursing agent for the 2017 Capitalized Interest Account. Contemporaneously with the issuance of the Series 2017 Bonds, there shall be deposited into the Capitalized Interest Account the amount required pursuant to Section 1.6(a) hereof. During the Capitalized Interest Period, the Trustee shall apply amounts in the Capitalized Interest Account to the payment of interest on the Series 2017 Bonds, as and when the same becomes due and payable by withdrawing from said account funds to cover such interest (or, if less than the amount of interest then due is on deposit in said account, all funds then in such account) and depositing the same into the Bond Fund created in the Indenture on at least the day immediately prior to the Interest Payment Date when due. Amounts in the Capitalized Interest Account may be invested by the Trustee in the same manner as funds in the Bond Fund of the Indenture. Any amounts in the Capitalized Interest Account remaining after the Capitalized Interest Period shall be deposited into the Bond Fund of the Indenture and used to cover interest on the Series 2017 Bonds.

ARTICLE IV
CERTAIN PROVISIONS REGARDING THE INSURER

Section 4.1 Applicability of this Article. Notwithstanding anything to the contrary contained in the Indenture, so long as the Insurance Policy remains in full force and effect and the insurer is not then in payment default under the Insurance Policy, the provisions of this Article 4 shall apply for the benefit of the Insurer; provided that to the extent that the Insurer has made any payment of principal of or interest on the Insured Series 2017 Bonds, it shall retain its rights of subrogation hereunder and under the insurance Policy.

Section 4.2 Requirements of the Insurer.

(a) Notice and Other Information to be given to BAM. The Issuer will provide BAM with all notices and other information it is obligated to provide (i) under its Continuing Disclosure Agreement and (ii) to the holders of Insured Obligations or the Trustee under the Security Documents. The notice address of BAM is: Build America Mutual Assurance Company, 200 Liberty Street, 27th Floor, New York, NY 10281, Attention: Surveillance, Re: Policy No. _____, Telephone: (212) 235-2500, Telecopier: (212) 235-1542, Email: notices@buildamerica.com. In each case in which notice or other communication refers to an event of default or a claim on the Policy, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel at the same address and at claims@buildamerica.com or at Telecopier: (212) 235-5214 and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

(b) Defeasance. The investments in the defeasance escrow relating to Insured Obligation shall be limited to non-callable, direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, or as otherwise maybe authorized under State law and approved by BAM.

At least (three) 3 Business Days prior to any defeasance with respect to the Insured Obligations, the Issuer shall deliver to BAM draft copies of an escrow agreement, an opinion of bond counsel regarding the validity and enforceability of the escrow agreement and the defeasance of the Insured Obligations, a verification report (a "Verification Report") prepared by a nationally recognized independent financial analyst or firm of certified public accountants regarding the sufficiency of the escrow fund. Such opinion and Verification Report shall be addressed to BAM and shall be in form and substance satisfactory to BAM. In addition, the escrow agreement shall provide that:

(i) Any substitution of securities following the execution and delivery of the escrow agreement shall require the delivery of a Verification Report, an opinion of bond counsel that such substitution will not adversely affect the exclusion (if interest on the Insured Obligations is excludable) from gross income of the holders of the Insured Obligations of the interest on the Insured Obligations for federal income tax purposes and the prior written consent of BAM, which consent will not be unreasonably withheld.

(ii) The Issuer will not exercise any prior optional redemption of Insured Obligations secured by the escrow agreement or any other redemption other than mandatory sinking fund redemptions unless (i) the right to make any such redemption has been expressly reserved in the escrow agreement and such reservation has been disclosed in detail in the official statement for the refunding bonds, and (ii) as a condition to any such redemption there shall be provided to BAM a Verification Report as to the sufficiency of escrow receipts without reinvestment to meet the escrow requirements remaining following any such redemption.

(iii) The Issuer shall not amend the escrow agreement or enter into a forward purchase agreement or other agreement with respect to rights in the escrow without the prior written consent of BAM.

(c) Trustee and Paying Agent.

(i) BAM shall receive prior written notice of any name change of the trustee (the "Trustee") or, if applicable, the paying agent (the "Paying Agent") for the Insured Obligations or the resignation or removal of the Trustee or, if applicable, the Paying Agent. Any Trustee must be (A) a national banking association that is supervised by the Office of the Comptroller of the Currency and has at least $250 million of assets, (B) a state-chartered commercial bank that is a member of the Federal Reserve System and has at least $1 billion of assets, or (C) otherwise approved by BAM in writing.

(ii) No removal, resignation or termination of the Trustee or, if applicable, the Paying Agent shall take effect until a successor, acceptable to BAM, shall be qualified and appointed.

(d) Amendments, Supplements and Consents. BAM's prior written consent is required for all amendments and supplements to the Security Documents, with the exceptions noted below. The Issuer shall send copies of any such amendments or supplements to BAM and the rating agencies which have assigned a rating to the Insured Obligations.

(i) *Consent of BAM.* Any amendments or supplements to the Security Documents shall require the prior written consent of BAM with the exception of amendments or supplements:

(1) To cure any ambiguity or formal defect or omissions or to correct any inconsistent provisions in the transaction documents or in any supplement thereto, or

(2) To grant or confer upon the holders of the Insured Obligations any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the holders of the Insured Obligations, or

(3) To add to the conditions, limitations and restrictions on the issuance of bonds or other obligations under the provisions of the Security Documents other conditions, limitations and restrictions thereafter to be observed, or

(4) To add to the covenants and agreements of the Issuer in the Security Documents other covenants and agreements thereafter to be observed by the Issuer or to surrender any right or power therein reserved to or conferred upon the Issuer.

(5) To issue additional parity debt in accordance with the requirements set forth in the Security Documents.

(ii) *Consent of BAM in Addition to Bondholder Consent.* Any amendment, supplement, modification to, or waiver of, any of the Security Documents that requires the consent of holders of the Insured Obligations or adversely affects the rights or interests of BAM shall be subject to the prior written consent of BAM.

(iii) *Insolvency.* Any reorganization or liquidation plan with respect to the Issuer must be acceptable to BAM. The Trustee and each owner of the Insured Obligations hereby appoint BAM as their agent and attorney-in-fact with respect to the Insured Obligations and agree that BAM may at any time during the continuation of any proceeding by or against the Issuer or Obligor under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding") direct all matters relating to such Insolvency Proceeding, including without limitation, (A) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Proceeding (a "Claim"), (B) the direction of any appeal of any order relating to any Claim, (C) the posting of any surety, supersedeas or performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, the Trustee and each owner of the Insured Obligations

delegate and assign to BAM, to the fullest extent permitted by law, the rights of the Trustee and each owner of the Insured Obligations with respect to the Insured Obligations in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding.

(iv) *Control by BAM Upon Default.* Anything in the Security Documents to the contrary notwithstanding, upon the occurrence and continuance of a default or an event of default, BAM shall be entitled to control and direct the enforcement of all rights and remedies granted to the holders of the Insured Obligations or the Trustee or Paying Agent for the benefit of the holders of the Insured Obligations under any Security Document. No default or event of default may be waived without BAM's written consent.

(v) *BAM as Owner.* Upon the occurrence and continuance of a default or an event of default, BAM shall be deemed to be the sole owner of the Insured Obligations for all purposes under the Security Documents, including, without limitations, for purposes of exercising remedies and approving amendments.

(vi) *Consent of BAM for acceleration.* BAM's prior written consent is required as a condition precedent to and in all instances of acceleration of the Insured Obligations.

(vii) *Grace Period for Payment Defaults.* No grace period shall be permitted for payment defaults on the Insured Obligations. No grace period for a covenant default shall exceed 30 days without the prior written consent of BAM.

(viii) *Special Provisions for Insurer Default.* If an Insurer Default shall occur and be continuing, then, notwithstanding anything in paragraphs (d)(i)-(v) above to the contrary, (1) if at any time prior to or following an Insurer Default, BAM has made payment under the Policy, to the extent of such payment BAM shall be treated like any other holder of the Insured Obligations for all purposes, including giving of consents, and (2) if BAM has not made any payment under the Policy, BAM shall have no further consent rights until the particular Insurer Default is no longer continuing or BAM makes a payment under the Policy, in which event, the foregoing clause (1) shall control. For purposes of this paragraph, "Insurer Default" means: (A) BAM has failed to make any payment under the Policy when due and owing in accordance with its terms; or (B) BAM shall (i) voluntarily commence any proceeding or file any petition seeking relief under the United States Bankruptcy Code or any other Federal, state or foreign bankruptcy, insolvency or similar law, (ii) consent to the institution of or fail to controvert in a timely and appropriate manner, any such proceeding or the filing of any such petition, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator or similar official for such party or for a substantial part of its property, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, or (vi) take action for the purpose of effecting any of the foregoing; or (C) any state or federal agency or instrumentality shall order the suspension of payments on the Policy or shall obtain an order or grant approval for the rehabilitation, liquidation, conservation or dissolution of BAM (including without limitation under the New York Insurance Law).

(e) BAM As Third Party Beneficiary. BAM is recognized as and shall be deemed to be a third party beneficiary of the Security Documents and may enforce the provisions of the Security Documents as if it were a party thereto.

(f) Payment Procedure Under the Policy.

In the event that principal and/or interest due on the Insured Obligations shall be paid by BAM pursuant to the Policy, the Insured Obligations shall remain outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Issuer, the assignment and pledge of the trust estate and all covenants, agreements and other obligations of the Issuer to the registered owners shall continue to exist and shall run to the benefit of BAM, and BAM shall be subrogated to the rights of such registered owners.

In the event that on the second (2^{nd}) business day prior to any payment date on the Insured Obligations, the Paying Agent or Trustee has not received sufficient moneys to pay all principal of and interest on the Insured Obligations due on such payment date, the Paying Agent or Trustee shall immediately notify BAM or its designee on the same business day by telephone or electronic mail, of the amount of the deficiency. If any deficiency is made up in whole or in part prior to or on the payment date, the Paying Agent or Trustee shall so notify BAM or its designee.

In addition, if the Paying Agent or Trustee has notice that any holder of the Insured Obligations has been required to disgorge payments of principal of or interest on the Insured Obligations pursuant to a final, non-appealable order by a court of competent jurisdiction that such payment constitutes an avoidable preference to such holder within the meaning of any applicable bankruptcy law, then the Paying Agent or Trustee shall notify BAM or its designee of such fact by telephone or electronic mail, or by overnight or other delivery service as to which a delivery receipt is signed by a person authorized to accept delivery on behalf of BAM.

The Paying Agent or Trustee shall irrevocably be designated, appointed, directed and authorized to act as attorney-in-fact for holders of the Insured Obligations as follows:

(i) If there is a deficiency in amounts required to pay interest and/or principal on the Insured Obligations, the Paying Agent or Trustee shall (1) execute and deliver to BAM, in form satisfactory to BAM, an instrument appointing BAM as agent and attorney-in-fact for such holders of the Insured Obligations in any legal proceeding related to the payment and assignment to BAM of the claims for interest on the Insured Obligations, (2) receive as designee of the respective holders (and not as Paying Agent) in accordance with the tenor of the Policy payment from BAM with respect to the claims for interest so assigned, (3) segregate all such payments in a separate account (the "BAM Policy Payment Account") to only be used to make scheduled payments of principal of and interest on the Insured Obligation, and (4) disburse the same to such respective holders; and

(ii) If there is a deficiency in amounts required to pay principal of the Insured Obligations, the Paying Agent or Trustee shall (i) execute and deliver to BAM, in form satisfactory to BAM, an instrument appointing BAM as agent and attorney-in-fact for such holder of the Insured Obligations in any legal proceeding related to the payment of such principal and an assignment to BAM of the Insured Obligations surrendered to BAM, (ii)

receive as designee of the respective holders (and not as Paying Agent) in accordance with the tenor of the Policy payment therefore from BAM, (iii) segregate all such payments in the BAM Policy Payment Account to only be used to make scheduled payments of principal of and interest on the Insured Obligation, and (iv) disburse the same to such holders.

The Trustee shall designate any portion of payment of principal on Insured Obligations paid by BAM, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Insured Obligations registered to the then current holder, whether DTC or its nominee or otherwise, and shall issue a replacement Insured Obligation to BAM, registered in the name directed by BAM, in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee's failure to so designate any payment or issue any replacement Insured Obligation shall have no effect on the amount of principal or interest payable by the Issuer on any Insured Obligation or the subrogation or assignment rights of BAM.

Payments with respect to claims for interest on and principal of Insured Obligations disbursed by the Paying Agent or Trustee from proceeds of the Policy shall not be considered to discharge the obligation of the Issuer with respect to such Insured Obligations, and BAM shall become the owner of such unpaid Insured Obligations and claims for the interest in accordance with the tenor of the assignment made to it under the provisions of the preceding paragraphs or otherwise. The Security Documents shall not be discharged or terminated unless all amounts due or to become due to BAM have been paid in full or duly provided for. Irrespective of whether any such assignment is executed and delivered, the Issuer, and the Paying Agent and Trustee agree for the benefit of BAM that:

(i) they recognize that to the extent BAM makes payments directly or indirectly (*e.g.*, by paying through the Paying Agent or Trustee), on account of principal of or interest on the Insured Obligations, BAM will be subrogated to the rights of such holders to receive the amount of such principal and interest from the Issuer/Obligor, with interest thereon, as provided and solely from the sources stated in the Security Documents and the Insured Obligations; and

(ii) they will accordingly pay to BAM the amount of such principal and interest, with interest thereon as provided in the transaction documents and the Insured Obligations, but only from the sources and in the manner provided therein for the payment of principal of and interest on the Insured Obligations to holders, and will otherwise treat BAM as the owner of such rights to the amount of such principal and interest.

(g) Additional Payments. The Issuer agrees unconditionally that it will pay or reimburse BAM on demand any and all reasonable charges, fees, costs, losses, liabilities and expenses that BAM may pay or incur, including, but not limited to, fees and expenses of BAM's agents, attorneys, accountants, consultants, appraisers and auditors and reasonable costs of investigations, in connection with the administration (including waivers and consents, if any), enforcement, defense, exercise or preservation of any rights and remedies in respect of the Security

Documents ("Administrative Costs"). For purposes of the foregoing, costs and expenses shall include a reasonable allocation of compensation and overhead attributable to the time of employees of BAM spent in connection with the actions described in the preceding sentence. The Issuer agrees that failure to pay any Administrative Costs on a timely basis will result in the accrual of interest on the unpaid amount at the Late Payment Rate, compounded semi-annually, from the date that payment is first due to BAM until the date BAM is paid in full.

Notwithstanding anything herein to the contrary, the Issuer agrees to pay to BAM (i) a sum equal to the total of all amounts paid by BAM under the Policy ("BAM Policy Payment"); and (ii) interest on such BAM Policy Payments from the date paid by BAM until payment thereof in full by the Issuer, payable to BAM at the Late Payment Rate per annum (collectively, "BAM Reimbursement Amounts") compounded semi-annually. The Issuer hereby covenants and agrees that the BAM Reimbursement Amounts are payable from and secured by a lien on and pledge of the same revenues and other collateral pledged to the Insured Obligations on a parity with debt service due on the Insured Obligations.

(h) Exercise of Rights by BAM. The rights granted to BAM under the Security Documents to request, consent to or direct any action are rights granted to BAM in consideration of its issuance of the Policy. Any exercise by BAM of such rights is merely an exercise of the BAM's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the holders of the Insured Obligations and such action does not evidence any position of BAM, affirmative or negative, as to whether the consent of the holders of the Insured Obligations or any other person is required in addition to the consent of BAM.

(i) Entitlement to Pay Debt Service. BAM shall be entitled to pay principal or interest on the Insured Obligations that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer (as such terms are defined in the Policy) and any amounts due on the Insured Obligations as a result of acceleration of the maturity thereof in accordance with the Security Documents, whether or not BAM has received a claim upon the Policy.

(j) No Contract. No contract shall be entered into or any action taken by which the rights of BAM or security for or source of payment of the Insured Obligations may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of BAM; provided, this provision shall not be interpreted to require consent from BAM to the execution of a supplemental indenture for the issuance of Additional Bonds under the Indenture.

(k) Definitions. For purposes of this Article IV, the following terms have the following meanings:

"BAM" shall mean Build America Mutual Assurance Company, or any successor thereto.

"Insured Obligations" shall mean those of the Series 2017 Bonds maturing on October 1 in the years 2020 through 2037.

"Issuer" shall mean the University.

"Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank, N.A., at its principal

office in The City of New York, New York, as its prime or base lending rate ("Prime Rate") (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank, N.A.) plus 3%, and (ii) the then applicable highest rate of interest on the Insured Obligations and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. In the event JPMorgan Chase Bank, N.A., ceases to announce its Prime Rate, the Prime Rate shall be the prime or base lending rate of such other bank, banking association or trust company as BAM, in its sole and absolute discretion, shall designate. Interest at the Late Payment Rate on any amount owing to BAM shall be computed on the basis of the actual number of days elapsed in a year of 360 days.

"Policy" shall mean the Municipal Bond Insurance Policy issued by BAM that guarantees the scheduled payment of principal of and interest on the Insured Obligations when due.

"Security Documents" shall mean the resolution, trust agreement, indenture, ordinance, loan agreement, lease agreement, bond, note, certificate and/or any additional or supplemental document executed in connection with the Insured Obligations.

ARTICLE V
MISCELLANEOUS

Section 5.1 Concerning the Code. (a) **General.** The University recognizes that the Code imposes certain conditions to the exemption from federal income taxation of interest income on the Series 2017 Bonds. The University agrees that it will continually comply with all requirements imposed by the Code as a condition to the exemption from federal income taxation of the interest income on the Series 2017 Bonds. With respect to any question arising under this Section 5.1, the University may rely upon an opinion of nationally recognized bond counsel acceptable to it.

(b) **Series 2017 Bonds not to be "Private Activity Bonds".** The University will not apply the proceeds of the Series 2017 Bonds in any manner that would cause the Series 2017 Bonds to be "private activity bonds" within the meaning of Section 141(a) of the Code.

(c) **Concerning the Arbitrage Provisions of the Code.** The University agrees that it will comply with all provisions of the Code necessary to preclude the Series 2017 Bonds from being considered "arbitrage bonds" within the meaning of Section 148 of the Code.

(d) **Provisions Respecting Registration of Series 2017 Bonds to Comply with Provisions of Code.** The University and the Trustee recognize that the provisions of the Code require that the Series 2017 Bonds be in "registered form" and that, in general, the Series 2017 Bonds must be registered as to both principal and interest and any transfer of the Series 2017 Bonds must be effected only by the surrender of the old bond and either by the reissuance of the old bond to a new Holder or the issuance of a new bond to a new Holder. The Trustee may conclusively rely upon an opinion of nationally recognized bond counsel with respect to any question which may arise pertaining to the transfer, exchange or reissuance of the Series 2017 Bonds.

Section 5.2 Confirmation of Indenture. All the terms, covenants and conditions of the Indenture, as supplemented hereby, are hereby in all respects ratified and confirmed, and the Indenture as so supplemented shall continue in full force and effect. In addition, each of the Trustee and the University confirms that the Trustee shall have no duties, express or implied, respecting the Capitalized Interest Account during any time when the Trustee is not the depository thereof or respecting any other construction funds established under the Indenture for which the Trustee is not the depository.

Section 5.3 Confirmation of Pledges. The provisions of the Indenture, wherein the Pledged Revenues are pledged for payment of all Bonds issued under the Indenture, are hereby ratified and confirmed.

Section 5.4 Construction of Fourteenth Supplemental University Facilities Revenue Trust Indenture. No provisions of this Fourteenth Supplemental University Facilities Revenue Trust Indenture shall be construed to limit or restrict, either expressly or impliedly, the obligations of the University contained in the Indenture or the powers of the Trustee thereunder, nor shall the provisions of this Fourteenth Supplemental University Facilities Revenue Trust Indenture be construed in any manner inconsistent with the provisions of the Indenture or in any manner that would adversely affect the interest of the Holders of any Series 2017 Bonds.

Section 5.5 Severability. In the event that any provision hereof shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 5.6 No Broker Confirmations. The University agrees that broker confirmations of investments in connection with the Series 2017 Bonds are not required to be issued by the Trustee for each month in which a monthly statement is rendered by the Trustee.

Section 5.7 Electronic Communications. The Trustee shall have the right to accept and act upon directions or instructions given by the University and delivered using Electronic Means (defined below); provided, however, that the University shall provide to the Trustee an incumbency certificate listing Authorized Officers with the authority to provide such directions or instructions (each an "Authorized Officer") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the University elects to give the Trustee directions or instructions using Electronic Means and the Trustee in its discretion elects to act upon such directions or instructions, the Trustees' understanding of such directions or instructions shall be deemed controlling. The University understands and agrees that the Trustee cannot determine the identity of the actual sender of such directions or instructions and that the Trustee shall conclusively presume that directions or instructions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The University shall be responsible for ensuring that only Authorized Officers transmit such directions or instructions to the Trustee and that all Authorized Officers treat applicable user and authorization codes, passwords and/or authentication keys as confidential and with extreme care. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such directions or instructions notwithstanding such directions or instructions conflict or are inconsistent with a

subsequent written direction or written instruction. The University agrees: (i) to assume all risks arising out of the use of Electronic Means to submit directions or instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized directions or instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting directions or instructions to the Trustee and that there may be more secure methods of transmitting directions or instructions; (iii) that the security procedures (if any) to be followed in connection with its transmission of directions or instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures. "Electronic Means" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys, or another method or system specified by the Trustee as available for use in connection with its services hereunder.

[Signature page follows]

IN WITNESS WHEREOF, the University has caused this Fourteenth Supplemental University Facilities Revenue Trust Indenture to be executed in its name and behalf by the President of the University, has caused its corporate seal to be hereunto affixed, and has caused this Fourteenth Supplemental University Facilities Revenue Trust Indenture to be attested by the Chair Pro Tempore of its Board of Trustees, and the Trustee has caused this Fourteenth Supplemental University Facilities Revenue Trust Indenture to be executed in its name and behalf, has caused its corporate seal to be hereunto affixed and has caused this Fourteenth Supplemental University Facilities Revenue Trust Indenture to be attested, all by its duly authorized officers, and the University and the Trustee have caused this Fourteenth Supplemental University Facilities Revenue Trust Indenture to be so executed in several counterparts, each of which shall be deemed an original, and have caused this Fourteenth Supplemental University Facilities Revenue Trust Indenture to be dated June 15, 2017.

UNIVERSITY OF SOUTH ALABAMA

By:_____
President

[SEAL]

Attest:

_____
Chair Pro Tempore
Secretary of the Board of Trustees

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

By:_____

Its: _____

[SEAL]

Attest:

By: _____

Its:_____

STATE OF ALABAMA)

COUNTY OF MOBILE)

I, _____ a Notary Public in and for said county in said state, hereby certify that G. Scott Weldon, whose name as the President of the **UNIVERSITY OF SOUTH ALABAMA,** a public body corporate under the laws of Alabama, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of the within instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said public corporation.

GIVEN under my hand and official seal of office, this _____ day of June, 2017.

[NOTARIAL SEAL]

_____
Notary Public

STATE OF ALABAMA)

COUNTY OF JEFFERSON)

I, _____, a Notary Public in and for said county in said state, hereby certify that [Stuart Statham], whose name as Vice President of **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,** in its capacity as Trustee under that certain Trust Indenture dated as of February 15, 1996, between it and the University of South Alabama, as supplemented, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of the within instrument, as such officer and with full authority, executed the same voluntarily for and as the act of said bank, in its capacity as trustee as aforesaid.

GIVEN under my hand and official seal of office, this _____ day of June, 2017.

[NOTARIAL SEAL]

_____
Notary Public

EXHIBIT A

Specimen Municipal Bond Insurance Policy

EXHIBIT II
BOND PURCHASE AGREEMENT

UNIVERSITY OF SOUTH ALABAMA

UNIVERSITY FACILITIES REVENUE BONDS, SERIES 2017

BOND PURCHASE AGREEMENT

June 2, 2017

University of South Alabama
Mobile, Alabama

Ladies and Gentlemen:

Raymond James & Associates, Inc. (the "Representative"), for itself and on behalf of the firms listed on Exhibit A attached hereto (collectively, the "Underwriters"), offers to enter into the following agreement (this "Bond Purchase Agreement") with University of South Alabama (the "University"), which upon the University's acceptance of this offer, will be binding upon the Underwriters and upon the University. This offer is made subject to the University's acceptance on or before 2:00 p.m., Mobile, Alabama time, on June 2, 2017, and if not so accepted, will be subject to withdrawal by the Representative upon notice to the University at any time prior to the acceptance hereof by the University.

1. **Purchase and Sale.** Upon the terms and conditions and upon the basis of the representations and agreements set forth herein, the Underwriters hereby agree to purchase from the University for offering to the public and the University hereby agrees to sell and deliver to the Underwriters for such purpose, all of the University's $38,105,000 University Facilities Revenue Bonds, Series 2017 (the "Series 2017 Bonds"). The Series 2017 Bonds shall be dated their date of initial delivery and shall be issued in such principal amounts, mature on such dates, bear such rates of interest and be subject to redemption as set forth in Exhibit B attached hereto. Interest on the Series 2017 Bonds shall be payable on April 1 and October 1 in each year to maturity or earlier redemption, commencing October 1, 2017. The Series 2017 Bonds shall be paid for by the Underwriters by wire transfer on the Closing Date (as hereinafter defined) at the purchase price of $44,588,608.57 (which takes into account original issue premium of $6,589,312 and an Underwriters' discount of $105,703.43). The Series 2017 Bonds shall be issued pursuant to the Constitution and the laws of the State of Alabama, and pursuant to the provisions of a University Facilities Revenue Trust Indenture, dated as of February 15, 1996, between the University and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), as previously supplemented and as further supplemented by a Fourteenth Supplemental University Facilities Revenue Trust Indenture to be dated the date of the Series 2017 Bonds (as so supplemented, the "Indenture"). The Series 2017 Bonds are being issued for the purposes of (i) paying the costs of certain capital improvements on the campus of the University; (ii) paying for capitalized interest

for the Series 2017 Bonds; (iii) paying the costs and expenses of issuing the Series 2017 Bonds; and (iv) paying the premium for a financial guaranty insurance policy with respect to certain of the Series 2017 Bonds. The Series 2017 Bonds are limited obligations of the University, payable solely from, and secured by a pledge of, the "Pledged Revenues," as more fully described in the Preliminary Official Statement described below.

2. **Offering.** Subject to the terms and conditions set forth herein, the Underwriters agree to make a public offering of the Series 2017 Bonds at the initial offering prices or yields and subject to the redemption terms set forth in Exhibit B attached hereto prior to 1:00 p.m. on the Closing Date; provided, however, the Underwriters reserve the right to change such initial offering prices or yields as the Underwriters shall deem necessary in connection with the marketing of the Series 2017 Bonds and to offer and sell the Series 2017 Bonds to certain dealers (including dealers depositing the Series 2017 Bonds into investment trusts) and others at prices lower than the initial offering prices or higher yields than set forth on the inside cover page of the Official Statement (as hereinafter defined).

It shall be a condition of the University's obligation to sell and deliver the Series 2017 Bonds to the Underwriters, and the obligation of the Underwriters to purchase and accept delivery of the Series 2017 Bonds, that the entire aggregate initial principal amount of the Series 2017 Bonds shall be sold and delivered by the University and accepted and paid for by the Underwriters on the Closing Date on the terms herein provided unless otherwise agreed to by the University by formal official action and by the Representative in writing.

3. **Official Statement and Other Documents.** The University hereby ratifies the use and distribution of the Preliminary Official Statement with respect to the Series 2017 Bonds, dated May 17, 2017 (the "Preliminary Official Statement"), and certifies that the Preliminary Official Statement, as of its date, was deemed final by the University for purposes of Rule 15c2-12 ("Rule 15c2-12") of the Securities and Exchange Commission (the "SEC"), except for the omission of certain information permitted by Rule 15c2-12.

The final Official Statement with respect to the Series 2017 Bonds (the "Official Statement") shall be provided for distribution, at the expense of the University, in such quantity as may be requested by the Underwriters no later than the earlier of (i) seven (7) business days after the date of this Bond Purchase Agreement or (ii) one (1) business day prior to the Closing Date, in order to permit the Underwriters to comply with Rule 15c2-12, and the applicable rules of the Municipal Securities Rulemaking Board (the "MSRB"), with respect to distribution of the Official Statement. The University shall prepare the Official Statement, including any amendments thereto, in word-searchable PDF format as described in the MSRB's Rule G-32 and shall provide the electronic copy of the word-searchable PDF format of the Official Statement to the Underwriters no later than one (1) business day prior to the Closing Date to enable the Underwriters to comply with MSRB Rule G-32.

The Underwriters agree to file the Official Statement with the MSRB as required by the applicable SEC or MSRB Rule. The filing with the MSRB shall be in accordance with the procedures of the Electronic Municipal Market Access System ("EMMA").

The Underwriters agree that they will not confirm the sale of any Series 2017 Bonds unless a final written confirmation of the sale is accompanied or preceded by the delivery of a copy of the Official Statement, either directly or by notice that it is available through EMMA.

In order to assist the Underwriter in complying with Rule 15c2-12, the University has covenanted for the benefit of the owners of the Series 2017 Bonds to provide certain financial and operating information on an annual basis and to provide notices of the occurrence of certain events within ten (10) business days of their occurrence, all pursuant to a Continuing Disclosure Agreement, dated the date of the Series 2017 Bonds (the "Continuing Disclosure Agreement").

4. **Representations and Agreements.** The University hereby represents and agrees as follows:

(a) The University is duly created and existing under the constitution and laws of the State of Alabama.

(b) Except for the statements and information contained under the captions "BOND INSURANCE," "RATINGS," "FINANCIAL ADVISOR" and "UNDERWRITING" and in Appendix D – DTC PROCEDURES (collectively, the "Excluded Sections"), the statements and information contained in the Preliminary Official Statement, as of its date and as of the Closing Date, and in the Official Statement, as of the date hereof and as of the Closing Date, were and will be true and correct in all material respects and did not and will not contain any misstatement of any material fact and did not and will not omit any statement and information that is necessary to make the statements and information contained therein not misleading in any material respect.

(c) The University has full legal right, power and authority to: (i) enter into this Bond Purchase Agreement, (ii) execute and deliver the Fourteenth Supplemental University Facilities Revenue Trust Indenture, the Continuing Disclosure Agreement, the Tax Certificate and Agreement (as hereinafter defined) and such other documents as shall be contemplated hereby and thereby for execution by the University (collectively, the "University Documents"), (iii) sell, issue and deliver the Series 2017 Bonds to the Underwriters as provided herein, and (iv) carry out and consummate the obligations and transactions contemplated by this Bond Purchase Agreement, the University Documents and the Official Statement, and on the Closing Date will be in compliance with the obligations on its part in connection with the issuance of the Series 2017 Bonds contained in the Indenture, the University Documents, the Series 2017 Bonds and this Bond Purchase Agreement.

(d) The resolution of the Board of Trustees of the University authorizing the issuance and sale of the Series 2017 Bonds (the "Authorizing Resolution"), a copy of which has been furnished to the Representative, was duly adopted on June 2, 2017, has not been amended or rescinded and remains in full force and effect on the date hereof.

(e) The University is not now, and will not on the Closing Date be, in breach of or in default under any law, judgement, decree, order, regulation, agreement, indenture, mortgage, lease, sublease or other instrument to which it is a party or by which it is bound, and no event has occurred or is continuing that, with the passage of time or the giving of notice, or both, would constitute a default or an event of default thereunder, except in either case for such breaches, defaults, or potential defaults or events of default, if any, which individually or in the aggregate would have no material adverse effect on the performance by the University under this Bond Purchase Agreement, the Indenture, the University Documents or the Series 2017 Bonds.

(f) The financial statements included as Appendix A to the Preliminary Official Statement and the Official Statement present fairly, in all material respects, the financial position and results of operations of the University.

(g) When delivered to and paid for by the Underwriters on the Closing Date in accordance with the provisions of this Bond Purchase Agreement, the Series 2017 Bonds will have been duly authorized, executed, issued and delivered and will constitute valid and limited obligations of the University, payable from Pledged Revenues.

(h) The University has neither encumbered nor made a prior pledge of the Pledged Revenues other than to the holders of the Bonds heretofore issued under the terms of the Indenture.

(i) The adoption of the Authorizing Resolution and the authorization, execution and delivery of this Bond Purchase Agreement, the University Documents and compliance with the provisions hereof and thereof, and issuance of the Series 2017 Bonds, will not conflict with, or constitute a breach of or default under, any law, administrative regulation, consent decree or resolution.

(j) On the Closing Date, the University will be in compliance in all respects with the covenants and agreements contained in the Indenture.

(k) All approvals, consents, authorizations and orders of any governmental authority or agency having jurisdiction in any matter which would constitute a condition precedent to the issuance of the Series 2017 Bonds, the performance by the University of its obligations hereunder and under the Indenture and the distribution of the Preliminary Official Statement and the execution, delivery and distribution of the Official Statement have been obtained and are in full force and effect, except for such approvals, consents and orders as may be required under the Blue Sky or securities law of any state in connection with the offering and sale of the Series 2017 Bonds or in connection with the registration of the Series 2017 Bonds under the federal securities laws.

(l) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body pending with respect to which service or notice on the University has been perfected or given or, to the best knowledge of the University, threatened against or affecting the University, which would (i) restrain or enjoin the issuance or delivery of the Series 2017 Bonds or the collection of Pledged Revenues, (ii) in any way contest or affect any authority for the issuance of the Series 2017 Bonds or the validity, due authorization and execution of the Series 2017 Bonds, the University Documents or this Bond Purchase Agreement, (iii) limit, enjoin or prevent the University from paying the debt service on the Series 2017 Bonds as and when due, or (iv) in any way contest the corporate existence or powers of the University;

(m) During the period from the date hereof to and including a date which is 25 days following "the end of the underwriting period" (as hereinafter defined) for the Series 2017 Bonds:

(1) the University will not adopt any amendment of or supplement to the Official Statement to which, after having been furnished with a copy, the Underwriter shall reasonably object in writing, unless the University has obtained an opinion of counsel stating that such amendment or supplement is necessary in order to make the Official Statement as then supplemented or amended, not contain any untrue statement of a material fact or not omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading at the time that they are delivered to a purchaser of a Series 2017 Bond;

(2) if any event relating to or affecting the University or the Series 2017 Bonds shall occur which would or might cause the information contained in the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the University shall so notify the Representative, and, if as a result of which it is necessary in the opinion of the University or counsel to the Underwriters to amend or supplement the Official Statement in order to make the Official Statement not misleading, the University shall forthwith prepare and furnish to the Underwriters (at the expense of the University) a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to the Underwriters and the University) which will amend or supplement the Official Statement so that such Official Statement, as amended or supplemented, will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein not misleading in any material respect;

(3) for the purpose of this section, the University will furnish to the Underwriters through the end of the underwriting period such information to confirm

the truth, accuracy and completeness of the statements and information contained in the Official Statement as the Underwriters may from time to time reasonably request. The "end of the underwriting period" for purposes of Rule 15c2-12 shall mean the Closing Date unless the Representative notifies the University in writing, on or prior to the Closing Date, that the Closing Date will not be the "end of the underwriting period." In the event such notice is given in writing by the Representative to the University, the "end of the underwriting period" for the Series 2017 Bonds as used in this Bond Purchase Agreement shall mean the earlier to occur of (i) 65 days afer the Closing Date or (ii) the date on which the Underwriters no longer have any of the Series 2017 Bonds for sale to the public.

(n) The University shall cooperate with the Underwriters and their counsel in any endeavor to qualify the Series 2017 Bonds for offering and sale under the securities laws of such jurisdictions of the United States of America as the Underwriters may request and to continue such qualifications in effect as long as may be required for the distribution of the Series 2017 Bonds; provided, however, the University shall not be required to consent to service of process in any such jurisdiction.

5. **Closing.** At 9:00 a.m., local time, on June 15, 2017, or at such time on such earlier or later date as shall be agreed upon by the University and the Representative (the "Closing Date"), the activities relating to the execution and delivery of certain documents and the delivery of the certificates, opinions and other instruments as described in Section 6(e) hereof shall occur at the offices of the University, 307 University Boulevard, Administrative Building, Mobile, Alabama, or such other location as shall be mutually agreed upon by the University and the Representative. Such simultaneous execution and delivery of such documents, certificates, opinions and other instruments are herein referred to as the "Closing." On the Closing Date:

(a) The University shall deliver to the Underwriters (i) the Series 2017 Bonds, duly authorized, executed and authenticated, and (ii) the other instruments and documents required to be delivered to the Underwriters pursuant to Section 6 hereof.

(b) The purchase price for the Series 2017 Bonds shall be paid to the University by wire transfer or by such other method as may be agreeable to the University and the Underwriters.

6. **Underwriters' Closing Conditions.** The Underwriters have entered into this Bond Purchase Agreement in reliance upon the representations of the University herein contained and the performance by the University of its obligations hereunder, both as of the date hereof and as of the Closing Date. The obligations of the Underwriters under this Bond Purchase Agreement are and shall be subject to the following conditions:

(a) The representations and agreements of the University contained herein shall be true and correct and complied with as of the date hereof and as of the Closing Date.

(b) At the time of the Closing, the Indenture shall be in full force and effect in accordance with its terms and shall not have been amended, modified or supplemented, and the Official Statement shall not have been supplemented or amended, except to the extent that such amendments have been agreed to by the Underwriters.

(c) At the time of the Closing, all official action of the University relating to this Bond Purchase Agreement, the Indenture and the Series 2017 Bonds, and all other documents contemplated hereby and thereby, shall be in full force and effect in accordance with their respective terms and shall not have been amended, modified or supplemented in any material respect, except in each case as may have been agreed to by the Representative.

(d) At any time on or prior to the Closing Date, the Representative shall have the right to cancel the agreement contained herein to purchase the Series 2017 Bonds by notifying the University in writing of their intention to do so if between the date hereof and the Closing Date:

(i) legislation shall have been enacted by the Congress of the United States, or recommended to the Congress for passage by the President of the United States, or favorably reported for passage to either House of Congress by any Committee of such House, or passed by either House of Congress, or a decision shall have been rendered by a court of the United States or the United States Tax Court, or a ruling shall have been made or a regulation shall have been proposed or made by the Treasury Department of the United States or the Internal Revenue Service, with respect to the federal taxation of interest received on obligations of the general character of the Series 2017 Bonds, which, in the opinion of Counsel for the Underwriters or Bond Counsel, has or will have the effect of making such interest subject to inclusion in gross income for purposes of federal income taxation, except to the extent such interest shall be includable in gross income on the date hereof; or

(ii) legislation shall be enacted or any action shall be taken by the United States Securities and Exchange Commission which, in the opinion of Counsel for the Underwriters, has the effect of requiring the contemplated issuance or distribution of the Series 2017 Bonds to be registered under the Securities Act of 1933, as amended; or

(iii) in the opinion of the Representative, payment for and delivery of the Series 2017 Bonds is rendered impracticable or inadvisable because (A) trading in securities generally shall have been suspended on the New York Stock Exchange, Inc., or (B) a general banking moratorium shall have been established by federal, New York or Alabama authorities, or (C) there shall have occurred any outbreak of hostilities or other local, national or international calamity or crisis on the financial markets of the United States which, in the Representative's reasonable judgment, renders it impracticable for the Underwriters to market the Series 2017 Bonds or to enforce contracts for the sale of the Series 2017 Bonds; or

(iv) any order, decree or injunction of any court of competent jurisdiction, or any order, ruling, regulation or administrative proceeding by any governmental body or board, shall have been issued or commenced, or any legislation enacted, with the purpose or effect of prohibiting the issuance, offering or sale of the Series 2017 Bonds as contemplated hereby or by the Official Statement or prohibiting the entering or performance of the Indenture; or

(v) the President of the United States, the Office of Management and Budget, the Department of Treasury, the Internal Revenue Service or any other governmental body, department, agency or commission of the United States or the State of Alabama shall take or propose to take any action or implement or propose regulations, rules or legislation which, in the reasonable judgment of the Representative, materially adversely affects the market price of the Series 2017 Bonds or causes any material information in the Official Statement, in light of the circumstances under which it appears, to be misleading in any material respect; or

(vi) any executive order shall be announced, or any legislation, ordinance, rule or regulation shall be proposed by or introduced in, or be enacted by any governmental body, department, agency or commission of the United States or the State of Alabama, having jurisdiction over the subject matter, or a decision by any court of competent jurisdiction within the United States or within the State of Alabama, shall be rendered which, in the reasonable judgment of the Representative, materially adversely affects the market price of the Series 2017 Bonds or causes any information in the Official Statement to be misleading in any material respect; or

(vii) any litigation shall be instituted, pending or threatened to restrain or enjoin the issuance, sale or delivery of the Series 2017 Bonds or in any way contesting or affecting any authority for or the validity of the Series 2017 Bonds, the Indenture or this Bond Purchase Agreement, or any of the proceedings of the University taken with respect to the issuance or sale of the Series 2017 Bonds or the execution of and performance of this Bond Purchase Agreement, the Indenture or the University Documents; or

(viii) there shall have occurred or any notice shall have been given of any intended downgrading, suspension, withdrawal or negative change in credit watch status by any national rating service to any of the University's obligations; or

(ix) the marketability of the Series 2017 Bonds or the market price thereof, in the opinion of the Representative, has been materially and adversely affected by disruptive events, occurrences or conditions in the securities or debt markets; or

(x) any event shall have occurred or shall exist which, in the reasonable opinion of the Representative, would cause the information contained in the Official

Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading as of such time and which would materially adversely affect the marketability of the Series 2017 Bonds; or

(xi) there shall have been any materially adverse change in the financial condition of the University that is not contemplated in the Official Statement, as then amended and supplemented, which in the reasonable opinion of the Representative, materially and adversely affects the market price or marketability of the Series 2017 Bonds;

(e) On or prior to the Closing Date, the Underwriters shall receive the following documents:

(i) the Official Statement, and any supplements, amendments or modifications, if any, thereto, executed on behalf of the University by the President or the Vice President for Finance and Administration of the University;

(ii) the Fourteenth Supplemental University Facilities Revenue Trust Indenture, certified by the Secretary of the University under seal as having been duly executed by the President or the Vice President for Finance and Administration of the University and such modifications or amendments as may have been agreed to by the Underwriters;

(iii) a certified copy of the Authorizing Resolution;

(iv) an opinion of Bradley Arant Boult Cummings LLP, Birmingham, Alabama, Bond Counsel to the University ("Bond Counsel"), in substantially the form included in the Official Statement as Appendix B;

(v) a supplemental opinion of Bond Counsel in form and substance satisfactory to the Representative and Underwriter's Counsel;

(vi) an opinion of Jean W. Tucker, Senior University Counsel, addressed to Bond Counsel and the Underwriters, and dated the date of the Closing, in form and substance satisfactory to the Representative and Underwriter's Counsel;

(vii) an opinion of Hand Arendall LLC, as Counsel to the Underwriters, in form and substance satisfactory to the Underwriters;

(viii) A Tax Certificate and Agreement of the University (the "Tax Certificate and Agreement"), prepared by Bond Counsel and executed by an authorized officer of the University, dated as of the Closing Date, setting forth facts,

estimates and circumstances concerning the use or application of the Series 2017 Bond proceeds, in form and substance satisfactory to Bond Counsel;

(ix) evidence of an underlying rating of (i) "A1" issued by Moody's Investors Service, Inc. with respect to the Series 2017 Bonds and (ii) "A+" by Standard & Poor's Rating Services with respect to the Series 2017 Bonds;

(x) the Continuing Disclosure Agreement executed by an authorized officer of the University;

(xi) A certificate of the University, dated the date of the Closing, signed by the President or the Vice President for Finance and Administration of the University and in form and substance satisfactory to the Representative and Underwriters' Counsel, to the effect that:

(1) since the date hereof no material and adverse change has occurred in the financial condition of the University or results of operations of the University, except as set forth in the Official Statement;

(2) the University has not, since September 30, 2016, incurred any material liabilities other than in the ordinary course of business or as set forth in the Official Statement;

(3) no litigation or proceeding is pending with respect to which service or notice on the University has been perfected or given or, to their knowledge, threatened which would (i) restrain or enjoin the issuance or delivery of the Series 2017 Bonds or the collection of Pledged Revenues, (ii) in any way contest or affect any authority for the issuance of the Series 2017 Bonds or the validity, due authorization and execution of the Series 2017 Bonds, the University Documents or this Bond Purchase Agreement, (iii) limit, enjoin or prevent the University from paying the debt service on the Series 2017 Bonds as and when due, or (iv) in any way contest the corporate existence or powers of the University;

(4) the Preliminary Official Statement (except for omissions permitted by Rule 15c2-12) did not as of its date and as of the date hereof does not, and the Official Statement, as of its date and at all times through the date of the Closing, will not, contain any misstatement of a material fact or omit to state any material fact required to be stated therein in order for the statements made therein, in the light of the circumstances under which they were made, not to be misleading;

(5) the representations of the University contained herein are true and correct in all material respects as of the date of the Closing, as if made on the date of the Closing; and

(6) none of the proceedings or authority for the execution and delivery of the Series 2017 Bonds and the transactions related thereto have been modified, amended or repealed;

(xii) an insurance policy issued by Build America Mutual Assurance Corporation (the "Bond Insurer") guaranteeing the scheduled payment when due of the principal of and interest on those of the Series 2017 Bonds maturing in the years 2020 and thereafter (the "Insured Bonds")];

(xiii) an opinion of counsel to the Bond Insurer, dated the date of Closing, in form and substance satisfactory to the Representative;

(xiv) evidence of a rating of (i) "Aa" issued by Moody's Investors Service, Inc. with respect to the Insured Bonds and (ii) "AA" by Standard & Poor's Rating Services with respect to the Insured Bonds; and

(xv) such additional legal opinions, consents, certificates, proceedings, instruments and other documents as the Underwriters, or counsel therefor or Bond Counsel may reasonably request to evidence compliance by the University with legal requirements, the truth and accuracy, as of the Closing Date, of the representations of the University herein and the due performance or satisfaction by the University at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the University.

If the University shall be unable to satisfy the conditions to the obligations of the Underwriters to purchase, accept delivery of and pay for the Series 2017 Bonds contained in this Bond Purchase Agreement and the Representative does not waive such inability in writing, or if the obligations of the Underwriters to purchase, accept delivery of and pay for the Series 2017 Bonds shall be terminated for any reason permitted by this Bond Purchase Agreement, including the exercise of the Representative's right to cancel this Bond Purchase Agreement as provided in Section 6(d) hereof, this Bond Purchase Agreement shall terminate and neither the Underwriters nor the University shall be under any further obligation hereunder, except that the respective obligations of the University and the Underwriters set forth in Section 8 hereof shall continue in full force and effect.

7. **Expenses**. The Underwriters shall be under no obligation to pay, and the University shall pay, any expense incident to the performance of the University's obligations hereunder including, but not limited to: (a) the cost of preparation, printing and delivery of the Series 2017 Bonds, the Fourteenth Supplement University Facilities Revenue Trust Indenture, this Bond Purchase Agreement and all other instruments, agreements and other documents contemplated thereby and hereby; (b) the costs of preparation and the fees and disbursements of Bond Counsel and other legal counsel to the University; (c) fees for bond ratings; (d) the fees and expenses of the Trustee; (e) the costs of preparing, printing and delivering the Official Statement and any supplements or amendments thereto; and (f) such other expenses as may be agreed to in writing at a

later date.

The University shall reimburse the Underwriters for actual expenses incurred or paid for by the Underwriters on behalf of the University for the University's employees and representatives, including, but not limited to, transportation, lodging, and meals in connection with the marketing, issuance, and delivery of the Series 2017 Bonds; provided, however, that (i) reimbursement for such expenses shall not exceed an ordinary and reasonable amount for such expenses and (ii) such expenses are not related to the entertainment of any person and not prohibited from being reimbursed from the proceeds of an offering of municipal securities under MSRB Rule G-20. Such reimbursement may be in the form of inclusion in the expense component of the Underwriter's discount, or direct reimbursement as a cost of issuance.

The Underwriters shall pay: (a) all advertising expenses in connection with a public offering of the Series 2017 Bonds, (b) fees of the CUSIP Service Bureau, (c) all fees and disbursements of any counsel retained by the Underwriters, and (d) any fees of the MSRB or the Securities Industry and Financial Markets Association.

In the event that either party shall have paid obligations of the other as set forth in this Section 7, adjustment shall be made at the time of the Closing.

8. **Notices**. Any notice or other communications to be given to the University under this Bond Purchase Agreement may be given by mailing the same to University of South Alabama, Attention: Vice President for Finance and Administration, 307 University Boulevard, Administrative Building, Suite 170, Mobile, Alabama 36688, with a copy to Phil Dotts, Public Financial Management, Inc. 116 Jefferson Street South, Suite 301, Huntsville, Alabama 35801 and any such notice or other communication to be given to the Underwriters may be mailed to Raymond James & Associates, Inc., Attention: Chuck Ellingsworth, 50 N. Front Street, 16th Floor, Memphis, Tennessee 38103.

9. **Parties in Interest**. This Bond Purchase Agreement is made solely for the benefit of the University and the Underwriters and no other party or person shall acquire or have any right hereunder or by virtue hereof. All representations and agreements in this Bond Purchase Agreement shall remain operative and in full force and effect and shall survive the delivery of the Series 2017 Bonds.

10. **Waiver**. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the University hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriters may be waived by the Underwriters, in their sole discretion, and the approval of the Underwriters when required hereunder or the determination of their satisfaction as to any document referred to herein shall be in writing, signed by an appropriate officer or officers of the Underwriters and delivered to the University.

11. **Limitations of Liability**. The obligations of the University hereunder shall be limited obligations, and shall be payable only from Pledged Revenues or other funds legally

available therefor. No officer, agent or employee of the University shall be charged personally by the Underwriters with any liability, or held liable to the Underwriters under any term or provision of this Bond Purchase Agreement because of its execution or attempted execution, or because of any breach or attempted breach thereof.

12. **Counterparts**. This Bond Purchase Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

13. **Governing Law**. This Bond Purchase Agreement, and the terms and conditions herein, shall constitute the full and complete agreement between the University and the Underwriters with respect to the purchase and sale of the Series 2017 Bonds. This Bond Purchase Agreement shall be governed by and construed in accordance with the laws of the State of Alabama.

14. **No Advisory or Fiduciary Role**. The University acknowledges and agrees that: (i) the transactions contemplated by this Bond Purchase Agreement are arm's length, commercial transactions between the University and the Underwriters; (ii) in connection with such transaction, including the process leading thereto, the Underwriters are acting solely as principals and not as agents or a fiduciaries of the University; (iii) the Underwriters have neither assumed an advisory or fiduciary responsibility in favor of the University with respect to the offering of the Series 2017 Bonds or the process leading thereto (whether or not the Underwriters or any affiliate of any Underwriter has advised or is currently advising the University on other matters) nor has it assumed any other obligation to the University except the obligations expressly set forth in this Bond Purchase Agreement, (iv) the Underwriters have financial and other interests that differ from those of the University; and (v) the University has consulted with its own legal and financial advisors to the extent it deemed appropriate in connection with the offering of the Series 2017 Bonds.

[Signature page follows.]

3138006_3

Very truly yours,

Raymond James & Associates, Inc.,
on behalf of itself and the other underwriters
named herein

By: _____
As Its: _____

Accepted this 2nd day of June, 2017.

UNIVERSITY OF SOUTH ALABAMA

By:_____

As its _____

EXHIBIT A

UNIVERSITY OF SOUTH ALABAMA
University Facilities Revenue Bonds, Series 2017

Underwriters

Raymond James & Associates, Inc.
Protective Securities
Wells Fargo Securities
PNC Capital Markets LLC

EXHIBIT B

UNIVERSITY OF SOUTH ALABAMA
University Facilities Revenue Bonds, Series 2017

PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS AND REDEMPTION PROVISIONS

Maturity Schedule:

	Maturity Date	Amount	Rate	Yield	Price	
Uninsured Bonds:						
	10/1/2017	695,000	2.000%	0.750%	100.366	
	10/1/2018	1,180,000	4.000%	0.980%	103.873	
	10/1/2019	1,240,000	5.000%	1.100%	108.810	
Insured Bonds:						
	10/1/2020	1,300,000	5.000%	1.200%	112.236	
	10/1/2021	1,370,000	5.000%	1.360%	115.132	
	10/1/2022	1,440,000	5.000%	1.510%	117.691	
	10/1/2023	1,515,000	5.000%	1.700%	119.617	
	10/1/2024	1,590,000	5.000%	1.850%	121.399	
	10/1/2025	1,655,000	2.500%	2.050%	103.414	
	10/1/2026	1,710,000	5.000%	2.240%	123.039	
	10/1/2027	1,805,000	5.000%	2.400%	123.587	
	10/1/2028	1,895,000	5.000%	2.500%	122.563	C
	10/1/2029	1,990,000	5.000%	2.640%	121.148	C
	10/1/2030	2,095,000	5.000%	2.680%	120.747	C
	10/1/2031	2,205,000	5.000%	2.750%	120.049	C
	10/1/2032	2,315,000	5.000%	2.830%	119.257	C
	10/1/2033	2,435,000	5.000%	2.910%	118.472	C
	10/1/2034	2,555,000	5.000%	2.980%	117.790	C
	10/1/2035	2,690,000	5.000%	3.010%	117.499	C
	10/1/2036	2,825,000	5.000%	3.050%	117.112	C
	10/1/2037	1,600,000	5.000%	3.090%	116.727	C

C=Priced to Call

Redemption Provisions:

Optional Redemption. Those of the Series 2017 Bonds having a stated maturity on October 1, 2028, and thereafter will be subject to redemption prior to their respective maturities, at the option of the University, as a whole or in part, on October 1, 2027, and on any date thereafter (and if in part, in such maturities as the University shall select, and if less than all of a single maturity is to be redeemed those to be redeemed to be selected by the Trustee by lot) at and for a redemption price with respect to each Series 2017 Bond (or principal portion thereof redeemed) equal to the par or face amount of each Series 2017 Bond redeemed plus accrued interest to the date fixed for redemption.

EXHIBIT III
PRELIMINARY OFFICIAL STATEMENT

NEW ISSUE - BOOK-ENTRY ONLY **See "RATINGS" herein**

In the opinion of Bond Counsel, under existing law and assuming the accuracy of certain representations and certifications and compliance by the University with certain tax covenants, interest on the Series 2016 Bonds will be excluded from gross income for federal income tax purposes. Bond counsel is of the further opinion that, under existing law, interest on the Series 2016 Bonds will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, such interest is includable in adjusted current earnings in determining the federal alternative minimum tax imposed on certain corporations. See "TAX EXEMPTION" herein for further information and certain other federal tax consequences arising with respect to the Series 2016 Bonds. Bond Counsel is also of the opinion that under existing law, interest on the Series 2016 Bonds is exempt from Alabama income taxation.

$85,605,000
UNIVERSITY OF SOUTH ALABAMA
University Facilities Revenue Refunding Bonds, Series 2016

Dated: Date of Delivery **Due: November 1, as shown on inside cover**

The Series 2016 Bonds will be issued as fully registered bonds without coupons in denominations of $5,000 and any integral multiple thereof pursuant to a book-entry only system to be administered by The Depository Trust Company ("DTC"), New York, New York, and, when issued, will be registered in the name of and held by Cede & Co., as nominee. Purchases of beneficial interests in the Series 2016 Bonds will be made in book-entry form only and purchasers of a beneficial interest in the Series 2016 Bonds ("Beneficial Owners") will not receive physical delivery of the certificates representing their interests in the Series 2016 Bonds. The principal of and interest on the Series 2016 Bonds will be paid directly to DTC, so long as DTC or its nominee is the registered owner of the Series 2016 Bonds. The final disbursements of such payments to the Beneficial Owners of the Series 2016 Bonds will be the responsibility of the DTC Participants and the Indirect Participants, all as defined and more fully described in this Official Statement under the caption "THE SERIES 2016 BONDS - General Description" and in Appendix D hereto.

The Series 2016 Bonds are being issued by the University of South Alabama (the "University") pursuant to the University Facilities Revenue Trust Indenture dated as of February 15, 1996 (the said Indenture, as heretofore supplemented and amended and as further supplemented and amended by a Twelfth Supplemental University Facilities Revenue Trust Indenture dated as of September 1, 2016 (the "Indenture"), to pay (i) the costs of refunding tax-exempt debt previously issued for the benefit of the University; (ii) the costs and expenses of issuing the Series 2016 Bonds; and (iii) the premium for a financial guaranty insurance policy respecting certain of the Series 2016 Bonds. The principal of and interest on the Series 2016 Bonds are limited obligations of the University payable solely from the Pledged Revenues, as defined and further described herein.

The scheduled payment of principal of and interest on the Bonds maturing on November 1 of the years 2023 through 2037, inclusive (the "Insured Bonds"), when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Insured Bonds by Assured Guaranty Municipal Corp.

ASSURED GUARANTY® MUNICIPAL

Certain maturities of the Series 2016 Bonds are subject to optional redemption prior to maturity as more fully described herein.

The Series 2016 Bonds will not be obligations or debts of the State of Alabama nor will any principal of or interest on the Series 2016 Bonds be paid out of any moneys provided for or appropriated to the University by the State of Alabama. The Series 2016 Bonds are special and limited obligations of the University, secured by a pledge of and payable solely from certain fees and revenues of the University as described herein and in the Indenture. Neither the Series 2016 Bonds nor the pledge of the said fees and revenues and other agreements provided in the Indenture shall be or constitute a general obligation of the University or an obligation of any nature whatsoever of the State of Alabama, or be payable out of any moneys appropriated by the State to the University.

The Series 2016 Bonds are offered when, as and if issued by the University and received by the Underwriters, subject to prior sale, to withdrawal or modifications of the offer without notice, and to the approval of legality of the Series 2016 Bonds by Balch & Bingham, LLP, Birmingham, Alabama, Bond Counsel to the University. Certain legal matters will be passed upon for the Underwriter by Underwriters' counsel, Hand Arendall LLC, Mobile, Alabama. It is expected that the Series 2016 Bonds in definitive form will be available for delivery in Birmingham, Alabama, on or about September 14, 2016.

FOR MATURITIES, AMOUNTS, RATES, YIELDS, AND CUSIPS, SEE INSIDE COVER.

WELLS FARGO SECURITIES

PNC CAPITAL MARKETS LLC

PROTECTIVE SECURITIES, a Division of ProEquities, Inc.

THE FRAZER LANIER COMPANY INCORPORATED

RAYMOND JAMES SECURITIES CAPITAL CORPORATION

The date of this Official Statement is September 1, 2016.

MATURITIES, AMOUNTS, RATES, YIELDS & CUSIPS

$85,605,000
UNIVERSITY OF SOUTH ALABAMA
University Facilities Revenue Refunding Bonds, Series 2016

Maturity (November 1)	Principal Amount	Interest Rate	Yield	CUSIP**
Uninsured Bonds:				
2018	$2,585,000	5.000%	0.890%	914845PU0
2019	2,710,000	5.000%	1.020%	914845PV8
2020	2,855,000	5.000%	1.130%	914845PW6
2021	3,000,000	5.000%	1.320%	914845PX4
2022	3,155,000	5.000%	1.540%	914845PY2
Insured Bonds:				
2023	3,315,000	5.000%	1.610%	914845PZ9
2024	3,485,000	5.000%	1.770%	914845QA3
2025	3,670,000	5.000%	1.880%	914845QB1
2026	3,830,000	4.000%	1.950%	914845QC9
2027	4,010,000	5.000%	2.080%*	914845QD7
2028	4,215,000	5.000%	2.160%*	914845QE5
2029	4,435,000	5.000%	2.220%*	914845QF2
2030	4,655,000	5.000%	2.240%*	914845QG0
2031	4,895,000	5.000%	2.290%*	914845QH8
2032	5,145,000	5.000%	2.340%*	914845QJ4
2033	5,410,000	5.000%	2.390%*	914845QK1
2034	5,685,000	5.000%	2.440%*	914845QL9
2035	5,950,000	4.000%	2.750%*	914845QM7
2036	6,195,000	4.000%	2.790%*	914845QN5
2037	6,405,000	3.000%	3.050%	914845QP0

* Priced at the stated yield to the November 1, 2026 optional redemption date.

** CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by the CUSIP Service Bureau, operated by Standard & Poor's, a division of The McGraw-Hill Companies, Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services Bureau. CUSIP numbers have been assigned by an independent company not affiliated with the University and are included solely for the convenience of the registered owners of the Series 2016 Bonds. The University and the Underwriters are not responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness by the University on the Series 2016 Bonds and by the Underwriters on the Series 2016 Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2016 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2016 Bonds.

UNIVERSITY OF SOUTH ALABAMA

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Certain information contained in or incorporated by reference in this Official Statement has been obtained by the University from DTC and other sources that are deemed reliable. No representation or warranty is made, however, as to the accuracy or completeness of such information by the Underwriters or the University.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with and as part of their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information and nothing contained in this Official Statement is or shall be relied upon as a promise or representation by the Underwriters. This Official Statement is being used in connection with the sale of securities as referred to herein and may not be used, in whole or in part, for any other purpose. The delivery of this Official Statement at any time does not imply that information herein is correct as of any time subsequent to its date.

No dealer, broker, salesperson or any other person has been authorized by the University or the Underwriters to give any information or to make any representation other than as contained in this Official Statement in connection with the offering described herein and, if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy any securities other than those described on the inside cover page, nor shall there be any offer to sell, solicitation of an offer to buy or sale of such securities in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the registered or beneficial owners of the Series 2016 Bonds.

Any statements made in this Official Statement, including the Appendices, involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of such estimates will be realized. This Official Statement contains certain forward-looking statements and information based on the University's beliefs as well as assumptions made by and information currently available to the University.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2016 BONDS, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH SERIES 2016 BONDS AT A LEVEL ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this final official statement for purposes of, and as that term is defined in, SEC rule 15c2-12.

Assured Guaranty Municipal Corp. ("AGM") makes no representation regarding the Series 2016 Bonds or the advisability of investing in the Series 2016 Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "Bond Insurance" and "Appendix E - Specimen Municipal Bond Insurance Policy".

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OFFICIAL STATEMENT

pertaining to

UNIVERSITY OF SOUTH ALABAMA

$85,605,000 University Facilities Revenue Refunding Bonds,
Series 2016

INTRODUCTORY STATEMENT

The purpose of this Official Statement, which includes the cover page and the Appendices hereto, is to provide information in connection with the sale by the University of South Alabama of its University Facilities Revenue Refunding Bonds, Series 2016 in the aggregate principal amount of $85,605,000 (the "Series 2016 Bonds"), dated the date of delivery, issued as additional parity bonds under a University Facilities Revenue Trust Indenture dated as of February 15, 1996, between the University of South Alabama and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), as previously supplemented and as further supplemented by a Twelfth Supplemental University Facilities Revenue Trust Indenture to be dated as of September 1, 2016 (as so supplemented, the "Indenture").

Definitions of certain words and terms having initial capital letters used herein are defined in the Indenture or in the instrument or document in the description of which such word or term is used. Reference is hereby made to the full text of the documents and instruments briefly described herein which may be obtained from the Underwriters or from the University during the period of the offering.

The Governor, the State Superintendent of Education and the appointed trustees together constitute a public body corporate under the name University of South Alabama (the "University"). The University is located in the City of Mobile, Alabama, and its address is Mobile, Alabama 36688.

Purpose of the Issue

Proceeds of the Series 2016 Bonds will be applied to pay: (i) the costs of advance refunding those of the University's outstanding University Facilities Revenue Capital Improvement Bonds, Series 2008 maturing on or after August 1, 2019 (the "Refunded Bonds"); (ii) the costs and expenses of issuing the Series 2016 Bonds; and (iii) the premium for a financial guaranty insurance policy respecting certain of the Series 2016 Bonds.

Security

The Series 2016 Bonds are limited obligations of the University, payable solely from, and secured by a pledge of, the Pledged Revenues, as more fully described below under "SECURITY AND SOURCE OF PAYMENT - Sources of Payment and Pledged Revenues." The Pledged Revenues include a pledge of the General Fees levied against students enrolled at the University, a pledge of the gross revenues derived from certain auxiliary enterprises services furnished by the University, additional fees and revenues, if any, that may be subjected to the lien of the Indenture pursuant to a Supplemental Indenture, and an amount not exceeding $10,000,000 in any fiscal year of the University of the gross revenues derived from that certain hospital facility owned and operated by the University and known as USA Children's and Women's Hospital, each as described herein. See "SECURITY AND SOURCE OF PAYMENT - Sources of Payment and Pledged Revenues."

The Series 2016 Bonds will not constitute a charge against the general credit of the University, and will not be payable from moneys appropriated to the University by the State of Alabama. The University has no taxing power. The State of Alabama will not be liable in any manner for the payment of the principal and interest on the Series 2016 Bonds. Holders of the Series 2016 Bonds shall never have the right to demand payment of the Series 2016 Bonds from the University from any source other than the special funds established under the Indenture and the Pledged Revenues and shall be entitled to payment from such sources only on a parity basis with all other bonds outstanding under the Indenture.

Existing and Additional Parity Bonds

The Indenture permits the University to issue additional parity bonds that will be secured on parity with the Series 2016 Bonds and any other bonds issued thereunder. For a description of bonds already outstanding under the Indenture that are secured on parity with the Series 2016 Bonds, see "SECURITY AND SOURCE OF PAYMENT - General". For a description of the terms of the Indenture for the issuance of additional parity bonds in the future, see "SECURITY AND SOURCE OF PAYMENT – Additional Bonds." See also "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Additional Bonds."

Changes to the Official Statement

This Official Statement includes certain information that was dependent on final pricing of the Series 2016 Bonds and was either omitted or estimated in the Preliminary Official Statement dated August 24, 2016, such as aggregate principal amount, principal amount per maturity, yields, interest rates, selling compensation, delivery dates, and other similar information. Prior to final pricing, the University determined that a municipal bond insurance policy would enhance the marketability of certain maturities of the Series 2016 Bonds. The University purchased such policy and this Official Statement has been revised accordingly.

THE SERIES 2016 BONDS

General Description

The Series 2016 Bonds will be dated the date of delivery, and will bear interest (payable on November 1, 2016, and on each May 1 and November 1 thereafter until maturity) at the rates and will mature on November 1 in the years and in the amounts set forth on the inside cover page of this Official Statement. The Series 2016 Bonds will be issuable only as fully registered bonds without coupons in the denomination of $5,000 or any integral multiple thereof.

The Series 2016 Bonds will be initially issued as fully-registered bonds in the name of Cede & Co., as nominee of DTC, as registered owner of the Series 2016 Bonds. Purchasers of such Series 2016 Bonds will not receive physical delivery of bond certificates. For purposes of this Official Statement, so long as all of the Series 2016 Bonds are in the custody of DTC, references to Bondholders or Owners shall mean DTC or its nominee. DTC will act as securities depository for the Series 2016 Bonds. The Series 2016 Bonds will be issued as fully-registered securities in the name of Cede & Co., DTC's partnership nominee Cede or such other nominee as may be requested by an authorized representative of DTC. One fully-registered Series 2016 Bond certificate will be issued for each maturity of the Series 2016 Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC. See Appendix D hereto for DTC payment and other related provisions.

During any period in which the Series 2016 Bonds are not held in the Book-Entry System, principal of the Series 2016 Bonds will be payable at the designated corporate trust office of the Trustee upon presentation and surrender of the Series 2016 Bonds as they mature. Interest on Series 2016 Bonds will be paid by the Trustee by check or draft mailed to the persons who are the registered owners of record as of the close of business on the October 15 or April 15 immediately preceding each interest payment date by check or draft mailed to such owners at their addresses shown on the registry books of the Trustee pertaining to the Series 2016 Bonds.

No charge will be made for any exchange or transfer of the Series 2016 Bonds, but the registered owners thereof shall be responsible for paying all taxes and other governmental charges relating to such transfer or exchange. In the event a Series 2016 Bond is lost, stolen, destroyed or mutilated, the University and the Trustee may require satisfactory indemnification for the replacement thereof and may charge the holder or owner of such bond with their fees and expenses in connection with the replacement thereof.

Optional Redemption of the Series 2016 Bonds

Optional Redemption. Those of the Series 2016 Bonds having a stated maturity on November 1, 2027, and thereafter will be subject to redemption prior to their respective maturities, at the option of the University, as a whole or in part, on November 1, 2026, and on any date thereafter (and if in part, in such maturities as the University shall select, and if less than all of a single maturity is to be redeemed those to be redeemed to be

selected by the Trustee by lot) at and for a redemption price with respect to each Series 2016 Bond (or principal portion thereof redeemed) equal to the par or face amount of each Series 2016 Bond redeemed plus accrued interest to the date fixed for redemption.

Notice of Redemption

Notice of redemption is required to be mailed by United States registered or certified mail to the registered owner of each Series 2016 Bond not more than sixty (60) nor less than thirty (30) days prior to the date fixed for redemption at the address shown on the registry books of the Trustee. No further interest will accrue after the date fixed for redemption on the principal of any Series 2016 Bond called for redemption upon notice duly given as provided in the Indenture and if payment therefor has been duly provided and in such event, any Series 2016 Bond (or portion thereof) called for redemption will no longer be protected by the provisions of the Indenture.

In the event that less than all of the outstanding principal of any Series 2016 Bond is to be redeemed, the registered owner thereof shall surrender the Series 2016 Bond that is to be prepaid in part to the Trustee in exchange, without expense to the owner, for a new Series 2016 Bond of like tenor except in a principal amount equal to the unredeemed portion of the Series 2016 Bond.

SECURITY AND SOURCE OF PAYMENT

General

The University of South Alabama has previously issued fourteen series of Bonds under the Indenture, of which eleven series of Bonds are currently outstanding before giving effect to the issuance of the Series 2016 Bonds and the defeasance of the Refunded Bonds. Those eleven series of Bonds consist of the following:

(a) $40,130,000.70 original principal amount University Tuition Revenue Bonds, Series 1999, dated March 1, 1999 (the "Series 1999 Capital Appreciation Bonds");

(b) $100,000,000 original principal amount University Tuition Revenue Refunding and Capital Improvement Bonds, Series 2006, dated December 1, 2006 (the "Series 2006 Bonds");

(c) $112,885,000 original principal amount University Facilities Revenue Capital Improvement Bonds, Series 2008, dated September 1, 2008;

(d) $29,750,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2010, dated June 16, 2010 (the "Series 2010 Bond");

(e) $25,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2012-A, dated January 4, 2012 (the "Series 2012-A Bond");

(f) $7,740,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2012-B, dated January 4, 2012 (the "Series 2012-B Bond");

(g) $32,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2013-A, dated June 28, 2013 (the "Series 2013-A Bond");

(h) $8,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2013-B, dated June 28, 2013 (the "Series 2013-B Bond");

(i) $10,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2013-C, dated June 28, 2013 (the "Series 2013-C Bond");

(j) $41,245,000 original principal amount University Facilities Revenue Refunding Bond, Series 2014-A, dated March 14, 2014 (the "Series 2014-A Bond"); and

(k) $6,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2015, dated June 15, 2015 (the "Series 2015 Bond" and, together with the Series 1999 Capital Appreciation Bonds, the Series 2006 Bonds, the Series 2010 Bond, Series 2012-A Bond, Series 2012-B Bond, the Series 2013-A Bond, the Series 2013-B Bond, the Series 2013-C Bond, the Series 2014-A Bond and the Series 2015 Bond, the "Outstanding Bonds").

The Outstanding Bonds, the Series 2016 Bonds and any Additional Bonds issued hereafter are hereinafter referred to collectively as the "Bonds".

Sources of Payment and Pledged Revenues

The Series 2016 Bonds will be issued under the Indenture, as amended and as supplemented by a Twelfth Supplemental University Facilities Revenue Trust Indenture dated as of September 1, 2016 (the "Twelfth Supplemental Indenture") between the University and the Trustee, and will constitute limited obligations of the University payable solely from and secured by a lien on and a pledge of the Pledged Revenues (hereinafter defined) levied and collected by the University. The Series 2016 Bonds are secured pro rata and on an equal lien basis one with the other, with the Outstanding Bonds and with any Additional Bonds that may be hereafter issued under and subject to the terms and conditions of the Indenture, by a pledge of the Pledged Revenues.

The Series 2016 Bonds shall never be payable from any funds at any time provided for or appropriated by the State of Alabama, and shall not be a charge on the general credit or tax revenues of the State of Alabama. Neither the State of Alabama nor the University shall be obligated, directly or indirectly, to contribute any funds, property or resources to the payment of the Series 2016 Bonds except the Pledged Revenues.

The Series 2016 Bonds are payable solely out of the Pledged Revenues as defined in the Indenture, as amended, on a parity of lien with the Outstanding Bonds and any Additional Bonds at any time issued under the Indenture. Pledged Revenues is defined in the Indenture as follows:

"*Pledged Revenues*" means the Auxiliary Enterprises Revenues, the Children's and Women's Hospital Revenues, the General Fees, and additional fees and revenues, if any, that may be subjected to the lien of the Indenture pursuant to a Supplemental Indenture.

"*Auxiliary Enterprises Revenues*" means the gross revenues derived from auxiliary enterprises services furnished by the University, including, without limitation, food services, housing, college stores, dining, concessions and other similar services, as such revenues are shown as a separate item on the audited financial statements of the University.

"*Children's and Women's Hospital Revenues*" means an amount not exceeding $10,000,000 in any fiscal year of the University of the gross revenues derived from that certain hospital facility owned and operated by the University and known as USA Children's and Women's Hospital.

"*General Fees*" means all fees now or hereafter levied as a general tuition fee against students enrolled at the University.

Additional Bonds

In the Indenture, the University has reserved the right to issue and deliver from time to time and at any time Bonds ("Additional Bonds") secured by a pledge of the Pledged Revenues on a parity with the Outstanding Bonds, the Series 2016 Bonds, and any other Additional Bonds then outstanding for any purpose permitted by law and upon compliance with certain requirements set forth under the Indenture. See "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE" below.

Debt Service Requirements - Series 2016 Bonds

The following sets forth the amount of principal and interest payable on the Series 2016 Bonds for each fiscal year of the University ending September 30, 2017, through and including September 30, 2038:

Series 2016 Bonds

Fiscal Year Ending Sept. 30	Principal	Interest	Total Debt Service
2017	$ -	$ 2,517,430	$ 2,517,430
2018	-	3,992,400	3,992,400
2019	2,585,000	3,927,775	6,512,775
2020	2,710,000	3,795,400	6,505,400
2021	2,855,000	3,656,275	6,511,275
2022	3,000,000	3,509,900	6,509,900
2023	3,155,000	3,356,025	6,511,025
2024	3,315,000	3,194,275	6,509,275
2025	3,485,000	3,024,275	6,509,275
2026	3,670,000	2,845,400	6,515,400
2027	3,830,000	2,677,050	6,507,050
2028	4,010,000	2,500,200	6,510,200
2029	4,215,000	2,294,575	6,509,575
2030	4,435,000	2,078,325	6,513,325
2031	4,655,000	1,851,075	6,506,075
2032	4,895,000	1,612,325	6,507,325
2033	5,145,000	1,361,325	6,506,325
2034	5,410,000	1,097,450	6,507,450
2035	5,685,000	820,075	6,505,075
2036	5,950,000	558,950	6,508,950
2037	6,195,000	316,050	6,511,050
2038	6,405,000	96,075	6,501,075
Total	$85,605,000	$51,082,630	$136,687,630

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Debt Service Requirements - Outstanding Bonds and Series 2016 Bonds

The following table sets forth the projected debt service requirements on the Series 2016 Bonds and the Outstanding Bonds after giving effect to the issuance of the Series 2016 Bonds and the defeasance of the Refunded Bonds, all as of the fiscal years of the University ending September 30, 2017, through and including September 30, 2038:

Fiscal Year Ending Sept. 30	Series 1999[1]	Series 2006	Series 2008	Series 2010	Series 2012-A	Series 2012-B	Series 2013-A	Series 2013-B	Series 2013-C	Series 2014-A[2]	Series 2015	Series 2016 Bonds			Total Debt Service
												Principal	Interest	Total	
2017	$ 7,550,000	$ 5,000,000	$ 2,964,750	$ 2,162,186	$ 1,697,457	$1,369,109	$ 2,117,239	$ 529,310	$ 824,393	$ 2,795,724	$506,476	$ -	$ 2,517,430	$ 2,517,430	$ 30,034,073
2018	7,545,000	5,000,000	2,964,000	2,169,342	1,698,964	1,379,930	2,117,239	529,310	824,393	2,787,674	497,085	-	3,992,400	3,992,400	31,505,337
2019	7,545,000	5,000,000	-	2,176,364	1,699,485	-	2,117,239	529,310	824,393	2,775,530	487,694	2,585,000	3,927,775	6,512,775	29,667,788
2020	-	5,000,000	-	2,183,177	1,702,121	-	2,117,239	529,310	824,393	8,828,680	478,586	2,710,000	3,795,400	6,505,400	28,168,904
2021	-	5,000,000	-	2,189,703	1,702,516	-	2,117,239	529,310	824,393	8,796,308	468,911	2,855,000	3,656,275	6,511,275	28,139,654
2022	-	5,000,000	-	2,197,867	1,704,928	-	2,117,239	529,310	824,393	8,764,048	459,520	3,000,000	3,509,900	6,509,900	28,107,204
2023	-	5,000,000	-	2,207,517	1,707,871	-	2,117,239	529,310	824,393	8,730,663	450,129	3,155,000	3,356,025	6,511,025	28,078,146
2024	-	5,000,000	-	2,214,499	1,709,000	-	2,117,238	529,310	824,393	8,685,545	440,918	3,315,000	3,194,275	6,509,275	28,030,178
2025	-	10,460,000	-	2,224,815	1,708,589	-	2,117,238	529,310	824,393	-	431,347	3,485,000	3,024,275	6,509,275	24,804,967
2026	-	10,457,875	-	2,234,235	1,711,363	-	2,117,239	529,310	824,393	-	421,956	3,670,000	2,845,400	6,515,400	24,811,769
2027	-	10,461,000	-	2,242,683	1,714,520	-	2,117,239	529,310	824,393	-	412,565	3,830,000	2,677,050	6,507,050	24,808,759
2028	-	10,458,625	-	2,254,083	1,716,929	-	2,117,239	529,310	824,393	-	403,251	4,010,000	2,500,200	6,510,200	24,814,029
2029	-	10,460,000	-	2,264,207	1,718,505	-	2,117,239	529,310	-	-	393,782	4,215,000	2,294,575	6,509,575	23,992,617
2030	-	10,459,250	-	1,388,978	1,717,616	-	2,117,239	529,310	-	-	384,391	4,435,000	2,078,325	6,513,325	23,110,108
2031	-	10,460,500	-	-	1,723,729	-	2,117,238	529,310	-	-	-	4,655,000	1,851,075	6,506,075	21,336,852
2032	-	10,457,875	-	-	925,002	-	2,117,238	529,310	-	-	-	4,895,000	1,612,325	6,507,325	20,536,750
2033	-	10,460,375	-	-	-	-	2,117,239	529,310	-	-	-	5,145,000	1,361,325	6,506,325	19,613,248
2034	-	10,461,875	-	-	-	-	-	-	-	-	-	5,410,000	1,097,450	6,507,450	16,969,325
2035	-	10,461,375	-	-	-	-	-	-	-	-	-	5,685,000	820,075	6,505,075	16,966,450
2036	-	10,457,875	-	-	-	-	-	-	-	-	-	5,950,000	558,950	6,508,950	16,966,825
2037	-	10,460,125	-	-	-	-	-	-	-	-	-	6,195,000	316,050	6,511,050	16,971,175
2038	-	-	-	-	-	-	-	-	-	-	-	6,405,000	96,075	6,501,075	6,501,075
Total	$22,640,000	$175,976,750	$5,928,750	$30,109,657	$26,558,593	$2,749,039	$35,993,055	$8,998,264	$9,892,715	$52,164,172	$6,236,611	$85,605,000	$51,082,630	$136,687,630	$513,935,235

[1] The accrued interest on the Series 1999 Capital Appreciation Bonds is not recognized or payable until each prospective maturity date.
[2] Interest on the Series 2014-A Bond is calculated at the net swap rate of 5.4553%.

The Maximum Annual Debt Service Requirement respecting the Series 2016 Bonds and the Outstanding Bonds, after giving effect to the issuance of the Series 2016 Bonds and the defeasance of the Refunded Bonds, occurring in the fiscal year of the University ending September 30, 2018 ($31,505,337), is covered approximately 5.97 times by Pledged Revenues referable to the fiscal year of the University ended September 30, 2015 ($188,032,000). See "Pledged Revenues" below.

Pledged Revenues

The following is a summary of the amount of General Fees, Auxiliary Enterprises Revenues, and Children's and Women's Hospital Revenues collected by the University for the fiscal years ended September 30, 2010 through September 30, 2015:

	2011	2012	2013	2014	2015
General Fees[1]	$ 110,582,000	$ 118,069,000	$ 128,166,000	$ 139,089,000	$ 155,175,000
Auxiliary Enterprises Revenues[1]	16,738,000	18,751,000	19,328,000	21,055,000	22,857,000
Children's & Women's Hospital Revenues[2]	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Total	$ 137,320,000	$ 146,820,000	$ 157,494,000	$ 170,144,000	$ 188,032,000

[1]General Fees and Auxiliary Enterprises Revenues include amounts allocated to scholarship allowances for accounting purposes. General Fees and Auxiliary Enterprises Revenues net of scholarship allowances for fiscal year 2015 were approximately $120,265,000 and $21,777,000, respectively.
[2]As to revenues from the USA Children's and Women's Hospital, only $10,000,000 of the gross revenues in any fiscal year of the University are pledged to payment of all the Bonds (including the Series 2016 Bonds). See "HEALTH CARE SYSTEM" below for total gross revenues from USA Children's and Women's Hospital for the years shown.

Tuition increases were placed into effect for each of the years shown above. Auxiliary fee increases were also placed into effect for all of the years shown above. Reference is hereby made to the audited financial statements of the University for the fiscal year ended September 30, 2015, appearing as Appendix A hereto, and the audited financial statements of the University for the other periods which are available on EMMA (as defined herein). See "CONTINUING DISCLOSURE" below for a description of EMMA.

Subsequent to the issuance of the Series 2016 Bonds and the defeasance of the Refunded Bonds, the total principal amount (including the current compounded amount of Series 1999 Capital Appreciation Bonds) of indebtedness of the University payable from Pledged Revenues is expected to be approximately $348,457,160.

Derivatives

The University has entered into an interest rate swap (the "2014 Swap") with Wells Fargo Bank, N.A. (as successor to Wachovia Bank, N.A., the "Counterparty") in connection with the University's Series 2014-A Bond. The notional amount of the 2014 Swap will at all times match the outstanding principal of the Series 2014-A Bond and the 2014 Swap will mature on March 15, 2024. Under the 2014 Swap agreement, the University pays a fixed rate of 4.9753% and receives 68% of one-month London Interbank Offered Rate ("LIBOR") plus 0.25%.

The University previously entered into an interest rate swaption agreement (the "2006 Swaption") with the Counterparty in order to effect a synthetic advance refunding of the Series 2006 Bonds. The University sold the 2006 Swaption (the option to enter into an interest rate swap with respect to the Series 2006 Bonds in 2016) to the Counterparty in exchange for an up-front payment. The University currently expects the Counterparty to exercise the 2006 Swaption before its expiration date of September 1, 2016. If the Counterparty exercises its option related to the 2006 Swaption, the University would be compelled to enter into an underlying interest rate swap with an effective date of December 1, 2016 and a final maturity of December 1, 2036. If the option is exercised, the University would begin to make payments on the current notional amount of $100,000,000 and would simultaneously call the outstanding Series 2006 Bonds and issue variable rate obligations in their place. The University would pay a fixed rate of 5.0% to the counterparty and would receive payments based on 68% of one-month LIBOR plus 0.25%.

For additional information regarding the 2014 Swap and the 2006 Swaption, see Appendix A.

Future Debt

The University is currently evaluating the potential issuance of additional debt within the next 12 months totaling approximately $53,000,000 to fund various capital improvements for the USA Medical Center, the USA Children & Women's Hospital and the University's main campus.

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Assured Guaranty Municipal Corp. ("AGM") will issue its Municipal Bond Insurance Policy (the "Policy") for the Bonds maturing on November 1 of the years 2023 through 2037, inclusive (the "Insured Bonds"). The Policy guarantees the scheduled payment of principal of and interest on the Insured Bonds when due as set forth in the form of the Policy included as Appendix E to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Assured Guaranty Municipal Corp.

AGM is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO". AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and global public finance, infrastructure and structured finance markets. Neither AGL nor any of its shareholders or affiliates, other than AGM, is obligated to pay any debts of AGM or any claims under any insurance policy issued by AGM.

AGM's financial strength is rated "AA" (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA") and "A2" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"). Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings.

On July 27, 2016, S&P issued a credit rating report in which it affirmed AGM's financial strength rating of "AA" (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

On August 8, 2016, Moody's published a credit opinion affirming its existing insurance financial strength rating of "A2" (stable outlook) on AGM. AGM can give no assurance as to any further ratings action that Moody's may take.

On December 10, 2015, KBRA issued a financial guaranty surveillance report in which it affirmed AGM's insurance financial strength rating of "AA+" (stable outlook). AGM can give no assurance as to any further ratings action that KBRA may take.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2015.

Capitalization of AGM.

At June 30, 2016, AGM's policyholders' surplus and contingency reserve were approximately $3,841 million and its net unearned premium reserve was approximately $1,459 million. Such amounts represent the combined surplus, contingency reserve and net unearned premium reserve of AGM, AGM's wholly owned subsidiary Assured Guaranty (Europe) Ltd. and 60.7% of AGM's indirect subsidiary Municipal Assurance Corp.; each amount of surplus, contingency reserve and net unearned premium reserve for each company was determined in accordance with statutory accounting principles.

Incorporation of Certain Documents by Reference.

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

(i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2015 (filed by AGL with the SEC on February 26, 2016);

(ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2016 (filed by AGL with the SEC on May 5, 2016); and

(iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2016 (filed by AGL with the SEC on August 4, 2016).

All consolidated financial statements of AGM and all other information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at http://www.sec.gov, at AGL's website at http://www.assuredguaranty.com, or will be provided upon request to Assured Guaranty Municipal Corp.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AGM included herein under the caption "BOND INSURANCE – Assured Guaranty Municipal Corp." or included in a document incorporated by reference herein (collectively, the "AGM Information") shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters.

AGM makes no representation regarding the Series 2016 Bonds or the advisability of investing in the Series 2016 Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "BOND INSURANCE".

THE PLAN OF FINANCING

The Series 2016 Bonds are being issued for the purpose of (i) advance refunding the Refunded Bonds; (ii) paying the costs and expenses of issuing the Series 2016 Bonds; and (iii) paying the premium for a financial guaranty insurance policy respecting certain of the Series 2016 Bonds.

The Plan of Refunding

Upon the delivery of the Series 2016 Bonds, a portion of the proceeds of the Series 2016 Bonds will be deposited into an escrow fund (the "Escrow Fund") established pursuant to an Escrow Trust Agreement dated as of September 1, 2016 (the "Escrow Trust Agreement") between the University and the Trustee, as escrow agent (the "Escrow Agent"). See "SOURCES AND USES OF FUNDS" herein.

Concurrently with the deposit into the Escrow Fund, the University will irrevocably authorize and direct the Escrow Agent to call the Refunded Bonds for redemption on August 1, 2018, which will constitute an advance refunding of all such bonds for federal tax purposes.

The Escrow Agent will invest the proceeds deposited in the Escrow Fund in cash and escrow securities sufficient to pay all principal, interest and premium, if any, due and payable on the Refunded Bonds to and including their respective redemption dates.

After giving effect to the deposit into the Escrow Fund, all of the Refunded Bonds will be defeased and no longer outstanding under the Indenture, except for provisions relating to registration, exchange and the method of payment. For a discussion of the bonds that will remain outstanding and secured on a parity basis under the General Fee Revenue Indenture after giving effect to the defeasance of the Refunded Bonds, see "SECURITY AND SOURCE OF PAYMENT - General."

ESTIMATED SOURCES AND USES OF PROCEEDS

The estimated sources and uses of funds for the plan of financing with respect to the issuance of the Series 2016 Bonds are as follows (rounded to the nearest whole dollar):

Sources of Funds	
Principal amount of Series 2016 Bonds	$85,605,000.00
Net original issue premium	16,124,288.00
Total Sources	$101,729,288.00
Uses of Funds	
Deposit to Escrow Fund for Refunded Bonds	$100,954,116.03
Expenses of issuance[1]	775,171.97
Total Uses	$101,729,288.00

[1] Includes Underwriters' discount, legal and accounting fees, printing costs, rating agency fees, bond insurance premium, financial advisory fees and other expenses of issuance.

CERTAIN GENERAL INFORMATION RESPECTING THE UNIVERSITY OF SOUTH ALABAMA

General

The University of South Alabama is a public corporation and an instrumentality of the State of Alabama existing under provisions of Act No. 157, Acts of Alabama, Second Special Session 1963, and Chapter 55 of Title 16 of the CODE OF ALABAMA 1975. The University is a comprehensive, coeducational, state-assisted

institution, which serves as a major center of undergraduate, graduate, and professional education for Alabama, the Gulf Coast region, and the southeastern United States.

The University's mission encompasses the three traditional academic functions of teaching, research, and public service through which it pursues the discovery, preservation, and communication of knowledge. The University was admitted to membership in the Southern Association of Colleges and Schools on December 4, 1968. Total enrollment for Fall 2015 was 16,211. Of those students, 11,456 were classified as undergraduate students, 4,687 were enrolled in graduate or professional programs, and 68 were unclassified. For the 2015-2016 academic year, the University awarded 3,214 degrees and certificates, of which 1,815 were Baccalaureate Degrees, 987 were Masters Degrees, 74 were M.D. Degrees, 15 were Ph.D. Degrees, 10 were Au.D. Degrees, 33 were D.P.T. Degrees, 90 were D.N.P. Degrees, and 190 were Para-Professional Certificates. Thirteen degree programs and over two hundred and fifty courses are offered by the University online.

The University of South Alabama main campus, located in a section of Mobile called Springhill, consists of 1,200 wooded acres. The primary instructional buildings are contained on this campus, as well as the medical college and dormitory facilities. A 750-acre municipal park is adjacent to the main campus.

The University of South Alabama Baldwin County Campus was established as a branch campus in 1984 to better meet the needs of students located in Baldwin County, Alabama, and offers graduate courses, upper-level undergraduate courses, and non-credit courses/public service programs. The University of South Alabama Springhill Avenue Campus is a multi-purpose facility of approximately 454,000 square feet located in Midtown Mobile, and houses various academic and health-related programs of the University. The U.S. Department of Veterans Affairs also leases about 48,000 square feet in the Springhill Avenue Campus that it uses as an outpatient clinic.

The University of South Alabama health system, known as USA Health, is composed of the USA Medical Center, the USA Children & Women's Hospital, the USA Mitchell Cancer Institute, and Ambulatory Services. USA Health provides primary and tertiary care for a multi-county service area. The USA Medical Center ("USAMC") is a 406-bed hospital which includes a level one trauma center, a burn unit, and state-of-the-art facilities for internal medicine, surgery and cardiovascular diagnostic and treatment techniques. The USA Children's & Women's Hospital ("USACW") is a 152-bed facility specializing in pediatric, obstetric and gynecological services. The USACW includes neonatal and pediatric intensive care nurseries, progressive care nurseries, and other facilities for dealing with high risk deliveries. In 2015, the 195,000 square foot expansion of USACW was placed into service. The USA Mitchell Cancer Institute ("MCI") is an academic cancer treatment and research enterprise housed in a state-of-the-art 125,000 square foot integrated clinical and research building. Ambulatory Services ("Ambulatory Services") is a 160-physician multi-specialty faculty practice dedicated to delivering leading-edge care to patients and supporting the mission of the USA College of Medicine in the education and training of students and resident physicians and in the advancement of medical care through medical research. The Strada Patient Care Center, a 133,000 square foot building located near USACW, is expected to be placed in service in 2016 and will provide 153 patient exam rooms, 16 nurses stations, and 7 educational conference rooms for use by the physician faculty practice.

For the 2015-2016 academic year, the University employed 807 full-time faculty persons. Approximately 33.5% of faculty members are tenured. The University employs 5,723 persons in all categories.

The main campus in Mobile, Alabama, consists of 144 major buildings, including hospital and medical related facilities. Those facilities include buildings providing 2,285 spaces available for student residency on campus.

For its fiscal year ended September 30, 2015, the University reported grants and contracts revenue from Federal, State and private sources of approximately $85,756,000, and an additional $103,974,000 from direct State of Alabama legislative appropriations. Tuition and fees revenues reported during the fiscal year ended September 30, 2015 (net of scholarship allowances) were approximately $120,265,000, and net patient service revenues from USA Health during such period were approximately $271,655,000. See Appendix A.

Summary Enrollment Profile - Fall 2015
(excluding Medical Residents)

	Number	Percent
College of Arts and Sciences	3,520	21.7%
College of Education	1,670	10.3%
College of Engineering	1,770	10.9%
College of Medicine	347	2.1%
College of Nursing	4,209	26.0%
Covey College of Allied Health Professions	2,145	13.2%
Graduate School	42	0.3%
Mitchell College of Business	1,495	9.2%
School of Computing	713	4.4%
School of Continuing Education and Special Programs	300	1.9%
Total[1]	16,211	100.0%

[1] Excludes 251 medical residents.

Through its ten colleges and schools, the University awards the bachelor's degree in fifty-four majors or areas, the master's degree in thirty-four majors or areas and the doctorate degree in twelve majors or areas. In addition, post-secondary certificates are offered in eleven areas. In addition to the traditional on-campus course offerings, the University offers over two hundred and fifty online courses to fit the needs of a diverse student body. Thirteen degree programs are also offered online, with four of those being offered only online.

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Financial

The following section contains certain financial information for the University, including a comparison of the revenues, expenses and changes in net position for the fiscal years 2011 through 2015.

Condensed Schedules of Revenues, Expenses, and Changes in Net Position (in thousands)

	2011	2012	2013	2014	2015
Operating revenues:					
Tuition and fees	$ 81,557	$ 88,299	$ 95,709	$ 104,448	$ 120,265
Net patient service revenue	227,039	247,802	258,207	268,449	271,655
Federal, state and private grants and contracts	79,780	76,448	77,302	76,719	85,756
Other	47,790	56,579	52,388	54,010	78,845
Total	436,166	469,128	483,606	503,626	556,521
Operating expenses:					
Salaries and benefits	390,002	396,170	401,872	419,966	433,679
Supplies and other services	136,749	134,841	148,597	158,615	169,873
Other	53,224	51,222	51,651	55,397	57,476
Total	579,975	582,233	602,120	633,978	661,028
Operating loss	(143,809)	(113,105)	(118,514)	(130,352)	(104,507)
Nonoperating revenues (expenses):					
State appropriations	96,948	105,639	102,585	103,695	103,974
State appropriated - ARRA Funds	10,769	-	-	-	-
Investment income (loss)	(6,335)	14,561	28,159	8,206	(10,718)
Other, net	13,375	12,197	11,986	14,475	13,259
Net nonoperating revenues	114,757	132,397	142,730	126,376	106,515
Income (loss) before capital appropriations, capital contributions, grants, and additions to endowment	(29,052)	19,292	24,216	(3,976)	2,008
Capital appropriations, capital contributions, grants, and additions to endowment	26,677	19,097	15,263	10,536	7,231
Change in net position	(2,375)	38,389	39,479	6,560	9,239
Beginning net position, before cumulative effect of change in accounting principle	419,271	416,896	453,511	492,990	499,550
Cumulative effect of change in accounting principle	-	(1,774)	-	-	(313,737)
Beginning net position- as adjusted	419,271	415,122	453,511	492,990	185,813
Ending net position	$ 416,896	$ 453,511	$ 492,990	$ 499,550	$ 195,052

The University's audited financial statements for the year ended September 30, 2015 are attached as Appendix A.

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Faculty and Staff

Faculty and staff employees for the University were as follows at September 30 for the years shown:

	2015	2014	2013	2012	2011
Full-time faculty by rank:					
Professor	182	200	200	209	198
Associate Professor	191	186	174	181	186
Assistant Professor	302	267	271	240	228
Instructor	132	121	127	128	145
Lecturer	-	2	2	2	2
TOTAL	807	776	774	760	759
Full-time faculty by length of service:					
Up to 2 years	193	152	142	125	94
3-4 years	88	80	54	68	118
5-9 years	162	186	207	207	207
10-14 years	158	135	135	138	117
15+ years	206	223	236	222	223
TOTAL	807	776	774	760	759
Percent of faculty tenured	33.5%	36.3%	37.9%	40.8%	40.7%
Part-time faculty	381	364	345	349	326
Non-faculty	4,535	4,365	4,187	4,165	4,256
Total University employees	5,723	5,505	5,306	5,274	5,341

Student Enrollment and Trends

Total student enrollment by head count was as follows for the semesters shown. The University expects total Fall 2016 headcount to increase by approximately 160 students:

	Fall 2015	Fall 2014	Fall 2013	Fall 2012	Fall 2011
Undergraduate	11,456	11,404	11,224	11,144	11,403
Graduate/Professional	4,687	4,326	3,758	3,321	3,191
Unclassified	68	75	83	171	175
Total	16,211	15,805	15,065	14,636	14,769

Applications, acceptances and matriculations for freshmen students:

	Fall 2015	Fall 2014	Fall 2013	Fall 2012	Fall 2011
Applications	6,558	5,541	4,740	4,689	4,473
Acceptances	5,111	4,615	4,068	4,078	3,903
Matriculations	2,038	2,000	1,804	1,863	1,851
Percent of applicants accepted	77.9%	83.3%	85.8%	87.0%	87.3%
Percent of applicants enrolled	31.1%	36.1%	38.1%	39.7%	41.4%

Total enrollment by full-time equivalent:

	Fall 2015	Fall 2014	Fall 2013	Fall 2012	Fall 2011
Undergraduate	10,064	9,838	9,577	9,604	9,728
Graduate/Professional	3,751	3,507	3,063	2,715	2,561
Total	13,815	13,345	12,640	12,319	12,289

Retention rate for full-time freshmen entering in:

	Fall 2014	Fall 2013	Fall 2012	Fall 2011	Fall 2010
Number matriculated	2,030	1,825	1,886	1,826	1,654
Number returned	1,481	1,297	1,280	1,202	1,082
Retention rate	73.0%	71.1%	67.9%	65.8%	65.4%

Graduation Rates

Cumulative Graduation Rate:

Fall	Number	Four Years		Five Years		Six Years	
Class	Matriculated	Number	Percent	Number	Percent	Number	Percent
2009	1,711	244	14.3%	494	28.9%	607	35.5%
2008	1,495	230	15.4%	430	28.8%	551	36.9%
2007	1,418	200	14.1%	381	26.9%	471	33.2%
2006	1,317	190	14.4%	392	29.8%	486	36.9%
2005	1,152	199	17.3%	358	31.1%	443	38.5%

Test Scores

Average ACT scores of matriculated students for years shown:

Fall 2015	Fall 2014	Fall 2013	Fall 2012	Fall 2011
22.1	22.3	22.4	22.3	21.7

Geographic Concentrations of Students

	Fall 2015	Fall 2014	Fall 2013	Fall 2012	Fall 2011
Mobile County	6,364	6,718	6,283	6,455	6,828
Baldwin County	1,366	1,364	1,390	1,449	1,494
Other Alabama counties	3,005	2,704	2,822	2,582	2,336
Florida	1,109	1,024	920	836	805
Mississippi	1,241	1,297	1,424	1,331	1,371
Other states in the U.S.A.	2,243	2,030	1,770	1,457	1,280
International	883	668	456	526	655
Total	16,211	15,805	15,065	14,636	14,769

Main Schools in Competitive Group and Listed Tuition – 2015-2016 Academic Year:

	Undergraduate[1]		Graduate[2]	
	Resident	Non-Resident	Resident	Non-Resident
University of South Alabama	8,790	17,850	9,480	18,960
In-state reference group[3]:				
Alabama A & M University	9,366	17,136	11,028	20,460
Alabama State University	8,720	15,656	10,016	18,248
Athens State University	6,270	11,790	N/A	N/A
Auburn University	10,424	28,040	10,418	28,022
Troy University	9,880	18,490	10,564	20,092
University of Alabama	10,170	25,950	10,170	25,950
University of Alabama at Birmingham	9,596	21,956	9,638	20,022
University of Alabama in Huntsville	9,128	20,622	9,548	21,402
Mean of in-state reference group	9,194	19,955	10,197	22,314
Regional reference group[4]:				
University of Southern Mississippi	7,334	16,204	7,334	16,204
University of New Orleans	8,244	22,060	8,880	22,319
University of West Florida	6,360	19,241	6,712	19,180
Mean of regional reference group	7,313	19,168	7,642	19,234

[1] Based on 30 undergraduate credit hours per academic year.
[2] Based on 24 graduate credit hours per academic year.
[3] Source: Alabama Commission on Higher Education Annual Tuition and Fee Schedule.
[4] Source: Fee schedules available on official individual regional university websites.

Certain Fees and Charges

The following shows the fee schedule for Undergraduate and Graduate Arts and Sciences majors for the periods shown. The course fees for other majors are slightly higher. Except as otherwise indicated, course fees are per semester hour. Graduate School does not include the College of Medicine.

	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013
Application fee	$ 35	$ 35	$ 35	$ 35	$ 35
Registration fee (charged only if enrolled in less than 15 semester hours)	150	150	150	150	150
Late registration fee	100	50	50	50	50
In-state course fee, per semester hour					
Undergraduate	302	293	287	277	265
Graduate	407	395	387	374	358
Out-of-state course fee, per semester hour					
Undergraduate	604	586	574	554	530
Graduate	814	790	774	748	716

College of Medicine

Fees and certain charges for the College of Medicine were as follows for the periods indicated:

	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013
Application fee	$ 75	$ 75	$ 75	$ 75	$ 75
Resource fee	400	400	400	400	400
Course fee, academic year					
In-state	29,083	28,236	27,682	26,617	25,472
Out-of-state	58,166	56,472	55,361	53,234	50,944

Degrees Awarded

The University awarded the following degrees for the academic years ending May 31 for the years shown below:

	2016	2015	2014	2013	2012
Baccalaureate	1,996	1,815	1,848	1,801	1,669
Masters	1,080	987	748	724	739
Para-professional certificates	169	190	204	221	227
Professional:					
M.D.	73	74	63	73	78
Ph.D.	28	15	22	13	21
Au.D.	10	10	8	5	6
D.P.T.	37	33	37	33	31
D.N.P.	135	90	63	44	22
D.B.A	3	0	0	0	0
D.Sc.	1	0	0	0	0
Ed.D.	1	0	0	0	0
Total	3,533	3,214	2,993	2,914	2,793

Student Financial Aid

The University awarded and paid financial aid at the following levels for the following academic years, as follows:

	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012
Federal government:					
Student Loans	$118,370,532	$109,104,484	$101,295,448	$ 94,907,789	$ 86,260,853
Grants	20,258,516	19,247,942	18,592,534	18,395,849	19,700,427
Student employment	329,675	382,537	197,316	212,319	288,788
University:					
Loans	137,311	199,056	184,938	147,515	82,565
Scholarships	18,924,943	17,498,850	15,737,193	13,837,310	13,206,456
Total	$158,020,977	$146,432,869	$136,007,429	$127,500,782	$119,539,089

GOVERNING BODY

State law provides for a Board of Trustees as the governing body of the University with all of the rights, privileges and authority necessary to promote the purpose of its creation, which is to establish and provide for the maintenance and operation of a state university in Mobile County, Alabama. The Board of Trustees consists of sixteen members. The Governor is the ex officio President of the Board of Trustees. Three members of the Board of Trustees are appointed from Mobile County. Five members are appointed from the State at large. Two members are appointed from the United States at large. One member is appointed from each of the following state senatorial districts, or combinations thereof, as those districts were designated at the time the University was organized: (1) Sixteenth and Seventeenth Districts; (2) Nineteenth and Twentieth Districts; (3) Twenty-first District; (4) Twenty-third, Twenty-fifth, and Thirtieth Districts; and (5) Thirty-fifth District. All Trustees except ex officio members are appointed by the Governor by and with the advice and consent of the State Senate, and hold office for a term of six years and until their successors shall be appointed and qualified. The present members of the Board of Trustees are as follows:

Name of Trustee	Occupation	Term of Office Expires
Dr. Scott A. Charlton	Physician	September 30, 2021
Mr. E. Thomas Corcoran	Businessman	September 30, 2021
Dr. Steven P. Furr	Physician	September 30, 2017
Mr. Robert D. Jenkins, III	Businessman	September 30, 2019
Ms. Betty R. Maye	Educator, Retired	September 30, 2017
Mrs. Arlene Mitchell	Philanthropist and Civic Volunteer	September 30, 2021
Mr. Bryant Mixon	Sherriff, Dale County, Retired	September 30, 2017
Mr. John M. Peek	Attorney	September 30, 2017
Mr. James H. Shumock	Businessman	September 30, 2021
Mr. Kenneth O Simon	Attorney	September 30, 2019
Mrs. Chandra Brown Stewart	Business Administration	September 30, 2019
The Honorable William S. Stimpson	Mayor, City of Mobile	September 30, 2019
Dr. Steven H. Stokes	Physician	September 30, 2017
Mr. Michael P. Windom	Attorney	September 30, 2019
Mr. James A. Yance	Attorney, Retired	September 30, 2021
The Honorable Robert Bentley	Governor, State of Alabama	Ex Officio

The Board of Trustees appoints the President of the University. Dr. Tony G. Waldrop has served as President of the University since April 1, 2014. Dr. Waldrop received his Ph.D. from University of North Carolina.

The organization below the Board of Trustees is composed of the President and seven Vice Presidents: Executive Vice President; Provost and Senior Vice President for Academic Affairs; Vice President for Development and Alumni Relations; Vice President for Student Affairs; Vice President for Medical Affairs and Dean of the College of Medicine; Vice President for Research and Economic Development; and Vice President for Finance and Administration.

HEALTH CARE SYSTEM

USA Health, a division of the University, is an academic medical center which consists of two academic tertiary medical centers, a cancer institute and a physician faculty practice. USAMC is a 406-bed tertiary care center with the region's only Level 1 trauma center and burn center. Recognized as a top performer on key quality measures, USAMC offers advanced treatment of stroke, cardiovascular disease and sickle cell disease. Patients treated at USAMC tend to require medically complex and extensive care and treatment. USAMC has seen a 64% increase in gastroenterology cases from 2011-2015. This growth is a result of USAMC's focus on research and services unique to the region, as well as high patient satisfaction ratings. During this same period,

surgery cases at USAMC increased by 17% and admissions overall increased by 9% while the total number of patients seen in the USAMC Emergency Department decreased by 19%.

Gross Revenues of USAMC for the last five fiscal years were as follows:

Year	Gross Revenues
2015	$360,250,280
2014	348,119,160
2013	328,142,373
2012	308,341,443
2011	257,199,880

USACW is a 152-bed hospital dedicated to providing services to children and women. Over the past four years, USACW has experienced a 2% increase in average daily census, a 16% decrease in surgeries, and a 4% increase in deliveries. In 2015, USACW delivered 2,767 babies, nearly a third more than any other Mobile hospital. The services provided by USACW are among those provided by fewer than five hospitals nationwide that are dedicated solely to the provision of care for both children and women. USACW has the region's only Neonatal ICU unit, Pediatric ICU unit, 24-hour Pediatric Evaluation Unit, High-risk Obstetrics program and Pediatric Surgery Anesthesia Services. USACW also supports the teaching and research missions of the University of South Alabama. In 2015, the 195,000 square foot expansion of USACW was placed into service.

Gross Revenues of USACW for the last five fiscal years were as follows:

Year	Gross Revenues
2015	$241,114,324
2014	219,808,672
2013	203,746,723
2012	211,758,092
2011	181,385,054

MCI is the only academic cancer research and treatment center in the upper Gulf Coast corridor. Providing cancer care to a catchment area of over 4.1 million persons in a 150-mile radius, MCI brings state-of-the art, research-based cancer treatment to the region, serving over 6,200 individual patients in the last year. Its capabilities span the entire continuum of cancer care, from prevention and early detection to treatment and survivorship. With over 300 employees and a highly skilled and trained team of oncologists, MCI is improving cancer outcomes for patients, particularly the most vulnerable residents of the county, state and beyond. MCI provides cancer treatment in Mobile, Fairhope and, through Monroe County Hospital, Monroeville. For patients who are not candidates for traditional cancer therapy, MCI offers a host of clinical trials with over 200 patients enrolled in therapeutic clinical trials, 35% of whom are minority patients. MCI has 15 Principal Investigators conducting research funded through the National Institutes of Health, the Department of Defense, the American Cancer Society and other foundations. As an integrated cancer treatment and research center, MCI provides innovative cancer care in a caring environment, while accelerating the research to enhance care delivery for future patients.

Gross Revenues of MCI for the last five fiscal years were as follows:

Year	Gross Revenues
2015	$18,048,802
2014	25,158,623

2013	22,038,595
2012	22,087,983
2011	22,889,540

Comprised of more than 160 academic physicians on faculty at the USA College of Medicine, the Ambulatory Services physician faculty practice is the region's largest multi-specialty practice and the only academic physicians group along the central Gulf Coast. Ambulatory Services physicians practice throughout Mobile County, including at the University's hospital and clinic campuses and on the University's main campus. The Strada Patient Care Center, a 133,000 square foot building which is expected to be placed in service in 2016 and is located near USACW, will provide 153 patient exam rooms, 16 nurses stations, and 7 educational conference rooms. The collective mission of the Ambulatory Services health care providers is to deliver leading-edge care to patients and to support the larger mission of the USA College of Medicine in the education and training of students and resident physicians and in the advancement of medical care through medical research. Prior to July 1, 2016, Ambulatory Services was operated by the University of South Alabama Health Services Foundation (the "HSF"), a 501(c)(3) organization that has been included in the University's financial statements as a discretely presented component unit. As of July 1, 2016, Ambulatory Services activities were transferred by HSF to the University and the revenues and expenses of the faculty practice will thereafter be included in the University's Statement of Revenues, Expenses and Changes in Net Position.

ACADEMIC MEDICAL CENTERS

Academic Medical Centers ("AMCs") throughout the United States face a changing dynamic healthcare environment. These changes include potential funding reductions from governmental entities and insurance companies, as well as a transition from productivity to value-based reimbursements.

As a result, AMCs are evaluating their business model and restructuring themselves in order to respond to the current and future healthcare environment. Nationwide, AMCs are evaluating partnerships with other AMCs or even non-AMC healthcare providers. Consistent with this national trend, the University, although in the very early stage, is proactively addressing its structure and governance with respect to these issues.

USA TECHNOLOGY & RESEARCH PARK

The USA Research and Technology Corporation (the "Corporation") was incorporated in 2002 as a not-for-profit corporation under the laws of the State of Alabama. The mission of the Corporation is to facilitate new and enhanced types of interaction between the University and the wider public and private sectors and to serve as a catalyst for regional development by furthering innovation and enterprise in a collaborative and principled fashion that respects and elevates the social and economic well-being of the community. The facilities of the Corporation are located on approximately 160 acres adjacent to the main campus of the University, an area known as the USA Technology & Research Park (the "Park"). The Corporation owns three buildings in the Park which together comprise approximately 222,300 square feet of space available for lease, with approximately 203,000 square feet currently under lease. Several of the achievements of the Corporation since its inception include:

- Total tenant employment (non-University) has grown to approximately 400, including approximately 50 University graduates. In addition, there were 5 student interns employed at the Park over the course of the past year.

- During the fiscal year ended September 30, 2015, there were approximately $300,000 in active research grant collaborations and contracts between the University and corporate Park tenants, with an additional $100,000 funded and pending.

FACILITIES

Current Facilities

The University's campus has almost 5,089,000 gross square feet of building space presently in use. Existing main campus structures include the Administration Building; Instructional Laboratory Building; Library; Biomedical Library; Chemistry Building; Life Science Building; Health, Physical Education and Recreation Building; Student Center; Humanities Building; Medical Sciences Building; Multi-Purpose Arena; Performing Arts Building; Business Building; two hospitals (USA Medical Center and USA Children's & Women's Hospital); Student Services Building; Archaeology Building; Intramural Fieldhouse; Transportation Services Building; three Technology and Research buildings; Shelby Hall; Health Science; Dining Facility; Faculty Club; Academic Services; Mitchell Cancer Institute; Business Resource Center; Innovation in Learning Center; Education Services Building; Education and Outreach Building, and a variety of residence halls. The Bethel Theater, Mobile Townhouse, and Alumni Hall, all located on the campus, are renovated buildings of great historic value.

Historical details of construction, acquisition and renovations at the University campus are as follows:

Years of construction or acquisition	Gross Square Feet Constructed or Acquired	Gross Square Feet Renovated
Prior to 1960	1,091,119	207,676
1960-1969	813,280	302.671
1970-1979	1,046,420	192,963
1980-1989	595,710	81,712
1990-1999	277,443	-
2000-2009	550,333	153,575
2010-2015	714,605	502,204
	5,088,910	1,440,801

The campus is served by water, gas and electric utilities supplied by public utilities serving the greater Mobile metropolitan area.

Insurance

Claims for damages to the University's campus property are covered by the State Insurance Fund of the State of Alabama's Division of Risk Management. All buildings and contents are covered by the State Insurance Fund policy. The University uses two self-insured trust funds to pay general liability and professional liability claims. Injuries from work-related incidents to those employees covered by the University's self-insured health plan are covered by that plan. Work-related injuries to employees not covered by the health plan are reviewed by the State Board of Adjustment for final resolution.

Student Housing

With respect to on-campus student housing, 2,285 spaces are available for occupancy in campus student residences. Over the last five years, occupancy rates have averaged 95%, with the Fall 2015 semester at 98%. Approximately 14% of total headcount enrollment occupied student housing for the Fall 2015 semester.

In addition to the 2,285 University-owned spaces, there are three other non-University-owned, apartment-style housing complexes that focus on University students – one is located on campus, and the other two are located across major roads from campus. The on-campus complex was built on land leased by the

University to the housing developer under a long-term lease, and the University is under no obligation to guarantee the financing or occupancy or any other revenue source with respect to the apartments. The off-campus complexes were built on land that is not owned by the University. The three complexes have a total of approximately 2,000 additional spaces available for occupancy.

SUMMARY INFORMATION RESPECTING STATE AND PRIVATE FUNDING

State Appropriations

The University has received appropriations from the State of Alabama for certain of its operating costs and other non-operating cash requirements, including capital expenditures. State appropriations may not lawfully be used for the payment of debt service on the Bonds, including the Series 2016 Bonds. There can be no assurance that future Legislatures will continue to make such appropriations, or, if made, that they will be timely or sufficient when added to operating revenues and General Fees, Auxiliary Enterprise Revenues, and Children's and Women's Hospital Revenues remaining after the payment of debt service, to cover in full, operating expenses of the University.

The following tabulation compiled by the University staff from University accounting records shows State appropriations to the University for the fiscal years ended September 30, 2012, through September 30, 2016:

Fiscal year ended	Total Appropriations	
September 30	Authorized	Received
2016[1]	104,976,761	78,732,567
2015	103,973,584	103,973,584
2014	103,695,500	103,695,500
2013	102,585,044	102,585,044
2012[2]	105,658,811	105,638,811

[1] Fiscal year 2016 State appropriations to the University are paid in arrears in equal monthly installments of $8,748,063. As of August 1, 2016, the University had received monthly appropriation payments through June, 2016. It is anticipated that by September 30, 2016, the entire amount of the authorized fiscal year 2016 State appropriation will have been received by the University.

[2] In 2012, a $1,000,000 State appropriation to the University was authorized from the Alabama Innovation Fund which is administered by the Alabama Department of Commerce. The Alabama Department of Commerce is permitted to retain two percent (2%) of such appropriations to pay the expenses of administering the Fund. As a result, the University received $20,000 less than the authorized appropriation amount.

Endowment Assets

Endowment assets for the University are deposited both in the University and in the Foundation (described below). Net endowment assets in the accounts of the University at September 30, 2015 were $166,960,000. Of the net endowment assets, $43,425,000 are classified as restricted, nonexpendable, $60,106,000 are classified as restricted, expendable, and $62,429,000 are classified as unrestricted[1]. The Board of Trustees has an approved endowment management and investment policy that includes an established spending rate of 5% based on the 3-year moving average of net assets of endowments. In maintaining its endowment, it is the goal of the University to provide revenue while preserving principal to fund those projects which have been endowed for specific purposes.

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Net assets of endowments are allocated as follows at September 30, 2015:

Equities, Pooled direct investments and mutual funds	71,344,000
Fixed income, pooled direct investments and mutual funds	44,436,000
Managed income alternative investments	29,180,000
Other	22,000,000
Total	166,960,000

[1] The University's unrestricted net position as of September 30, 2015 decreased by $310,827,000 as a result of the University's adoption of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions,* in 2015, resulting in a negative net position of $(155,046,000). Offsetting the GASB Statement No. 68 charge were other funds which, in total, had a positive net position of $155,781,000, which includes the $62,429,000 in unrestricted endowment fund assets. See note (1)(*y*) of the University's audited financial statements for fiscal year 2015 attached hereto as Appendix A for additional discussion regarding the University's adoption of GASB Statement No. 68.

The University of South Alabama Foundation

The University of South Alabama Foundation (the "Foundation"), a legally separate entity, exists for the primary purpose of advancing the purpose of the University in furthering, improving, and expanding its properties, services, facilities, and activities. Its total assets at June 30, 2015, its most recent audited fiscal year-end, were $363,515,000, and its net assets were $362,492,000 at the same date. Assets are primarily invested in marketable securities (36%), timber and mineral properties (43%), and real estate (18%). Cash and non-cash distributions to the University over the past five fiscal years are, as reported in the audited financial statements of the Foundation for the years ended June 30, 2012, through June 30, 2016, as follows:

2016[1]	$10,561,000
2015	4,731,000
2014	4,515,000
2013	4,449,000
2012	4,426,000

[1] In fiscal year 2010, the University and the Foundation executed a purchase and sale agreement calling for the University to sell approximately 327 acres on Mobile Bay, known as the Brookley campus, to the Foundation. The terms of the agreement required the Foundation to pay the University $20,000,000; $4,000,000 at closing and $4,000,000 annually thereafter through fiscal year 2015. The distribution for the Foundation's fiscal year ended June 30, 2016 reflects the Foundation's completion of its obligations under the purchase and sale agreement and corresponding increase in annual distributions to the University. For additional information regarding the sale of the Brookley campus, see Appendix A.

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following is a brief summary of certain provisions of the Indenture, as heretofore amended and supplemented and as further amended and supplemented by the Twelfth Supplemental Indenture, to which Indenture and Twelfth Supplemental Indenture in their entirety reference is made for the detailed provisions thereof. Unless the context clearly indicates otherwise, all references herein shall be deemed to include the Series 2016 Bonds, the Outstanding Bonds, and any Additional Bonds hereafter issued under the Indenture.

As used in the following summary, the following definitions shall have the following respective meanings.

"*Annual Debt Service Requirement*" means, as of any date of determination, the amount of principal and interest maturing with respect to the then outstanding Bonds in such Bond Year; provided, (i) that the principal amount of any Bonds subject to a Mandatory Redemption Provision during such Bond Year shall, for purposes of this definition, be considered as maturing in the Bond Year during which such redemption is required and not in the Bond Year in which their stated maturity occurs; (ii) in the case of Bonds (whether outstanding or proposed to be issued) that bear interest at a variable or adjustable rate, the interest payable on such Bonds shall be calculated on the assumption that such Bonds bear interest at a fixed rate of interest estimated by a professional

consulting firm or investment banking firm acceptable to the Trustee by reference to bonds of similar credit rating maturity and tax characteristics on the date such calculation is made; and (iii) for purposes of the foregoing formula, Bonds that are "deemed paid" under the Indenture shall not be deemed outstanding.

"*Bond Year*" means the period beginning November 2 in each calendar year and ending on November 1 of the next succeeding calendar year.

"*Interest Payment Date*" means (a) with respect to the Series 2016 Bonds, each November 1 and May 1, commencing November 1, 2016, and (b) with respect to any series of Additional Bonds, such date or dates as shall be specified in the Supplemental Indenture pertaining to such Additional Bonds as the dates for payment of interest of such Additional Bonds.

"*Mandatory Redemption Provision*" means any provisions that may be set forth in a Supplemental Indenture for mandatory redemption of any Additional Bonds at a redemption price equal to the principal amount thereof.

"*Principal Payment Date*" means (a) with respect to the Series 2016 Bonds, each November 1 commencing November 1, 2018, and (b) with respect to any series of Additional Bonds, a date (which shall in every case be the first day of a Month) specified in the Supplemental Indenture pertaining to such Additional Bonds as a date for payment of principal of such Additional Bonds.

"*Supplemental Indenture*" means an agreement supplemental to the Indenture.

Special Funds

Bond Fund. The Indenture provides for the creation of a special trust fund called the "Bond Principal and Interest Fund." The University is required to pay into the Bond Fund, in addition to all other amounts required by the Indenture, the following:

(a) Contemporaneously with the issuance and sale of any of the Bonds and out of the proceeds derived from such sale, the University (or the Trustee on behalf of the University) is required to pay into the Bond Fund such part of the proceeds from the sale as is allocable to premium (if any) and accrued interest.

(b) On or before the Business Day next preceding each Interest Payment Date until the principal and the interest on the Bonds is paid in full, the University is required to pay into the Bond Fund, out of the Pledged Revenues, an amount equal to the sum of (i) the semiannual installment of interest that will mature on the Bonds on the then next succeeding semiannual Interest Payment Date with respect thereto, plus (ii) the principal that will become due on the Bonds on the then next succeeding Principal Payment Date, plus (iii) the principal required to be redeemed on the next succeeding Principal Payment Date pursuant to any Mandatory Redemption Provision.

All moneys paid into the Bond Fund are required to be used only for payment of the principal of and the interest on the Bonds upon or after the respective maturities of such principal and interest and to redeem Bonds subject to a Mandatory Redemption Provision. If at the final maturity of the Bonds, however such Bonds may mature, there are in the Bond Fund moneys in excess of what is required to pay in full the principal of and the interest on the Bonds, then any such excess will be returned to the University.

Prior to the issuance of any Additional Bonds, there shall be executed and delivered a Supplemental Indenture containing a provision that the semiannual payments into the Bond Fund be adjusted to provide for such additional amounts as may be necessary to pay the principal of and interest on such Additional Bonds provided, however, that in making such adjustment the principal amount of any such Additional Bonds required by the terms of the Supplemental Indenture to be redeemed during any Bond Year shall be considered as maturing in the Bond Year during which such redemption is required and not in the Bond Year in which their stated maturity occurs.

Additional Bonds

The Indenture authorizes the issuance of Additional Bonds, subject to the provisions of the Indenture. Among the conditions to the issuance of any Additional Bonds are the following:

(a) Supplemental Indenture. Prior to the issuance of any Additional Bonds, there shall be executed and delivered a Supplemental Indenture containing: (i) a description of the Additional Bonds proposed to be issued, including the date, the aggregate principal amount, the series designation, the denomination or denominations, the interest rate or rates (or provisions for determining the same), the maturity or maturities and the form of such Additional Bonds, and any provisions for redemption thereof prior to their respective maturities; (ii) a statement of the purpose or purposes for which the Additional Bonds are proposed to be issued; and (iii) any other provisions that do not conflict with the provisions of the Indenture.

(b) Certificate as to Pledged Revenues. The item or items required by either of the following subparagraphs (i) or (ii):

(i) A certificate by the Vice President for Finance and Administration of the University certifying that the amount of Pledged Revenues received during the Fiscal Year next preceding the date of the issuance of the Additional Bonds then proposed to be issued was not less than 125% of the maximum Annual Debt Service Requirement with respect to the then current or any then succeeding Bond Year immediately following the issuance of the then proposed Additional Bonds, which certificate shall set forth the figures on which it is based and shall recite that the Pledged Revenues for such Fiscal Year specified therein were taken from the annual audit of the University for such Fiscal Year or, if such audit shall not have been completed for the most recent Fiscal year at the date of such certificate, were taken from the official records of the University, or

(ii) A Resolution or Resolutions adopted by the University after the commencement of the Fiscal Year next preceding the issuance of the then proposed Additional Bonds either (i) increasing the General Fees, or (ii) levying new fees and charges of a type or kind different from the General Fees, or (iii) a combination thereof, accompanied by a certificate of the Vice President for Finance and Administration stating that if the increased General Fees or the new fees set forth in the said Resolution or Resolutions had been in effect throughout the Fiscal Year next preceding the date of issuance of the then proposed Additional Bonds, the amount of Pledged Revenues during the Fiscal Year next preceding the date of issuance of the then proposed Additional Bonds would have been not less than 125% of the maximum Annual Debt Service Requirement during the then current or any then succeeding Bond Year with respect to Bonds that will be outstanding immediately following the issuance of the then proposed Additional Bonds; and

(c) Opinion of Independent Counsel. An opinion dated on the date of issuance of such Additional Bonds, signed by Independent Counsel acceptable to the Trustee, approving the forms of all documents required above to be delivered to the Trustee and reciting that they comply with the applicable requirements set out above.

Maintenance of Pledged Revenues

The University has covenanted in the Indenture that, so long as any of the Bonds remain outstanding and unpaid, the University will fix, levy and collect General Fees and Auxiliary Enterprises Revenues from all students attending the University during each Fiscal Year in such amounts and at such times as shall be required to produce revenues sufficient to pay the principal of, unamortized premium, if any, and interest on the Bonds during the same Fiscal Year. No covenant with respect to the Children's and Women's Hospital Revenues has been made.

Supplemental Indentures

Supplemental Indentures Without Bondholder Consent. The University and the Trustee may at any time and from time to time enter into such Supplemental Indentures (in addition to such Supplemental Indentures as are otherwise provided for in the Indenture) as shall not be inconsistent with the terms and provisions of the Indenture, for any one or more of the following purposes:

(a) to add to the covenants and agreements of the University contained in the Indenture other covenants and agreements thereafter to be observed and performed by the University, provided that such other covenants and agreements may not either expressly or impliedly limit or restrict any of the obligations of the University contained in the Indenture;

(b) to cure any ambiguity or to cure, correct or supplement any defect or inconsistent provisions contained in the Indenture or in any Supplemental Indenture or to make any provisions with respect to matters arising under the Indenture or any Supplemental Indenture for any other purpose if such provisions are necessary or desirable and are not inconsistent with the provisions of the Indenture or any Supplemental Indenture and do not adversely affect the interests of the holders of the Bonds;

(c) to subject to the pledge contained in the Indenture additional revenues or to identify more precisely any of the revenues of the University subject to the Indenture;

(d) to cause the Indenture to comply with the provisions of the Trust Indenture Act of 1939 or such other federal securities laws as may hereafter be applicable to the Indenture; or

(e) to provide for the issuance of Additional Bonds in accordance with the Indenture.

Any such Supplemental Indenture will not require the consent of any bondholders.

Supplemental Indentures Requiring Bondholders Consent. In addition to those Supplemental Indentures described above, the Indenture provides that the University and the Trustee may, at any time and from time to time, with the written consent of the holders of not less than a majority in aggregate principal amount of Bonds then outstanding, enter into such Supplemental Indentures as shall be deemed necessary or desirable by the University and the Trustee for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the term or provisions contained in the Indenture or in any Supplemental Indenture; provided that without the written consent of the Holder of each Bond affected, no reduction in the principal amount of, rate of interest on, or the premium payable upon the redemption of, any Bond shall be made; and provided, further, that, without the written consent of the holders of all the Bonds, none of the following shall be permitted:

(a) an extension of the maturity of any installment of principal of or interest on any Bond;

(b) any change in any Mandatory Redemption Provision;

(c) the creation of a lien or charge on the Pledged Revenues ranking prior to or (except in connection with the issuance of Additional Bonds) on a parity with the lien or charge thereon contained in the Indenture;

(d) the establishment of preferences or priorities as between the Bonds (but only with respect to the security provided for all Bonds); or

(e) a reduction in the aggregate principal amount of Bonds the holders of which are required to consent to such Supplemental Indenture.

Upon the execution of any Supplemental Indenture under and pursuant to the provisions described above, the Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under the Indenture of the University, the Trustee and all holders of the Bonds then outstanding shall thereafter be determined, exercised and enforced under the Indenture, subject in all respects to such modifications and amendments.

Defaults and Remedies

Events of Default under the Indenture include the following:

(a) failure by the University to pay principal of, the interest on or the premium (if any) on any Bond as and when the same shall become due, as provided therein and in the Indenture (whether such shall become due pursuant to any Mandatory Redemption Provisions or otherwise);

(b) failure by the University to perform and observe any of the agreements and covenants on its part contained in the Indenture (other than in the manner described in (a) above) which such failure continues for a period of not less than thirty (30) days after written notice of such failure has been given to the University by the Trustee or by the holders of not less than twenty-five percent (25%) in outstanding amount of Bonds, unless during such period or any extension thereof the University has commenced and is diligently pursuing appropriate corrective action; or

(c) determination by a court having jurisdiction that the University is insolvent or bankrupt, or appointment by a court having jurisdiction of a receiver for the University or for a substantial part thereof, or approval by a court of competent jurisdiction of any petition for reorganization of the University or rearrangement or readjustment of the obligations of the University under any provisions of the bankruptcy laws of the United or the State of Alabama.

Upon the occurrence of an Event of Default the Trustee shall have the following rights and remedies:

(a) Acceleration. The Trustee may, by written notice to the University and with the consent of the bond insurer respecting any Bonds then outstanding, declare the principal of all the Bonds forthwith due and payable, and such principal shall thereupon become and be immediately due and payable, anything in the Indenture or in the Bonds to the contrary notwithstanding. If, however, the University makes good that default and every other default under the Indenture (except for those installments of principal declared due and payable that would, absent such declaration, not be due and payable), with interest on all overdue payments of principal and interest, and made reimbursement of all of the reasonable expenses of the Trustee, then the Trustee may (and, if requested in writing by the holders of a majority in principal amount of the then outstanding Bonds, shall), by written notice to the University, waive such default and its consequences, but no such waiver shall affect any subsequent default or right relative thereto.

(b) Mandamus and Other Remedies. The Trustee shall have the right of mandamus or other lawful remedy in any court of competent jurisdiction to enforce its rights and the rights of the holders of the Bonds against the University and any officers, agents or employees of the University, including but not limited to the right to require the University and its officers, agents or employees to perform and observe all of its or their duties under Section 16-3-28 of the Code of Alabama 1975, as amended.

Concerning the Trustee

The Trustee shall be under no obligation to institute suit or to take any proceedings under the Indenture or to enter any appearance or in any way defend in any suit in which it may be made defendant or to take steps in the execution of trust created or in the enforcement of any rights or powers under the Indenture, until it shall be indemnified to its satisfaction against any and all costs and expense, outlays and counsel fees and other reasonable disbursements and against all liability.

The Trustee shall not be liable in connection with the performance of its duties under the Indenture except for its gross negligence or willful misconduct.

The University has agreed to pay to the Trustee from time to time reasonable compensation for all services rendered by it under the Indenture, including the services of bond registrar and paying agent and also all of its reasonable expenses, charges, counsel fees and other disbursements and those of its attorneys and

employees incurred in and about the performance of its powers and duties under the Indenture prior to the Bonds. Nothing contained in the Indenture or any supplemental indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties or in the exercise of any of its rights or powers if it believes that the repayment of such funds or the making whole in respect of such liability is not reasonably assured to it.

RATINGS

Moody's Investors Service, Inc. ("Moody's") and Standard & Poor's Rating Service, a division of the McGraw-Hill Companies, Inc., ("S&P" and, together with Moody's, the "Rating Agencies"), have assigned the Series 2016 Bonds underlying ratings without regard to the Policy of 'A1' with a stable outlook and 'A+' with a negative outlook, respectively.

Moody's and S&P are expected to assign ratings of 'A2' with a stable outlook and 'AA' with a stable outlook, respectively, to the Insured Bonds with the understanding that, upon the delivery of the Insured Bonds, the Policy will be issued by AGM. The rating provided by each Rating Agency on the Insured Bonds reflects that Rating Agency's current assessment of the creditworthiness of AGM and its ability to pay claims on its policies of insurance.

The underlying rating provided by each Rating Agency reflects that Rating Agency's rating of the creditworthiness of the University with respect to obligations payable from the Pledged Revenues. Any further explanation of the significance of such rating may be obtained only from the appropriate Rating Agency. The University furnished to the Rating Agencies the information contained in this Official Statement and certain other information respecting the University and the Series 2016 Bonds. Generally, Rating Agencies base their underlying ratings on such materials and information, as well as on their own investigations, studies and assumptions.

The ratings indicated herein are not recommendations to buy, sell or hold the Series 2016 Bonds, and any such ratings may be subject to revision or withdrawal at any time by the Rating Agencies. Any downward revision or withdrawal of any or all of such rating may have an adverse effect on the market price of the affected Series 2016 Bonds. Neither the University nor the Underwriters have undertaken any responsibility either to bring to the attention of the holders of Series 2016 Bonds any proposed revision, suspension or withdrawal of a rating or to oppose any such revision, suspension or withdrawal.

LITIGATION

To the best of the University's knowledge, there is no litigation pending or threatened (i) restraining or enjoining the issuance or delivery of the Series 2016 Bonds, (ii) contesting or affecting the validity of the Series 2016 Bonds or the proceedings or authority under which they are to be issued, (iii) contesting the creation, organization or existence of the University or the title of any of its present officials to their respective offices, or (iv) contesting the right of the University to enter into the financing documents to which it is a party or to secure the Series 2016 Bonds in accordance with the Indenture.

The University and its hospitals are immune from suit in medical malpractice matters; however such claims may still be brought against healthcare providers employed to provide such services on behalf of the University. These providers are insured by the University's Professional Liability Trust Fund. If a final judgment were entered in any professional liability action in an amount in excess of its insurance coverage, the University would not be liable for the excess.

The University has been notified by the Equal Employment Opportunity Office ("EEOC") of charges filed with the EEOC against the University or its employees. The charges arise from alleged employment practices or policies. Should a lawsuit arise out of such charges, they would be covered by the University's General Liability Trust Fund.

Finally, the University has been notified of claims filed against it in the State Board of Adjustment. None of the aforementioned charges or claims involve any significant sums in excess of the sums otherwise provided for and would not have an impact upon the collection of the Pledged Revenues. In the opinion of the University Attorney, the aggregate exposure of the University with respect to all pending claims and suits would not be material to the University's financial position.

LEGAL MATTERS

The Series 2016 Bonds will be issued subject to the approving opinion of Balch & Bingham LLP, Birmingham, Alabama, Bond Counsel to the University. It is anticipated that the opinion of Bond Counsel to the University will be in substantially the form set forth in Appendix B.

Certain legal matters will be passed upon for the Underwriters by Underwriters' counsel, Hand Arendall LLC, Mobile, Alabama. Hand Arendall has been and is also engaged by the University for specific matters unrelated to the Series 2016 Bonds.

The various legal opinions to be delivered concurrently with the delivery of the Series 2016 Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. By rendering a legal opinion, the authoring firm or attorney does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or the future performance of parties to the transaction, and the rendering of an opinion does not guarantee the outcome of any legal dispute that may arise out of the transaction.

TAX EXEMPTION

General

In the opinion of Balch & Bingham LLP, Bond Counsel to the University, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, interest on the Series 2016 Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code. Interest on the Series 2016 Bonds is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the University and others in connection with the Series 2016 Bonds, and Bond Counsel has assumed compliance by the University with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Series 2016 Bonds from gross income under Section 103 of the Code.

Bond Counsel expresses no opinion regarding any other federal or state tax consequences with respect to the Series 2016 Bonds. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date and assumes no obligation to update its opinion after the issue date to reflect any future action, fact or circumstance, or change in law or interpretation, or otherwise. Bond Counsel expresses no opinion on the effect of any action taken in reliance upon an opinion of other counsel on the exclusion from gross income for federal income tax purposes of interest on the Series 2016 Bonds.

Prospective purchasers of the Series 2016 Bonds should be aware that ownership of the Series 2016 Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income", foreign corporations subject to a branch profits tax and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry the Series 2016 Bonds. Bond Counsel will not express any opinion as to such collateral tax consequences. Prospective purchasers of the Series 2016 Bonds should consult their tax advisors as to collateral federal income tax consequences.

Bond counsel is further of the opinion that the interest income on the Series 2016 Bonds is exempt from present Alabama income taxation.

Original Issue Discount

In the opinion of Bond Counsel, under existing law, the original issue discount in the selling price of a Series 2016 Bond, to the extent properly allocable to each owner of such Series 2016 Bond, is excluded from gross income for federal income tax purposes with respect to such owner. The original issue discount is the excess of the stated redemption price at maturity of such Series 2016 Bond over the initial offering price to the public, excluding underwriters and other intermediaries, at which price a substantial amount of the Series 2016 Bonds of such maturity were sold.

Under Section 1288 of the Internal Revenue Code of 1986, as amended, original issue discount on tax-exempt bonds accrues on a compound basis. The amount of original issue discount that accrues to an owner of a Series 2016 Bond during any accrual period generally equals (i) the issue price of such Series 2016 Bond plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (ii) the yield to maturity of such Series 2016 Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), less (iii) any interest payable on such Series 2016 Bond during such accrual period. The amount of original issue discount so accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excluded from gross income for federal income tax purposes, and will increase the owner's tax basis in such Series 2016 Bond. Any gain realized by an owner from a sale, exchange, payment or redemption of a Series 2016 Bond will be treated as gain from the sale or exchange of such Series 2016 Bond.

Original Issue Premium

An amount equal to the excess of the purchase price of the Series 2016 Bond over its stated redemption price at maturity constitutes premium on such Series 2016 Bond. A purchaser of a Series 2016 Bond must amortize any premium over such Series 2016 Bond's term using constant yield principles, based on the purchaser's yield to maturity. As premium is amortized, the purchaser's basis in such Series 2016 Bond is reduced by a corresponding amount, resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Series 2016 Bond prior to its maturity. Even though the purchaser's basis is reduced, no federal income tax deduction is allowed. Purchasers of any Series 2016 Bonds at a premium, whether at the time of initial issuance or subsequent thereto, should consult with their own tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to state and local tax consequences of owning such Series 2016 Bonds.

CONTINUING DISCLOSURE

Under a Continuing Disclosure Agreement, dated as of September 1, 2016 (the "Continuing Disclosure Agreement"), the University has agreed to provide or cause to be provided to AGM and the Municipal Securities Rulemaking Board (the "MSRB") using its electronic municipal market access system (referred to as "EMMA"), certain updated financial information and operating data annually, and timely notice of specified events for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the "Rule").

See Appendix C for a form of the Continuing Disclosure Agreement relating to the Series 2016 Bonds.

A failure by the University to comply with the Continuing Disclosure Agreement will not constitute an event of default under the Indenture. Beneficial owners of the Series 2016 Bonds are limited to the remedies described in the Continuing Disclosure Agreement. A failure by the University to comply with the Continuing Disclosure Agreement must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Series 2016 Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Series 2016 Bonds and their market price.

Compliance with Prior Continuing Disclosure Agreements

In connection with the prior issuance of certain of the Outstanding Bonds, the University has entered into other continuing disclosure agreements under the Rule. During the past five years, the University has failed to file information required to be filed pursuant to those previous agreements. Audited financial statements for fiscal year 2011 were not filed through EMMA and for fiscal year 2012 were filed approximately one year late as part of the fiscal year 2013 financial report. Although the audited financial statements for fiscal year 2014 were filed timely, the filing did not link such financial statements to the University's Series 1999 Capital Appreciation Bonds. Supplemental financial and operating data required by the prior agreements was not filed through EMMA for the past five years. The University has not filed notices of late filings as required by the Rule.

Effective August, 2016, the University adopted new procedures intended to improve timeliness of its required filings under the Rule. In addition, the University made remedial filings with EMMA of (i) the fiscal year 2011 and 2012 audited financial statements, (ii) the fiscal year 2014 audited financial statements to link to the Series 1999 Capital Appreciation Bonds, and (iii) the required supplemental financial and operating data.

THE UNIVERSITY UNDERTAKES NO OBLIGATION TO PUBLICLY UPDATE OR REVISE ANY FORWARD LOOKING STATEMENT AS A RESULT OF NEW INFORMATION, FUTURE EVENTS OR OTHER INFORMATION.

STATE NOT LIABLE ON SERIES 2016 BONDS

The Series 2016 Bonds are limited obligations of the University payable solely out of, and secured by a pledge of, the Pledged Revenues. Neither the principal of nor the interest on the Series 2016 Bonds nor the aforesaid pledge or any other agreement contained in the Indenture shall constitute an obligation of any nature whatsoever of the State of Alabama, and neither the Series 2016 Bonds nor any obligation arising from said pledge or agreements shall be payable out of any moneys appropriated to the University by the State of Alabama.

FINANCIAL INFORMATION

Appendix A contains audited financial statements of the University for the fiscal year ended September 30, 2015.

KPMG LLP, the University's independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein as Appendix A, any procedures on the financial statements addressed in that report. KPMG LLP also has not performed any procedures relating to this Official Statement.

SPECIAL CONSIDERATIONS RESPECTING THE SERIES 2016 BONDS

General

An investment in the Series 2016 Bonds involves certain risks which should be carefully considered by investors. The sufficiency of Pledged Revenues to pay debt service on the Series 2016 Bonds may be affected by events and conditions relating to, among other things, general economic conditions, population in the University's basic service area, the demand for higher education, and legislative and administrative requirements on the University's operations.

Prospective investors should carefully examine this Official Statement and their own financial condition in order to make a judgment as to their ability to bear the economic risk of such an investment and whether or not the Series 2016 Bonds are an appropriate investment for them.

Holders of the Series 2016 Bonds should be aware that their rights and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and the exercise of judicial discretion in appropriate cases.

Limitations on Source of Payment, Security and Remedies

Limited Source of Payment. The Series 2016 Bonds will be limited obligations of the University, payable solely from, and secured by a pledge of, the Pledged Revenues. See "SECURITY AND SOURCE OF PAYMENT".

The Series 2016 Bonds will not be debts or obligations of the State of Alabama, and debt service on the Series 2016 Bonds will not be payable out of any money provided or appropriated to the University by the State of Alabama. Holders of the Series 2016 Bonds shall never have the right to demand payment of the Series 2016 Bonds from the University from any source other than the special funds established under the Indenture and the Pledged Revenues and shall be entitled to payment from such sources only on a parity basis with all other bonds outstanding under the Indenture.

Additional Debt. All Bonds are secured on a parity by the lien on Pledged Revenues. If the University incurs additional debt secured by the Indenture, the security interest in Pledged Revenues for the benefit of Bondholders will in effect be diluted.

Hospitals Are Limited Use Facilities. The hospitals and other health care facilities of the University, which are operating assets of the University, are limited use facilities, suitable primarily for hospital or health care purposes. Consequently, the market for sale or other disposition of such facilities is limited. In the event of a sale of such facilities, whether in a bankruptcy proceeding or otherwise, the number of potential purchasers and the sale price may be affected by the limited possible use.

Limitation on Remedies Upon Default. The Indenture does not constitute a mortgage on or security interest in any properties of the University, and no foreclosure or sale proceedings with respect to any property of the University may occur. The University is exempt from all suits under the doctrine of sovereign immunity, but state law provides that agents and employees of the University may, by mandamus, be compelled to apply the Pledged Revenues to the payment of the Series 2016 Bonds in accordance with the terms of the Indenture.

The remedies available to the registered holders of the Series 2016 Bonds upon the occurrence of a default under the Indenture are in many respects dependent upon regulatory and judicial actions, which are often subject to discretion and delay. Under existing law, the remedies provided under the Indenture may not be readily available or may be limited, and no assurance can be given that a mandamus or other legal action to enforce payment under the Indenture would be successful. The various legal opinions to be delivered concurrently with the delivery of the Series 2016 Bonds will be qualified as to enforceability of the various legal instruments, limitations imposed by bankruptcy, reorganization, insolvency or similar laws affecting the rights of creditors generally and by judicial discretion applicable to equitable remedies and proceedings generally.

Health Care Industry Factors

The health care industry is subject to a number of factors that could adversely affect the business prospects of the University. Among those factors are the following:

The Health Care Industry is Highly Regulated. The health care industry is highly regulated by the federal and state governments. These regulations relate to areas such as the required delivery of care whether or not patients have the resources for payment, the quality of care and outcomes of health care services provided, excessive re-admission of patients, accuracy of billing and collecting for services rendered, privacy of patients and their health care information, and the relationship between providers and physicians who refer patients to the provider's health care facilities. For providers organized as charitable organizations under Section 501(c)(3) of the Internal Revenue Code there are additional regulations that must be satisfied to preserve tax-exempt status. The cost of compliance with these regulations is significant.

Payment Systems. The University's Health System derives most of its revenues from Medicare, Medicaid, Blue Cross and other third party payor programs. Such programs may provide payment for services rendered to their beneficiaries in an amount that is less than actual patient charges. These payment systems are complex, subject to periodic change, and require a high degree of accuracy in the billing and collecting process. Failure to submit accurate billing may result in large financial penalties or claims or disqualification from the

program. Penalties or claims may be from governmental authorities, such as the Justice Department and the Office of Inspector General, independent auditing firms under contract with the government, or from private litigants under so-called "qui tam actions".

Alternate Payment Systems. The payment systems for health care services may be expanded to cover capitation or other coverage programs in which the providers assume the risk of health care services for a defined population. The University currently does not provide coverage on a capitated basis; however, the development of such coverage programs in the University's market could force the University to assume increased risk for the amount and cost of services it provides.

Health Care Reform. In 2010 Congress adopted extensive health reform legislation commonly referred to as the Affordable Care Act (the "ACA"). This legislation attempts to extend commercial insurance coverage and Medicaid coverage to many patients not previously covered. The State of Alabama declined the ACA option to expand the Medicaid coverage, which reduces the amount of reimbursement that might otherwise be available to the health care facilities operated by the University. This legislation also imposes numerous operating and reporting requirements on health care providers. Implementation of the various ACA initiatives will take several years and will require extensive time and expense. Implementation has been and continues to be uncertain. It is expected that governments will continue to consider various reform proposals in the health care industry. If adopted, such proposals may subject health care providers like the University to increased compliance requirements, reduced reimbursement for services, increased costs, or a combination of such results.

Trend Toward Large-Deductible Insurance Policies. Coverage provided by insurance is trending toward large deductibles or self-insurance retention for patients, which reduces the required premiums, but increases out-of-pocket expense for the insured. These large deductible policies can be expected to increase the challenge of collecting for services rendered and may result in an increase of bad debt expense for health care providers.

Budgetary Pressure for Medicare and Medicaid Funding. Medicare and Medicaid are government-sponsored programs. Funding for those programs is subject to the legislative process of federal and state governments. The spending policies or deficit reduction initiatives of those governments have resulted in significant reductions in reimbursement for health care services in the past and can be expected to apply pressure on reimbursement for the foreseeable future.

Competition from Other Providers. The health care industry is highly competitive. Other health care providers may develop competing facilities or services in the University's service area. Competing facilities or services may include, among others, new hospitals, specialty hospitals, outpatient facilities, and managed care or insurance products. Other forms of competition could also affect the University's ability to maintain or improve its market share, including increasing competition (1) between physicians who generally use hospitals and non-physician practitioners such as nurse practitioners, chiropractors, physical and occupational therapists and others who may not generally use hospitals, and (2) from nursing homes, home health agencies, ambulatory care facilities, surgical centers, outpatient radiology centers, rehabilitation and therapy centers, physician group practices, and other non-hospital providers of many services for which patients generally rely on hospitals currently.

Capital Investment and Technology. The technology for diagnosis and treatment of patients changes rapidly and requires large capital investment on an ongoing basis in order for a health system to meet the needs of its patients.

Other Factors Affecting the Health Care Industry. In addition to the factors discussed above, the following additional factors, among others, may adversely affect the operations of health care providers, including the University:

(a) Increased efforts by insurers, private employers and governmental agencies to limit the cost of hospital services, to reduce the number of hospital beds and to reduce utilization of hospital facilities by such means as preventive medicine, improved occupational health and safety, and outpatient care.

(b) Termination of existing agreements between a provider and employed physicians who render services to the provider's patients, or alteration of referral patterns by independent physicians and physician groups.

(c) The availability and cost of insurance or self-insurance to protect against malpractice and general liability claims.

(d) Environmental and hazardous waste disposal regulations.

(e) Future legislation and regulations affecting the tax-exempt status of governmental and 501(c)(3) hospitals or imposing additional requirements on qualification.

(f) The reduced need for hospitalization or other traditional health care services as a result of medical and other scientific advances.

(g) Imposition of wage and price controls for the health care industry.

(h) The availability of or cost of retaining nursing, technical or other health care personnel.

(i) The spread of any bacteria, virus or infectious disease that is resistant to existing drugs or medical treatment.

(j) Reduction in population, increased unemployment or other adverse economic conditions in the market.

Factors Affecting Academic Medical Centers

Academic medical center hospitals, like those operated by the University, are subject to certain negative credit factors that do not affect other not-for-profit hospitals. Among those factors are the following:

Special Revenue and Expense Challenges. The research and teaching divisions at academic medical centers often operate at break-even or deficit levels. Funding these missions sometimes requires organizational subsidies that can detrimentally affect the hospital's overall operating performance. Fundraising, endowment spending and excess cash generated from patient care can be used to support the non-clinical departments at an academic medical center, but these sources of funding may not be enough to offset the drag on operating funds.

Negative Reimbursement Pressure from Medicare and Medicaid. The federal government has proposed a reduction in graduate medical education funding from CMS as one way to address federal budget challenges. Although funding cuts would impact all teaching hospitals with medical residents, academic medical centers would be disproportionately impacted due to higher numbers of residents and greater indirect cost payments for high acuity services performed. In addition, securing federal funding for research has become increasingly competitive among research institutions, primarily due to federal budget constraints. Changes in federal funding patterns could adversely affect academic medical centers and their ability to make debt service payments.

Inordinately High Exposure to Medicaid Patients. Many academic medical centers provide a disproportionate amount of charity care in their communities, which results in high exposure to Medicaid patients and receipt of Disproportionate Share Funding ("DSH"). Medicaid reimbursement cuts in recent years have disproportionately impacted academic medical centers. Additionally, reductions in DSH payments were mandated by the ACA beginning in 2016.

Increased Financial Support for Sponsoring University. Academic medical centers are increasingly facing requests for financial transfers to their associated universities to support strategic investments, program development and educational activities. These financial transfers are typically negotiated between the university and the hospital on an annual basis, and immediate needs at the university level could lead to a growing financial subsidy. These payments could adversely affect the academic medical center's operating performance.

State Proration

The State of Alabama appropriates money each year to the University for operating costs and non-operating cash requirements, including capital expenditures. Because the State is mandated by its constitution to operate with a balanced budget, the State occasionally has reduced its appropriations, through a process known as "proration", when its annual revenues are not expected to meet budgeted appropriations. It is expected that proration will be implemented from time to time in the future and, when proration does occur, the University may be required to implement various cost-saving measures in order to balance its own budget. Although proration may impact the University's budget, the Series 2016 Bonds are not payable from State appropriations.

Certain Factors Affecting Pledged Revenues

No representation can be made and no assurance can be given that receipts from the Pledged Revenues will be sufficient to make the required payment of debt service on the Series 2016 Bonds and to pay necessary operating expenses. The amount of Pledged Revenues collected by the University will be subject to a variety of factors that could adversely affect debt service coverage on the Series 2016 Bonds, including general economic conditions, population in the University's basic service area, the demand for higher education, and the impact of legislative and administrative requirements on the University's operations.

Tax-Exempt Status of Series 2016 Bonds

It is expected that the Series 2016 Bonds will qualify as tax-exempt obligations for federal income tax purposes as of the date of issuance. See "TAX EXEMPTION". It is anticipated that Bond Counsel will render an opinion substantially in the form attached hereto as Appendix D, which should be read in its entirety for a complete understanding of the scope of the opinions and the conclusions expressed therein. A legal opinion expresses the professional judgment of the attorney rendering the opinion as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

The tax status of the Series 2016 Bonds could be affected by post-issuance events. There are various requirements of the Internal Revenue Code that must be observed or satisfied after the issuance of the Series 2016 Bonds in order for the Series 2016 Bonds to qualify for, and retain, tax-exempt status. These requirements include appropriate use of the proceeds of the Series 2016 Bonds, use of the facilities financed or refinanced by the Series 2016 Bonds, investment of bond proceeds, and the rebate of so-called excess arbitrage earnings. Compliance with these requirements is the responsibility of the University.

The Internal Revenue Service conducts an audit program to examine compliance with the requirements regarding tax-exempt status. Under current IRS procedures, in the initial stages of an audit with respect to the Series 2016 Bonds, the University would be treated as the taxpayer, and the owners of the Series 2016 Bonds may have limited rights to participate in the audit process. The initiation of an audit with respect to the Series 2016 Bonds could adversely affect the market value and liquidity of the Series 2016 Bonds, even though no final determination about the tax-exempt status has been made. If an audit results in a final determination that the Series 2016 Bonds do not qualify as tax-exempt obligations, such a determination could be retroactive in effect to the date of issuance of the Series 2016 Bonds.

In addition to post-issuance compliance, a change in law after the date of issuance of the Series 2016 Bonds could affect the tax-exempt status of the Series 2016 Bonds or the effect of investing in the Series 2016 Bonds. For example, the federal government is considering various proposals to reduce federal budget deficits and the amount of federal debt, including proposals that would eliminate or reduce indirect expenditures made through various deductions and exemptions currently allowed by the income tax laws. The exemption for interest on tax-exempt bonds is one of the indirect expenditures that could be affected by a deficit reduction initiative. Some deficit-reduction proposals would eliminate the exemption for interest on tax-exempt bonds. Other

proposals would place an aggregate cap on the total amount of exemptions and deductions that may be claimed by a taxpayer, or a cap on the exemption for interest on tax-exempt bonds. Changes in the rate of the federal income tax, including so-called "flat tax" proposals, could also reduce the value of the exemption. Changes affecting the exemption for interest on tax-exempt bonds, if enacted, could apply to tax-exempt bonds already outstanding, including the Series 2016 Bonds offered pursuant to this Official Statement, as well as bonds issued after the effective date of such legislation. It is not possible to predict whether Congress will adopt legislation affecting the exemption for tax-exempt bonds, what the provisions of such legislation may be, whether any such legislation will be retroactive in effect, or what effect any such legislation may have on investors in the Series 2016 Bonds. Investors should consult their own tax advisers about the prospects and possible effect of future legislation that could affect the exemption for interest on tax-exempt bonds.

The United States Bankruptcy Code

Chapter 9 of the United States Bankruptcy Code permits a political subdivision, public agency or instrumentality of a State to file a petition for relief in federal bankruptcy courts if the subdivision, agency or instrumentality is insolvent within the meaning of Chapter 9 and is authorized under applicable state law to seek such relief. The University, as an instrumentality of the State of Alabama, meets the initial eligibility requirement for a debtor under Chapter 9 of the United States Bankruptcy Code, as set forth at 11 U.S.C. §109(c)(1), because it is a "municipality" as defined at 11 U.S.C. §101(40), but the University is not expressly authorized by Article XIV, Section 266 of the Alabama Constitution of 1901 or by Ala. Code § 16-48-1 et seq. to initiate a Chapter 9 proceeding. Therefore, absent enactment of a new enabling statute by the Alabama legislature that specifically authorizes a filing by the University, or by all instrumentalities of the State of Alabama, the University does not appear to be eligible to be a "debtor" under Chapter 9 of the United States Bankruptcy Code.

Nonetheless, Chapter 9 has been rarely used, and there is little precedent concerning its interpretation or the interpretation of related state laws, so there can be no definitive assurance that the University would be prevented from filing a petition for relief under Chapter 9, and if it did so, what relief would be provided. For example, Chapter 9 of the Bankruptcy Code provides certain protections to creditors whose debts are secured by pledged special revenues; however, because of the limited precedent available with respect to Chapter 9, it is possible that a federal bankruptcy court could reject or circumscribe certain of these provisions under the facts of a specific case.

As a "municipality" within the meaning of the United States Bankruptcy Code, the University's eligibility to be a debtor is governed solely by 11 U.S.C. §109(c). A "municipality" within the meaning of Chapter 9 of the United States Bankruptcy Code cannot seek relief as a "debtor" under other chapters of the United States Bankruptcy Code, including without limitation Chapters 7 and 11.

FINANCIAL ADVISOR

Public Financial Management, Inc. ("PFM") is employed by the University to perform professional services in the capacity of financial advisor. In its role as financial advisor to the University, PFM has provided advice on the plan of financing and structure of the 2016 Bonds, and reviewed certain legal and disclosure documents, including this Official Statement, for financial matters. PFM has not independently verified the factual information contained in this Official Statement, but relied on the information supplied by the University and other sources and the University's certification as to the Official Statement.

UNDERWRITING

The Series 2016 Bonds are being purchased for reoffering by the underwriters shown on the front cover hereof (the "Underwriters") at an aggregate purchase price of $101,512,104.17 (representing the par amount of the Series 2016 Bonds less an underwriting discount of $217,183.83 plus a net original issue premium of $16,124,288.00). The public offering price of the Series 2016 Bonds as set forth on the inside of the cover page

of this Official Statement may be changed from time to time by the Underwriters and the Underwriters may allow a concession from the public offering price to certain dealers.

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, NA Municipal Products Group, a separately identifiable department of Wells Fargo Bank, National Association, registered with the Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934. Wells Fargo Bank, National Association, acting through its Municipal Products Group ("WFBNA"), senior underwriter of the Series 2016 Bonds, has entered into an agreement (the "WFA Distribution Agreement") with its affiliate, Wells Fargo Advisors, LLC ("WFA"), for the distribution of certain municipal securities offerings, including the Series 2016 Bonds. Pursuant to the WFA Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the Series 2016 Bonds with WFA. WFBNA has also entered into an agreement (the "WFSLLC Distribution Agreement") with its affiliate Wells Fargo Securities, LLC ("WFSLLC"), for the distribution of municipal securities offerings, including the Series 2016 Bonds. Pursuant to the WFSLLC Distribution Agreement, WFBNA pays a portion of WFSLLC's expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

PNC Bank, National Association currently has, and from time to time in the future may have, banking or other credit relationships with the University. PNC Capital Markets LLC is acting as an Underwriter of the Series 2016 Bonds. PNC Capital Markets LLC and PNC Bank, National Association are both wholly owned subsidiaries of The PNC Financial Services Group, Inc.

MISCELLANEOUS

The references herein to statutory provisions, the Indenture and other documents and instruments are summaries of certain provisions thereof and do not purport to be complete. For full and complete statements of such provisions reference is hereby made to the specific statutory provision, document or instrument to which such summary relates.

So far as any statements made in this Official Statement involve matters of opinion or of estimates, whether or not expressly stated, they are set forth as such and not as representations of fact. No representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the owners of the Series 2016 Bonds.

The information contained in this Official Statement has been compiled or prepared from information obtained from sources believed to be reliable; however, the University makes no representation as to the accuracy or completeness of such information. The information and the expressions of opinion herein are subject to change without notice. Accordingly, neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that, since the date hereof, there has been no change in the affairs of the University or any other governmental agencies or entities discussed herein.

The distribution of this Official Statement and its use in the offering and sale of the Series 2016 Bonds have been approved by the governing body of the University.

UNIVERSITY OF SOUTH ALABAMA

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Vice President for Finance and Administration

Dated: September 14, 2016

APPENDIX A

AUDITED FINANCIAL STATEMENT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

APPENDIX B

PROPOSED FORM OF OPINION OF BOND COUNSEL

[Proposed Form of Bond Counsel's Opinion]

[Closing Date]

University of South Alabama
Mobile, Alabama

Re: $85,605,000 University Facilities Revenue Refunding Bonds, Series 2016 issued by the University of South Alabama

Ladies and Gentlemen:

We have acted as bond counsel to the University of South Alabama (the "University") in connection with the issuance by the University of $85,605,000 aggregate principal amount of its University Facilities Revenue Refunding Bonds, Series 2016 (the "Series 2016 Bonds"), dated the date hereof. In such capacity, we have examined such law and such certified proceedings and other documents as we have deemed necessary to render this opinion.

The Series 2016 Bonds are issued pursuant to the authority of the laws of the State of Alabama and a University Facilities Revenue Trust Indenture dated as of February 15, 1996, between the University and The Bank of New York Mellon Trust Company, N.A. as trustee (the "Trustee"), as previously supplemented and as further supplemented by a Twelfth Supplemental University Facilities Revenue Trust Indenture dated as of September 1, 2016 (as so supplemented, the "Indenture"). Under the Indenture, the University has pledged for payment of the Series 2016 Bonds (a) all fees now or hereafter levied as a general tuition fee against students enrolled at the University, (b) the gross revenues derived by the University from auxiliary enterprises services furnished by the University, including, without limitation, food services, housing, college stores, dining, concessions and other similar services, as such revenues are shown as a separate item on the audited financial statements of the University, (c) an amount not exceeding $10,000,000 in any fiscal year of the University of the gross revenues derived from that certain hospital facility owned and operated by the University and known as USA Children's and Women's Hospital, and (d) additional fees and revenues, if any, that may be subjected to the lien of the Indenture pursuant to a Supplemental Indenture (the "Pledged Revenues"). The Series 2016 Bonds are not payable from any other funds or revenues of the University.

As to questions of fact material to our opinion, we have relied upon the representations of the University contained in the Indenture and in the certified proceedings and other certifications of officials of the University and others furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The University is validly existing as a public corporation and instrumentality of the State of Alabama with the power to enter into the Indenture, to perform the agreements on its part contained therein and to issue the Series 2016 Bonds.

2. The Indenture has been duly authorized, executed and delivered by the University and constitutes a valid and binding obligation of the University enforceable upon the University in accordance with its terms.

3. The Indenture creates a valid lien on the Pledged Revenues and other funds held by the Trustee under the Indenture as security for the Series 2016 Bonds on a parity with all other bonds heretofore issued under the Indenture and with any additional bonds hereafter issued under the Indenture (as permitted therein).

4. The Series 2016 Bonds have been duly authorized, executed and delivered by the University and are valid and binding limited obligations of the University, payable solely from the Pledged Revenues and other funds provided therefor in the Indenture.

5. Interest on the Series 2016 Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; it should be noted, however, that, for the purpose of computing the alternative minimum tax imposed on certain corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings. The opinion set forth in the preceding sentence is subject to the condition that the University comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Series 2016 Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The University has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Series 2016 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2016 Bonds.

6. Interest on the Series 2016 Bonds is exempt from Alabama income taxation.

The rights of the owners of the Series 2016 Bonds and the enforceability of the Series 2016 Bonds and the Indenture may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

We are of the further opinion that the University is, under existing provisions of the Constitution of Alabama as construed by the Supreme Court of Alabama, exempt from all suits, but that the agents and employees of the University may, by mandamus, be compelled to apply the Pledged Revenues to the payment of the Series 2016 Bonds in accordance with the provisions of the Indenture.

Neither the principal of nor the interest on the Series 2016 Bonds nor the aforesaid pledge or any other agreements contained in the Indenture constitute an obligation of any nature whatsoever of the State of Alabama and neither the Series 2016 Bonds nor any obligation arising from said pledge or other agreements are payable out of any moneys appropriated to the University by the State of Alabama. The Indenture does not constitute a mortgage on any property of the University and no foreclosure or sale proceedings with respect to any property of the University shall ever be had under authority of the Indenture.

The opinions expressed herein are limited to the application of the laws of the State of Alabama and the federal laws of the United States of America, and do not extend to any laws of any other state or nation.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Series 2016 Bonds. Further, we express no opinion regarding tax consequences arising with respect to the Series 2016 Bonds other than as expressly set forth herein.

This opinion is given as of the date hereof and we assume no obligation to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

BALCH & BINGHAM LLP

APPENDIX C

FORM OF CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE AGREEMENT

The University of South Alabama, a public corporation and instrumentality of the State of Alabama (the "University"), has entered into this Agreement for the benefit of the holders of its University Facilities Revenue Refunding Bonds, Series 2016 in the aggregate principal amount of $85,605,000 (the "Bonds"). The University is the Obligated Person with respect to the Bonds.

Recitals

A. The Bonds are being issued pursuant to a University Facilities Revenue Trust Indenture dated as of February 15, 1996 (the said Indenture, as heretofore supplemented and amended and as further supplemented and amended by a Twelfth Supplemental University Facilities Revenue Trust Indenture dated as of September 1, 2016 (the "Indenture"), between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee").

B. An Official Statement dated September 1, 2016 (the "Official Statement") has been prepared for distribution to prospective purchasers of the Bonds.

C. The Bonds are subject to the provisions of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), as amended. This Agreement is being entered into pursuant to the continuing disclosure requirements of the Rule.

D. Capitalized terms not otherwise defined in this Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with definitions in the Rule, in the Official Statement.

E. There is no Obligated Person with respect to the Bonds other than the University.

NOW, THEREFORE, for and in consideration of the premises, the University hereby covenants, agrees and binds itself as follows:

1. Financial Statements; Annual Report.

(a) The University will provide to the Municipal Securities Rulemaking Board (the "MSRB") and to Assured Guaranty Municipal Corp. ("AGM") the audited financial statements of the University, prepared in accordance with generally accepted accounting principles as applicable to the University, not later than six (6) months after the close of each fiscal year of the University, beginning with the fiscal year ended September 30, 2016; provided, however, if audited financial statements of the University are not available at such time, the University will provide unaudited financial statements not later than six (6) months after the end of the fiscal year and will provide its audited financial statements for such fiscal year when and if available.

(b) The University will provide, not later than six (6) months after the end of each fiscal year of the University, commencing with the fiscal year ending September 30, 2016, to the MSRB and to AGM the following financial and operating data (the "Annual Report"):

(1) the revenues from the general tuition fees the proceeds of which are pledged for payment of the Bonds;

(2) the revenues from the auxiliary enterprises fees the proceeds of which are pledged for payment of the Bonds;

(3) the schedule of undergraduate and graduate fees and Medical College fees;

(4) the number of students, by geographic classification, attending the fall term commencing within the fiscal year covered by the University Annual Report;

(5) the number of degrees awarded, by type of degree, for the academic year ending within the fiscal year covered by the University Annual Report; and

(6) the total State appropriations authorized and received.

(c) If the University is unable to provide the Annual Report by the date required in subsection (b), the University shall send a notice to the MSRB and to AGM, by the date such information was to be provided, in substantially the form attached as Exhibit A hereto.

(d) If the University's fiscal year is changed subsequent to the execution of this Agreement, the University shall provide timely notice of the change to the MSRB and to AGM stating that its fiscal year has changed and specifying the new period constituting the University's fiscal year.

2. Event Notices. The University agrees to provide or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the event, as required by the Rule, to the MSRB and to AGM, notice of the occurrence of any of the following events (each a "Listed Event") with respect to the Bonds:

1. principal and interest payment delinquencies;

2. non-payment related defaults, if material;

3. unscheduled draws on debt service reserves reflecting financial difficulties;

4. unscheduled draws on credit enhancements reflecting financial difficulties;

5. substitution of credit or liquidity providers, or their failure to perform;

6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

7. modifications of the rights of holders of the Bonds, if material;

8. bond calls, if material, and tender offers;

9. defeasances;

10. release, substitution or sale of property securing repayment of the Bonds, if material;

11. rating changes;

12. bankruptcy, insolvency, receivership, or similar event of the obligated person;

13. the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

14. appointment of a successor or additional trustee or the change of name of a trustee, if material.

3. Additional Information. Nothing in this Agreement shall be deemed to prevent the University from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any notice of occurrence of a Listed Event, in addition to that which is required by this Agreement. If the University chooses to disseminate information in addition to that required herein, whether by including such information in any notice of occurrence of a Listed Event in addition to

that which is specifically required by this Agreement or otherwise, the University shall have no obligation under this Agreement to update or continue to provide such information or include it in any future notice of occurrence of a Listed Event.

4. Form and Method of Filing. All filings to be provided hereunder to the MSRB shall be made by posting such information in electronic format on the MSRB's Electronic Municipal Market Access ("EMMA") system at http://emma.msrb.org accompanied by identifying information as prescribed by the MSRB. All such filings shall be made in conformity with the procedures and requirements established by the MSRB in effect at the time of such filing.

All filings to be provided hereunder to AGM shall be made in the manor prescribed from time to time by AGM. As of the date of this Agreement, AGM prefers to receive such filings by email at munidisclosure@assuredguaranty.com. If the required information is on the MSRB website or another website where AGM can access the information, then the University may satisfy the information requirements by providing AGM with links to the information.

5. Beneficiaries; Limitation of Remedies Hereunder. This Agreement is for the benefit of the holders of the Bonds and shall be enforceable by such holders, subject to the limitations herein. The University shall never be subject to money damages in any sum or amount, whether compensatory, punitive or otherwise, for its failure to comply with its obligations contained herein. The only remedy available to the holders of the Bonds for breach by the University of its obligations hereunder shall be the remedy of specific performance or mandamus against the appropriate officials of the University to obtain performance of the University's obligations hereunder. No failure by the University to comply with the provisions of this Agreement shall be an event of default with respect to the Bonds under the Indenture.

6. Responsibility for Compliance.

(a) No person other than the University shall have any liability or responsibility for compliance by the University with its obligations under this Agreement. The Trustee has undertaken no responsibility with respect to any reports, notices or disclosures required by this Agreement or the Rule.

(b) The University will pay all costs incurred in connection with the performance of its obligations under this Agreement, including without limitation the fees and expenses of any dissemination agent, consultants, advisers, accountants, legal counsel or other persons that may be retained by the University to assist in the performance of the University's obligations.

7. Amendment; Waiver. Notwithstanding any other provision of this Agreement, the University may amend this Agreement and any provision of this Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, to the effect that such amendment or waiver would not cause the undertakings herein to violate the Rule taking into account any subsequent change in or official interpretation of the Rule.

8. Termination. The University reserves the right to terminate its obligation to provide an Annual Report, audited financial statements and notices of material events, as set forth above, if and when the University no longer remains an obligated person with respect to the Bonds within the meaning of the Rule.

9. Contract Formed. This Agreement shall constitute a contract between the University and the holders from time to time and at any time of the Bonds, but no other person, firm or corporation shall have any rights hereunder.

[Balance of page intentionally left blank]

IN WITNESS WHEREOF, this Agreement has been duly authorized by the University and has been executed by and on behalf of the University by its duly authorized officer, all as of the 14th day of September, 2016.

UNIVERSITY OF SOUTH ALABAMA

By:_____

Its: _____

EXHIBIT A

NOTICE OF FAILURE TO FILE
ANNUAL REPORT

Name of Issuer: University of South Alabama (the "University")

Name of Obligated
Person: University of South Alabama

Name of Bond Issue: $85,605,000 Facilities Revenue Refunding Bonds, Series 2016

Date of Issuance: September 14, 2016

NOTICE IS HEREBY GIVEN that the University has not provided the Annual Report as required by the Continuing Disclosure Agreement executed by the University on September 14, 2016, with respect to the above-named Bonds. The University anticipates that such Annual Report will be filed by _____.

Dated: _____

APPENDIX D

DTC PROCEDURES

DTC Book-Entry Only System

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Series 2016 Bonds (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each maturity of each series of the Securities, in the aggregate principal amount of such maturity, and will be deposited with DTC.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 7A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the University as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from University or Bond Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Bond Trustee, or University, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of University or Bond Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to University or Bond Trustee. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

THE UNIVERSITY, THE UNDERWRITERS AND THE BOND TRUSTEE CANNOT AND DO NOT GIVE ANY ASSURANCES THAT THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE SERIES 2016 BONDS (1) PAYMENTS OF PRINCIPAL OF OR INTEREST AND PREMIUM, IF ANY, ON THE SERIES 2016 BONDS, (2) CERTIFICATES REPRESENTING AN OWNERSHIP INTEREST OR OTHER CONFIRMATION OF BENEFICIAL OWNERSHIP INTERESTS IN THE SERIES 2016 BONDS, OR (3) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS NOMINEE, AS THE REGISTERED OWNERS OF THE SERIES 2016 BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS OR THAT DTC OR DIRECT OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE CURRENT "RULES" APPLICABLE TO DTC ARE ON FILE WITH THE SECURITIES AND EXCHANGE COMMISSION AND THE CURRENT "PROCEDURES" OF DTC TO BE FOLLOWED IN DEALING WITH DTC PARTICIPANTS ARE ON FILE WITH DTC.

NEITHER THE UNIVERSITY, THE UNDERWRITERS NOR THE BOND TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO SUCH DTC PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE SERIES 2016 BONDS; (2) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (3) THE PAYMENT BY ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST OR PREMIUM, IF ANY, ON THE SERIES 2016 BONDS; (4) THE DELIVERY BY ANY DTC PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE BOND INDENTURE TO BE GIVEN TO BONDHOLDERS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2016 BONDS; OR (6) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER.

APPENDIX E

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

EXHIBIT IV
FORM OF CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE AGREEMENT

The University of South Alabama, a public body corporate under the laws of the State of Alabama (the "University"), has entered into this Agreement for the benefit of the holders of its University Facilities Revenue Bonds, Series 2017, in the aggregate principal amount of [$_____] (the "Bonds"). The University is the Obligated Person with respect to the Bonds.

Recitals

A. The Bonds are being issued pursuant to a University Facilities Revenue Trust Indenture dated as of February 15, 1996 (the said Indenture, as heretofore supplemented and amended and as further supplemented and amended by a Fourteenth Supplemental University Facilities Revenue Trust Indenture dated the date of the Bonds (the "Indenture"), between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee").

B. An Official Statement dated June 2, 2017 (the "Official Statement") has been prepared for distribution to prospective purchasers of the Bonds.

C. The Bonds are subject to the provisions of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), as amended. This Agreement is being entered into pursuant to the continuing disclosure requirements of the Rule.

D. Capitalized terms not otherwise defined in this Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with definitions in the Rule, in the Official Statement.

E. There is no Obligated Person with respect to the Bonds other than the University.

NOW, THEREFORE, for and in consideration of the premises, the University hereby covenants, agrees and binds itself as follows:

1. Financial Statements; Annual Report.

(a) The University will provide to the Municipal Securities Rulemaking Board (the "MSRB") the audited financial statements of the University, prepared in accordance with generally accepted accounting principles as applicable to the University, not later than 210 days after the close of each fiscal year of the University, beginning with the fiscal year ending September 30, 2017.

(b) The University will provide, not later than 210 days after the end of each fiscal year of the University, commencing with the fiscal year ending September 30, 2017, to the MSRB the following financial and operating data (the "Annual Report"):

(1) the revenues from the general tuition fees the proceeds of which are pledged for payment of the Bonds;

(2) the revenues from the auxiliary enterprises fees the proceeds of which are pledged for payment of the Bonds;

(3) the schedule of undergraduate and graduate fees and Medical College fees;

(4) the number of students, by geographic classification, attending the fall term commencing within the fiscal year covered by the University Annual Report;

(5) the total State appropriations authorized and received.

(c) If the University's fiscal year is changed subsequent to the execution of this Agreement, the University shall provide timely notice of the change to the MSRB stating that its fiscal year has changed and specifying the new period constituting the University's fiscal year.

2. Event Notices. The University agrees to provide or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the event, as required by the Rule, to the MSRB, notice of the occurrence of any of the following events (each a "Listed Event") with respect to the Bonds:

1. principal and interest payment delinquencies;

2. non-payment related defaults, if material;

3. unscheduled draws on debt service reserves reflecting financial difficulties;

4. unscheduled draws on credit enhancements reflecting financial difficulties;

5. substitution of credit or liquidity providers, or their failure to perform;

6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

7. modifications of the rights of holders of the Bonds, if material;

8. bond calls, if material, and tender offers;

9. defeasances;

10. release, substitution or sale of property securing repayment of the Bonds, if material;

11. rating changes;

12. bankruptcy, insolvency, receivership, or similar event of the obligated person;

13. the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

14. appointment of a successor or additional trustee or the change of name of a trustee, if material.

3. Additional Information. Nothing in this Agreement shall be deemed to prevent the University from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any notice of occurrence of a Listed Event, in addition to that which is required by this Agreement. If the University chooses to disseminate information in addition to that required herein, whether by including such information in any notice of occurrence of a Listed Event in addition to that which is specifically required by this Agreement or otherwise, the University shall have no obligation under this Agreement to update or continue to provide such information or include it in any future notice of occurrence of a Listed Event.

4. Form and Method of Filing. All filings to be provided hereunder to the MSRB shall be made by posting such information in electronic format on the MSRB's Electronic Municipal Market Access ("EMMA") system at http://emma.msrb.org accompanied by identifying information as prescribed by the MSRB. All such filings shall be made in conformity with the procedures and requirements established by the MSRB in effect at the time of such filing.

5. Beneficiaries; Limitation of Remedies Hereunder. This Agreement is for the benefit of the holders of the Bonds and shall be enforceable by such holders, subject to the limitations herein. The University shall never be subject to money damages in any sum or amount, whether compensatory, punitive or otherwise, for its failure to comply with its obligations contained herein. The only remedy available to the holders of the Bonds for breach by the University of its obligations hereunder shall be the remedy of specific performance or mandamus against the appropriate officials of the University to obtain performance of the University's obligations hereunder. No failure by the University to comply with the provisions of this Agreement shall be an event of default with respect to the Bonds under the Indenture.

6. Responsibility for Compliance.

(a) No person other than the University shall have any liability or responsibility for compliance by the University with its obligations under this Agreement. The Trustee has undertaken no responsibility with respect to any reports, notices or disclosures required by this Agreement or the Rule.

(b) The University will pay all costs incurred in connection with the performance of its obligations under this Agreement, including without limitation the fees and expenses of any dissemination agent, consultants, advisers, accountants, legal counsel or other persons that may be retained by the University to assist in the performance of the University's obligations.

7. Amendment; Waiver. Notwithstanding any other provision of this Agreement, the University may amend this Agreement and any provision of this Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, to the effect that such amendment or waiver would not cause the undertakings herein to violate the Rule taking into account any subsequent change in or official interpretation of the Rule.

8. Termination. The University reserves the right to terminate its obligation to provide an Annual Report, audited financial statements and notices of material events, as set forth above, if and when the University no longer remains an obligated person with respect to the Bonds within the meaning of the Rule.

9. Contract Formed. This Agreement shall constitute a contract between the University and the holders from time to time and at any time of the Bonds, but no other person, firm or corporation shall have any rights hereunder.

[Balance of page intentionally left blank]

IN WITNESS WHEREOF, this Agreement has been duly authorized by the University and has been executed by and on behalf of the University by its duly authorized officer, all as of the 15th day of June, 2017.

UNIVERSITY OF SOUTH ALABAMA

By:_____

Its: _____

UNIVERSITY OF SOUTH ALABAMA

BOARD OF TRUSTEES

AUDIT

UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

AUDIT COMMITTEE

March 2, 2017
2:42 p.m.

A meeting of the Audit Committee of the University of South Alabama Board of Trustees was duly convened by Mr. John Peek, Chair, on Thursday, March 2, 2017, at 2:42 p.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Members Present:	Ron Jenkins, Bryant Mixon, John Peek and Jimmy Shumock.
Member Absent:	Scott Charlton.
Other Trustees:	Alexis Atkins, Chandra Brown Stewart, Tom Corcoran, Steve Furr, Bettye Maye, Arlene Mitchell, Ken Simon, Steve Stokes, Mike Windom and Jim Yance.
Administration and Others:	Owen Bailey, Robert Berry, Lynne Chronister, Josh Crownover (SGA), Joel Erdmann, Monica Ezell, Mike Finan, Sam Fisher (Faculty Senate), Happy Fulford, Mike Haskins, David Johnson, John Marymont, Mike Mitchell, John Smith, Jean Tucker, Tony Waldrop and Scott Weldon.

The meeting came to order and the attendance roll was called. Mr. Peek called for consideration of the minutes of the meeting held on December 1, 2016. On motion by Sheriff Mixon, seconded by Mr. Shumock, the minutes were adopted unanimously.

Mr. Peek called on Mr. Weldon to address the KPMG report on intercollegiate athletics for the year ended September 30, 2016, **ITEM 13**. Mr. Weldon reminded the group that this review, which is conducted annually as mandated by the bylaws of the National Collegiate Athletic Association (NCAA), focuses on the application of agreed-upon procedures that are required by the NCAA. He stated the report did not contain exceptions or findings.

Mr. Peek asked Mr. Weldon to discuss **ITEM 14**, the Alabama Department of Examiners of Public Accounts Compliance Report for the year ended September 30, 2015. Mr. Weldon said the report contained one finding stating South may not have complied with the Code of Alabama regarding E-Verify employment regulations. He said, prior to and since Alabama's adoption of E-Verify in 2012, USA had adhered to the rules of the U. S. Department of Homeland Security and, consistent with a memorandum of understanding, institutions of higher education are exempt from E-Verify requirements except in cases when employees are funded with federal money. He stated, at the recommendation of the Examiners, a letter from President Waldrop to the Alabama Attorney General (AG) requesting an opinion on application was mailed in January.

He added, despite an indication from the Examiners they would delay release of the report until the AG ruling was received, the report was issued within days of the University's letter. He advised, if the ruling is not in the University's favor, USA would comprehensively implement E-Verify regulations. Chairman Simon asked about the implications of introducing E-Verify regulations. Mr. Weldon stated E-Verify would add another procedural layer to the University's current system of determining employment eligibility for all new employees. He said applicants would have to be entered into a federal database at a cost to the University and, because of the size of the University's employee population, administration would require a full-time position and the creation of new processes. The impact to and subsequent action of other institutions in the state was discussed. Mr. Weldon estimated implementation of a new E-Verify process would cost the University $50,000 to $60,000 per year.

Mr. Peek called on Mr. Berry to address **ITEM 15**, a report on the activities of the Office of Internal Audit. Mr. Berry gave a brief overview of the work of Internal Audit staff in providing consulting services to the various campus units. He stated the work was routine and offered to answer questions.

Citing increasing complexities across environments, for example those pertaining to financial reporting and health care, Chairman Simon asked for feedback on ways the Board might work with the Leadership to become more engaged in the risk management process, and posed food-for-thought questions for the group's consideration, such as (1) should the Board review University policies to identify key areas of exposure, (2) do the policies reflect best practices, and (3) should a chief compliance officer be appointed? Mr. Peek said risk management and compliance are at the forefront of discussion at universities nationwide. He noted the impact of both on every aspect of campus and applauded efforts to ensure the long-term success of the University. Mr. Yance agreed it would be prudent for Trustees to have a working knowledge on compliance and accountability dynamics. Mr. Peek commented on recent administrative retirements and recognized the importance of preserving and passing forward institutional knowledge. Mr. Shumock observed the evolving landscape of the Institution, describing South as a big, intricate business. He concurred that a basic understanding of the major risks and processes, and of how elements interconnect, would be beneficial. President Waldrop acknowledged the need for a better system for oversight. He reported on efforts under way to set up a centralized compliance office and credited Mr. Berry for helping identify a structure. He said staff involved in compliance areas voiced unanimous support for the initiative and a University committee is working through the details of implementation.

Chairman Simon asked the group to share thoughts on a course of action. Mr. Corcoran suggested that the Board delay any action until the task force has had an opportunity to address the charge and make recommendations. Mr. Shumock echoed the remarks of Chairman Simon about employing best practices, suggesting that the University committee research existing

models. President Waldrop talked about one approach used by the Research Triangle Institute, an association for which he once served as a Board member. Mr. Peek recommended that the charge of the task force include formalization of a method whereby compliance matters are reported to the Board. Mr. Windom offered to share related Association of Governing Boards materials. President Waldrop gave assurances as to the commitment of the task force and said, in the days ahead, he would be talking to the group about goals. Mr. Peek urged that consideration be given to the involvement of a Board member to work with the task force. He and Mr. Shumock asked that an update be provided to the Board at the next meeting.

There being no further business, the meeting was adjourned at 3:07 p.m.

Respectfully submitted:

_____

John M. Peek, Chair

UNIVERSITY OF SOUTH ALABAMA

BOARD OF TRUSTEES

DEVELOPMENT, ENDOWMENT AND INVESTMENTS

UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

DEVELOPMENT, ENDOWMENT AND INVESTMENTS COMMITTEE

March 2, 2017
3:07 p.m.

A meeting of the Development, Endowment and Investments Committee of the University of South Alabama Board of Trustees was duly convened by Mr. Jim Yance, Committee Chair, on Thursday, March 2, 2017, at 3:07 p.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Members Present:	Chandra Brown Stewart, Tom Corcoran, Ron Jenkins, Steve Stokes, Mike Windom and Jim Yance.
Other Trustees:	Alexis Atkins, Steve Furr, Bettye Maye, Arlene Mitchell, Bryant Mixon, John Peek, Jimmy Shumock and Ken Simon.
Administration and Others:	Terry Albano, Owen Bailey, Lynne Chronister, Josh Cogswell, Josh Crownover (SGA), Joel Erdmann, Monica Ezell, Mike Finan, Sam Fisher (Faculty Senate), Happy Fulford, Mike Haskins, David Johnson, John Marymont, Mike Mitchell, Norman Pitman, John Smith, Jean Tucker, Tony Waldrop and Scott Weldon.

The meeting came to order and the attendance roll was called. Mr. Yance called for consideration of the minutes of the meeting held on December 2, 2016. On motion by Mr. Corcoran, seconded by Capt. Jenkins, the minutes were adopted unanimously.

Mr. Yance asked Mr. Albano and Mr. Pitman to address **ITEM 16**, a report on endowment and investment performance. Mr. Albano discussed results for the first quarter of fiscal year 2017, noting a return of 1.35 percent vs. a relative index of .44 percent, or an outperformance of 0.91 percent. He called this a strong outcome in a short timeframe. He discussed manager performance, observing all managers had outperformance their benchmarks with the exception of the firm of Douglas Lane. He added, through January 31, Douglas Lane had outperformed and he asked Mr. Pitman to elaborate. Mr. Pitman expressed confidence in Douglas Lane, stating manager underperformance was to be expected from time to time. He shared perspective on manager results through the end of January, observing that each manager had outperformed its relative index, and compared January's 1.11 percent overall outperformance to that of the first quarter at 91 basis points. Mr. Albano addressed asset allocation, noting the investments by asset class continued to adhere to the prescribed guidelines of the endowment policy. He advised of plans to look for opportunities to invest $5 million in the market due to favorable conditions. Mr. Yance recalled profits totaling $8 million had been pulled away from the portfolio and held in reserve for a time in anticipation of a downturn in the market. He said the

investment team determined the time was right for introducing $5 million of these proceeds back into the market and Mr. Albano anticipated this money might be placed in the international asset class. Mr. Pitman agreed, stating after three years of underperforming, international economies and market performance are showing improvement. Mr. Albano discussed performance since inception in April 2000 through the end of December. He said the endowment return was 4.93 percent vs. the relative index of 3.98 percent, an outperformance by 95 basis points. Discussion took place on the movement of the Dow Jones Industrial Average. Mr. Albano projected the U. S. Federal Reserve would raise interest rates. Thoughts on manager profits were exchanged.

Concerning **ITEM 17**, a report on the activities of the Division of Development and Alumni Relations, Mr. Yance called for remarks by Dr. Stokes, Upward & Onward Campaign Co-Chair. Dr. Stokes reported $98.6 million raised as of February 15, which represents 31,927 gifts from 23,534 donors and constitutes 66 percent of the overall $150 million campaign goal. He noted close to $76 million secured during the quiet phase of the campaign and approximately $23 million obtained since the public launch of the campaign in October 2015. He reported $4.8 million in pledges and contributions raised toward the 2017 fiscal year goal of $15.7 million, or about 30 percent. He talked about the involvement of guest speaker Mr. Dondi Cupp, Associate Vice President for Development at the University of Michigan, in workshops planned for March 3 for the volunteer leadership team and held on February 17 for the fundraising staff, President's Administrative Council, Deans and the leadership of USA Health. He said the Development staff is working to identify prospects and opportunities for the remainder of the campaign and advised of regional activities being scheduled for the Spring that will include a dinner for alumni in Atlanta and a gathering for College of Medicine alumni in Birmingham on April 20. He said festivities marking the campaign's $100 million milestone are being organized and reported close to $3 million raised for the MacQueen Alumni Center. Mr. Yance thanked the Stokeses and the staff of Development and Alumni Relations for their efforts.

Mr. Yance called for a report from Director of Development Mr. Josh Cogswell. Mr. Cogswell thanked everyone in the room for contributing to the Upward & Onward Campaign and asserted the positive difference philanthropy makes in furthering institutional progress. He stated, as of the end of February, the campaign total had reached $99.3 million. He presented a chart showing campaign dollars allotted by strategic priority. As to the priority of Student Success and Access, he discussed new gifts received and pledged for the Mitchell-Moulton Scholarship Initiative, as well as matching funds received and anticipated, which have made a campaign impact of close to $13.6 million. He advised that the fulfillment rate for pledges is between 94 and 96 percent.

Mr. Yance asked Dr. Erdmann to present **ITEM 18**, a resolution to approve Ms. Farish Beard as a director of the USA Jaguar Athletic Fund for a three-year term from March 2017 through March 2020. Dr. Erdmann noted Ms. Beard, a former softball pitcher, was named an All-American

athlete by the National Collegiate Athletic Association (NCAA). On motion by Mr. Windom, seconded by Mr. Shumock, the Committee voted unanimously to recommend approval of the resolution by the Board of Trustees.

There being no further business, the meeting was adjourned at 3:21 p.m.

Respectfully submitted:

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James A. Yance, Chair

University of South Alabama Endowment Investment Performance Review/Analysis

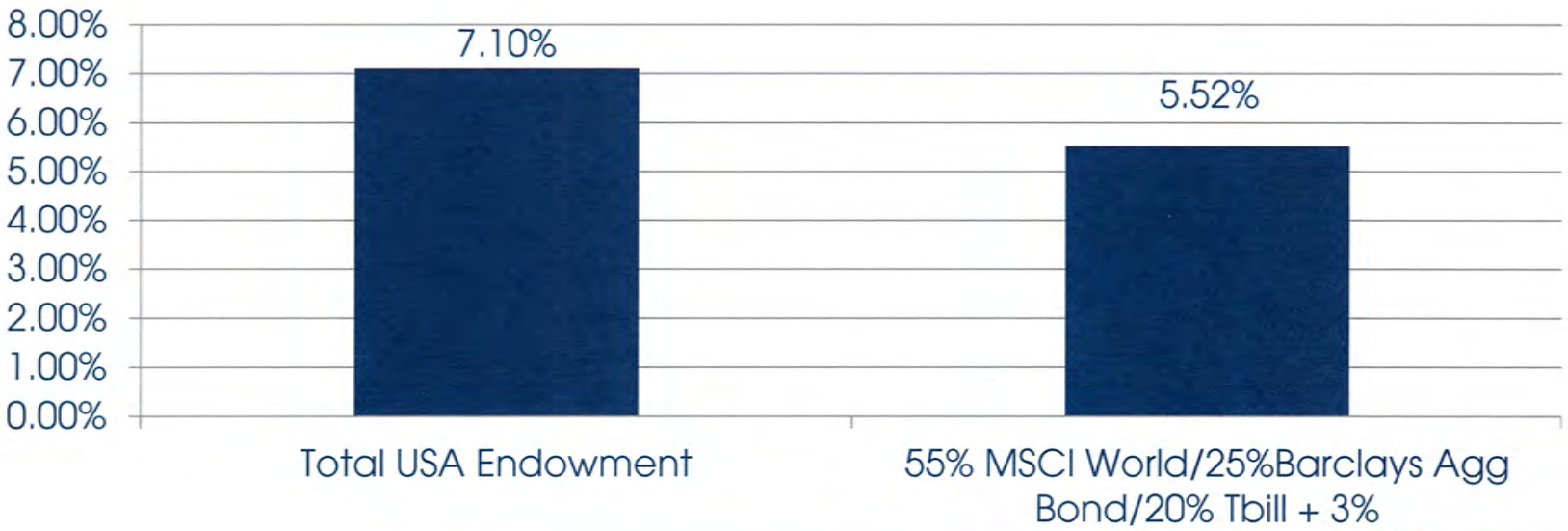
Fiscal Year 2017

UNIVERSITY OF
SOUTH ALABAMA

Total USA Endowment

October 1, 2016 — April 30, 2017
Total Fund Performance

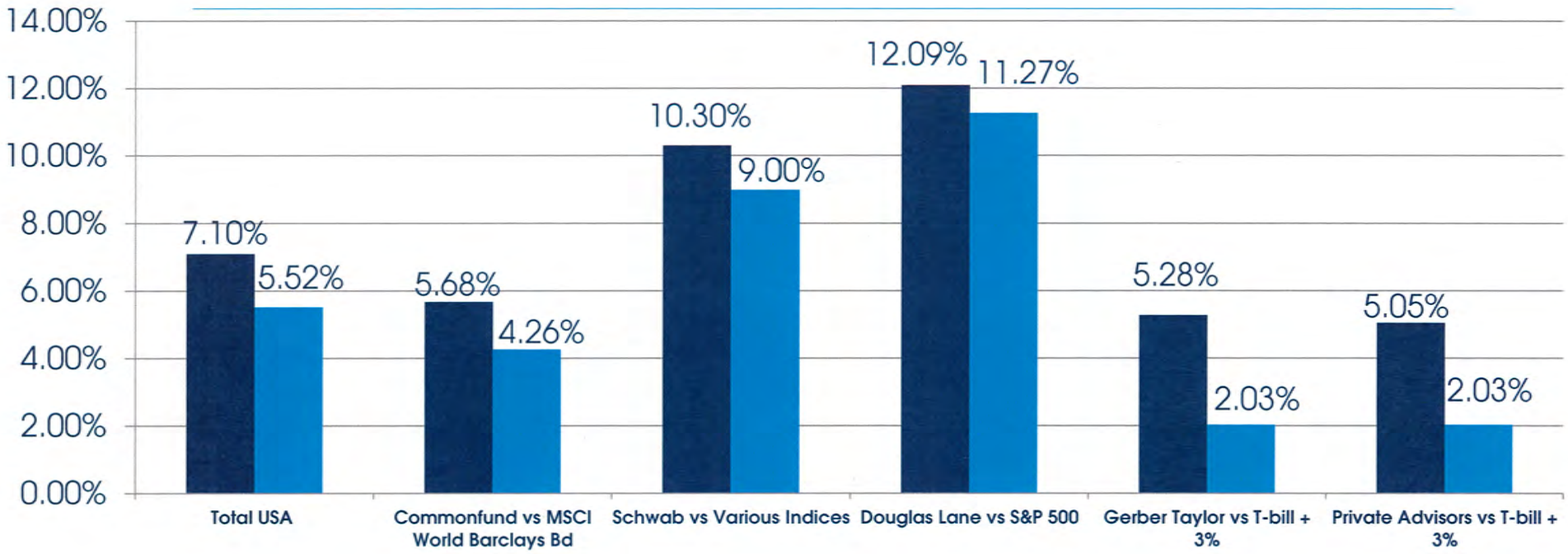
TOTAL RELATIVE RETURN COMPARISON



Outperformance: 1.58%

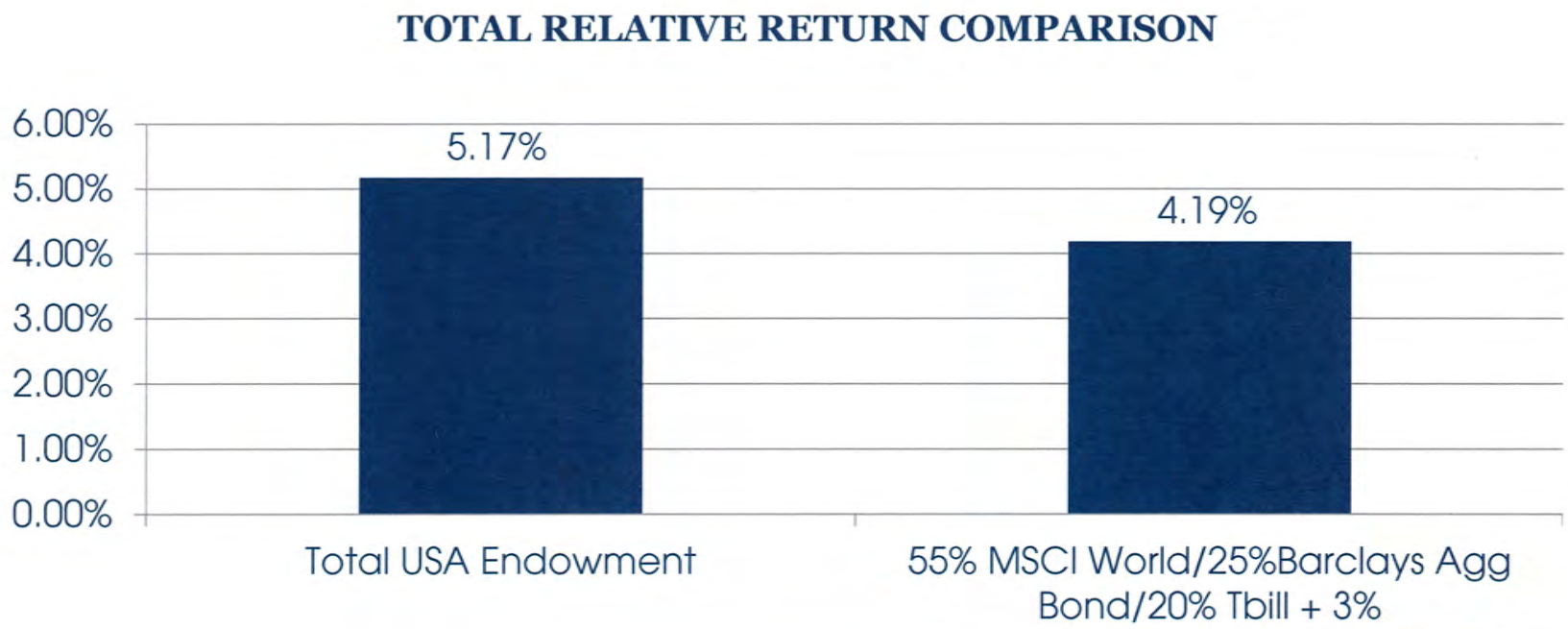
Total USA Endowment

October 1, 2016 — April 30, 2017
Total Fund Performance



Total USA Endowment

Since Inception
Total Annualized Fund Performance



Outperformance: 0.98%

Total USA Endowment

Asset Allocation Breakdown

Manager	Money Market	Large Cap Equity	Small Cap Equity	International	Fixed	Hedge	Total
Private Advisors	$ -	$ -	$ -	$ -	$ -	$ 1,330,557	$ 1,330,557
Schwab	$ 6	$ 7,812,168	$ 7,548,618	$ 16,263,575	$ 5,571,040	$ -	$ 37,195,407
Doug Lane	$ 190,919	$ 8,376,562	$ -	$ -	$ -	$ -	$ 8,567,482
Common Fund	$ -	$ 41,213,070	$ -	$ -	$ 31,893,364	$ -	$ 73,106,434
Gerber Taylor	$ -	$ -	$ -	$ -	$ -	$ 26,270,930	$ 26,270,930
Total	$ 190,925	$ 57,401,801	$ 7,548,618	$ 16,263,575	$ 37,464,404	$ 27,601,487	$ 146,470,810
%	0%	39%	5%	11%	26%	19%	100%
Policy %		25-55%	0-8%	5-15%	15-35%	10-30%	100%

Total USA Endowment

Presentation Summary

1. **Fiscal Year To Date: Out-performed 1.58%: 7.10% vs 5.52%**
2. **All managers out-perform FYTD.**

UNIVERSITY OF SOUTH ALABAMA

BOARD OF TRUSTEES

LONG-RANGE PLANNING

UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

LONG-RANGE PLANNING COMMITTEE

May 1, 2017
3:00 p.m.

A meeting of the Long-Range Planning Committee of the University of South Alabama Board of Trustees was duly convened by Mr. Mike Windom, Chair, on Monday, May 1, 2017, at 3:05 p.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Members Present:	Chandra Brown Stewart, Ron Jenkins (phone), Bettye Maye (phone), Jimmy Shumock and Mike Windom.
Administration and Others:	Owen Bailey, Lynne Chronister, Angela Coleman, Monica Ezell, Mike Finan, Happy Fulford, Mike Haskins, David Johnson, John Marymont, John Smith, Margaret Sullivan, Jean Tucker, Tony Waldrop and Scott Weldon.

The meeting came to order and the attendance roll was called. Mr. Windom called upon Mr. Weldon to address **ITEM 1**, a report on a Campus Master Plan update. Mr. Weldon said the long-range planning process formalizes the vision of the Board, Administration and University community for future facility needs. He discussed the history of campus master plans, noting the issuance of plans in 2004 and 2010. He advised that President Waldrop appointed a Long-Range Planning Committee of the University in March 2016 and asked Provost Johnson and him to serve as chairs. He stated, over the past year, the committee had collected and incorporated new data into a draft 2017 Campus Master Plan, which had been presented to and endorsed by the Student Government Association (SGA). He said the purpose of this presentation was to give the Long-Range Planning Committee of the Board an opportunity to view the draft plan and provide input in order that the University committee could complete a final draft for the Board to consider at the June meetings.

Mr. Weldon credited Dr. Angela Coleman, Associate Vice President for Institutional Effectiveness, with spearheading the bulk of the work to develop an updated Campus Master Plan and he introduced her to give an overview. Dr. Coleman said one of the values of the process was demonstrating to the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC), the University's primary accrediting agency, that South has a long-term plan for facilities on campus. She advised that the Institution's fifth year SACSCOC review would be in two years and the decennial reaffirmation process would be in 2023. She added community feedback collected through a series of eight focus groups with faculty, staff and students and through a campus-wide survey was the basis for the University's Long-Range Planning Committee, a team representing the various campus constituencies, to identify needs and decide what projects to include in the Campus Master Plan. She said the plan would be a useful reference in the future when decisions on facilities are contemplated. She stated enrollment growth, particularly with respect to

campus housing, and the addition of new bachelor's, master's and Ph.D. programs were factors driving the need for an updated Campus Master Plan. She noted considerable activity related to new facilities and renovation projects between 2010 and 2017 and presented a 2017-2027 USA Program Plan of projects recommended, noting some had been approved by the Board of Trustees and others were proposed for consideration to the University's Long-Range Planning Committee based upon the data assembled or needs identified through the committee's discussions. She pointed out that the views of the campus community and the University committee were largely congruous. She said the projects listed in the Program Plan were not prioritized and stated adoption would not prohibit the University from taking advantage of other opportunities in the future. Mr. Weldon added, from a financial standpoint, completion of all, or even most, Program Plan projects over the next 10 years was not likely.

Dr. Coleman encouraged the Committee to take time to view the detailed project information in the draft Campus Master Plan and Provost Johnson shared insight on the various projects, noting that some which had been approved were moving forward and others were fairly imminent, such as construction of a simulation lab which he anticipated would be presented for consideration at the September Board meetings. He said some renovation projects, like those involving HVAC (heating, ventilation and air conditioning) upgrades in existing academic buildings, such as the Humanities Building, the Mitchell College of Business building and the College of Medicine building, would likely need to occur within the plan's ten-year timeframe. He said other projects, a football stadium for instance, would be primarily dependent upon financial resources that may or may not be forthcoming. Mr. Windom asked Provost Johnson to elaborate more on priorities. Provost Johnson recognized the increased use of electronic resources by students and faculty and the decline of book use at the Library. He said, over the next year, in response to a request from students for more study space on campus, the common space and book deployment areas of the Library would be reconfigured to provide additional study areas. He talked about an expansion to downtown Mobile that would involve the Master of Fine Arts program and noted this was dependent upon a lease agreement. President Waldrop added construction of an interdisciplinary science building would make much-needed lab and office space possible. Mr. Windom commented on the remarkable facilities progress made between 2010 and 2017. Mr. Weldon talked about the potential of relocating the College of Education and Professional Studies to the main campus and use of the College's existing location at University Commons for additional clinical space in the future. At President Waldrop's request, Provost Johnson talked about plans for a math emporium, an active learning initiative whereby students would receive freshman-level mathematics instruction in a computer lab setting with assistance from undergraduate and graduate students and some faculty. He said the program would probably be located in the Science Laboratory Building, the former Engineering Lab Building, and would be financed by savings on instructional costs. He said this concept was already in use for developmental math instruction in the Academic Services Center and improved student outcomes had been demonstrated.

Mr. Shumock asked Mr. Weldon to estimate the debt created for projects that occurred under the 2010 Campus Master Plan. With reference to previous bond transactions and projects, such as the expansion of Children's & Women's Hospital, Mr. Weldon estimated the total debt incurred at between $120 to $130 million. He reminded the Committee of the strategy for managing debt in a more proactive way going forward. Mr. Shumock noted the significance of this amount and commented on the diminished opportunities for debt service than existed when the 2010 Campus Master Plan was initiated. Mr. Weldon asserted that the University's debt service capability would increase over the next two to three years as the University grows and as the current debt service level declines. Dr. Smith and Mr. Weldon talked about new construction projects not financed out of the University's operations and maintenance budget or with tuition revenues; for example, the new residence halls and housing renovations totaling approximately $45 million, the Strada Patient Care Center totaling approximately $30 million and the Mitchell Cancer Institute (MCI) Kilborn Clinic in Fairhope, all of which were funded by revenues generated by those operations. Mr. Shumock encouraged the Administration to keep the Board posted and Mr. Weldon reminded that Trustees could access an electronic summary on future debt service at any time.

Provost Johnson called attention to the need for an intermediate-sized auditorium on campus that would accommodate approximately 1,500 people for events the Mitchell Center and the Student Center Ballroom are not best-suited to host. Ms. Brown Stewart asked for background on a proposed conference center and hotel. Dr. Coleman said this had been included on the 2010 plan and the community surveyed expressed support for carrying it forward to the new plan. She said the rationale would be the University could host big regional meetings and conferences and a hotel would align with the activities of the University's Hospitality and Tourism Management program. Provost Johnson said this was envisioned to be a public/private partnership with private investment to support the hotel and Ms. Chronister added it was conceived to be part of the USA Technology & Research Park development. Mr. Windom asked to view the 2010 Campus Master Plan. Dr. Coleman acknowledged she would disseminate copies and said access was readily available via the Web site. Dr. Coleman and Provost Johnson talked more on the progress of multiple projects shown on the 2010 plan.

Dr. Coleman noted the draft Campus Master Plan covered infrastructure aspects, like parking and traffic, and added that the infrastructure improvement project which was approved by the Board in 2014 was included also. President Waldrop told the Committee parking on campus was adequate though students may have to walk a short distance to classes. He advised of plans to engage a consultant to develop a comprehensive plan for campus parking. Dr. Coleman stated the draft plan referenced grounds, open space, landscaping and signage, and she noted technology was one of the more substantial infrastructure elements addressed. She said safety and security recommendations were included as well.

Dr. Coleman advised that feedback from the Board's Long-Range Planning Committee would be incorporated into a final draft and then reviewed by the University's Long-Range Planning Committee, and a recommendation would be delivered to the Board at the June meetings. President Waldrop reiterated that the Campus Master Plan would be used as a guide and would not prevent consideration of practical solutions and new opportunities that may emerge later in the course of the plan.

Mr. Windom commended the University's Long-Range Planning Committee and others involved for their efforts and shared appreciation for the discussion held in advance of the June meetings. Mr. Shumock asked about the deadline for giving feedback. Dr. Coleman asked that input be provided by Monday, May 8.

Dr. Coleman presented **ITEM 2**, a report on the use of USA Scorecard data for planning purposes. She called attention to the document titled *University of South Alabama - 2016 Scorecard.* She said an update of the document for 2017 was in progress and the success indicators would be analyzed for possible revision. She expressed appreciation for the interest of the Board's Long-Range Planning Committee to gain a better understanding of the Scorecard. Ms. Brown Stewart acknowledged that, following an AGB (Association of Governing Boards) workshop on data-driven decisions relating to academics and other aspects, she contacted Dr. Coleman to inquire about the University's assessment activities. She added a general knowledge would help her speak on behalf of the University to the local community. She thanked Dr. Coleman for delivering the report to the Committee.

Dr. Coleman shared context on the development and use of the Scorecard as a tool to track University progress in an array of categories that correlate to the strategic priorities. She said the emerging data are useful to South's constituencies and explained that favorable results to the Scorecard indicators were a sign the University's initiatives were headed in the right direction. Conversely, marginal outcomes would prompt dialogue on strategies for improvement. Among several of the indicators discussed, Dr. Coleman stated pinpointing meaningful indicators for the priority of University-Community Engagement had been a challenge because methods of talking about the University's impact are still being developed. Mr. Windom said the University should see headway in this area soon with the formation of a new Office of Community Engagement. Provost Johnson said a search for a director, who will report to Dr. Coleman, was progressing. Dr. Coleman said 140 applications for the position had been received and she hoped that a director would be hired by the end of July.

Dr. Coleman asked the Committee if they had questions about the indicators or suggestions for additional indicators that might help the Committee with its work. She said the working groups would reconvene soon to talk about the 2017 data and the effectiveness of the indicators for assessing success toward achievement of the strategic plan. Ms. Brown Stewart asked if the Scorecard information would be provided annually to the Board's Long-Range Planning Committee

for review and discussion, and Dr. Coleman acknowledged the Committee should expect these reports. Provost Johnson anticipated that the 2017 Scorecard data would be presented to the Committee in June. Dr. Coleman discussed variances in the data reporting periods between units. Mr. Windom said the Committee would appreciate information on items that required particular attention and Dr. Coleman suggested appending a brief narrative detailing highlights. As to indicators for the priority of Excellence in Health Care, President Waldrop said a transition of leadership at USA Health may bring about changes. Provost Johnson noted a new Graduate Dean would be appointed soon and the same may be true for the indicators tied to the priority of Enhancement of Research and Graduate Education. Mr. Windom thanked Dr. Coleman for the excellent work.

There being no further business, the meeting was adjourned at 3:58 p.m.

Respectfully submitted:

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Michael P. Windom, Chair

UNIVERSITY OF SOUTH ALABAMA

MEMORANDUM

Finance and Administration

Date:
May 17, 2017

To:
Tony G. Waldrop

From:
G. David Johnson
G. Scott Weldon

Subject:
2017 Campus Master Plan

Attached, for your approval and presentation to the Long-Range Planning Committee of the Board of Trustees, is the proposed 2017 Campus Master Plan for the University of South Alabama.

The Campus Master Plan Committee met monthly during the 2016-2017 academic year, gathering data and input from a wide constituency of the University community. The proposed plan, which covers the 2017-2027 time frame, was developed from that data.

Also attached is a resolution from the USA Student Government Association endorsing this proposed Campus Master Plan.

/cm

Attachments

THE UNIVERSITY OF SOUTH ALABAMA
STUDENT GOVERNMENT ASSOCIATION

Bill Number: R-004 04/17/2017
A Resolution Endorsing the University of South Alabama 2017 Campus Master Plan
Campus Master Plan Resolution

Sponsor: President Josh Crownover
Co-sponsor(s): Senators Carl Thomas, Namisha Ajit, Shaun Holloway, Leslie Evans, Emily Viglione, Faith Kilpatrick, Tyler White, Ryan Creel, Ashley Fonville
Principal author(s): President Josh Crownover

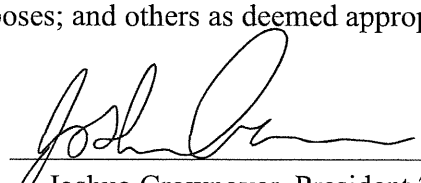
BE IT ENACTED BY THE STUDENT GOVERNMENT ASSOCIATION OF THE UNIVERSITY OF SOUTH ALABAMA

Preamble: WHEREAS, the University of South Alabama Student Government Association supports the efforts to more effectively plan and coordinate the construction and use of campus facilities and services; and

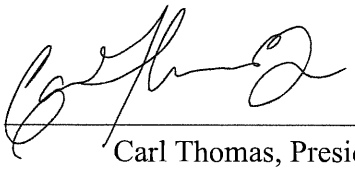
WHEREAS, the University of South Alabama Student Government Association supports the plan drafted by the Campus Master Plan Committee with input from students, faculty, staff, and community groups from within and around the campus.

THEREFORE, BE IT RESOLVED, that the University of South Alabama Student Government Association formally endorses the University of South Alabama 2017 Campus Master Plan; and

BE IT FURTHER RESOLVED, that copies of this resolution be distributed to Dr. Tony Waldrop, University of South Alabama President; Dr. David Johnson, Senior Vice President of Academic Affairs and Co-Chair of the Campus Master Plan Committee; Scott Weldon, Vice President for Finance and Administration and Co-Chair of the Campus Master Plan Committee; Dr. Michael Mitchell, Vice President for Student Affairs; the Vanguard, for informational purposes; and others as deemed appropriate.



Joshua Crownover, President 2016-2017
Student Government Association



Carl Thomas, President 2017-2018
Student Government Association

RESOLUTION

CAMPUS MASTER PLAN
2017-2027

WHEREAS, the University of South Alabama's continued enrollment and program growth depends on providing adequate academic, administrative, campus life, and student services facilities and the use of the Institution's land in the most effective manner, and

WHEREAS, the University seeks to gain the maximum benefit from the financial investment in the physical development of the campus, and

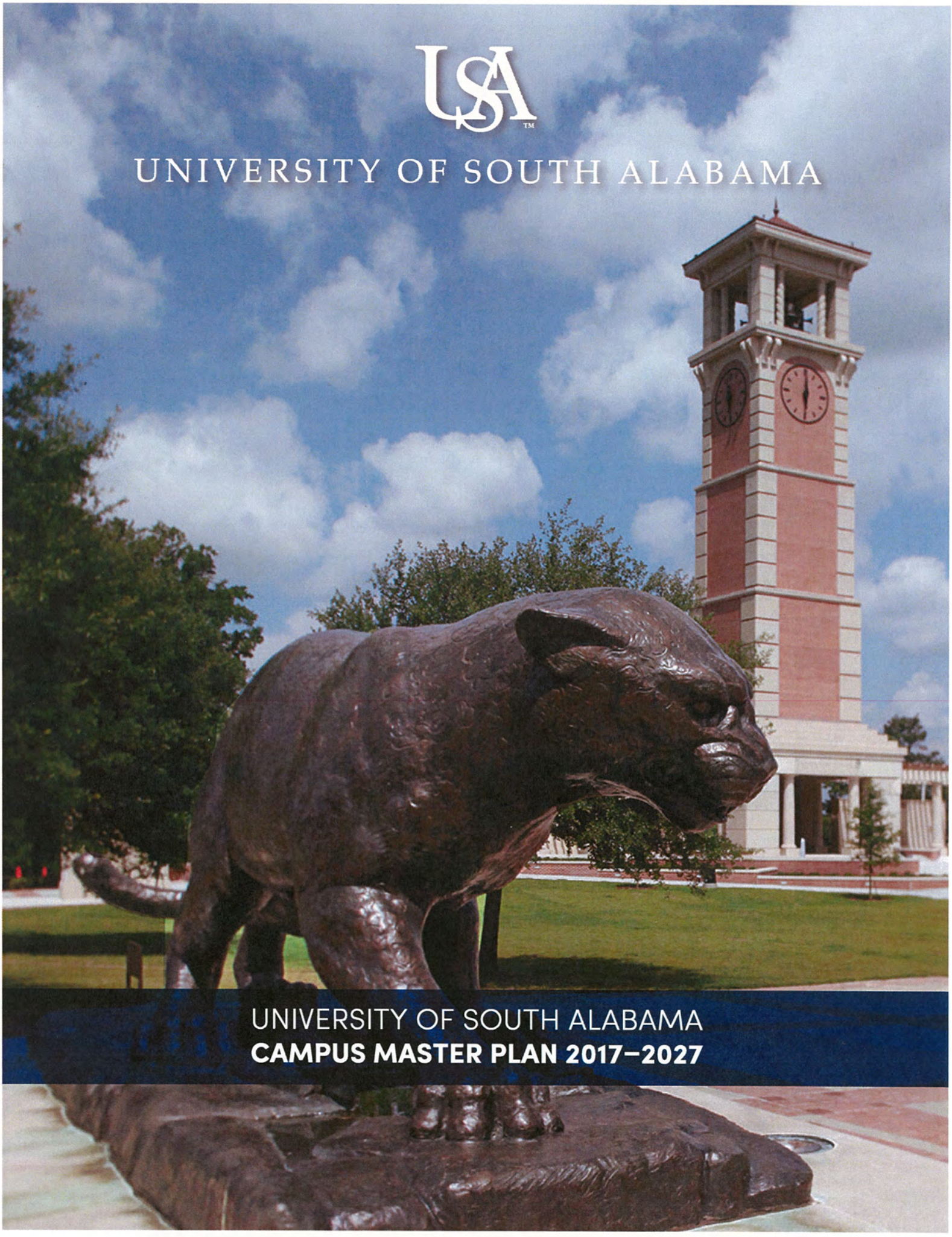
WHEREAS, the Southern Association of Colleges and Schools has recommended that universities establish and adhere to a campus master plan, and

WHEREAS, the University's Campus Master Plan Committee, composed of administrators, faculty, staff, and students, met monthly during the 2016-2017 academic year, gathering data and input from a varied constituency of the University community, and

WHEREAS, this committee has identified needs for new facilities, renovation of existing structures, and implementation of design standards for campus and landscape architecture and developed the 2017 Campus Master Plan, attached hereto as Exhibit A,

NOW, THEREFORE BE IT RESOLVED that the Board of Trustees of the University of South Alabama approves the 2017 Campus Master Plan, covering the 2017-2027 time frame, and authorizes the University President to accept and utilize this plan as a general guide for the maintenance and future growth of the campus.

EXHIBIT A


UNIVERSITY OF SOUTH ALABAMA
UNIVERSITY OF SOUTH ALABAMA
CAMPUS MASTER PLAN 2017–2027

UNIVERSITY OF SOUTH ALABAMA
CAMPUS MASTER PLAN 2017–2027

Dear USA Community,

A thorough and comprehensive planning process allows us to reflect on the past and to use our experiences to create an even greater future. The University of South Alabama's Campus Master Plan is the culmination of an extensive, campus-wide planning effort. It illustrates the tremendous growth the University has experienced in the last seven years.

We have added new buildings, which are the projects that we all see, but we also have improved our infrastructure in ways that are not always visible — such as Wi-Fi access and building security — but are critical to our mission. As we look back, we are proud of our accomplishments, and as we look toward the next decade, we are excited to continue the careful stewardship of our physical resources.

The University of South Alabama Campus Master Plan (2017-2027) will guide future decisions about the long-term growth of physical facilities, including new buildings. It also will help us identify needs such as building renovation and restoration projects and other infrastructure that are critical to advancing the mission of the University.

In addition, this plan places focus on maintaining campus green spaces, attending to environmental needs, and designing spaces that meet the needs of students, faculty, and staff. As one of the region's largest employers and economic drivers, our commitment to the City of Mobile, the State of Alabama, and the region includes an obligation to build and maintain world-class facilities.

As the higher education landscape undergoes rapid change and transformation in 2017, I am proud that our plan provides sound guidance for future decisions based on data while remaining responsive and nimble in the face of fluctuating environments. We are working hard to build and maintain a strong, sustainable campus that maximizes the academic, social, research and public service mission of our institution.

Tony G. Waldrop
President

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Board of Trustees Membership

Kay Ivey
ex officio, Chair
Governor, State of Alabama
Sworn in 2017

Katherine Alexis Atkins
Mobile County
Business Administration
Appointed 2016

Chandra Brown Stewart
Mobile County
Business Administration
Appointed 2014

Scott A. Charlton
25th District
Coffee and Crenshaw Counties
Physician
Appointed 2007

E. Thomas Corcoran
21st District
Baldwin and Escambia Counties
Business Administration
Appointed 2010

Steven P. Furr
19th District
Choctaw, Clarke, and Washington Counties
Physician
Appointed 2006

Robert D. Jenkins III
United States at Large
Business Administration
Appointed 2014

Bettye R. Maye
20th District
Marengo and Sumter Counties
Retired Educator
Appointed 1993

Arlene Mitchell
Secretary
33rd District
Mobile County
Philanthropist and Civic Volunteer
Appointed 2007

Bryant Mixon
State at Large
Retired Sheriff
Appointed 2001

John M. Peek
17th District
Butler, Conecuh, and Covington Counties
Attorney
Appointed 2006

James H. Shumock
Vice Chair
State at Large
Business Administration
Appointed 2010

Kenneth O. Simon
Chair pro tempore
State at Large
Attorney
Appointed 2009

Steven H. Stokes
35th District
Henry and Houston Counties
Physician
Appointed 1993

Michael P. Windom
State at Large
Attorney
Appointed 2014

James A. Yance
State at Large
Attorney
Appointed 2006



1

INTRODUCTION AND PURPOSE

Introduction

The University of South Alabama has a complex array of physical facilities and infrastructure needs. Additionally, the campus' physical facilities must serve the needs of a diverse campus population with a complex mission including academic, research, and business enterprises. Thus, the campus engages in regular assessment of its physical facilities at least every 10 years and develops a visionary and long-term plan for the physical infrastructure of its campus.

The Campus Master Plan Committee is charged to produce the Campus Master Plan. Committee members review and reflect on the previous plan and use multiple sources of data to assess the University's current needs and to update the University's Campus Master Plan. Ultimately, the plan serves to 1) communicate a historical narrative of the University's development of physical facilities, 2) identify the University's needs for future development of physical facilities and infrastructure, and 3) establish a program plan that will guide decision-making in prioritizing future capital projects.

University Mission, Vision, and Strategic Plan

Mission

The University of South Alabama, with a global reach and special focus on the Gulf Coast, strives to make a difference in the lives of those it serves through promoting discovery, health, and learning.

Vision

The University of South Alabama will be a leading comprehensive public university internationally recognized for educational, research, and health care excellence as well as for its positive intellectual, cultural, and economic impact on those it serves.

Strategic Plan

Essential activities: While the Strategic Plan highlights those areas of work upon which the University will place special emphasis, success in any area is dependent also upon effectively engaging in the following activities:

- ✔ Engaging and developing faculty and staff and supporting their efforts in advancing the mission and priorities
- ✔ Being fiscally responsible
- ✔ Meeting development and fund-raising targets
- ✔ Implementing marketing and communications strategies
- ✔ Engaging alumni

The University of South Alabama Strategic Plan is organized around ***five*** institutional priorities:

1. Student Success and Access
2. Enhancement of Research and Graduate Education
3. Global Engagement
4. Excellence in Health Care
5. University-Community Engagement

Student Success and Access: To develop, implement, and assess initiatives and practices to ensure all students are offered the resources, structure, and relationships necessary for high-quality learning, academic persistence, and degree completion.

- ✔ Objective 1.1: Increase the persistence, progression, and degree completion of undergraduate and graduate students.
- ✔ Objective 1.2: Ensure students are meeting learning outcomes established by the faculty.

- ✔ Objective 1.3: Ensure recruitment and admission of a high-quality, diverse student body that is well prepared for college study and representative of the racial/ethnic, gender, and social class diversity of the region.
- ✔ Objective 1.4: Increase students' access to a diverse faculty and staff among whom students may find exemplars and mentors.
- ✔ Objective 1.5: Increase faculty and student engagement through excellence in instruction, advising, and academic/professional mentorship.
- ✔ Objective 1.6: Offer student programming that increases student engagement with the University and meets co-curricular learning outcomes established by Student and Academic Affairs.
- ✔ Objective 1.7: Provide a safe and civil environment.
- ✔ Objective 1.8: Increase enrollment in a fiscally responsible manner while strengthening academic standards for admission.

Enhancement of Research and Graduate Education: To increase USA's productivity in discovery, research, scholarship, and creative activities and ensure excellence in graduate education.

- ✔ Objective 2.1: Increase resources and infrastructure to support faculty research and scholarly activity.
- ✔ Objective 2.2: Increase the recognition for excellence of graduate programs.
- ✔ Objective 2.3: Increase opportunities for undergraduate and graduate students to participate with faculty in research, discovery, and creative activities.
- ✔ Objective 2.4: Provide support for Health System and University partnerships in inter-disciplinary collaborative research projects, grants, contracts, and translational research projects.
- ✔ Objective 2.5: Increase the number of regional, national, and international collaborations in research, scholarly, and creative activities.
- ✔ Objective 2.6: Advance entrepreneurial activities that support the development of new technologies.
- ✔ Objective 2.7: Increase the dissemination and impact of research and scholarship produced by USA faculty and postdoctoral fellows on Mobile, nationally and internationally.
- ✔ Objective 2.8: Increase faculty participation in making application for and securing external funding.

Global Engagement: To strengthen the connections and collaborations between the University and the larger world by enhancing faculty, staff, and students' international experiences and their understanding of other societies and cultures among faculty, staff, and students.

- ✔ Objective 3.1: Increase the diversity of the international student body.
- ✔ Objective 3.2: Increase the incorporation of global perspectives into the educational environment.
- ✔ Objective 3.3: Increase engagement with international businesses and organizations especially those with a local presence.

Excellence in Health Care: To actively participate in research, to educate healthcare professionals, and to be the region's leader in patients' access to care, outcomes, and satisfaction by providing health care that uses an interprofessional approach, is efficient, and is informed by research and education

- ✔ Objective 4.1: Achieve exceptional patient quality and satisfaction for the USA Hospitals, Clinics and the Mitchell Cancer Institute in comparison to peer groups.
- ✔ Objective 4.2: Adapt to reimbursement changes based on patient outcomes and value to provide financial stability and a quality teaching environment.
- ✔ Objective 4.3: Ensure excellence in the educational outcomes for health professionals.

University-Community Engagement: To define, support, and strategically advance the University of South Alabama's commitment to ongoing, permanent, sustainable, and mutually beneficial partnerships with the communities it serves.

- ✔ Objective 5.1: Increase experiential learning opportunities for USA students in the private and public sectors.
- ✔ Objective 5.2: Increase strategic engagement of faculty, staff, and students with business, government, non-profit and other organizations directly involved in regional economic, civic, and cultural development.
- ✔ Objective 5.3: Increase University outreach to encourage community participation in University-life.

The Campus Facilities Master Plan Committee: Mission and Membership

The mission of the Campus Master Plan Committee is to monitor and periodically update the University's Campus Master Plan.

The committee was appointed in March 2016 and completed its work in June 2017. All of the following people were members of the committee during that time:

Name	Title and/or Role
Tony G. Waldrop	President
G. David Johnson	Provost and Senior Vice President, Academic Affairs
G. Scott Weldon	Vice President, Finance and Administration
Joe Busta	Vice President, Development and Alumni Relations (retired)
Chris Cannon	Assistant Vice President, Information Technology
Lynne Chronister	Vice President, Research and Economic Development
Joshua Cogswell	Director, University Development
Angela Coleman	Associate Vice President, Institutional Effectiveness
Joshua Crownover	President, Student Government Association (2016-2017)
Sam Fisher	President, Faculty Senate (2016-2017)
Andi Kent	Dean, College of Education
Mike Mitchell	Vice President, Student Affairs and Dean of Students
Randy Moon	Associate Vice President, Facilities
Ravi Rajendra	President, Student Government Association (2015-2016)
Susan Sansing	Assistant Dean, College of Medicine Finance and Administration
Jimmy Shumock	Trustee
John Smith	Executive Vice President
Troy Stevens	Chair, Physiology and Cell Biology
Carl Thomas	President, Student Government Association (2017-2018)
Kevin West	President, Faculty Senate (2015-2016)
Elizabeth Vandewaa	President, Faculty Senate (2017-2018)

The University Space and Facilities Committee: Charge and Membership

The University Facilities and Space Committee is charged with the allocation and assignment of existing University space assets among divisions and departments subject to availability. The committee makes such allocations based on requests from University administrators along with its assessment of the highest and best use of existing University space.

The Facilities and Space Committee is appointed by the University president and consists of the following individuals:

- Faculty Senate President
- Provost and Senior Vice President for Academic Affairs
- Associate Vice President for Facilities Management
- Executive Vice President
- Vice President for Finance and Administration, (Committee Chair)

The Board of Trustees Long-Range Planning Committee: Charge and Membership

The Long-Range Planning Committee shall be responsible for long-range plan recommendations; review of new and existing academic programs; academic planning and organization; mission statement and statements of role and scope; review of planning for new facilities; and other matters which may be referred to it by the President or the Board.

2015-2016 Committee Membership:

- James H. Shumock, Chair
- Chandra Brown Stewart
- Bettye R. Maye
- Bryant Mixon
- John M. Peek
- William S. Stimpson
- Michael P. Windom

2016-2017 Committee Membership:

- Michael P. Windom, Chair
- Chandra Brown Stewart, Vice Chair
- Robert D. Jenkins III
- Bettye R. Maye
- James H. Shumock

Brief overview of assessment and use of data in the planning process

During the fall 2016 semester, the office of institutional effectiveness conducted focus groups and surveys to gather perception data from faculty, staff, and students about facilities on the University's campus. Eight focus groups were held with at least one group for each of the following constituencies on campus:

- Student Government Association Representatives
- Faculty
- Staff
- Faculty Senate Executive Committee
- Deans' Council
- President's Council

More than 50 people participated across all the groups and responded to three questions:

1. What elements from the 2010 Campus Master Plan Program Plan that we didn't complete should be carried over to the 2017 Campus Master Plan?
2. What current needs would you identify for inclusion in the 2017 Campus Master Plan?
3. What future needs can you identify that should be included in the 2017 Campus Master Plan?

In addition to identifying current and future needs, participants also prioritized their responses, and information gleaned from the focus groups was used in the University-wide surveys.

After the focus groups, three surveys were administered: one for each group of faculty, staff, and students. Survey participants included ***353 faculty (33% response rate)***, ***445 staff (45% response rate)***, and ***225 students (6% response rate)***. Each survey included items asking participants about their perceptions of campus facilities and infrastructure (e.g., availability of Wi-Fi and/or commitment to sustainable practices). Data from both the surveys and the focus groups helped frame early discussions among members of the 2017 Campus Master Plan Committee.

Information about the buildings most in need of repair and/or renovation, student needs for study space, and faculty/staff needs for office space, are just a few of the findings from the data collection that the Committee used in its deliberation. Combined with the expertise and knowledge of Committee members, the data confirmed hypotheses about what should be included in the 2017 Campus Master Plan and/or provided fodder for meaningful discussion of needs and/or issues that had not been previously identified. The Program Plan that follows represents the culmination of the Committee's use of data to inform the development of the Master Plan and facilities needs for the next 10 years.



2

EXISTING INVENTORY AND ANALYSIS

Existing Inventory and Analysis

Physical Location

The University of South Alabama is located in Mobile, Alabama, approximately 140 miles east of New Orleans and 240 miles west of Tallahassee, Florida. With a population of almost 400,000 people, Mobile is the second-largest metropolitan area in Alabama. Due to its unique setting on the western shore of Mobile Bay, with direct access to the Gulf of Mexico and Alabama's inland waterways, Mobile has become a major port city. While trade and shipbuilding have always been mainstays of the local economy, aerospace, petrochemical, and steel manufacturing have become major factors in the growth and development of the area. The expansion of the City has traditionally occurred from east to west, and the University of South Alabama was originally sited to take advantage of this pattern of growth. The main campus is located approximately nine miles west of the central business district on a 1,200 acre site, bounded by Old Shell Road on the south and University Boulevard on the east. The main campus is within close proximity to the Mobile Regional Airport, and the City's major interstate highways: I-65, providing access to the Campus from central and northern Alabama, and I-10, providing access from the Florida panhandle, and the Mississippi gulf coast. The main Campus is bordered primarily by single-family residential neighborhoods; however, a mix of multi-family apartments available for student occupancy and light commercial structures characterize the south, Old Shell Road, boundary. The campus itself is relatively wooded with native pine predominating. The terrain slopes gently to a watershed that bisects the north central portion of the campus. While the eastern and southern sections of the campus are more developed, the northern and western sections are still relatively untouched. The heavily wooded area to the north has been dedicated for use by the Technology and Research Park and the westernmost section, extending to Cody Road, has been reserved for future growth.

Institutional Characteristics

The University of South Alabama has experienced significant growth in the last seven years. Since 2010, the array of academic program choices has grown. In addition to its EdS and MD degrees, the University continues to offer baccalaureate, master's and doctoral degrees to meet the changing needs of today's society, businesses, and student interests:

Degree-level	2010	2017
Bachelor's	49	54
Master's	31	34
Doctoral	8	12

Source: The University of South Alabama Fact Book's 2009-2010 and 2016-2017 Table 4.1

On average, student enrollment also increases each year:

	Enrollment			Student Characteristics			
	Total (N)	Undergraduate/ Unclassified (N)	Graduate/ Professional (N)	Average Age (years)	In-State (%)	Ages 18-21 (%)	Students in Residential housing
Fall 2009	14,522	11,408	3,114	23.5	70.7	49.9	1,719
Fall 2016	16,443	11,761	4,682	22.3	64.5	61.1	2,306

Source: The University of South Alabama Fact Book's 2009-2010 and 2016-2017 Table 3.1

Further, while many universities have seen declines in enrollment of traditionally-aged students living on campus, South Alabama has seen increases from 1,719 students residing in on-campus housing in 2010 to 2,306 students in 2016: an increase of 34%.

Overall, increases in academic programs, enrollment, and on-campus student residents place added pressure on facilities and infrastructure to meet the growing needs for student life and student activities, faculty, instruction and research labs, and improved technology. The Campus Master Plan Committee is confident the program plan presented here addresses the needs of the campus as currently identified while being flexible enough to allow the University to be nimble enough to change as needed. For more information about the University, please refer to our University Fact Book, which can be found at *http://www.southalabama.edu/departments/institutionalresearch/factbook.html*.

Significant Developments since 2010

General campus developments and improvements since 2010 include main entrance portals, a bell tower and plaza, new buildings, major building renovations, new campus signage, and a new roadway.

Campus entrance portals added to the entrances at USA South Drive, USA North Drive, and Stadium Drive define the entrances to main campus and identify the main roads onto the campus. A new campus identification sign at the corner of University Boulevard and Old Shell Road and the Moulton Bell Tower and Plaza share the same design characteristics as the entrance portals. The Moulton Bell Tower serves as a campus landmark and provides a gathering space for students and the community. A new roadway connecting Health Services Drive to the Technology and Research Park entrance road is open and provides a new entrance to the north end of main campus.

The new buildings (see campus map) added to main campus have provided new classroom and laboratory space to the campus inventory and provided opportunities for renovating and repurposing existing buildings. New buildings added since 2010 are:

1. Student Recreation Center (#108) – provides a state-of-the-art exercise and fitness facility that offers a wide array of activities.
2. Dining Facility (#109) – centrally located in the Housing area of campus to meet the needs of the student population.
3. Faculty Club (#111) – provides a gathering space for faculty, staff and students.
4. Stokes Hall (#110) and New Hall (completed 2014) (#27) – new residence halls that provide on-campus housing.
5. Glass Arts Building (#114) – state-of-the-art glass blowing facility.
6. Shelby Hall (#106) – new building for College of Engineering and School of Computing.
7. Softball Stadium and Softball Hitting Facility – provide new facilities for the softball team.

Major Building Renovations and other projects since 2010:

1. Communication Building (#34) – provides classrooms, classroom laboratories, and administrative space for Department of Communication
2. Science Laboratory Building (#35) – provides new freshman Chemistry laboratories, classrooms, and faculty offices
3. Athletics Annex (#33) – provides locker room facilities for the Track Teams and administrative offices for Athletics
4. Development Services Building (#18) and Mobile Townhouse (#72) – provides administrative space for the Office of Development
5. Innovation in Learning Center (#38) – provides classroom and administrative space for the Innovation in Learning Center
6. Educational Services Building (#40) – provide administrative and student service space to Student Disability Services, Upward Bound and Educational Talent Search
7. Student Health Center (#39) – new home for the Student Health Center in the center of main campus
8. Epsilon I (#36) and II (#37) – provides updated housing for on-campus students

9. Gamma Halls 5-9 (#45-49): updated bathrooms
10. Beta, Stokes, and New Halls: Replaced HVAC systems
11. Delta 5: replaced sheetrock
12. University Commons (#93) – provide classroom, laboratory, clinic and administrative space for Department of Psychology and College of Education
13. Life Sciences Building (#65) and Life Sciences Lecture Hall (#66) – provide classroom, laboratory, and administrative space for Departments of Biology, Earth Sciences, and Marine Biology
14. The Doy Leale McCall Rare Book and Manuscript Library (#94) – located within the Marx Library, the McCall Library provides a new home for the relocated USA Archives.
15. Student Center renovation (#86)
16. Academic Services Center renovation (#87)
17. Completed Aubrey Green Drive extension between main campus and the Technology and Research Park

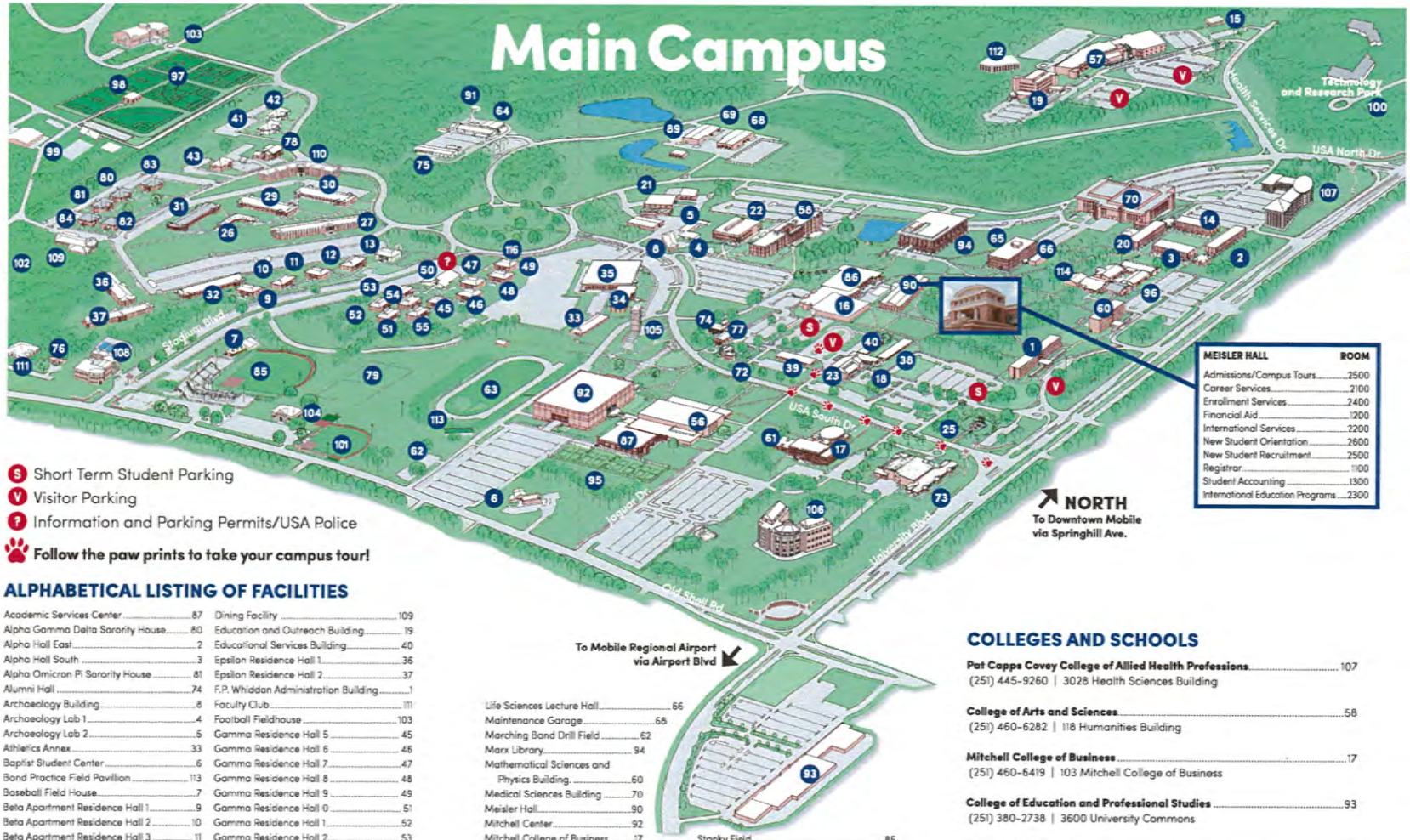
Projects under Construction:

1. Indoor Practice Facility – provides indoor practice and gathering space
2. New Residence Hall (completed fall 2018) – provides on-campus housing
3. New substation – a new electrical sub-station to provide resources to the west side of campus and as a redundant power source.
4. New parking lot on Aubrey Green Drive to include faculty, staff, and student parking

Land Use Zones

The University of South Alabama has identified a number of campus zones (see map 1) based on principal use of the buildings within those designated areas. The zones include Academic, Administration/Student Services, Athletic, Student Housing, Recreation, Facilities Management, and Research Park. Since 2010, the University largely has maintained coherence within its zones even as building use has changed over the years.

Campus Map



S Short Term Student Parking
V Visitor Parking
? Information and Parking Permits/USA Police

Follow the paw prints to take your campus tour!

ALPHABETICAL LISTING OF FACILITIES

Academic Services Center 87
Alpha Gamma Delta Sorority House 80
Alpha Hall East 2
Alpha Hall South 3
Alpha Omicron Pi Sorority House 81
Alumni Hall 74
Archaeology Building 8
Archaeology Lab 1 4
Archaeology Lab 2 5
Athletics Annex 33
Baptist Student Center 6
Band Practice Field Pavilion 113
Baseball Field House 7
Beta Apartment Residence Hall 1 9
Beta Apartment Residence Hall 2 10
Beta Apartment Residence Hall 3 11
Beta Apartment Residence Hall 4 12
Beta Apartment Residence Hall 5 13
Bookstore 16
Central Services Admin Building 20
Central Utilities Plant 21
Charles M. Baugh Biomedical Library 14
Chemistry Building 22
Chi Omega Sorority House 82
Communication Building 34
Computer Services Center 23
Construction Svcs & Facilities Stockroom 69
Delta Commons 26
Delta Residence Hall 3 29
Delta Residence Hall 4 30
Delta Residence Hall 5 31
Delta Residence Hall 6 32
Development and Services Building 18
Dining Facility 109
Education and Outreach Building 19
Educational Services Building 40
Epsilon Residence Hall 1 36
Epsilon Residence Hall 2 37
F.P. Whiddon Administration Building 1
Faculty Club 111
Football Fieldhouse 103
Gamma Residence Hall 5 45
Gamma Residence Hall 6 46
Gamma Residence Hall 7 47
Gamma Residence Hall 8 48
Gamma Residence Hall 9 49
Gamma Residence Hall 0 51
Gamma Residence Hall 1 52
Gamma Residence Hall 2 53
Gamma Residence Hall 3 54
Gamma Residence Hall 4 55
Glass Arts Building 114
Grounds 75
Health, Kinesiology and Sport Building 56
Health Sciences Building 107
Humanities Building 58
Innovation in Learning Center 38
Intramural Field House 98
Intramural Fields 97
Jaguar Track 63
Kappa Alpha Fraternity House 42
Kappa Delta Sorority House 83
Kappa Sigma Chapter Room 116
Laboratory of Infectious Diseases 112
Laidlaw Performing Arts Center 73
Life Sciences Building 65
Life Sciences Lecture Hall 66
Maintenance Garage 68
Marching Band Drill Field 62
Marx Library 94
Mathematical Sciences and Physics Building 60
Medical Sciences Building 70
Meisler Hall 90
Mitchell Center 92
Mitchell College of Business 17
Mitchell Learning Resource Center 61
Mobile Townhouse 72
Moulton Tower and Alumni Plaza 105
New Hall 27
Outdoor Recreation 76
Phi Mu Sorority House 84
Pi Kappa Alpha Fraternity House 41
Pi Kappa Phi Fraternity House 43
Property Inventory Warehouse 64
Science Laboratory Building 35
Seaman's Bethel Theatre/ Honors College 77
Shelby Hall 106
Sigma Chi Fraternity House 78
Soccer Fields 79
Softball Field 101
Softball/Soccer Fieldhouse 104
Stanky Field 85
Stokes Hall 110
Student Center 86
Student Health Center 39
Student Recreation Center 108
Technology and Research Park 100
Technology and Research Park, Bldg III 57
Telecommunications Building 89
The Grove 102
Tholos of Delphi Replica 25
Transportation Services 99
Treatment Storage & Disposal 91
University Commons 93
USA Mail Hub 115
USA Police/Beta-Gamma Commons 50
USA/BMA Dialysis Center 15
Varsity Tennis Courts 95
Visual Arts Complex 96

COLLEGES AND SCHOOLS

Pat Capps Covey College of Allied Health Professions 107
(251) 445-9260 | 3028 Health Sciences Building

College of Arts and Sciences 58
(251) 460-6282 | 118 Humanities Building

Mitchell College of Business 17
(251) 460-6419 | 103 Mitchell College of Business

College of Education and Professional Studies 93
(251) 380-2738 | 3600 University Commons

College of Engineering 106
(251) 460-6410 | 2114 Shelby Hall

College of Medicine 20
(251) 341-3030 | 5795 USA Drive North

College of Nursing 107
(251) 445-9400 | 3082 Health Sciences Building

Graduate School 1
(251) 460-6310 | 301 F. P. Whiddon Administration Building

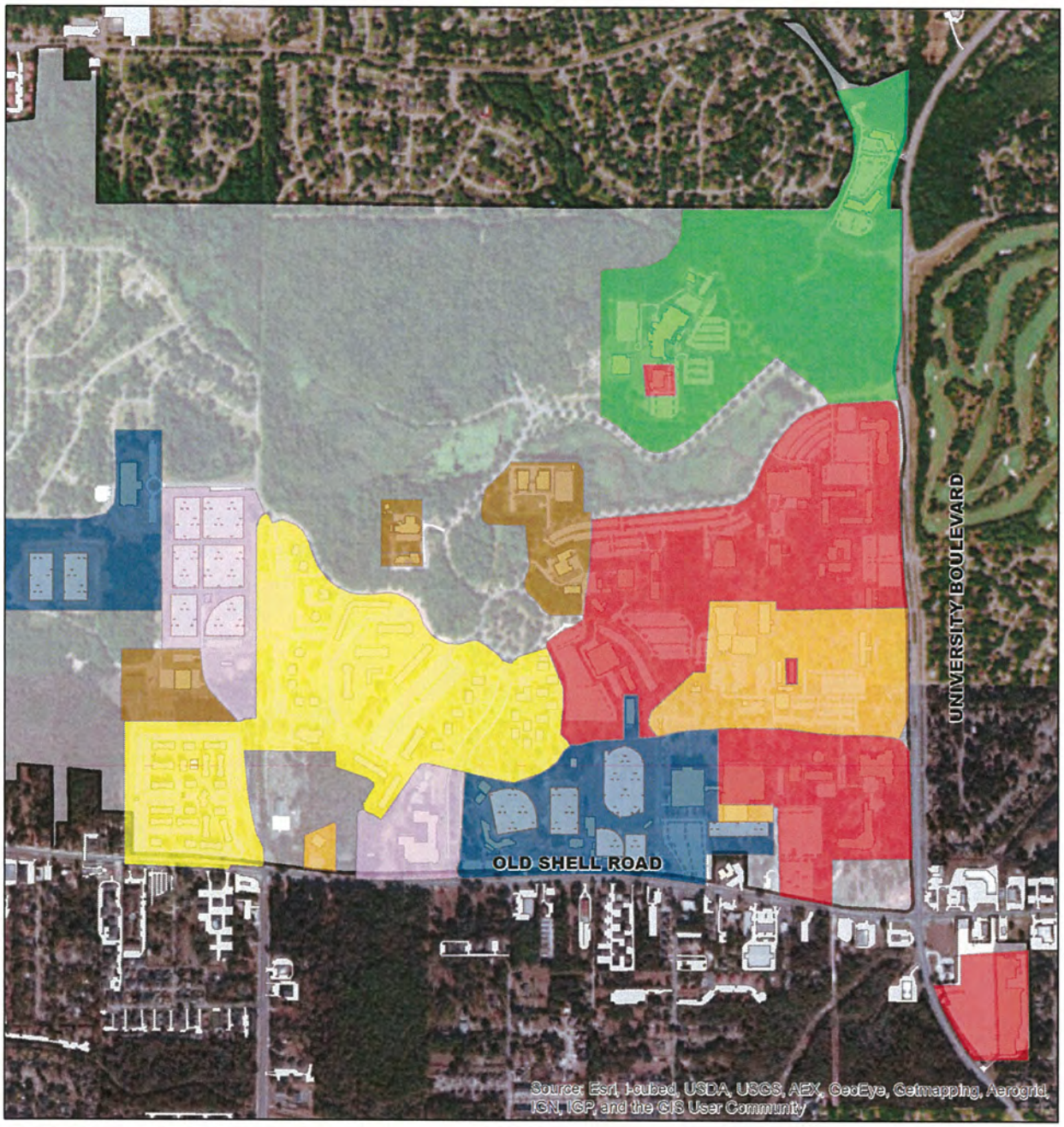
Honors College 77
(251) 461-1637 | Seaman's Bethel Theatre

School of Computing 106
(251) 460-6390 | 2101 Shelby Hall

NUMERICAL LISTING OF FACILITIES

1 ..... F.P. Whiddon Administration Building
2 ..... Alpha Hall East
3 ..... Alpha Hall South
4 ..... Archaeology Lab 1
5 ..... Archaeology Lab 2
6 ..... Baptist Student Center
7 ..... Baseball Field House
8 ..... Archaeology Building
9 ..... Beta Apartment Residence Hall 1
10 ..... Beta Apartment Residence Hall 2
11 ..... Beta Apartment Residence Hall 3
12 ..... Beta Apartment Residence Hall 4
13 ..... Beta Apartment Residence Hall 5
14 ..... Charles M. Baugh Biomedical Library
15 ..... USA/BMA Dialysis Center
16 ..... Bookstore
17 ..... Mitchell College of Business
18 ..... Development and Services Building
19 ..... Education and Outreach Building
20 ..... Central Services Admin Building
21 ..... Central Utilities Plant
22 ..... Chemistry Building
23 ..... Computer Services Center
25 ..... Tholos of Delphi Replica
26 ..... Delta Commons
27 ..... New Hall
29 ..... Delta Residence Hall 3
30 ..... Delta Residence Hall 4
31 ..... Delta Residence Hall 5
32 ..... Delta Residence Hall 6
33 ..... Athletics Annex
34 ..... Communication Building
35 ..... Science Laboratory Building
36 ..... Epsilon Residence Hall 1
37 ..... Epsilon Residence Hall 2
38 ..... Innovation in Learning Center
39 ..... Student Health Center
40 ..... Educational Services Building
41 ..... Pi Kappa Alpha Fraternity House
42 ..... Kappa Alpha Fraternity House
43 ..... Pi Kappa Phi Fraternity House
45 ..... Gamma Residence Hall 5
46 ..... Gamma Residence Hall 6
47 ..... Gamma Residence Hall 7
48 ..... Gamma Residence Hall 8
49 ..... Gamma Residence Hall 9
50 ..... USA Police/Beta-Gamma Commons
51 ..... Gamma Residence Hall 0
52 ..... Gamma Residence Hall 1
53 ..... Gamma Residence Hall 2
54 ..... Gamma Residence Hall 3
55 ..... Gamma Residence Hall 4
56 ..... Health, Kinesiology and Sport Building
57 ..... Technology and Research Park, Building III
58 ..... Humanities Building
60 ..... Mathematical Sciences and Physics Bldg.
61 ..... Mitchell Learning Resource Center
62 ..... Marching Band Drill Field
63 ..... Jaguar Track
64 ..... Property Inventory Warehouse
65 ..... Life Sciences Building
66 ..... Life Sciences Lecture Hall
68 ..... Maintenance Garage
69 ..... Construction Svcs & Facilities Stockroom
70 ..... Medical Sciences Building
72 ..... Mobile Townhouse
73 ..... Laidlaw Performing Arts Center
74 ..... Alumni Hall
75 ..... Grounds
76 ..... Outdoor Recreation
77 ..... Seaman's Bethel Theatre/Honors College
78 ..... Sigma Chi Fraternity House
79 ..... Soccer Fields
80 ..... Alpha Gamma Delta Sorority House
81 ..... Alpha Omicron Pi Sorority House
82 ..... Chi Omega Sorority House
83 ..... Kappa Delta Sorority House
84 ..... Phi Mu Sorority House
85 ..... Stanky Field
86 ..... Student Center
87 ..... Academic Services Center
89 ..... Telecommunications Building
90 ..... Meisler Hall
91 ..... Treatment Storage & Disposal
92 ..... Mitchell Center
93 ..... University Commons
94 ..... Marx Library
95 ..... Varsity Tennis Courts
96 ..... Visual Arts Complex
97 ..... Intramural Fields
98 ..... Intramural Field House
99 ..... Transportation Services
100 ..... Technology and Research Park
101 ..... Softball Field
102 ..... The Grove
103 ..... Football Fieldhouse
104 ..... Softball/Soccer Fieldhouse
105 ..... Moulton Tower and Alumni Plaza
106 ..... Shelby Hall
107 ..... Health Sciences Building
108 ..... Student Recreation Center
109 ..... Dining Facility
110 ..... Stokes Hall
111 ..... Faculty Club
112 ..... Laboratory of Infectious Diseases
113 ..... Band Practice Field Pavilion
114 ..... Glass Arts Building
115 ..... USA Mail Hub
116 ..... Kappa Sigma Chapter Room

Map 1: Land Use Zones and Building locations



Existing Campus Building/Zone Plan

0 500 1,000 2,000 Feet

N

Legend

- Academic
- Administration/Student Services
- Athletic
- Student Housing
- Recreation
- Facilities Management
- Research Park



UNIVERSITY OF SOUTH ALABAMA
CAMPUS MASTER PLAN 2017–2027

3

PROGRAM PLAN

2017-2027 Program Plan

Several guiding principles were identified by the campus community and Campus Master Plan Committee. They are foundational to the future development of our physical facilities and infrastructure and will be used to guide and inform future capital projects.

- ✔ Automated External Defibrillators (AED): The number and placement of AEDs should be considered when new buildings are built or renovated.
- ✔ Disability Access: In addition to being ADA compliant, the needs of persons with disabilities should be assessed and considered in general campus planning such as where to place buildings (e.g., inclines) and access to services (e.g., as much as possible group together buildings that house similar services).
- ✔ Instructional Space: Learning/classroom spaces designed and furnished for active learning: Current best practices and campus-based needs for active learning should be assessed and recommendations provided in the development of learning and classroom spaces.
- ✔ Lab Space: Consideration of improvements to lab space as part of building renovation and replacement, should be made where applicable (e.g., LSCB and MSB). Current best practices and campus-based needs for research labs in the various disciplines should be assessed and recommendations provided to ensure the development of lab space in buildings that is appropriate in both size and equipment.
- ✔ Office space: The growth of faculty and staff along with student enrollment should be considered in the size of the facility and the amount of space dedicated to offices and administrative functions.
- ✔ Parking: The growth of facilities, including the addition of new buildings, requires careful evaluation of parking needs for students, staff and faculty and must be a primary consideration in planning.
- ✔ Research Space: Growth in the number of graduate and professional programs combined with recent advances with technology in nearly all disciplines are significant considerations in determining the amount and quality of research space and must be a factor in the development of new space.
- ✔ Storage space: Some administrative and student support units currently lease off-campus storage space. With respect to reducing costs and providing ease of access, the need for storage should be assessed explicitly and recommendations made for the consideration of storage space in the planning process.
- ✔ Study Space: As the student body and catalog of academic programs grow, the need for student study space must be assessed and considered in determining the amount of study space available to students.
- ✔ Sustainability: While LEED's certification may not be obtained, physical facilities should be renovated and/or built to LEED's standards with a specific focus on single-use bathrooms with showers.
- ✔ Work/Life Balance: University growth and advancement also require consideration of quality of life for employees and students. Space needs for activities such as lactation, worship, and fitness should be considered.

Program Plan

The 2017-2027 Program Plan provides the University's leadership guidance, direction, and prioritization for capital projects. The following list includes potential future building and/or renovation projects identified as high need by the campus community.

Buildings/Projects (alphabetical order) (see Table 1 for detailed descriptions)

1. Alumni Center*
2. Alpha Complex Renovation or Replacement
3. Central Services Administration Building (College of Medicine)
4. Conference Center and Hotel
5. Covered Practice Facility*
6. Delta Hall Complex Completion
7. Downtown Expansion

8. Football Stadium
9. Humanities Renovation or Replacement
10. Interdisciplinary Science Building:
11. Library Renovation/Commons
12. Life Sciences Building Renovation or Replacement
13. Lung Biology Building
14. Math Emporium
15. Medical Sciences Building Renovation or Replacement
16. Multipurpose Classroom Building
17. New Residence Hall (to open fall 2018)*
18. Performing Arts Building
19. Simulation Lab
20. Student Center expansion
21. Testing Center
22. University Auditorium
23. University Commons Relocation

**denotes buildings already approved*

Table 1: Program Plan—Building Descriptions

Building/Project	Function/Use	Audience	Secondary Use and Audience
Alumni Center	The main administrative office for the Office of Alumni Relations and center of activity for University alumni and donors. This includes administrative offices, large and small meeting spaces, and equipment storage in support of all alumni and university events.	University alumni, students and families, faculty and staff	Student and community organizations for social and/or educational events
Alpha Complex Renovation/Replacement	As a group, the buildings in the Alpha Complex are among the top five buildings most in need of renovation with regard to infrastructure and aesthetic improvements. The Alpha Complex is inclusive of Alpha Hall South, Alpha Hall East, the Biomedical Library and the College of Medicine Administrative Offices.	Current units housed in the Alpha Complex include: ROTC, Biomedical Library, College of Medicine Administration offices, English Language Center, USA Global administrative offices, and some academic programs	
Central Services Administration Building / College of Medicine	Included above in Alpha Complex.	College of Medicine Administration, Research Compliance, Safety and Environmenta Compliance, and Risk Management	
Conference Center and Hotel	Whether University-sponsored or a public-private partnership, the conference center and hotel will support the general growth of University facilities and the ability to host large numbers of out-of-town guests that many USA units bring to campus. Also, the conference center and hotel would provide collaborative spaces and meeting rooms that support internal events and enhance the University's ability to host larger conferences. Last, the conference center and hotel could provide applied experiences for students in related majors (e.g., HTM).	Out-of-town guests and Hospitality and Tourism students	
Covered Practice Facility	Alternate practice location for athletics teams during inclement weather	Jaguar athletics teams, coaches and staff	University and community organizations for special events

Building/Project	Function/Use	Audience	Secondary Use and Audience
Delta Residence Hall Complex Completion	Ultimately, complete the demolition of the old Delta Halls and replace with modern residence halls that meet students' needs for housing, as well as dining, studying, and collaboration	Residential students	Housing and student affairs units that may provide programming in these dormitories
Downtown Expansion	To provide studio, instructional, meeting and commercial space for the Masters of Fine Arts Program, MBA program, and continuing education courses in Hospitality Tourism Management	Students, faculty, and staff engaged in instruction and study of the fine arts	Art patrons and others interested in purchasing student-produced artwork
Football Stadium	To support growth and advancement of the University's football program	USA football, students, faculty, staff, and community at-large	
Humanities Renovation or Replacement	The Humanities Building was identified among the top five buildings most in need of renovation with regard to infrastructure and aesthetic improvements. Further, it was consistently identified as a building needing renovation for disability access. Significant need for additional faculty and administrative office space could also be addressed in conjunction with the construction of an additional building.	Arts and Sciences administration, academic department faculty and staff in the humanities and social sciences, and related research centers	
Interdisciplinary Science Building	Support the advancement of research, extramural funding, and student instruction in the physical and life sciences and related majors. In addition to providing for quality research and lab space, the building should focus on enabling opportunities for interdisciplinary collaboration and providing students with modern technology in the classroom and additional study spaces.	Students, faculty, and staff engaged in instruction, study, and/or research in the physical and life sciences	
Library Renovation/ Library Commons	To expand opportunities for student engagement in the library including study space	Students, library administration	

Building/Project	Function/Use	Audience	Secondary Use and Audience
Life Sciences Building Renovation or Replacement	The Life Sciences Building was identified among the top five buildings most in need of renovation with regard to infrastructure and aesthetic improvements.	Faculty, staff, and students engaged in instruction and study in the Life Sciences Building	
Lung Biology Building	The Center for Lung Biology (CLB) research and patient care facility will: (1) consolidate faculty from the basic and clinical sciences into contiguous office and laboratory and educational space; (2) provide continuity among our basic, pre-clinical and clinical research programs; and, (3) optimize inter-disciplinary graduate and medical education in the pulmonary sciences.	Faculty, staff, and students, and patients	
Math Emporium	To provide instructional and testing space for Department of Mathematical Sciences students and faculty.	Students, faculty and staff engaged in instruction and study in the Department of Mathematical Sciences	
Medical Sciences Building Renovation or Replacement	The Medical Sciences Building was identified among the top five buildings most in need of renovation with regard to infrastructure and aesthetic improvements. Further, it was consistently identified as a building needing renovation for disability access.	Faculty, staff, and students engaged in instruction and study in the Medical Sciences Building	
Multipurpose Classroom Building	To support growth and expansion for instructional space that serves active learning, use of technology in the classroom, and other advancements in instructional pedagogy.	All academic units	
Performing Arts Building	Support the growth of the University's departments of Music and Theatre and Dance. Music programs have expanded since establishing a marching band; practice space is sparse, and seating in Laidlaw's auditoriums often does not meet the demand for ticket sales. This building also could meet the need to provide dedicated performing arts space for student use.	Performing arts disciplines including the departments of Music and Theatre and Dance; community members and patrons of musical and theatrical performances.	

Building/Project	Function/Use	Audience	Secondary Use and Audience
Simulation Laboratory Building	To provide instructional, laboratory, and meeting space for the health sciences students and faculty.	Students, faculty and staff engaged in instruction and study in health sciences degree programs	Community organizations and businesses
Student Center expansion	To support the expansion of campus life and the space needs of student organizations, student study space, and office and storage space for student affairs	Student organizations, students, student affairs administration	
Testing Center	To provide capacity for testing accommodations, proctored tests, and meeting other campus testing and instructional needs. The testing center could be large and modern enough to allow for USA to host other types of admissions and/or licensure testing for the region.	Campus students as well as other students/ individuals interested and /or required to partake in a standardized test in a testing environment	
University Auditorium	Provide a general space on campus that would serve 1,500 people or more and provide a space larger than the ballroom but smaller than the Mitchell Center. It could be attached to or easily accessible from/to the student center and could be used as academic/classroom space, and/or to stage performances and host large events. It should be modular and have the capacity to meet multiple needs at the same time.	University community and general community	
University Commons Relocation	Relocate the College of Education and Professional Studies to Main Campus	Faculty, staff, and students in the College of Education and Professional Studies.	



4

ADDITIONAL PLANS FOR INFASTRUCTURE, TECHNOLOGY, AND SAFETY AND SECURITY

Parking, Transportation, and Circulation

Transportation and Parking (see map 2)

The zoned parking system currently in place on main campus is working well. Since 2010, the University added additional parking spaces to the parking space inventory. These additional spaces, in conjunction with the JagTran system, maintain an acceptable level of parking availability for students, faculty, and staff.

In addition to new parking lots planned as part of future projects (see below), the University will employ the use of a consultant to evaluate parking conditions on campus and make recommendations for future development in this area. Considerations regarding future parking development will include needs for reducing and/or improving traffic flow on campus, ensure safety for pedestrian traffic, and encourage environmental friendly transportation options such as using JagTran, bicycling, carpooling, etc.

Enhancements since 2010:

1. By evaluating the JagTran system on an annual basis, management can use feedback to make route adjustments and improve service. Implementation of the new JagTran Tracker app is an improvement that shows waiting passengers the location of the next bus and approximate wait time.
2. Facilities Management, in conjunction with the SGA and the Vanguard, presented proposed route changes for evaluation and approval. These newly implemented route changes improved traffic flow and reduced wait time.
3. By expanding the parking lot behind the fraternity houses, the University gained 128 additional parking spaces.
4. A new parking lot located on Health Services Drive and the Aubrey Green Drive extension will add an additional 250 parking spaces and new sidewalks facilitate pedestrian traffic between the Aubrey Green Road parking lot and the main campus.

Future Projects:

1. New parking lots planned for the west side of main campus will support additional parking requirements.
2. Consider installation of traffic circle at the intersection of North Drive and Health Services Drive.

Campus Circulation (see maps 3 and 4)

The University conducts an annual circulation evaluation to assure the students can move around campus freely and safely. Annual sidewalk inspections identify trip hazards and areas where additional sidewalks would improve circulation. The maintenance and grounds departments make repairs to correct any deficiencies. This includes evaluation for ADA compliance.

Enhancements since 2010:

1. The Stadium Drive controlled access crosswalk allows students walking from the housing area to cross safely.
2. Several crosswalk evaluations resulted in upgraded crosswalks that meet ADA regulations.
3. Crosswalks on South Drive and other locations on campus have a new design that promotes the Jaguar mascot.

Future Project:

1. By fall semester 2017, installation of a new controlled access crosswalk on South Drive at the Humanities parking lot will be complete.

Map 2: Campus Zone Parking Plan



Existing Campus Zone Parking Plan

0 500 1,000 2,000 Feet

N

Legend

- Parking Lot Under Construction
- Futrure Building
- Central
- East
- North/East
- South
- Central,Gamma, South
- Residential
- Other Parking

Map 3: Campus Circulation Plan



Existing Campus Circulation Plan

0 550 1,100 2,200 Feet

N

Legend
- Road
- Portal Entry
- Entry Point

Map 4: Campus Transit Route Plan



Existing Campus Transit Route Plan

0 500 1,000 2,000 Feet

N

Legend
- Jagtran Stop

ROUTE
- Blue
- Blue Return
- Green
- Green Return
- ORANGE
- RED
- Tan
- Yellow

Main Campus Infrastructure

Utility Systems

Since 2010, enhancements and improvements to the Main Campus utility systems include:

1. Replacement of the Central Plant cooling towers
2. Addition of a 2,500 ton chiller at Central Plant
3. Chiller 3 rebuild
4. Control upgrades at satellite plant
5. Completion of variable speed pumping project
6. Mitchell Center storm water piping replacement
7. Replacement of five major air handlers
8. Upgrades at the main campus substation

2015 Utility Infrastructure Upgrade and Improvement Plan

During 2014-2015, the University of South Alabama (USA) Facilities Management staff led a master plan process to provide guidance for improvements to the utility systems on the USA main campus. The improvements identified are necessary to appropriately serve both the existing USA facilities and support anticipated expansion of programs on campus. The utility systems included in this planning effort are:

- ✔ Electric power distribution system
- ✔ Communication system
- ✔ Chilled & hot water systems
- ✔ Sanitary sewer system
- ✔ Storm drainage system
- ✔ Potable water system
- ✔ Natural gas system

As part of the June 4, 2014, Board of Trustees meeting, the Board toured the Central Utilities Plant and viewed a presentation outlining the state of the main campus utility systems. During this Board of Trustees meeting, the Board granted approval for a comprehensive study of the campus utility systems and for a plan of action to be developed (link 1). After the completion of this study, the Facilities Management team developed the plan of action. Presentation of the plan to the Board of Trustees was made on September 4, 2015. At this meeting, the Board of Trustees approved the Implementation of the Infrastructure Upgrade and Improvement Plan (links 2 & 3). This is a comprehensive plan that will provide a main campus infrastructure system to meet the future needs of the University. The plan was funded "...through a combination of approximately $5 million in budgeted funds over the four-year period plus up to $20 million in bonded indebtedness, which would be offered for the Board's consideration..." (from the minutes of the September 2015 Budget and Finance Committee meeting). A Plan Summary is available to view at (link 4).

1. Approved University Infrastructure Study
   - ✔ http://www.southalabama.edu/departments/trustees/agendas/2014/060614binder.pdf#page=179
2. Approval of the Implementation of the Infrastructure Upgrade and Improvement Project
   - ✔ http://www.southalabama.edu/departments/trustees/agendas/2015/090415binder.pdf#page=86
3. Minutes stating approval of the Implementation of the Infrastructure Upgrade and Improvement Project
   - ✔ http://southalabama.edu/departments/trustees/agendas/2015/120415binder.pdf#page=301
4. Infrastructure Summary Plan
   - ✔ http://www.southalabama.edu/departments/presidentsoffice/masterplan/resources/utilities-summary-report-2016-12-15.pdf

Open Space/Grounds and Landscaping

Open Space (see map 5)

Open spaces on the main campus consist primarily of informal open spaces that developed as the buildings and parking lots were added. Formal open spaces developed as gathering spaces for students and as event spaces for the University and the surrounding community. These include the Student Center courtyard and the plaza surrounding the Moulton Bell Tower. The Sebastian Nature Trail adds another aspect to the open spaces of the campus. This is a fully developed nature trail on the north end of campus.

Enhancements since 2010:

1. Formalized and enhanced the Sebastian Nature Trail

Future Projects:

1. Ongoing efforts to maximize open space development

Grounds and Landscaping

Campus landscaping enhances the overall beauty of the campus and creates a pleasing environment for students and the community at large to enjoy. The University has devoted funding and personnel to maintain a high level of groomed landscaping and to maintain the natural areas of the campus.

Enhancements since 2010:

1. Through an agreement with the City of Mobile, the University now maintains the islands adjacent to the University on University Boulevard and Old Shell Road
2. Landscaping of the portal entrances at USA South Drive, USA North Drive, Stadium Drive, and Technology and Research Park
3. Major landscape improvements on USA South Drive, USA North Drive, and Stadium Drive
4. Major landscape improvements in the Technology and Research Park.
5. Major landscape improvements at the following buildings:
   - ✔ Administration Building
   - ✔ Humanities Building
   - ✔ Chemistry Building
   - ✔ Housing Complex
   - ✔ Student Center and Courtyard
   - ✔ University Commons

Future Projects:

1. Island landscaping on Greek Row
2. Alpha Hall Complex
3. East side of Administration Building
4. Mathematical Sciences and Physics Building

Map 5: Campus Open Space Plan



Existing Campus Open Space Place

0 550 1,100 2,200 Feet

N

Legend

- Current Development
- Green Space
- Wetlands/Reserved

Signage/Wayfinding

In 2014, the University adopted a new signage policy. This policy defines all sign types and stipulates where signs should be located and which signs are appropriate for a particular location.

Enhancements since 2010:

1. Entrance portals were installed at USA South Drive, USA North Drive, and Stadium Drive.
2. Map kiosk locations are now in place at USA South Drive, USA North Drive, and Stadium Drive.
3. Non-compliant signs were removed and new signs erected where needed.
4. Newly installed walk-up building signs identify occupants of the building.
5. New street directional signs were installed. These new signs identify buildings and campus areas such as housing and athletic venues.

Future Project:

1. Following the new signage policy, signs will be updated and new signs installed as needed.

Technology

Updates on significant developments since 2010

Planning for technology needs were not addressed in the 2010 Campus Master Plan. However, since 2010, the technology infrastructure of the University has been improved with completion of the following projects since 2010:

- ✔ Substantially completed a modernization effort of the Computer Services Center's aging infrastructure to include: network, internet, security, storage, processing, UPS, HVAC, and power distribution
- ✔ Created an alternate data center where all University servers and data are replicated at the processing and storage facility at the Dining Hall on Tonsmeire Drive
- ✔ Replaced the decentralized computer support model on campus with a centrally staffed model and provided access to centralized data storage and backup service at the Computer Services Center to facilitate moving away from decentralized departmental servers
- ✔ Replaced the legacy faculty/staff and student email messaging systems with Gmail and Google apps for education
- ✔ Implemented a content management system platform for the University web site
- ✔ Consolidated the Computer Services Center, Telecommunications, and Web Services into a single organization
- ✔ Established an Office of Information Security to guide University IT security policy, procedure, training, and compliance efforts
- ✔ Renovated and replaced the legacy communications cabling system in the residence halls
- ✔ Replaced the aging roofs at the Computer Services Center and Telecommunications building with metal roofs
- ✔ Implemented an enterprise video surveillance system
- ✔ Implemented an enterprise electronic card access system
- ✔ Converted our payment card processing system to a hosted solution
- ✔ Developed and implemented Jag Tran Tracker (a School of Computing student project sponsored by the Student Government Association)

Significant planned future enhancements

In the coming years, technology infrastructure will need continued attention to keep pace with the University's growth in both population and academic/research needs. The following needs will be addressed:

1. A comprehensive survey of the University's approximately 700 Wireless Access Points (WAPS) needs to be conducted in each building. The average lifespan of a WAP is 4 to 5 years. While the majority of educational buildings need updated wireless deployments, wireless connectivity is funded at the department-level.
2. Outdoor wireless exists mostly from building bleed over. Outdoor wireless systems need to be installed to cover areas beneficial to the campus the community (e.g., between the Student Center and the Library).
3. Centralize design and support of classroom technology to address standards and ensure consistency of functionality, capability, and support across the institution. Currently, classroom multimedia facilities are provided by the respective colleges, resulting in varied system designs, differing functional capabilities and user interfaces, and uneven levels of maintenance and support. Upgrade building connections to 10 gigabit to provide adequate bandwidth. Most campus buildings are connected only at one gigabit.
4. In 2015, the University established a Utilities Infrastructure Upgrade and Implementation Plan, which can be found at: http://www.southalabama.edu/departments/presidentsoffice/masterplan/resources/utilities-summary-report-2016-12-15.pdf

   The Plan contains a Communications Systems portion that details technology infrastructure upgrades and maintenance for 10 years. Technology infrastructure improvements include on-going maintenance and system upgrade

   - ✔ Replace multimode fiber with single mode fiber.
   - ✔ Replace copper with single mode fiber.
   - ✔ Replace and/or providing adequate protection for existing in-ground boxes.
   - ✔ Install a diverse path fiber ring on campus.
   - ✔ Install a high-count fiber between CSC and HAHN (Eastern Leg)
   - ✔ Install a high-count fiber between HAHN and NODE 2 (Central Leg)
   - ✔ Install a high-count fiber between NODE 3 and NODE 2 (Western Leg)
   - ✔ Install a high-count fiber between CSC and NODE 3 (Southern Leg)
5. Add a secondary power feed from the new substation and consider adding an additional natural gas generator as the primary data center power is serviced by a single feed from Alabama Power. The backup power is serviced by a single diesel generator.
6. Mitchell Center technology upgrades to include enhanced guest Wi-Fi connectivity.

Security and Safety Recommendations

Campus Emergency Notification System

Emergency notification systems are managed and operated by the University's Police and Safety and Environmental Compliance departments. A comprehensive emergency notifications system requires IT support, software and hardware resources, and implementation of a coordinated plan among the principle departments. The University maintains several emergency notification systems including an outdoor public address system. The following updates have occurred since 2010:

1. A sixth unit was added to the outdoor public address system and strategically placed on campus. The system is primarily for emergency notification purposes on the campus grounds when individuals cannot be reached through other systems.
2. Implementation of Everbridge as a replacement to the W.A.R.N system—mass notification system, which is a web-based system that enables the University to quickly contact cell phone, traditional phones, pagers, texts via SMS, and email accounts when mass notifications are necessary.
3. Expedited internal email notification system primarily through University Police dispatch and the Marketing and Communication departments. Created by the University IT specialist to provide another campus emergency notification option internally.

Recommendation for future projects:

1. Develop an interoperable communications and instant alert notification program that allows University officials the ability to initiate communications with all devices regardless of existing infrastructure, hardware, and locations.

Building Fire Alarm Systems

Some fire alarm systems are analog requiring at least one dedicated analog telephone line, in some cases two, for fire alarm monitoring and alarm transmission. The central receiving station equipment cannot receive new technology connections as a result. Newer systems communicate through IP networks with redundancy configurations providing secondary receiver IP address backup. In addition, modernized systems allow monitoring sites to remotely detect and identify panel conditions. All new buildings and many of the recently renovated buildings on campus utilize the newer, IP addressable alarms; however, many campus buildings do not currently have an IP addressable system. Since 2010, the University has upgraded some buildings to the new IP addressable fire alarm systems.

Recommendations for future projects

1. Upgrade existing fire protection systems in existing campus and student housing buildings as required, to IP addressable systems for fire alarm monitoring and communications
2. Upgrade fire alarm systems in Gamma, Beta, and in all fraternity and sorority houses.

Building Access Systems

Since 2010, the University has upgraded a number of buildings to have electronic access: Shelby Hall, Nursing/ Allied Health, Chemistry, ILB, Medical Sciences Building and Central Services Administration Building, Laboratory of Infectious Disease, Campus Recreation, and the Football Fieldhouse. Further, the Department of Safety and Environmental Compliance, in cooperation with other University departments, has facilitated the development of policies and identification of actions that move us toward a more comprehensive approach to building access such as a universal id card.

Recommendations for future projects:

1. Approval and implementation of new policies and procedures regarding building access to include keys, electronic access, picture ID's, etc.
2. Installation of hardware to enable electronic access to all campus buildings.

Annual Lighting Survey

The annual lighting tour is coordinated by the Dean of Students Office and is a joint effort between Student Affairs, Campus Police, the SGA, Housing and Dining, and University Facilities. Representatives from each area tour the campus via golf cart and on foot, looking for lighting outages, lighting that has become overgrown by trees, and areas of the campus that are in need of additional lighting. The group prioritizes the list of areas that are in need of additional lighting and submits that list to the administration for possible funding in the coming year.

License Plate Recognition System

The University is exploring the purchase of a License Plate Recognition System and installation of cameras on campus to enhance security. The system also will improve parking enforcement, as once a vehicle is registered by a student or employee, no hang tag will be needed to identify a car that is registered to park on campus.

Hazardous Materials Survey

Many older campus buildings still contain some type of asbestos or other hazardous materials. The existing building surveys are currently being updated. In the last three years, a licensed asbestos management planner was retained to conduct testing and develop an organized program to either abate or encapsulate all such materials as buildings are renovated or as materials become unstable.

The Department of Safety and Environmental Compliance coordinates associated testing, assists with program updates, and recommends the following future project:

1. Commission a new survey of all buildings known or suspected to have asbestos containing materials (ACM) present

Campus Police

In 2014, USA Campus Police implemented the LiveSafe app. It is a mobile application that helps to prevent crime and enhance campus safety.

Safety and Environmental Compliance

Since 2010, the University has established the Laboratory Safety Committee, reporting to the Vice President for Research and Economic Development, to ensure the highest level of safety and compliance in campus labs and facilities. Further, the University has a Radiation Safety department whose function is to facilitate the safe use of radiation and radioactive materials at the University of South Alabama. The goal of University of South Alabama's Radiation Safety Department is to promote the safe and efficient use of radiation throughout the University system through education, quality control, and compliance.

AED Expansion

The University has significantly expanded its procurement and placement of AEDs around campus to enhance the health and safety of the University community. (See map showing the location and availability of AEDs around campus.)

AED (Automatic External Defibrillator) Locations

- Academic Success Building
- Administration Building
- Alpha Hall East
- Alpha Hall South
- Alumni Hall
- AMSTI
- Archaeology Museum/Archaeology Complex
- Athletics Administration Building
- Baldwin County Classroom Complex
- Baldwin County Administration Building
- Baldwin County Nursing Complex
- Biomedical Library
- Central Utilities
- Chemistry
- College of Education
- Computer Services Center
- CSAB
- Delta Commons (Housing)
- Communications
- Development and Services Building
- Dining Hall
- Education and Outreach Building
- Educational Services Building
- Epsilon I
- Epsilon II
- Faculty Club
- Gamma Commons
- Grounds Complex
- Health, Kinesiology and Sport Building
- Health Sciences Building (HAHN)
- Humanities Building North
- Humanities Building South
- Innovation in Learning Center
- Intramural Field House
- Laboratory of Infectious Diseases
- Laidlaw Performing Arts Center
- Life Sciences Building
- Main Library
- Maintenance Complex
- Mathematical Sciences and Physics Building
- Medical Science Building
- Meisler Hall
- Mitchell Center
- Mitchell College of Business
- Mobile Townhouse
- New Hall
- Psychology Building
- Publications
- Renovations
- Science Laboratory Building
- Seamen's Bethel
- Shelby Hall
- Springhill Campus (SHAC)
- Stanky Field
- Stokes Hall
- Student Center/Bookstore
- Student Recreation Center
- Transportation
- USA Police Department
- Visual Arts Complex

Other USA Facilities

USA Baldwin County (USABC)

Administration Building
10 North Summit Street
Fairhope, AL 36532

Situated in Fairhope, Alabama, the Baldwin County Campus serves primarily an instructional function and offers college-level courses, educational outreach, continuing and professional educational opportunities, and degree-completion programs in the state's fastest growing county. USABC serves more than 1500 students through its course offerings which include bachelor's degrees in Interdisciplinary Studies, Communication/Public Relations, Criminal Justice, Elementary Education, and an accelerated Nursing degree program. In addition to these degree programs, students may take other coursework that can be used towards other degrees available at South Alabama's Main Campus as well as other types non-credit and personal enrichment courses.



USA Gulf Coast Campus

19470 Oak Road West
Building D
Gulf Shores, AL 36542

The USA Gulf Coast (USA GC) campus site is adjacent to the Gulf Shores Cultural Center and provided to USA at no charge by the City of Gulf Shores. Currently the campus is used primarily for administrative and public outreach functions. The City also provides utilities and maintenance. This site includes a lobby, two classrooms seating 20-25, a computer lab, conference room, two bathrooms, and faculty office. USA also has access to the auditorium (seating 400) and gym. Frequently, activities at this campus include continuing education activities, conferences, internship coordination, meetings, and community education. Academic courses may be offered in the future. Administered through Global USA, the facility is open to all USA offices and departments.



University of South Alabama

Technology and Research Park
775 N. University Blvd., Ste. 150
Mobile, AL 36608

The USA Technology & Research Park is a major economic initiative of the University of South Alabama. It marries University resources with innovative enterprises in a single location that broadens educational experiences for students, generates new research opportunities for faculty and offers growth prospects for industry. These facilities function largely to support research and public/economic outreach activities.



The Park, located on 160 acres just north of the main University campus, is a focal point of economic growth for Mobile and the upper Gulf Coast made up of over 220,000 square feet of office and laboratory space available for lease to the business sector.

The Park also serves to encourage the spirit of entrepreneurship and innovation through its on-site business incubator, the Coastal Innovation Hub. The Hub is a joint project between the University of South Alabama's Melton Center for Entrepreneurship and Innovation and USA's Office of Research and Economic Development specializing in low cost office and laboratory space for fledgling businesses.

USA Health Systems Campuses

Children's & Women's Hospital
1700 Center Street
Mobile, AL 36604

USA Medical Center
2451 Fillingim Street
Mobile, AL 36617

Mitchell Cancer Institute
1600 Springhill Avenue
Mobile, AL 36604

Strada Patient Care Center
1601 Center Street
Mobile, AL 36604







The mission of the USA Health System is simple, yet profound. "We help people lead longer, better lives." USA Health accomplishes this mission through a combination of patient-centered care, education, and innovative research.

The USA Health System consists of USA Medical Center, USA Physicians Group, USA Children's & Women's Hospital, and the Mitchell Cancer Institute. The region's only academic medical system, USA Health System employs more than 3,800 people and has an annual economic impact of $559 million.

USA Medical Center, the region's only Level I trauma center, is a 370,000-square-foot acute care facility with 406 licensed beds, offering specialized care via its centers for burn care, stroke, cardiovascular disease, and sickle cell disease. It also is a teaching and research facility for the USA College of Medicine. The Medical Center received has received state and national recognition for its innovative approaches, exceptional patient care, and professional services. It also offers outpatient services and surgeries to patients across the region.

USA Children's & Women's Hospital, with 2,800 deliveries annually, is Mobile's leader in births. The hospital also offers many unique medical services, including the area's only neonatal and pediatric intensive care units, specially equipped and staffed to provide the most advanced care for premature, critically ill, and critically injured children. It also offers a comprehensive services for women, including special medical care for high-risk pregnancies.

In 2014, Children's & Women's Hospital opened a 200,000-square-foot, $72 million expansion that doubled the hospital's size and has enable more services. The expansion includes new operating rooms and a four-story tower dedicated to pediatric care. The newly renovated lobby includes a Steinway Grand piano, and a new courtyard offers an area for patients and employees to enjoy sunshine and special events.

USA Mitchell Cancer Institute opened in 2000 to increase Gulf Coast cancer survival rates through advanced treatment and research. The first academic cancer research institute in the upper Gulf Coast region, Mitchell is the largest single research endeavor in the history of the University. It offers local and regional patients a powerful combination of research, treatment and access to clinical trials. In 2008, Mitchell Cancer Institute opened a 125,000-square-foot integrated clinical and research facility. It also has offices in Monroeville and Fairhope. Later in 2017, the 14,000 square-foot Kilborn Clinic will open in Fairhope, a new location designed to expand clinical offerings and support services to Baldwin County and the region.

President's House

The University of South Alabama acquired the President's House in June of 2014. The home, constructed in 1917, is located in the Spring Hill area of Mobile, Alabama. It is home to the University President and used as a venue for special events.



Acknowledgments

The Campus Master Plan Committee would like to thank all who participated in and provided input to the 2017 University of South Alabama Master Plan process. Trustees, students, faulty, and staff were actively involved in this process through participation in focus groups and surveys to give the committee the data it needed to fully and accurately develop the plan. Over 1,100 individuals took part in the focus groups, surveys, and the feedback process. The University Board of Trustees provided the guidance and resources to the Committee to allow the plan to be developed. USA students provided their unique and passionate insight into the needs on campus from the perspective of primary users of campus services. USA faculty and staff provided critical information to the committee about issues related to their perspective of campus needs. Last but not least, the University's offices of Institutional Effectiveness and Facilities Management provided invaluable time and service to the Committee in all aspects of the development of the plan. Without their efforts, the development of this plan would not have been possible.

UNIVERSITY OF SOUTH ALABAMA

BOARD OF TRUSTEES

COMMITTEE OF THE WHOLE

RESOLUTION

COMMENDATION OF THE HONORABLE WILLIAM S. STIMPSON

WHEREAS, the Honorable William S. "Sandy" Stimpson was appointed to the Board of Trustees of the University of South Alabama in 2014, and

WHEREAS, during his tenure on the Board, Mr. Stimpson served as a member of the Audit Committee and the Long-Range Planning Committee, and

WHEREAS, Mr. Stimpson has been a vocal supporter of South, both through his trustee position and in his role of Mayor of the City of Mobile, and has been a vital link between the University and the city for successful collaborations, and

WHEREAS, the University's leadership looks forward to a continued close relationship with the city and its leadership as committed partners in expanding access to education and specialized health care, enhancing quality of life, and creating opportunities for research and innovation, and

WHEREAS, Mr. Stimpson has served the University with distinction, graciously contributing his time, energy, wisdom and guidance to the growth and development of higher education in the state of Alabama and region, and to the students, alumni, faculty and administration of the University of South Alabama,

NOW, THEREFORE, BE IT RESOLVED that the University of South Alabama Board of Trustees expresses its deep appreciation and gratitude to the Honorable William S. Stimpson for his devotion, service and commitment to advancing the interests of the University and its constituencies.