UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

MINUTES OF ANNUAL MEETING HELD ON JUNE 5, 2020

- Item 1 Approved: Minutes
- Item 2 Approved: 2020-2021 Board Meeting Schedule
- Item 3 Report: University President
- Item 4 Report: Faculty Senate President
- Item 5 Report: Student Government Association President
- Item 6 Report: Development and Alumni Relations
- Item 7 Approved: USA Hospitals Medical Staff Bylaws Revisions
- Item 8 Approved: USA Hospitals Medical Staff Appointments and Reappointments for March and April 2020
- Item 9 Report: USA Health and College of Medicine
- Item 10 Approved: Tenure and Promotion
- Item 11 Approved: 2020-2021 Tuition, Fees, and Housing and Dining Rates
- Item 12 Approved: Policy on Freshmen On-Campus Housing Requirement
- Item 13 Report: Quarterly Financial Statements for the Six Months ended March 31, 2020
- Item 14 Approved: Line of Credit
- Item 15 Report: Endowment and Investment Performance
- Item 16 Approved: Revision of Endowment Investment Policy

UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

June 5, 2020
10:30 a.m.

A meeting of the University of South Alabama Board of Trustees was duly convened by Mr. Jimmy Shumock, Chair *pro tempore*, on Friday, June 5, 2020, at 10:30 a.m. by means of video conference. Public access was provided via YouTube livestream.

Members Participating:	Alexis Atkins, Chandra Brown Stewart, Scott Charlton, Tom Corcoran, Steve Furr, Ron Graham, Ron Jenkins, Arlene Mitchell, Lenus Perkins, Jimmy Shumock, Ken Simon, Steve Stokes, Margie Tuckson, Mike Windom and Jim Yance.
Not Participating:	Kay Ivey.
Administration & Guests:	Terry Albano, Owen Bailey, Lynne Chronister, John Cleary (Faculty Senate), Ken Davis, Kristin Dukes, Joel Erdmann, Monica Ezell, Mike Haskins, David Johnson, Rod Kanter (Bradley Arant), Andi Kent, John Marymont, Abe Mitchell, Mike Mitchell, Tia Nickens (SGA), Laura Schratt, John Smith, Margaret Sullivan, Tony Waldrop and Scott Weldon.

Chairman Shumock called the meeting came to order, discussed how the virtual meeting would proceed and thanked everyone for their participation. Following the attendance roll call, he stated an executive session would not be held and called for a motion to adopt an amended agenda excluding this item. On motion by Ms. Atkins, seconded by Mr. Windom, the Board voted unanimously to adopt a revised agenda.

Chairman Shumock called for adoption of the minutes of meetings of the Board of Trustees; Audit Committee; Development, Endowment and Investments Committee; Health Affairs Committee; Academic and Student Affairs Committee; Budget and Finance Committee; and Committee of the Whole held on March 6, 2020, as well as the minutes of an Executive Committee meeting held on March 26, 2020, **ITEM 1**. On motion by Ms. Atkins, seconded by Mr. Graham, the Board voted unanimously to adopt the minutes.

Chairman Shumock presented **ITEM 2** as follows. On motion by Mr. Perkins, seconded by Capt. Jenkins, the Board voted unanimously to approve the resolution:

RESOLUTION
BOARD MEETING SCHEDULE - 2020-2021

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 11, 2020
- Thursday, December 3, 2020
- Friday, March 5, 2021
- Friday, June 4, 2021

FURTHER, BE IT RESOLVED that the date of June 4, 2021, be designated as the annual meeting of the University of South Alabama Board of Trustees for 2020-2021.

Chairman Shumock called for presentation of **ITEM 3**, the President's Report. President Waldrop called for an update from Dr. Mitchell as Chair of South's Diversity and Inclusion Committee. Dr. Mitchell shared information on the virtual town hall *Let's Talk About America and George Floyd*, the latest in USA's *Courageous Conversations* series held on June 4. He gave background on the panelists who participated and stated more than 400 people viewed the live broadcast.

President Waldrop introduced and gave background on South's new Executive Director of Internal Audit and Chief Financial Compliance Officer, Ms. Laura Schratt. Ms. Schratt made brief remarks about her new role.

President Waldrop shared information on the University's Spring Commencement video that aired on YouTube on May 9, in which he addressed 2,181 graduates and conferred their degrees, and messages were delivered by from the academic deans and the 2019-2020 Student Government Association (SGA) President. He said close to 3,000 people watched the video debut and noted the possibility of recognizing the graduates on campus at a later date.

President Waldrop called on Provost Johnson, who announced that South students Mr. Richard Fu, an honors biomedical sciences major; Ms. Hannah Giannini, an honors chemistry major; Ms. Samantha Michlowitz, an honors meteorology major; and Mr. John Pomerat, a computer science major had been awarded prestigious Goldwater Scholarships for 2020. He stated they were among seven students selected in Alabama and among less than 400 students chosen nationwide. He added that USA was among just 16 universities in the country that had all four of its nominees selected, calling this a significant accomplishment. He shared details about the internal processes that help students prepare as Goldwater candidates.

President Waldrop advised of research activity related to the COVID-19 pandemic and the CARES Act, noting that, of 25 grant proposals submitted seeking $23 million in funding, $18 million had been awarded for 13 projects. He thanked Ms. Chronister for her leadership and work with the research faculty.

President Waldrop discussed plans to open campus effective with the 2020 fall semester. He stated a University Reopening Committee with several subcommittees met regularly to address a wide array of operational needs and added that the campus community could expect to receive information soon.

Chairman Shumock called for a report from Faculty Senate President Dr. John Cleary, **ITEM 4**. Dr. Cleary shared information about himself, suggested that the current environment would provide opportunities to promote leadership and shared governance, and thanked various South Alabama constituencies for their efforts during an unprecedented time, among which he recognized the SGA leadership for recent passage of a resolution addressing the need for racial equality. He stated the Faculty Senate and all faculty were working diligently to develop solutions in response to the pandemic crisis.

Chairman Shumock called for a report from SGA President Ms. Tia Nickens, **ITEM 5**. Ms. Nickens advised she was a secondary education major from Illinois. She reported that the SGA was adapt-

ting to the new environment and would be flexible in presenting programming focused on student engagement, basic needs and transparency for the coming academic year. She referenced a project to bridge the gap between student athletes and the general student body, as well as implementation of an initiative tracker on the web site to help students stay informed.

Chairman Shumock called for a report on the activities of the Division of Development and Alumni Relations, **ITEM 6**. Ms. Sullivan advised of close to $6.0 million raised for the Upward & Onward Campaign through June 1 of fiscal year 2020, and of just over $151.8 million secured throughout the campaign, exceeding the $150 million goal. She reported close to $60,000 raised for the USA Responds initiative created to address needs related to the coronavirus crisis. She discussed student needs stemming from the pandemic, as well as sources of emergency student support, such as is available through South Cares, one of four USA Responds appeals. She advised that fundraising activities were being restructured and referenced the recent *Local Goodness to Go* event that raised more than $97,000 in net proceeds in support of the new pediatric emergency room at Children's & Women's Hospital. She stated the remainder of the campaign would focus on scholarship growth through the Mitchell-Moulton Scholarship Initiative. She thanked the Stokeses for their continued leadership as Campaign Co-chairs.

Chairman Shumock called upon Mr. Bailey to present **ITEM 7** as follows. (To view approved policies and other authorized documents, refer to **APPENDIX A**). Mr. Bailey advised that the recommended medical staff bylaws revisions pertained to a policy on advanced practice providers. On motion by Ms. Atkins, seconded by Dr. Furr, the Board voted unanimously to approve the resolution:

RESOLUTION
USA HOSPITALS MEDICAL STAFF BYLAWS

WHEREAS, revisions to the USA Hospitals Medical Staff Bylaws and the associated policy on Advanced Practice Professionals, approved May 6, 2020, by the active voting General Medical Staff members via email and attached hereto, are recommended for approval by the Medical Executive Committees, and the Executive Committee of the University of South Alabama Hospitals,

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

Chairman Shumock asked Mr. Bailey to address **ITEM 8** as follows. Mr. Bailey explained that the new medical staff bylaws adopted by the Board in March 2020 required Board approval of medical staff privileges. He reminded the Trustees of the same requirement in the past under the previous bylaws. On motion by Ms. Brown Stewart, seconded by Mr. Yance, the Board voted unanimously to approve the resolution:

RESOLUTION
USA HOSPITALS MEDICAL STAFF APPOINTMENTS AND REAPPOINTMENTS FOR MARCH AND APRIL 2020

WHEREAS, the Medical Staff appointments and reappointments for March and April 2020 for the University of South Alabama Hospitals are recommended for Board approval by the Medical Executive Committees and the USA Health Credentialing Board,

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

As to **ITEM 9**, a report on the activities of USA Health and the College of Medicine, Dr. Marymont introduced Mr. Bailey, who shared information on a $3.9 million grant award from the Economic Development Administration that would be used to fund new generators at University Hospital. Mr. Bailey recognized the individuals who worked on securing this grant. He also recognized the entire USA Health team for the manner in which everyone responded to and prepared for the pandemic crisis, which brought about a decline in the hospital census, elective surgeries, emergency room utilization. He advised of a paid-time-off donation bank created to help employees impacted by the downturn and said approximately 4,000 hours had been donated to people in need. He talked about the increase of clinical telehealth visits and said hospital volumes had begun to improve. He shared details on a partnership with the City of Mobile that had provided COVID-19 testing to citizens. He and Dr. Marymont shared insight on funding for COVID-19 testing through the CARES Act and other sources.

A discussion took place on the University Police and procedures related to officer complaints and excessive force. Dr. Smith expressed confidence in Chief Aull's proactive supervision and training of USA officers. He stated Chief Aull was in regular communication with student groups and campus units. He said Chief Aull also founded a program for crisis intervention team training of police forces which had expanded in the region. Ms. Chronister advised of grant funding received for Chief Aull's training program, as well as received by faculty for relationships with the Mobile Police. She anticipated additional interest in research opportunities given the national focus on race relations.

Chairman Shumock called for consideration of **ITEM 10** as follows. Provost Johnson and Dr. Marymont discussed the rigorous review process to which tenure and promotion candidates were subject. On motion by Ms. Atkins, seconded by Dr. Stokes, the Board voted unanimously to approve the resolution:

RESOLUTION
TENURE AND PROMOTION

WHEREAS, in accordance with University policy, faculty applications for tenure and/or promotion have been reviewed by the respective faculty peers, departmental chair and college dean, and by the Provost and Senior Vice President for Academic Affairs or the Vice President for Medical Affairs, and the President and, as a result of this review process, the individuals listed 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 these individuals, all effective August 15, 2020, except as noted herein.

COLLEGE OF ARTS AND SCIENCES:

Tenure:
- Jaclyn Bunch
- Kelly Dorgan
- Brian Dzwonkowski
- Philip Habel
- Jianing Han

Promotion to Associate Professor:
- Jaclyn Bunch
- Kelly Dorgan
- Brian Dzwonkowski
- Jianing Han
- Mohammad Hossain

Tenure continued:
- Mohammad Hossain
- Nemanja Kosovalic
- John Lanicci
- Andrew Lewis
- Jason Rinehart

Promotion to Senior Instructor:
- Christopher Cowley
- LaTonya Darby
- Tray Hamil

Promotion to Associate Professor continued:
- Nemanja Kosovalic
- Andrew Lewis
- Jason Rinehart

Promotion to Professor:
- Philip Habel
- Douglas Marshall
- W. Matthew Reichert
- Thomas Rowell
- Phillip Smith

MITCHELL COLLEGE OF BUSINESS:

Tenure:
- Huubinh Le

Promotion to Associate Professor:
- Huubinh Le

MITCHELL CANCER INSTITUTE:

Promotion to Associate Professor:
- Dr. Moh'D Khushman

Promotion to Professor:
- Dr. Jennifer Scalici

SCHOOL OF COMPUTING:

Tenure:
- David Bourrie

Promotion to Associate Professor:
- David Bourrie

COLLEGE OF EDUCATION AND PROFESSIONAL STUDIES:

Tenure:
- Yvette Getch
- Neil Schwarz

Promotion to Associate Professor:
- Neil Schwarz

Promotion to Professor:
- Yvette Getch

COLLEGE OF ENGINEERING:

Tenure:
- Na Gong
- Saeed Latif
- Carlos Montalvo
- Dhananjay Tambe
- Jinhui Wang

Promotion to Associate Professor:
- Saeed Latif
- Carlos Montalvo
- Dhananjay Tambe

MARX LIBRARY:

Tenure:
- Jia He

Promotion to Associate Librarian:
- Jia He

COLLEGE OF MEDICINE:

Tenure:
- Abu Bakr Al-Mehdi
- Thuy Phung (Effective June 5, 2020)
- Aishwarya Prakash

Promotion to Associate Professor:
- Gary Carnahan
- Nicolette Holliday
- Aishwarya Prakash

Promotion to Professor:
- Jonathon Audia
- Lynn Batten
- Paul Rider
- Jon Simmons
- Jon Simmons (Joint in Pharmacology)
- Seema Singh
- Mark Taylor
- David Weber

COLLEGE OF NURSING:

Promotion to Associate Professor:
- Rebecca Grave

Chairman Shumock called for presentation of **ITEM 11** as follows. Dr. Smith explained that modifications to dining operations were necessary for the safety of students and staff as a result of the COVID-19 pandemic. He stated the recommendation for an average 2.5 percent increase in meal plan rates effective with the 2020-2021 academic year would cover the cost of the modifications. He introduced College of Education and Special Programs Dean Dr. Andi Kent, who shared details on the Start South dual enrollment program for high school students set to launch in the 2020 fall semester and on the recommendation for a $166 per credit hour tuition rate for students enrolled. She stated the program would provide opportunities to strengthen relationships with high schools and may be a pipeline to boost freshmen enrollment. On motion by Ms. Atkins, seconded by Mr. Graham, the Board voted unanimously to approve the resolution:

RESOLUTION
TUITION, FEES AND HOUSING AND DINING RATES - 2020-2021

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

WHEREAS, Start South is a dual high school and college enrollment program that allows high school students to experience USA's highly qualified and talented faculty, and

WHEREAS, the Start South program is expected to strengthen relationships with local school districts while improving enrollment yield in those districts, and

WHEREAS, dining services must increase operational expectations and expenses due to the COVID-19 pandemic, and

WHEREAS, dining services will provide enhancements to operations, facilities, equipment, and technology in response to the COVID-19 pandemic,

THEREFORE, BE IT RESOLVED, the University of South Alabama Board of Trustees approves the recommended Start South tuition rate and the recommended dining rates for the academic year 2020-2021 as set forth in the attached schedules.

Chairman Shumock asked Dr. Smith to address **ITEM 12** as follows. Dr. Smith gave background on a recommendation to implement a policy requiring freshmen to live on campus in University-owned housing effective with the 2021 fall semester. He said South was one of three institutions statewide that did not currently require freshmen to live on campus. He referenced comprehensive data demonstrating that students who live on campus are more successful, have higher grade point averages, are more engaged and have higher rates of retention and graduation. He added that the policy allowed for certain exceptions. On motion by Dr. Charlton, seconded by Mr. Perkins, the Board voted unanimously to approve the resolution:

RESOLUTION
POLICY ON FRESHMEN ON-CAMPUS HOUSING REQUIREMENT

WHEREAS, the University of South Alabama ("USA") is committed to providing students with a vibrant, comprehensive and successful undergraduate student experience, and

WHEREAS, national studies show that students who live on campus are more successful, have higher grade-point averages, are more engaged, and have higher rates of retention and graduation, and

WHEREAS, consistent with the above-referenced national studies, students who live in University Housing at USA have higher grade-point averages, have a higher rate of first- to second-year retention, and are more likely to graduate within the six-year national average, and

WHEREAS, results from USA's annual resident student satisfaction survey indicate students who live on campus report a greater sense of integration with campus life and an enhanced feeling of "belonging" with the campus community, and

WHEREAS, the Board of Trustees believes it is in the best interest of the students at USA to enhance their opportunities for success by their integration into college and campus life,

THEREFORE, BE IT RESOLVED, the University of South Alabama Board of Trustees authorizes adoption of the policy that is attached hereto and incorporated herein, which requires, beginning in fall 2021, first-time freshmen enrolled in 12 or more hours at the University of South Alabama who graduated from high school within the preceding 12 months of enrolling to the University to live on campus in University Housing unless they are commuting from the permanent residence of a parent, grandparent, or legal guardian; are a military veteran; are married and/or have a dependent child or children in residence; or are granted an exception through the exemption process.

Chairman Shumock called on Mr. Weldon, who announced that Associate Vice President for Finance and Administration/University Treasurer Mr. Ken Davis would retire on September 1. He thanked Mr. Davis for close to 30 years of service to the University.

Mr. Weldon reported that, in addition to the South Cares appeal to help students impacted by the pandemic crisis, the University had distributed approximately $4.5 million in federal stimulus money to students in need. He added that approximately $1.2 million was still available and should be disbursed by the end of the month once student documentation is completed.

As to **ITEM 13**, the quarterly financial statements for the six months ended March 31, 2020, Mr. Weldon reported an increase in net position of approximately $15.2 million compared to that of $22 million reported for the quarter ended December 31, 2019. He stated the actual turnaround from December 2019 was approximately $20 million when considering that the March 2020 results included an investment loss of more than $13 million. He noted that over half of this investment loss had been recovered by the end of April 2020 and anticipated that the continued upward momentum of the market would be reflected in the financial results for May 2020.

Chairman Shumock asked Mr. Weldon to address **ITEM 14** as follows. Mr. Weldon explained that, while the University's existing cash position was strong, securing a line of credit was prudent should the University need to access additional cash due to developing pandemic unknowns. He introduced Mr. Albano, who reported that pricing negotiations with banking partners had taken place and that Hancock Whitney Bank had submitted the most competitive proposal. He and Mr. Weldon clarified that the resolution would authorize a $50 million line of credit and give the University authority to pursue an additional $50 million line of credit with Hancock Whitney Bank at no cost if needed in the future. Questions about the resolution and restrictions on the use of the proceeds were addressed. On motion by Mr. Perkins, seconded by Ms. Mitchell, the Board voted unanimously to approve the resolution:

A RESOLUTION AUTHORIZING
2020 REVOLVING LINE OF CREDIT FACILITY FROM HANCOCK WHITNEY BANK
AND OTHER REVOLVING LINE OF CREDIT FACILITIES

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:

(a) As a result of COVID-19 and the March 11, 2020 pandemic declaration by the World Health Organization, various state and local governments, businesses and entities, including without limitation institutions of higher education such as the University, took measures to limit travel, social interaction and other customary behavior to lessen the spread and impact of COVID-19, and health care institutions, such as the health care enterprise owned and operated by the University, experienced significant and unexpected demands to help treat those with COVID-19; and

(b) The full impact and extent of the response to CODIV-19 is still unknown, but entities in certain industries, particularly those involved in public education and healthcare, have determined to secure access to funds that may become necessary to cover operating and other expenses due to revenue delays or shortfalls, or increases in costs and expenses; and

(c) The Board has determined it necessary, wise and in the best interest of the University to secure a revolving line of credit from Hancock Whitney Bank, a Mississippi chartered banking corporation ("Hancock Whitney"), under which the University may obtain funds, from time to time, to cover working capital expenses for an initial term of one year and so long as the total principal amount

of the 2020 Revolving Line of Credit at any time does not exceed $50,000,000 (the "2020 Revolving Line of Credit"); and

(d) The terms respecting the 2020 Revolving Line of Credit are set forth in a Revolving Line of Credit Agreement dated June 11, 2020 between the University and Hancock Whitney, the form of which is attached as Exhibit I hereto (the "2020 Revolving Line of Credit Agreement"), which such agreement contains a form of Revolving Line of Credit Promissory Note (the "2020 Promissory Note") to evidence the University's obligation to pay the principal of and interest on all advances of funds from Hancock Whitney under the 2020 Revolving Line of Credit; and

(e) It is necessary, wise and in the public interest that the Board authorize and approve the 2020 Revolving Line of Credit Agreement and the 2020 Promissory Note, authorize certain officers of the University to execute and deliver such instruments on behalf of the University to Hancock Whitney, and, further, authorize certain officers of the University to execute extensions, amendments or other modifications of such instruments, all as more particularly set forth herein; and

(f) It is necessary, wise and in the public interest that the Board further authorize and approve the execution and delivery of one or more additional facilities that permit the University to secure up to an additional $50,000,000 line of credit if such officers determine the same necessary, wise and in the interest of the University, all as more particularly set forth herein.

Section 2. Authorization of 2020 Line of Credit Agreement and 2020 Promissory Note. (a) The Board does hereby authorize and approve the terms of the 2020 Line of Credit Agreement and the 2020 Promissory Note. The President of the University and the Vice President for Finance and Administration of the University, or either of them, are hereby authorized and directed to execute and deliver, on behalf of the University, the 2020 Revolving Line of Credit Agreement and the 2020 Promissory Note, together with such other notices, directions, requests, instruments or other documents as from time to time shall become necessary or desirable in furtherance of any of the transactions set forth in the 2020 Line of Credit Agreement or the 2020 Promissory Note. The Secretary of the Board is hereby authorized to affix the seal of the University on the 2020 Line of Credit Agreement and the 2020 Promissory Note, and to attest the same.

(b) The President of the University and the Vice President for Finance and Administration of the University, or either of them, are hereby further authorized and directed to execute and deliver, on behalf of the University, such amendments, modifications, restatements, or other instruments as shall be necessary or desirable to extend the term of the 2020 Line of Credit Agreement and 2020 Promissory Note, or either of them, and to reflect modified financing terms applicable to such renewed term (including, without limitation, to modify the definition "LIBOR Rate") and associated definitions (including, without limitation, the definition "Replacement Index") due to changes resulting from the LIBOR Rate being discontinued, no longer reported, or otherwise no longer available or useful, so long as:

(i) Such extended term is for a period of not greater than one year from the maturity date of the 2020 Promissory Note then in effect;

(ii) Such amendments, modifications, restatements or other instruments do not increase the Spread (as defined in the 2020 Line of Credit Agreement) to more than 200 basis points;

(iii) Such amendments, modifications, restatements or other instruments do not increase the Unused Fee to more than 20 basis points; and

(iv) The total term of the 2020 Line of Credit Agreement and 2020 Promissory Note, from the date of their initial delivery through the final maturity resulting from any such amendments, modifications, restatements, is not longer than three years.

Section 3. Authorization of Additional Line of Credit Facility. (a) The Board does hereby authorize and direct the President of the University and the Vice President for Finance and Administration of the University, or either of them, to negotiate, execute and deliver, on behalf of the University, such agreements, promissory notes or other instruments to secure an additional revolving line of credit facility of up to $50,000,000 (an "Additional Revolving Line of Credit Facility") if either such officer certifies in writing to the Secretary of the Board that it is necessary, wise and in the best interest of the University to secure access to additional funds to help cover costs, operations or expenses of the University; provided, the terms of such Additional Revolving Line of Credit Facility shall be substantially the same as those set forth in the 2020 Line of Credit Agreement and the 2020 Promissory Note, as such 2020 Line of Credit Agreement and such 2020 Promissory Note shall have been amended, modified or restated pursuant to Section 2(a) of this resolution at the time such Additional Revolving Line of Credit Facility is entered; and, provided further, that

(i) The initial term of such Additional Revolving Line of Credit Facility (including any such agreement and/or promissory note as shall evidence the same) is for a period of not longer than one year;

(ii) The spread over the base variable rate used to compute interest under such Additional Revolving Line of Credit Facility is not greater than 200 basis points; and

(iii) The unused fee applicable to such Additional Revolving Line of Credit Facility is not greater than 30 basis points.

The Secretary of the Board is hereby authorized to affix the seal of the University on any agreement, promissory note or other documentation evidencing the Additional Revolving Line of Credit, and to attest the same.

(b) The President of the University and the Vice President for Finance and Administration of the University, or either of them, are hereby further authorized and directed to execute and deliver, on behalf of the University, such amendments, modifications, restatements, or other instruments as shall be necessary or desirable to extend the term of any Additional Revolving Line of Credit Facility, so long as

(i) Such extended term is for a period of not greater than one year from the maturity date of the Additional Revolving Line of Credit Facility then in effect at the time of such extension;

(ii) The spread over the base variable rate used under the Additional Revolving Line of Credit Facility to compute interest is not greater than 200 basis points;

(iii) The unused fee applicable to such Additional Revolving Line of Credit Facility is not greater than 30 basis points; and

(iv) The total term of the Additional Revolving Line of Credit Facility, from the date of initial delivery of the promissory note or agreement evidencing the same through the final maturity resulting from any such amendments, modifications, restatements, is not longer than three years.

Section 4. General Authorization. The President of the University, the Vice President for Finance and Administration of the University, and the Secretary of the Board are hereby authorized to execute, seal and attest, as the case may be, such agreements, certifications, instruments or other documents, containing such terms as such officer or official shall approve, 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, the 2020 Revolving Line of Credit Facility (including the 2020 Revolving Line of Credit Agreement and the 2020 Promissory Note), and any Additional Revolving Line of Credit Facility (including any agreements, promissory notes or other instruments that evidence the same).

Chairman Shumock called on Mr. Albano for presentation of **ITEM 15**, a report on endowment and investment performance. Mr. Albano advised of a -2.89 percent return for the fiscal year through April 30, 2020, compared to the relative index performing at -1.14 percent, or an underperformance of 1.75 percent. He expressed confidence in the sound management of the portfolio despite the current results. He stated the annualized performance since inception was 4.98 percent versus the relative index of 3.89 percent, an outperformance of 1.07 percent. He presented a chart showing net invested capital of approximately $75.7 over the life of the endowment through April 30, 2020, profits totaling approximately $81.4 million, and a current market value of approximately $157.2 million, and shared insight on economic predictions and market movement.

Chairman Shumock called for consideration of **ITEM 16** as follows. Mr. Albano stated the proposal for adjusting the endowment cash allocation target from 0 – 5 percent as currently set forth by the Endowment Funds Investment Policies and Guidelines to 0 – 10 percent would give South greater flexibility during volatile times. Judge Simon and Mr. Yance agreed this action would reduce risk and increase cash availability. On motion by Ms. Mitchell, seconded by Judge Simon, the Board voted unanimously to approve the resolution:

RESOLUTION
REVISIONS TO THE UNIVERSITY'S ENDOWMENT FUNDS INVESTMENT POLICIES AND GUIDELINES

WHEREAS, the University of South Alabama Board of Trustees (the "Board") has established the Endowment Funds Investment Policies and Guidelines (the "Guidelines") to provide an investment outline when managing endowment investments, and

WHEREAS, the Board delegates certain investment authority to its Development, Endowment and Investments Committee to manage the University's endowment investments, and

WHEREAS, the Development, Endowment and Investments Committee will oversee investment activities, monitor investment performance and ensure the prudent control of the University's endowment funds according to the Guidelines approved by the Board, and

WHEREAS, the Guidelines may be amended from time to time to meet current investment conditions and objectives, and

WHEREAS, the Guidelines state that cash is to be employed productively to provide liquidity and safety, and

WHEREAS, cash serves a crucial role during global economic changes for purposes of rebalancing and additional investing, and

WHEREAS, after due consideration, it is recommended that the Guidelines be amended to change the allowable range for the cash-asset allocation from 0 – 5 percent to 0 – 10 percent,

THEREFORE, BE IT RESOLVED, the Board of Trustees of the University of South Alabama hereby approves revisions to the Endowment Funds Investment Policies and Guidelines as agreed upon by the members of the Development, Endowment and Investments Committee.

Chairman Shumock called for other remarks. President Waldrop noted that this meeting was the last that Provost Johnson would attend in his current role. He said Provost Johnson would be recognized for service at a future Board meeting.

There being no further business, the meeting was adjourned at 12:03 p.m.

Attest to:

Katherine Alexis Atkins, Secretary

Respectfully submitted:

James H. Shumock, Chair *pro tempore*

APPENDIX A

Bold, Red and underlines are additions - Strikethroughs are ~~deletion~~

BYLAWS - ADVANCED PRACTICE PROFESSIONAL POLICY SECTION

ARTICLE 4 - QUALIFICATIONS, CONDITIONS, AND RESPONSIBILITIES

4.A. QUALIFICATIONS

4.A.1. Non-Privileged Advanced Practice Professional Eligibility Criteria:

To be eligible to apply for Non-Privileged Advance Practice Professional status, the applicant must meet the USA Health Hospitals requirements. No other privilege requests will be accepted in conjunction with Non-Privileged Advance Practitioner Professionals. If applicant requests additional privileges at a later time, the credentialing process will be followed and "Non-Privileged Advance Practitioner Professionals" will be considered "withdrawn."

The Non-Privileged Advance Practitioner Professionals shall consist of those Licensed Independent Practitioners, who wish to be affiliated with the Hospital and refer patients to members of the Active and/or Courtesy Staff, but who do not admit or treat patients in the hospital. However, the Licensed Independent Practitioners may desire to monitor their patients while they are in the hospital and to access the patient's medical record.

May not admit, write orders, perform procedures or treat inpatients; but may:

a. Refer patients to members of the Active and/or Courtesy Staff.
b. Visit their patients while in the hospital.
c. Review their patient's medical record via the electronic medical record, if applicable, both remotely and at the hospital.
d. Document in the progress notes, including access via the electronic record, if applicable, both remotely and at the hospital.
e. Obtain results of tests and therapy.
f. Discuss ongoing management with the patient's physician(s).
g. Order outpatient testing within the scope of their practice.

Non-Privileged Advance Practice Professional status does not require physician back-up coverage and has no Focused Professional Practice Evaluation (FPPE) or Ongoing Professional Practice Evaluation (OPPE) requirements.

4.A.~~1~~.2. **Privileged Advanced Practice Professional** Eligibility Criteria:

"CATEGORY I PRACTITIONER" means a Licensed Independent Practitioner, a type of Advance Practice Professional who is permitted by law and by the Hospital to provide patient care services without direction or supervision, within the scope of his or her license and consistent with the clinical privileges granted. Category I practitioners also include those physicians not appointed to the Medical Staff who seek to exercise certain limited clinical privileges at the Hospital under the conditions set forth in this Policy (i.e., moonlighting residents). See Appendix A for a list of Category I practitioners.

APPENDIX A
Those individuals currently practicing as Category I practitioners at the Hospital are as follows:

Audiologist
~~Certified Nurse Midwives (practicing as midwives)~~
Chiropractors
Clinical Pharm D
Clinical Psychologists
Dentists
Moonlighting Residents
Optometrists
Podiatrists
Speech-Language Pathologist

APPENDIX B
Those individuals currently practicing as Category II practitioners at the Hospital are as follows:

Certified Nurse Midwives (practicing as midwives)
Certified Nurse Practitioners
Certified Registered Nurse Anesthetists
Medical Dosimetrists
Medical Physicists
Neurophysiology Monitoring Technicians
Physician Assistants
Radiation Therapy Technicians
Sexual Assault Nurse Examiners (SANE)

APPENDIX C
Those individuals currently practicing as Category III practitioners at the Hospital are as follows:

Optometry Technicians
Patient Care Technicians
Registered Nurses
Scrub Techs
~~Speech Therapists~~

University of South Alabama

2020-2021 Tuition & Fees

Start South Dual Enrollment

Tuition Decrease

Student Classification	Current tuition	Proposed tuition	Change
	2019-2020	**2020-2021**	
Start South Dual Enrollment	$329/credit hr.	$166/credit hr.	**-$163/credit hr.**

2020- 2021 Proposed Semester Meal Plan Rates

	Meal Plan Type	2019-2020 Current Rate	2020-2021 Proposed Rate	Difference
Freshmen and above	All Access Pass with $175 Bonus Bucks	$1,850	$1,900	$50
	All Access Pass with $300 Bonus Bucks	$1,975	$2,025	$50
	All Access Pass with $450 Bonus Bucks	$2,130	$2,180	$50
Sophomore and above	10 Meals Per Week with $500 Bonus Bucks	$1,850	$1,900	$50
Junior and above	7 Meals Per Week with $100 Bonus Bucks	$1,035	$1,085	$50
	$1400 Bonus Bucks	$1,400	$1,400	$0

PROPOSED

FRESHMAN ON-CAMPUS HOUSING REQUIREMENT

Overview

The University of South Alabama is committed to providing students with a vibrant, comprehensive and successful undergraduate student experience. National studies show that students who live on campus are more successful, have higher grade point averages, are more engaged, and have higher rates of retention and graduation. This is true for students who live on campus at the University of South Alabama.

Data from USA's Office of Institutional Research suggests that students who live in University Housing at South Alabama have higher grade point averages, have a higher rate of first to second year retention and are more likely to graduate within six years (national average). Additionally, results from the Annual Resident Student Satisfaction Survey indicate students who live on campus report a greater sense of belonging on campus and to college life.

Therefore, in an effort to enhance student success and the undergraduate student experience as well as improve student retention and graduation rates, the University of South Alabama will require first-time, full-time freshmen to live on campus in university housing beginning in fall semester 2021.

Policy

Beginning in fall 2021, first-time freshmen who are enrolled in 12 or more hours and graduated from high school within the preceding 12 months of enrolling to the University are required to live on campus in university housing.

Exceptions will be made for students meeting the following criteria:

*Commute from the permanent residence of a parent, grandparent, or legal guardian
*Military veteran
*Married and/or have dependent child(ren) in residence

Students who first enroll in the **summer** are required to live in the residence halls for the **summer, fall, and spring semesters** during their first year attending the University

Students who first enroll in the **fall** are required to live in the residence halls for **fall and spring semesters** during their first year attending the University.

Students who first enroll in the **spring** semester are required to live in the residence halls for the **spring** semester during their first year attending the University.

Residency Exception:

- Should be requested in writing and will be reviewed by a committee of University officials. Students will be notified of the committee decision through their JagMail email account.
- Will be granted in other well documented circumstances. Students for whom the policy presents an undue hardship should provide compelling evidence of such circumstances.
- Can be appealed to the Associate Vice President of Student Academic Success or the appropriate designee.

EXHIBIT I

Form of Revolving Line of Credit Agreement

REVOLVING LINE OF CREDIT AGREEMENT

This **REVOLVING LINE OF CREDIT AGREEMENT** (this "Agreement") is dated June 11, 2020 and is between **HANCOCK WHITNEY BANK**, a Mississippi state chartered bank (the "Lender") and the **UNIVERSITY OF SOUTH ALABAMA** (the "Borrower").

RECITALS:

WHEREAS, the Borrower has requested the Lender to establish a revolving line of credit (the "Line of Credit") for the Borrower to provide funds for lawful needs of the Borrower; and

WHEREAS, the Revolving Credit Loan will be evidenced by the Borrower's $50,000,000 Revolving Line of Credit Promissory Note, the form of which is set forth on ***Exhibit A*** hereto (together with any and all renewals, amendments, modifications of extensions thereof, "Line of Credit Note"), issued pursuant to this Agreement; and

WHEREAS, Lender is willing to provide Borrower with a revolving line of credit on the terms and conditions hereinafter set forth.

NOW THEREFORE, in consideration of the premises and the mutual covenants contained herein, Lender and Borrower agree as follows:

1. **The Revolving Line of Credit; Interest**

(a) Revolving Advances.

(1) Prior to the Revolving Credit Maturity Date (as hereinafter defined), and subject to and upon compliance with all applicable terms and conditions of this Agreement, and so long as no Event of Default shall have occurred and be continuing hereunder or an Other Facility Event of Default (as hereinafter defined) shall have occurred and be continuing, the Lender shall make advances of funds representing principal proceeds of the Revolving Credit Loan and the Line of Credit Note ("Revolving Advances") as directed by any Authorized Borrower Representative, by delivery to the Lender of a request in the form of ***Exhibit B*** attached hereto (a "Revolving Advance Requisition"), in an aggregate principal amount outstanding at any one time not to exceed fifty million and no/100 dollars ($50,000,000) (the "Revolving Credit Limit").

(2) Except to the extent that funding of Revolving Advances is being administered through an automated cash management system mutually approved by the Borrower and the Lender, each Revolving Advance shall be made upon not less than two (2) Business Days' notice from the Borrower to the Lender.

(3) Prior to the Revolving Credit Maturity Date, and subject to and upon compliance with all applicable terms and conditions of this Agreement, and so long as no Event of Default has occurred and is continuing hereunder, amounts advanced in respect of the Revolving Credit Loan and subsequently repaid may be reborrowed as long as the aggregate principal amount outstanding at any one time does not exceed the Revolving Credit Limit.

(4) The indebtedness of the Borrower to the Lender under the Revolving Credit Loan shall be evidenced by the Line of Credit Note.

(5) By reason of prepayments there may be times when no indebtedness is owing under the Line of Credit Note, and notwithstanding any such occurrence, the Line of Credit Note shall remain valid and shall be in full force and effect as to each subsequent principal Revolving Advance made thereunder.

(b) Interest.

(1) Interest shall accrue in respect of the outstanding principal balance of the Revolving Credit Loan at the Applicable Rate in effect from time to time.

(2) The Applicable Rate shall be determined on each Interest Rate Adjustment Date, and the Applicable Rate as determined on any Interest Rate Adjustment Date shall become effective on such Interest Rate Adjustment Date and shall remain in effect until the then next succeeding Interest Rate Adjustment Date.

(3) Interest shall be computed on the basis of a 360-day year, applied to the actual number of days upon which principal is outstanding, by multiplying the principal amount outstanding and the applicable rate by the actual number of days elapsed, and dividing the resulting product by 360, from the date hereof until the maturity hereof shall be computed at the Applicable Rate.

(4) After maturity, whether that maturity results from acceleration or otherwise, interest shall, to the extent permitted by applicable law, accrue at the Default Rate, as hereinafter defined. Additionally, upon and at all times after the occurrence of any Event of Default hereunder respecting a payment delinquency or covenant breach until such Event of Default has been cured, interest shall, to the extent permitted by applicable law, accrue at a rate of three hundred basis points (3.00%) in excess of the rate then otherwise in effect (the "Default Rate"), but in no event higher than 18% per annum or the maximum rate permissible under applicable law, whichever is less.

(c) Repayment.

The Borrower shall pay to the Lender:

(1) Except to the extent that repayment of the Revolving Credit Loan is being administered through an automated cash management system mutually approved in writing by the Borrower and the Lender, on the first day of each month until the Revolving Credit Maturity Date, the unpaid interest accrued in respect of the Revolving Credit Loan;

(2) On the Revolving Credit Maturity Date, the entire outstanding principal balance of the Revolving Credit Loan plus all accrued and unpaid interest thereon and any unpaid fees or expenses due and owing to the Lender; and

(3) On the next Business Day, that portion of the amount of the Line of Credit Note then still owed by the Borrower, if any.

(d) Records of Lender Determinative. The amount from time to time outstanding under the Line of Credit Note and each payment on the Line of Credit Note shall be evidenced by entries in the Lender's internal records, which shall be conclusive evidence absent manifest error of (a) the amount of principal and interest owing on the Line of Credit Note from time to time; (b) the amount of each Revolving Advance honored by the Lender under the Line of Credit Note; and (c) the amount of each principal and/or interest payment received by the Lender under the Line of Credit Note. The failure of the Lender to make

an accurate entry of advances and payments shall not limit or otherwise affect the obligation of the Borrower to repay funds actually advanced by the Lender under the Line of Credit Note. Any loan or advance shall be conclusively presumed to have been made under the terms of the Line of Credit Advance to or for the benefit of the Borrower when made in accordance with the terms of this Agreement, or when said advances are deposited to the credit of the account of the Borrower with the Lender regardless of the fact that persons other than those authorized hereunder may have authority to draw against such account. Lender shall provide to the Borrower reasonable statements and information reflecting Lender's determination of the dates that Revolving Advances are honored, dates and amounts of payments of interest and principal paid by Borrower, and of Lender's calculations respecting outstanding and payable under the Line of Credit Note.

(e) Line of Credit Note Enforceable for Amount of Revolving Advances. The Line of Credit Note shall be valid and enforceable as to the principal amount of the Line of Credit Note advanced at any time hereunder whether or not the full face amount thereof is advanced.

(f) Prepayment. The Borrower may prepay all or any part of the principal of the Line of Credit Note, with interest on the amount prepaid to the prepayment date, at any time, without premium or penalty.

2. Requests for Advances; Honoring of Revolving Advances by Lender.

(a) Revolving Advances. Lender will, from time to time, at the request of the Borrower as hereinafter set forth, make advances on the Revolving Credit Loan (each, a "Revolving Advance"), except that no Revolving Advance will be made with respect thereto if there has been an Event of Default (as hereinafter defined) which is continuing or if, immediately after such Revolving Advance, the outstanding principal balance of the Line of Credit would exceed the Revolving Credit Limit.

(b) Revolving Advances under the Line of Credit will be made by Lender into the depository account of Borrower with Lender (the "Depository Account"). The Depository Account may be changed from time to time pursuant to a written instrument between Lender and an Authorized Borrower Representative (as hereinafter defined). Each Revolving Advance under the Line of Credit shall be requested in writing by Borrower by providing Lender a Revolving Advance Requisition. A Revolving Advance shall be deemed properly requested upon delivery by Borrower to Lender of the Revolving Advance Requisition for such Revolving Advance. The Lender shall honor each request for a Revolving Advance properly submitted through delivery of a Revolving Advance Requisition by depositing the amount of such Advance into the Depository Account in same day funds not later than 12:00 noon, Mobile, Alabama time, on the first Business Day immediately following the Business Day on which the request for such Revolving Advance is received by the Lender. A Revolving Advance shall be deemed honored by the Lender on such date as the full amount of such Revolving Advance is deposited into the Depository Account and available for withdrawal by the Borrower. As used herein, "Authorized Borrower Representative" shall mean the President of the University of South Alabama (the "University"), the Vice President for Finance and Administration of the University, the Treasurer of the University, and any other officer of the University authorized in writing by any of the foregoing to act as an Authorized Borrower Representative; "Business Day" shall mean each day other than a Saturday, a Sunday, or any holiday on which Lender is closed for business.

3. Revolving Credit Loan Fees.

(a) On the first calendar day of each Quarter during the term of this Agreement, commencing August 1, 2020, the Borrower will pay the Lender a fee (the "Unused Fee") in an amount equal to the

Available Rate times the average undrawn portion of the amount available under the Revolving Credit Loan during the immediately preceding Quarter (the "Average Undrawn Charge"), divided by 4; provided, for the Quarter during which the Revolving Credit Maturity Date occurs:

(1) If the Revolving Credit Maturity Date occurs on the last calendar day of a Quarter, then the Unused Fee for such Quarter shall be due and payable on the Revolving Credit Maturity Date and shall be in an amount as shall be equal the Average Undrawn Charge for such Quarter divided by 4; or

(2) If the Revolving Credit Maturity Date occurs on a day other than the last calendar day of a Quarter, the Unused Fee for such Quarter shall be due and payable on the Revolving Credit Maturity Date and shall be in an amount as shall be equal to the product of (I) the Average Undrawn Charge for such Quarter divided by 365, times (II) the actual number of days from the start of such Quarter through the Revolving Credit Maturity Date.

(b) As used herein, "Available Rate" shall mean, on each date of determination, 15 basis points (0.15%).

(c) Anything in the foregoing to the contrary notwithstanding, whether express or implied, in no event shall the Unused Fee exceed $75,000 per year.

4. Conditions Precedent.

Upon the execution and delivery of this Agreement and the Line of Credit Note, Lender shall have received the following from Borrower:

(a) A duly signed copy of this Agreement and the Line of Credit Note, and a certified copy of the resolution of the governing body of the Borrower authorizing the Borrower to enter into the Line of Credit; and

(b) An opinion from the General Counsel of the University in the form attached hereto as ***Exhibit C***.

Notwithstanding any other provision of this Agreement, Lender shall have no obligation to make the Initial Revolving Advance unless and until it has received the items described in this Section 3.

5. Representations.

Borrower represents to Lender as of the date hereof and as of the date of each Revolving Advance, that:

(a) Organization. Borrower is a public body corporate and an instrumentality of the State of Alabama. Borrower has the full power and authority to own its properties and to transact the business in which it is presently engage. Borrower maintains an office at 307 University Blvd., A.D. 170, Mobile, Alabama 36688. Unless Borrower has designated otherwise in writing, the principal office is the office at which Borrower keeps its books and records. Borrower will notify Lender prior to any change in the location of Borrower's state of organization or any change in Borrower's name. Borrower shall do all things necessary to preserve and to keep in full force and effect its existence, rights and privileges, and shall comply with all regulations, rules, ordinances,

statutes, orders and decrees of any governmental or quasi-governmental authority or court applicable to Borrower and Borrower's business activities.

(b) Assumed Business Names. Borrower has filed or recorded all documents or filings required by law relating to all assumed business names used by Borrower. Excluding the name of Borrower, the following is a complete list of all assumed business names under which Borrower now does business: "USA Health".

(c) Authorizations. Borrower's execution, delivery and performance of this Agreement and all the documents and instruments executed in connection therewith, have been duly authorized by all necessary action by Borrower, do not require consent or approval of any person, regulatory authority, or governmental body, and do not conflict with, or result in a violation of, or constitute a default under any agreement or other instrument binding upon Borrower or any law, governmental regulation, court decree, or order applicable to Borrower or to Borrower's properties. Borrower has the power and authority to enter into the Line of Credit Note and all other documents or instruments in connection with the Line of Credit. Borrower has the further power and authority to own and to hold all of Borrower's assets and properties, and to carry on Borrower's business as presently conducted.

(d) Financial Information. Each of Borrower's financial statements supplied to Lender truly and completely disclose Borrower's financial condition as of the date of the statement and, other than the COVID-19 Disclosure, there has been no material adverse change in Borrower's financial condition subsequent to the date of the most recent financial statement supplied to Lender. Borrower has no material contingent obligations except as disclosed in such financial statements. As used herein, "COVID-19 Disclosure" means the negative impact and changes in the business, Property, liabilities (actual and contingent), operations or condition (financial or otherwise), and results of operations, of the Borrower and any of its affiliates or related entities due to or resulting from the outbreak of COVID-19 and resulting economic and other consequences, including recent decreases in the investment portfolio; and "Property" means any interest in any kind of property or asset, real, personal, or mixed, or tangible or intangible, and wherever situated.

(e) Legal Effect. This Agreement constitutes, and any instrument or agreement Borrower is required to give under this Agreement when delivered will constitute, legal, valid, and binding obligations of Borrower enforceable against Borrower in accordance with their respective terms.

(f) Litigation and Claims. No litigation, claims, investigations, administrative proceedings or similar actions (including those for unpaid taxes) against Borrower is pending or, to the actual knowledge of Borrower, threatened, and no other event has occurred which may materially adversely affect Borrower's financial condition or properties, other than litigation, claims, or other events, if any, that have been disclosed to and acknowledged by Lender in writing

(g) Taxes. To the best of Borrower's knowledge, all of Borrower's tax returns and reports that are or were required to be filed, have been filed, and all taxes assessments and other government charges have been paid in full, except those presently being or to be contested by Borrower in good faith in the ordinary course of business and for which adequate reserved have been provided.

(h) Binding Effect. This Agreement, the Line of Credit Note, and all other documents or instruments executed by Borrower in connection with the Line of Credit are binding upon the

Borrower, as well as upon its successors and assigns, and are legally enforceable in accordance with their respective terms.

(i) Commercial Purposes. Borrower intends to use the Line of Credit proceeds solely for its institutional purposes, including without limitation payment of operating expenses of the Borrower.

(j) Investment Company Act. Borrower is not an "investment company" or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended.

(k) Public Utility Holding Company Act. Borrower is not a "holding company", or a "subsidiary company" of a "holding company", within the meaning of the Public Utility Holding Company Act of 1935, as amended.

(l) Regulations T and U. Borrower is not engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulations T and U of the Board of Governors of the Federal Reserve System).

(m) Information. All information previously furnished, or which is now being furnished, by Borrower to Lender for the purposes of, or in connection with, this Agreement or any transaction contemplated by this Agreement is, and all information furnished by or on behalf of Borrower to Lender in the future will be, true and accurate in every material respect on the date as of which such information is dated or certified.

(n) Claims and Defenses. There are no defenses or counterclaims, offsets or other adverse claims, demands or actions of any kind, personal or otherwise, that Borrower could assert with respect to the Line of Credit Note, the Line of Credit, or this Agreement or any document or instrument executed in connection therewith.

6. Affirmative Covenants.

For so long as (i) any portion of any of the Line of Credit remains unsatisfied; (ii) Lender has any obligation to make advances under the Line of Credit; or (iii) all renewals, extensions, or modifications of the indebtedness referred to in the foregoing clauses, or any part thereof (all of the foregoing is hereinafter referred to as the "Obligations") have not been satisfied, Borrower will (unless Lender shall otherwise consent in writing) do each of the following:

(a) Financial Statements. Borrower shall deliver to Lender (i) on the earlier to occur of (a) one hundred fifty (150) days after the close of each fiscal year of Borrower or (ii) five (5) days after receipt of the same from Borrower's certified public accountants, a copy of the Borrower's audited financial statement, prepared in accordance with United States generally accepted accounting principles ("GAAP") and audited in accordance with the standards applicable to financial audits contained in the Governmental Auditing Standards issued by the Comptroller General of the United States, consisting of a Statement of Net Position; Statement of Revenues, Expenses, and Changes in Financial Position; and a Statement of Cash Flows; (ii) within ninety (90) days of the end of each fiscal quarter of Borrower, a copy of Borrower's internally prepared financial statements, prepared in accordance with GAAP; (iii) within fifteen days of the filing of the same, copies of all tax returns filed by Borrower with any governmental agency; and (iv) any

such other information concerning the business, properties or financial condition of Borrower as Lender shall reasonably request in writing

(b) Repayment. Borrower will repay the Line of Credit in accordance with the terms of the Line of Credit Note and the terms of this Agreement.

(c) Tax Returns. Borrower will file, within the time required to be filed, as extended by any applicable extensions granted to Borrower, all tax returns required to be filed by Borrower with any governmental agency;

(d) Notice of Default. Borrower will, immediately upon becoming aware of the existence of any condition or event that constitutes a default or would become a default or an Event of Default hereunder or with respect to any indebtedness of Borrower to any other lender, provide Lender with written notice specifying the nature and period of existence thereof and the action which Borrower is taking or proposes to take with respect thereto.

(e) Notices of Claims and Litigation. Borrower will notify Lender of Borrower's actual knowledge of (i) any material adverse change in its financial condition or business, (ii) any default under any material agreement, contract or other instrument to which Borrower is a party or under which any of its properties are bound, or any acceleration of the maturity of any indebtedness or liability owing by Borrower, (iii) any material adverse claim against or affecting Borrower and (iv) the commencement of, or any material determination in, any litigation with any third party or any proceeding before any governmental entity affecting Borrower at such time as Borrower reasonable determines the same could have a materially adverse impact upon its financial finances or ability to timely pay debt service on the Line of Credit Note.

(f) Financial Records. Borrower will maintain complete and accurate books and records of its transactions in accordance with generally accepted accounting practices and, after not less than two Business Days' prior written notice from Lender, give representatives of Lender access during normal business hours of the Borrower to examine and take written notes from any and all books, records and documents in Borrower's possession that are not subject to confidentiality agreements or other limitations on disclosure to third parties; provided, such access shall in no way interfere with the administrative or business operations of Borrower.

(g) Additional Information. Borrower will furnish such additional information and statements as Lender may reasonably request from time to time.

(h) Insurance. Borrower will maintain reasonable fire and other risk insurance, public liability insurance, and other insurance with respect to Borrower's properties and operations as it reasonably deems fit for its normal and customary operations.

(h) Performance. Perform and comply, in a timely manner, with all material terms, conditions and provisions set forth in this Agreement and in any document or instrument executed in connection with this Agreement.

(j) Loan Proceeds. Borrower will use all Revolving Advances of the Line of Credit solely for payment of operating expenses of the Borrower, unless otherwise agreed in writing by the Lender.

(k) Performance. Perform and comply, in a timely manner, with all material terms, conditions and provisions set forth in this Agreement and in any document or instrument executed in connection with this Agreement.

(l) Operations. Borrower will maintain executive and management personnel with substantially the same qualifications and experience as the present executive and management personnel and will conduct its business affairs in a reasonable and prudent manner.

(m) Compliance with Governmental Requirements. Borrower will comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the conduct of Borrower's properties, businesses and operations, including without limitation, the Americans with Disabilities Act.

(n) Change of Location. Borrower will immediately notify Lender in writing of any additions to or changes in the primary location of Borrower's businesses (*i.e.*, the campus of the University of South Alabama located in Mobile, Alabama).

(o) Annual Budget. Not later than five (5) days prior to the start of Borrower's fiscal year, Borrower shall deliver to Lender a copy of Borrower's budget for such fiscal year.

(p) Compliance Certificates. Not later than five (5) days after delivery of any financial covenant or other covenant compliance certificate to a creditor of Borrower, Borrower shall deliver the same to Lender.

7. Negative Covenants.

For so long as any of the Obligations remain outstanding, Borrower shall not do any of the following:

(a) Continuity of Operations. Borrower will not engage is any business activities substantially different than those in which Borrower is presently engaged.

(b) Agreements. Borrower will not enter into any agreement containing any provisions which would be violated or breached by the performance of Borrower's obligations under this Agreement or in connection herewith.

(c) Use of Proceeds. Borrower will not use any proceeds of the Line of Credit for any purpose other than payment of operating expenses of the Borrower without the prior written consent of the Lender.

8. Events of Default.

An "Event of Default" shall exist if any one or more of the following events (herein collectively called "Events of Default") occurs and is continuing:

(a) Payment Default. Borrower shall fail to pay the Obligations or any part thereof when due.

(b) False Statement. Any material representation made by Borrower under or in this Agreement or any document relating hereto or in any certificate or statement furnished or made respecting the financial condition of Borrower to Lender in connection with the Line of Credit

proves to be untrue or inaccurate in any material respect as of the date on which such representation is made.

(c) Covenant Breach. Default in the performance of, or breach of, any of the covenants or agreements of Borrower contained in this Agreement or in any document relating hereto (other than a breach of a payment covenant) occurs and continues for more than thirty (30) days after written notice of default by Lender to Borrower or, if said default cannot be cured within thirty (30) days, if Borrower fails to commence curing said default within thirty (30) days after written notice of default by Lender to Borrower or fails to diligently pursue curing said default.

(d) Default with Lender. An event of default occurs in the payment of any material indebtedness of Borrower owed to the Lender for which Lender has a right of acceleration and immediate payment from Borrower, and Lender exercises such right.

(e) Invalidity of This Agreement or the Line of Credit Note. In the event that this Agreement or the Line of Credit Note ceases to be a legal, valid and binding agreement enforceable against Borrower in accordance with the respective terms thereof or in any way is terminated or becomes or is declared ineffective or inoperative or in any way whatsoever ceases to give or provide the respective liens, security interests, rights, titles, interests, remedies, powers of privileges intended to be created thereby.

(f) Insolvency. Borrower (i) applies for or consents to the appointment of a receiver, trustee, custodian, intervenor or liquidator of itself or of all or a substantial part of its assets, (ii) files a voluntary petition in bankruptcy, admits in writing that it is unable to pay its debts as they become due or generally does not pay its debts as they become due, (iii) makes a general assignment for the benefit of creditors, (iv) files a petition or answer seeking reorganization or an arrangement with creditors or takes advantage of any bankruptcy, receivership, or insolvency laws, or (v) files an answer admitting the material allegations of, or consents to, or defaults in answering, a petition filed against Borrower in any bankruptcy, reorganization or insolvency proceeding;

(g) Involuntary Proceedings. If an involuntary petition or complaint is filed seeking bankruptcy or reorganization of Borrower or the appointment of a receiver, custodian, trustee, intervenor or liquidator of Borrower, or of all or substantially all of the assets of Borrower and such petition or complaint is not dismissed within thirty (30) days of the filing thereof, or an order, order for relief, judgment or decree is entered by any court of competent jurisdiction or other competent authority approving a petition or complaint seeking reorganization of Borrower or appointing a receiver, custodian, trustee, intervenor or liquidator of Borrower, or of all or substantially all of the assets of Borrower.

9. Remedies.

If an Event of Default occurs and is continuing, then Lender may exercise any one or more of the following rights and remedies, and any other remedies provided in this Agreement or in any document relating hereto as Lender, in its sole discretion, may deem necessary or appropriate:

(a) declare the Obligations to be forthwith due and payable, whereupon the same shall forthwith become due and payable without presentment, demand, protest, notice of default, notice of acceleration or of intention to accelerate or other notice of any kind, all of which Borrower hereby expressly waives, anything contained herein or in any of the document relating hereto to the contrary notwithstanding,

(b) refuse to honor any request for additional Revolving Advances under the Line of Credit Note, and/or

(c) reduce any claim to judgment, and/or without notice of default or demand, pursue and enforce any of Lender's rights and remedies hereunder or under any document relating hereto, or otherwise provided under or pursuant to any applicable law or agreement, provided however, that if any Event of Default specified in subparagraphs (f), or (g) of Section 8 above occurs, the Obligations shall thereupon become due and payable concurrently therewith, and Lender's obligations to lend will immediately terminate hereunder, without any further action by Lender and without presentment, demand, protest, notice of default, notice of acceleration or of intention to accelerate or other notice of any kind, all of which Borrower hereby expressly waive.

10. Right to Perform.

If Borrower fails to perform any covenant, duty, or agreement contained herein or in any document relating hereto, Lender may perform or attempt to perform such covenant, duty or agreement on behalf of Borrower. In such event, Borrower will, at the request of Lender, promptly pay any amount expended by Lender in such performance or attempted performance to Lender, together with interest on any such amount from the date of such expenditure until the same is paid, at the rate of interest of two percent (2.00%) in excess of the non-default interest rate applicable to the Loan. Notwithstanding the foregoing, it is expressly understood that Lender does not assume:

(a) any liability or responsibility for the performance of any duties of Borrower hereunder or under any document relating hereto, or

(b) any other control over the management and affairs of Borrower.

11. No Oral Modifications, Etc.

Neither this Agreement nor any provision hereof may be changed, modified, waived, discharged or terminated orally, except by an instrument in writing signed by the party against whom enforcement of the change, waiver, discharge or termination is sought. Any such change, waiver, modification, discharge or termination shall operate only to the extent specified therein and shall not extend beyond any particular matter specifically set forth therein.

12. Further Assurances.

Borrower shall from time to time upon request of Lender execute and deliver to Lender such other documents and instruments as Lender shall reasonably request.

13. Assignment by Lender.

The Lender may from time to time enter into a participation agreement or agreements with one or more participants pursuant to which such participant or participants shall be given participation in the Line of Credit Note, and such participants may from time to time similarly grant to other participants sub-participation in the Line of Credit; provided, Borrower shall not be required to remit payments of debt service on the Line of Credit Note to anyone other than the single registered holder of the Line of Credit Note. Lender covenants and agrees that any assignment or transfer by Lender of the Loan Agreement or Line of Credit Note shall be done strictly in accordance with federal or state securities laws, and, without limiting the generality of the foregoing portion of this sentence, only to an "accredited investor" as defined

in Rule 501 of Regulation D under the Securities Act of 1933, as amended (the "Securities Act"), or a "qualified institutional buyer" under Rule 144A of the Securities Act. On the date of its receipt of the Line of Credit Note Lender shall deliver to Borrower a letter in the form of ***Exhibit D*** hereto.

14. Binding Effect.

This Agreement, the Line of Credit Note and any and all documents or instruments executed in connection with the Line of Credit shall be binding upon and inure to the benefit of Borrower and Lender and their respective successors, assigns and legal representatives; provided, however, that Borrower may not, without the written consent of Lender, assign any rights, powers, duties or obligations of any said documents

15. Offset.

Borrower hereby grants to Lender the right of offset, to secure the Line of Credit Note and the obligations of Borrower under this Agreement upon any and all moneys, securities or other property of Borrower, and the proceeds therefrom, now or hereafter held or received or in transient to Lender or any of its agents from or for the account of Borrower, whether for safe keeping, custody, pledge, transmission, collection, or otherwise, and also upon any and all deposits, whether general, specific, or special, and credits of Borrower, and any and all claims of Borrower, against Lender existing at any time.

16. Waiver of Jury Trial

BORROWER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY AGREES THAT:

(a) BORROWER, NOR ITS LEGAL REPRESENTATIVES, SUCCESSORS OR ASSIGNS, SHALL SEEK A JURY TRIAL IN ANY LAWSUIT, PROCEEDING, COUNTERCLAIM, CROSS-CLAIM OR OTHER ACTION OR PROCEEDING ARISING FROM OR BASED UPON THIS LOAN AGREEMENT OR ANY OF THE DOCUMENTS EXECUTED IN CONNECTION THEREWITH.

(b) BORROWER, NOR ITS LEGAL REPRESENTATIVES, SUCCESSORS OR ASSIGNS, SHALL SEEK TO CONSOLIDATE ANY CLAIM AS TO WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY CLAIM IN WHICH A JURY TRIAL HAS NOT BEEN OR CANNOT BE WAIVED.

(c) THE PROVISIONS OF THIS SECTION 16 HAVE BEEN FULLY NEGOTIATED BY THE PARTIES HERETO, AND THESE PROVISIONS SHALL BE SUBJECT TO NO EXCEPTIONS.

(d) NEITHER LENDER NOR ANY OFFICER, EMPLOYEE, ATTORNEY, AGENT OR OTHER REPRESENTATIVE OF LENDER HAS IN ANY WAY AGREED WITH OR REPRESENTED TO BORROWER OR ANY OF THE OTHER OBLIGORS THAT THE PROVISIONS OF THIS SECTION 16 WILL NOT BE FULLY ENFORCED IN ALL INSTANCES.

(e) THIS SECTION 16 IS A MATERIAL INDUCEMENT FOR LENDER TO ENTER INTO THE LOAN AND OTHER TRANSACTIONS EVIDENCED OR SECURED BY THIS LOAN AGREEMENT AND THE LOAN DOCUMENTS.

17. Headings.

Section headings and numbers are for convenience of reference only and shall in no way affect the interpretation of this Agreement.

18. Invalid Provisions.

If any provision of this Agreement, the Line of Credit Note or any other instrument or document executed in connection with the Line of Credit is held to be illegal, invalid or unenforceable, such provision shall be fully severable and the remaining provisions of the instrument in which such provision was located shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from the document.

19. Non-waiver, Modifications, etc.

Neither any failure nor any delay in exercising, on the part of Lender, any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights of Lender hereunder and all rights of Lender under any document relating hereto shall be in addition to all other rights provided by law. All modifications, consents, amendments or waivers of any provision of this Agreement or of any document relating hereto, or consent to any departure therefrom, shall be effective only if the same are in writing signed by the party against whom enforcement of such modification, consent, amendment, or waiver is sought and then will be effective only in the specific instance and for the purpose for which given. No notice or demand given in any case will constitute a waiver of the right to take other action in the same, similar or other instances without such notice or demand.

20. Notices.

Any notices or other communications required or permitted to be given by this Agreement or any other documents and instruments referred to herein must be

(a) given in writing and personally delivered or mailed by prepaid United States mail, or

(b) made by courier, overnight delivery service or telecopier or telex delivered or transmitted, to the party to whom such notice of communication is directed as follows: to Borrower at 307 University Blvd., AD 170, Mobile, Alabama 36688 or to Lender at 25 North Beltline Highway West, Mobile, Alabama 36608, Attn. Commercial Lending. Any such notice or other communication shall be deemed to have been given on the day it is received. Any party may change its address for purposes of this Agreement by giving notice of such change to the other parties pursuant to this paragraph.

21. Applicable Law.

This Agreement shall be governed by and construed in accordance with the laws of the State of Alabama, and if any provision of this Agreement or of any document relating hereto is held to be illegal, invalid or unenforceable under present or future laws during the term of this Agreement, such provisions shall be fully severable and the remaining provisions of such document shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from such document.

22. Relationship Between Borrower and Lender; Role of the Lender.

(a) The relationship between Borrower and Lender is, and shall at all times remain, solely that of borrower and lender, and Lender neither undertakes nor assumes any responsibility or duty to Borrower to review, inspect, supervise, pass judgment upon, or inform Borrower of any matter in connection with any phase of the businesses, operations, or condition, either financial or otherwise, of Borrower. There is not and shall not be deemed to be a fiduciary relationship between Lender and Borrower and nothing contained in this Agreement or in any document relating hereto shall be deemed to create a partnership or joint venture between Lender and Borrower. Borrower will rely entirely upon their own judgment with respect to such matters, and any review, inspection, supervision, exercise of judgment, or information supplied to Borrower by Lender in connection with any such matter is for the protection of Lender, and neither Borrower nor any third party is entitled to rely thereon.

(b) The Lender and its representatives are not registered municipal advisors and do not provide advice to municipal entities or obligated persons with respect to municipal financial products or the issuance of municipal securities (including regarding the structure, timing, terms and similar matters concerning municipal financial products or municipal securities issuances) or engage in the solicitation of municipal entities or obligated persons for the provision by non-affiliated persons of municipal advisory services and/or investment advisory services.

(c) With respect to this Agreement and the Line of Credit Note, and any other information, materials or communications provided by the Lender: (a) the Lender and its representatives are not recommending an action to any municipal entity or obligated person; (b) the Lender and its representatives are not acting as an advisor to any municipal entity or obligated person and do not owe a fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to any municipal entity or obligated person with respect to this Agreement, information, materials or communications; (c) the Lender and its representatives are acting for their own interests; and (d) the Borrower has been informed that the Borrower should discuss this Agreement and any such other information, materials or communications with any and all internal and external advisors and experts that the Borrower deems appropriate before acting on this Agreement or any such other information, materials or communications.

(d) The Borrower acknowledges and agrees that the Lender is entering this Agreement and acquiring the Line of Credit Note in evidence of a privately negotiated loan and in that connection the Line of Credit Note shall not be (i) assigned a separate rating by any municipal securities rating agency, (ii) registered with The Depositary Trust Company or any other securities depository, (iii) issued pursuant to any type of offering document or official statement, or (iv) assigned a CUSIP number by Standard & Poor's CUSIP Service.

23. Entire Agreement.

This Agreement and the documents referred to herein embody the entire agreement between the parties and supersede all prior or contemporaneous agreements and understandings, if any, relating to the subject matter hereof and thereof.

24. Survival of Representations.

All representations made by Borrower in this Agreement or any document relating hereto shall survive the execution and delivery thereof and the making of the loan described herein.

25. No Third Party Beneficiaries.

The parties do not intend the benefits of this Agreement to inure to the benefit of any third party nor shall this Agreement be construed to make or render Lender liable to any materialman, supplier, contractor, subcontractor, purchaser or lessee of any property owned by Borrower or for debts or claims accruing to any such persons against Borrower. Notwithstanding anything contained herein or in any document relating hereto, neither any such document nor any conduct or course of conduct by any or all of the parties hereto, before or after signing, shall be construed as creating any right, claim or cause of action against Lender, or any of its officers, directors, agents or employees, in favor of any materialman, supplier, contractor, subcontractor, purchaser of lessee of any property owned by Borrower or in favor of any other person or entity.

26. Fees and Expenses.

Borrower agrees to pay all reasonable attorney's and paralegal's fees and expenses, and all other costs and expenses incurred by Lender in connection with the negotiation and preparation of this Agreement and the Line of Credit Note, up to not more than $5,000.

27. Waiver.

Borrower waives presentment, demand, protest, notice of dishonor, notice of demand or intent to demand, notice of acceleration or intent to accelerate, and all other notices.

28. Certain Defined Terms.

The following terms shall have the following meanings:

(a) "Applicable Rate" means a variable per annum rate of interest equal to the LIBOR Rate (or, if applicable, the rate Replacement Index), plus the Spread, as determined on each Interest Rate Adjustment Date and as adjusted from time to time.

(b) "Business Day" means any day other than a Saturday, a Sunday, or a day on which banks are authorized to be closed under general law or regulation applicable in the place where the Lender performs its business with respect to this Agreement and the Line of Credit Note.

(c) "Interest Rate Adjustment Date" means (a) the date of delivery of the Line of Credit Note, (b) with respect to the determination of the Applicable Rate based upon the LIBOR Rate (i) the first day of each month and (ii) the effective date of any change in the applicable reserve requirements or regulatory costs with respect thereto.

(d) "LIBOR Business Day" means a day on which the office of the Lender at which payments under the Line of Credit Note are to be made is open for business and on which dealings in Dollar deposits are carried out in the London interbank market.

(e) "LIBOR Rate" means the One Month London InterBank Offered Rate in U.S. Dollars as calculated and published by the Intercontinental Exchange Benchmark Administration Ltd. ("ICE," or the successor thereto if ICE is no longer making a London Interbank Offered Rate available) and in effect on the first day of each calendar month. The LIBOR Rate shall be obtained by Lender from an intermediary rate reporting source such as Bloomberg, L.P. or other authoritative rate reporting source as selected by

Lender, and is based on an average of interbank offered rates for one month deposits in U.S. Dollars based on quotes from designated banks in the London market. Notwithstanding anything in the Line of Credit Note to the contrary, if the LIBOR Rate as reported by Bloomberg, L.P or other rate reporting source is less than one, then it shall be deemed to be one percent (1.00%). The LIBOR Rate shall be determined as of the first day of each month. If an announcement has been made that the LIBOR Rate will be discontinued during the term of the Line of Credit Note or if the LIBOR Rate is officially discontinued, no longer available, or deemed by Lender in its reasonable discretion to no longer qualify as a valid reference rate during the term of the Line of Credit Note (an "Index Discontinuance Event"), then Lender reserves the right to select a Replacement Index.

(f) "Other Facility Event of Default" shall mean a default occurs in the payment of any material indebtedness or liability of Borrower, whether to Lender or some other party, or default occurs in respect of any note, loan agreement, indenture, or credit agreement relating to any such indebtedness or liability and such default continues for more than the period of grace, if any, specified therein or any such indebtedness or liability becomes due before its stated maturity by acceleration of the maturity thereof or becomes due by its terms and is not promptly paid or extended.

(g) "Quarter" means a period of three consecutive calendar months ending on the last day of each August, November, February, and May.

(h) "Replacement Index" means a reasonable alternative index selected by Lender comparable in function and effect to the LIBOR Rate that is generally then prevailing for comparable loans made by similar commercial lenders.

(i) "Revolving Credit Maturity Date" shall mean June 10, 2021.

(j) "Spread" shall mean 150 basis points (1.50%).

IN WITNESS WHEREOF, the undersigned have executed this Agreement, or caused this Agreement to be executed by its duly authorized officer as of the date first written above.

BORROWER:

UNIVERSITY OF SOUTH ALABAMA

By:_____
G. SCOTT WELDON
As its: Vice President for Finance and Administration

LENDER:

HANCOCK WHITNEY BANK

By:_____

As its:_____

EXHIBIT A

FORM OF REVOLVING LINE OF CREDIT PROMISSORY NOTE

REVOLVING LINE OF CREDIT PROMISSORY NOTE

For value received, the **UNIVERSITY OF SOUTH ALABAMA**, a public body corporate under the laws of the State of Alabama (the "Borrower"), hereby promises to pay to **HANCOCK WHITNEY BANK**, a Mississippi state chartered bank, or its successors or permitted assigns (the "Lender"), the principal sum of

FIFTY MILLION DOLLARS

or so much as may be outstanding hereunder, with interest on the unpaid outstanding principal balance of each Revolving Advance, from the date honored until paid, at the Applicable Rate. This Note is being issued under and purchase to the terms of that certain Revolving Line of Credit Agreement dated June 11, 2020 (the "Revolving Line of Credit Agreement") between the Borrower and the Lender. Capitalized terms used and not otherwise defined herein shall have the meaning given to them in the Revolving Line of Credit Agreement.

Interest hereunder computed on the basis of a 360-day year, applied to the actual number of days upon which principal is outstanding, by multiplying the principal amount outstanding and the applicable rate by the actual number of days elapsed, and dividing the resulting product by 360, from the date hereof until the maturity hereof shall be computed at the Applicable Rate.

Pursuant to the terms of the Revolving Line of Credit Agreement, from the date hereof through and including the Revolving Credit Maturity Date, the Borrower shall have the right at any time and from time to time to request Revolving Advances of funds from the Lender in an aggregate amount that, when added to the outstanding principal amount hereunder at the time such Revolving Advance is requested, does not exceed $50,000,000.

Interest on each Revolving Advance shall accrue from the date such Revolving Advance is honored by the Lender until such interest is paid, and shall be payable on the first day of each month during the term of this Note. Principal of this Note shall become due and payable on the Revolving Credit Maturity Date.

The obligation of Borrower to pay the principal of and interest on this Note is an unsecured obligation of the Borrower payable from any and all funds lawfully available to the Borrower for such purpose other than appropriations from the State of Alabama.

The Borrower reserves the privilege of prepaying or causing to be prepaid all or any part of the principal balance of this Note at any time or from time to time, without premium or penalty, upon prior written notice to the holder of this Note, provided that, at the time of such prepayment, the Borrower pays the interest which shall have accrued to the date of such prepayment on the principal to be so prepaid. Once received, a notice for repayment may not be revoked or rescinded by the Borrower.

Installments of principal of and interest on this Note shall be remitted by the Borrower to the Lender as set forth in the Revolving Line of Credit Agreement. Any transferee of this Note takes it subject to all payments of principal and interest in fact made with respect hereto. If the date for payment of any installment of principal of or interest on this Note is not a Business Day, then the date for such payment shall be the next succeeding Business Day, with the effect that payment on such Business Day shall have the same force and effect as if made on the original date payment was due.

Reference is hereby made to the Revolving Line of Credit Agreement for a description of all rights and remedies of the Borrower and the Lender concerning the Revolving Line of Credit Agreement and this Note. The Revolving Line of Credit Agreement provides, among other things, that in the event of default by the Borrower in the manner and for the time therein provided, the Lender may declare the principal of this Note immediately due and payable, whereupon the same shall thereupon become immediately due and payable and the Lender shall be entitled to pursue the remedies provided in the Revolving Line of Credit Agreement.

This Note is transferrable by the holder hereof to any person or entity; provided such transfer complies with applicable federal and state securities laws.

IN WITNESS WHEREOF, the Borrower has caused this Note to be executed in its name and behalf, has caused its corporate seal to be hereunto impressed, has caused this Note to be attested by the Secretary of its Board of Trustees, and has caused this Note to be dated June 11, 2020.

UNIVERSITY OF SOUTH ALABAMA

By: _____

Its: _____

[S E A L]

Attest:

_____
Secretary
Board of Trustees

EXHIBIT B

FORM OF REVOLVING ADVANCE REQUISITION

Requisition No. _____

TO: Hancock Whitney Bank, as Lender under that certain Revolving Line of Credit Agreement dated June 11, 2020 between Hancock Whitney Bank and the University of South Alabama (the "Revolving Line of Credit Agreement")

The undersigned, as an Authorized Borrower Representative of the University of South Alabama ("USA") , hereby certifies as follows:

1. on the date hereof, the undersigned has requested a Revolving Advance in the amount of $_____;

2. the amount to be advanced hereunder shall be used solely for payment of working capital or other lawful expenses of USA;

3 the total amount of Revolving Advances heretofore honored by Lender and currently outstanding, together with the amount of the Revolving Advance requested hereunder, does not exceed $50,000,000; and

4. no Event of Default has occurred and is continuing under the Revolving Line of Credit Agreement or with respect to any other indebtedness of USA to any lender or creditor.

All capitalized terms used herein and not otherwise defined herein shall have the meaning given to them in the Revolving Line of Credit Agreement.

DATED this ____ day of _____, 20__.

By:_____

Title:_____
University of South Alabama

APPROVED FOR REVOLVING ADVANCE:

HANCOCK WHITNEY BANK

By:_____

Its:_____

EXHIBIT C

FORM OF OPINION OF GENERAL COUNSEL TO THE UNIVERSITY

Hancock Whitney Bank
Mobile, Alabama

Re: $50,000,000 Revolving Line of Credit Promissory Note dated June 11, 2020, executed by The University of South Alabama in favor of Hancock Whitney Bank

Ladies and Gentlemen:

I serve as General Counsel to the University of South Alabama (the "University"), a public body corporate under the provisions of Chapter 55 of Title 16 of the Code of Alabama of 1975, as amended (the "Enabling Act"), in connection with the University's execution and delivery of the above-referenced note (the "Note") in favor of Hancock Whitney Bank, a Mississippi state chartered bank (the "Bank"), which such Note is being issued under the terms of a Revolving Line of Credit Agreement dated of even date herewith (the "Revolving Line of Credit Agreement") between the University and the Bank.

It is my understanding as to the following: The Note and all Obligations (as such term is used in the Revolving Line of Credit Agreement") under the Revolving Line of Credit Agreement will be payable by the University from revenue sources other than state appropriations and that the Note and the Revolving Line of Credit Agreement will not be secured by a pledge of any funds or property of the University.

In connection with this opinion, I have reviewed the Note, the Revolving Line of Credit Agreement, certified copies of proceedings of the University with respect to the indebtedness evidenced by the Note, and such other documents or legal authorities as I have deemed necessary as the basis for the opinions hereinafter expressed. With respect to matters of fact, I have obtained such factual information from officers of the University as I have deemed necessary as the basis for such opinions.

Based on the foregoing, I, solely in my capacity as General Counsel to the University, am of the opinion that:

1. The University is validly existing as a public body corporate duly organized and in good standing under the laws of the State of Alabama.

2. The University is authorized to execute and deliver the Note and the Revolving Line of Credit Agreement, and to perform its obligations thereunder and under the Revolving Line of Credit Agreement.

3. Each of the Note and the Revolving Line of Credit Agreement has been duly authorized, executed and delivered by the University and constitutes a valid and binding obligation

of the University enforceable against the University in accordance with its terms, except as such enforceability may be limited by (a) bankruptcy, insolvency, moratorium, sovereign immunity, or other similar laws affecting the enforcement of creditors' rights and (b) general principles of equity, including the exercise of judicial discretion in appropriate cases.

4. The execution, delivery and performance of the Note and the Revolving Line of Credit Agreement will not conflict with, or constitute a violation or breach of, or a default under, (a) the Enabling Act, (b) any agreement or other instrument to which the University is a party or by which it is bound, or (c) any order, rule, regulation, decree or ordinance of any court, government or governmental authority having jurisdiction over the University or its property.

5. No further consent, approval, authorization or order of any governmental or regulatory authority is required to be obtained by the University as a condition precedent to the University's execution and delivery of the Note and the Revolving Line of Credit Agreement, or the University's performance of its obligations under the Note and the Revolving Line of Credit Agreement.

6. To the best of my knowledge, there are no actions, suits or proceedings (whether or not purportedly on its behalf) pending or, to my actual knowledge, threatened, against or affecting the University, at law or in equity or by or before any governmental authority, that involve the execution, delivery or performance of the Note or the Revolving Line of Credit Agreement, the authority of the officers of the University executing the Note and the Revolving Line of Credit Agreement, or the possibility of any judgment or liability that may result in any material adverse change in the University's business, operations, properties, or condition, financial or otherwise (taking into account available insurance coverage).

7. To the best of my actual knowledge, the University is not in violation in any material respect of any existing law, rule or regulation applicable to it and is not in default under any indenture, mortgage, deed of trust, lien, lease, contract, note, order, judgment, decree or other agreement, instrument or restriction of any kind to which the University is a party or by which it is bound or to which any of its assets are subject.

I express no opinion as to the laws of any jurisdiction other than the laws of the State of Alabama and the laws of the United States of America, as currently in effect. I assume no obligation to supplement this opinion if any applicable laws change after the date of this opinion. This opinion is addressed solely to the parties identified above, and no one else may rely upon this opinion without our prior written permission.

Very truly yours,

By: _____

Name:_____
Title: General Counsel, University of South Alabama

EXHIBIT D

LENDER LETTER

June 11, 2020

University of South Alabama
Mobile, Alabama

Hancock Whitney Bank, a Mississippi state chartered bank (the "Bank"), has agreed to make a revolving line of credit of up to $50,000,000 to the University of South Alabama (the "University"), and in connection therewith to acquire the University's revolving Line of Credit Note in a maximum principal amount of $50,000,000 (the "Note"). The Note is an unsecured obligation of the University. In connection with the said line of credit and the Note, the Bank hereby certifies to, and agrees with, the University as follows:

(a) On the date hereof the Bank has received physical possession of the Note.

(b) The Bank has sufficient knowledge and experience in financial and business matters, including the acquisition and ownership of governmental obligations similar to the Note, to be able to evaluate the merits and risks of making the said line of credit available to the University as evidenced by the Note.

(c) The Bank is an "accredited investor" as defined in Rule 501 of Regulation D under the Securities Act of 1933, as amended (the "Securities Act"), or a "qualified institutional buyer" under Rule 144A of the Securities Act, and is able to bear the economic risks of the Note.

(d) The Bank understands that no official statement, prospectus, offering circular or other comparable disclosure document is being provided with respect to the Note. The Bank has made its own inquiry and analysis with respect to the Note and material factors affecting the payment of the Note.

(e) The Bank understands that the Note is unsecured and is not registered under federal or state securities laws, is not listed on any stock or other securities exchange, and carries no rating from any rating agency.

(f) The Bank is providing the said line of credit and acquiring the Note in the ordinary course of its lending business for its own loan portfolio with no present view toward resale or distribution to any entity other than an affiliate of the Bank. The Bank reserves the right to sell, transfer or dispose of the Note or interests therein in accordance with its own judgment and in compliance with all applicable federal and state securities laws then in effect. Any person to whom the Bank sells, transfers or disposes of the Note or an interest therein will also be an "accredited investor" as defined in Rule 501 of Regulation D under the Securities Act or a "qualified institutional buyer" as defined under Rule 144A of the Securities Act.

HANCOCK WHITNEY BANK

By: _____

Name: _____

Title: _____

Endowment Funds Investment Policies and Guidelines

The Endowment Committee of the Board of Trustees of the University of South Alabama shall be responsible for recommending investment policies and guidelines for approval by the Board of Trustees, implementation of such policies and guidelines and selection of qualified investment professionals including Investment Consultant(s), Investment Manager(s), and Funds Custodian(s). The Endowment Committee will oversee investment activities, monitor investment performance and ensure the prudent control of the Endowment Funds of the University. The Endowment Committee will make periodic reports to the Board of Trustees.

I. Purpose of the Endowment Funds

The University of South Alabama Endowment Funds exist to provide revenue while preserving principal to fund those projects which have been endowed for specific purposes, i.e., scholarships, professorships, program enhancements, student loans, etc.

II. Purpose of the Investment Policy

This investment policy is set forth by the Board of Trustees of the University of South Alabama in order to:

1. Define and assign the responsibilities of all involved parties.

2. Establish a clear understanding of all involved parties of the investment goals and objectives of Endowment Funds assets.

3. Offer guidance and limitations to Investment Manager(s) regarding the investment of Endowment Funds assets.

4. Establish a basis of evaluating investment results.

5. Manage Endowment Funds assets according to prudent standards as established in the laws of the State of Alabama.

6. Establish the relevant investment horizon for which the Endowment Funds assets will be managed.

In general, the purpose of this policy is to outline a philosophy and attitude which will guide the investment management of the assets toward the desired results. It is intended to be sufficiently specific to be meaningful, yet flexible enough to be practical.

III. Delegation of Authority

The Board of Trustees of the University of South Alabama is responsible for directing and monitoring the investment management of the University's Endowment Funds assets. As such, the Board of Trustees is authorized to delegate certain authority to professional experts in various fields. These include, but are not limited to:

1. Investment Management Consultant(s). The consultant may assist the Board of Trustees in: establishing investment policy, objectives, and guidelines; selecting investment managers; reviewing such managers over time; measuring and evaluating investment performance; and other tasks as deemed appropriate.

2. Investment Manager(s). The investment manager has discretion to purchase or sell, in the University's name, the specific securities that will be used to meet the Endowment Funds investment objectives.

3. Funds Custodian(s). The custodian will physically (or through securities owned by the Fund) collect dividend and interest payments, redeem maturing securities, and effect receipt and delivery following purchases and sales. The custodian may also perform regular accounting of all assets, owned, purchased or sold as well as movement of assets into and out of the Endowment Funds accounts.

With the exception of specific limitations described in these statements, managers will be held responsible and accountable to achieve the objectives herein stated. While it is not believed that the limitations will hamper investment managers, each manager should request modifications which they deem appropriate. All expenses for such experts must be customary and reasonable, and will be borne by the Endowment Funds as deemed appropriate and necessary.

IV. Assignment of Responsibility

A. Responsibility of the Board of Trustees of the University of South Alabama

The Board of Trustees is responsible for the management of the assets of the Endowment Funds. The Board of Trustees shall discharge its duties in good faith like an ordinary prudent person in a like position would exercise under similar circumstances and in a manner the Trustees reasonably believe to be in the best interest of the University. The Board of Trustees will supervise the Endowment Committee and assigns the following authority and responsibilities to the Endowment Committee on behalf of the Board of Trustees.

B. Responsibility of the Endowment Committee

The specific authority and responsibilities of the Endowment Committee relating to the

investment management of Endowment Funds assets include:

1. Projecting the Endowment Funds financial needs, and communicating such needs to the Investment Manger(s) on a timely basis.

2. Determining the Endowment Funds risk tolerance and investment horizon, and communicating these to the appropriate parties.

3. Establishing reasonable and consistent investment objectives, policies, time frames and guidelines which will direct the investment of the Endowment Funds assets.

4. Prudently and diligently selecting qualified investment professionals, including Investment Manager(s), Investment Consultant(s), and Custodian(s).

5. Regularly evaluating the performance of the Investment Manager(s) to assure adherence to policy guidelines and monitor investment objectives progress.

6. Developing and enacting proper control procedures: For example, replacing Investment Manager(s) due to fundamental changes in the investment management process, or failure to comply with established guidelines.

7. Making direct investments in cases in which selection of an investment manager is not appropriate.

8. Recommending an endowment spending policy to the Board of Trustees for approval.

9. Reporting periodically to the Board of Trustees Endowment Committee actions and recommendations and investment performance of the Endowment Funds.

C. Responsibility of the Investment Manager(s)

The Endowment Funds will be managed primarily by external investment advisory organizations; both commingled vehicles and separate accounts may be used. The investment manager(s) have discretion, within the guidelines set forth in this policy statement and any additional guidelines provided them, to manage the assets in each portfolio to achieve the investment objectives. Managers will normally manage only one type of investment in each fund. For example, equities and fixed income will not be combined in a balanced fund with one manager.

Each Investment Manager must acknowledge, in writing, their acceptance of responsibility as a fiduciary. Each Investment Manager will have full discretion to make all investment decisions for the assets placed under their jurisdiction, while observing and operating within all policies, guidelines, constraints, and philosophies as outlined in this statement. Each Investment Manager will be provided with a copy of this statement of investment objectives and policies. In turn, as part of the investment management contract that will govern their portfolio, the Investment Manager is expected to provide a written statement of the firm's expectations, stated in terms of the objectives and comparative benchmarks that will be used to evaluate performance and the allowable securities that can be used to achieve these objectives. These statements will be consistent

with the statement of investment objectives and policies and will be incorporated as appendices. Specific responsibilities of the Investment Manager(s) include:

1. Discretionary investment management including decisions to buy or sell individual securities, and to alter asset allocation with the annual guidelines established by the Endowment Committee.

2. Reporting, on a timely basis, quarterly investment performance results.

3. Providing monthly valuation of the investment portfolio based on the previous month's closing prices.

4. Communicating any major changes in economic outlook, investment strategy, or any other factors which affect implementation of investment process, or the investment objectives progress of the Endowment Funds investment management.

5. Informing the Endowment Committee regarding any qualitative change in the investment management organization. Examples include changes in portfolio management personnel, ownership structure, investment philosophy, etc.

6. Providing the Endowment Committee with proof of liability and fiduciary insurance coverage.

7. Acknowledging in writing an ability and agreement to invest within the guidelines set forth in the investment policy.

8. Meeting with the Endowment Committee at least annually.

9. Voting proxies on behalf of the Endowment Funds and communicating such voting records on a timely basis. In cases in which the University desires to vote proxies related to specific topics, it will so notify Manager(s).

10. The Board of Trustees may from time to time request that the Investment Manager(s) allocate commissions to those brokerage firms providing other investment management services to the University. Good execution and commission prices are primary considerations in routing business to the said brokerage firms. If at any time any Investment Manager believes that any policy guideline inhibits investment performance, it is their responsibility to communicate this to the Endowment Committee.

V. General Investment Principles

1. Investments shall be made solely in the interest of the purposes of the University of South Alabama.

2. The Endowment Funds shall be invested with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person in a like position would exercise under similar circumstances in a manner the Board of Trustees reasonably believe to be in the best interest of the University.

3. Investment of the Endowment Funds shall be so diversified as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so.

4. The Board of Trustees may employ one or more investment managers of varying styles and philosophies to attain the Endowment Funds objectives.

5. Cash is to be employed productively at all times, by investment in short term cash equivalents to provide safety, liquidity, and return.

VI. Investment Objectives

In order to meet its needs, the investment strategy of the University of South Alabama Endowment Funds is to emphasize total return; that is, the aggregate return from capital appreciation and dividend and interest income. The total Endowment Funds shall be monitored for return relative to objectives, consistency of investment philosophy, and investment risk. The Endowment Funds results shall be evaluated on a rolling five-year basis against a market benchmark weighted 40 percent in favor of the S&P 500 Index, 5% Russell 2000 Index, 12% MSCI EAFE (US Dollar) Index, 23 percent toward the Barclay's Capital US Aggregate Bond Index, 10% HFRI Fund of Funds Conservative Index and 10% HFRI Fund of Funds Strategic Index.

VII. Portfolio Composition and Risk

A. To achieve its investment objective, the Endowment Funds assets are considered as divided into three parts a fixed income component, a fixed income alternative component, an equity component and a private equity component. The Endowment Funds long-term commitment to these funds shall be as follows:

Asset Class	Range	Long-Term Neutral
Fixed Income	15-35%	25%
Equity	35-75%	50%
Private Equity	0-10%	5%
Fixed Income Alternative	10-30%	20%
Cash	0-10%	0%

The purpose of dividing the Endowment Funds in this manner is to ensure that the overall asset allocation among major asset classes remains under the regular scrutiny of the Endowment Committee and is not allowed to become the residual
of separate manager decisions. Over the long run, the allocation among the major asset classes may be the single most important determinant of the endowment funds investment performance.

The purpose of the fixed income fund is to provide a hedge against deflation, to reduce the overall volatility of returns of the Endowment Funds, in order to produce current income in support of spending needs.

The percentage of total Endowment Funds assets allocated to the fixed-income fund at any time should be sufficient to provide that neither the current income nor the capital value or the total Endowment Funds declines by an intolerable amount during an extended period of deflation. The fixed-income fund should normally represent approximately 15-35 percent of total Endowment Funds assets at market value. Although the actual percentage will fluctuate with

market conditions, levels outside this range should be closely monitored by the Endowment Committee.

The purpose of the equity fund is to provide appreciation of principal that more than offsets inflation and to provide a growing stream of current income. It is recognized that the pursuit of this objective could entail the assumption of greater market variability and risk than investment in fixed-income securities. Equity and equity-substitute investments are broadly defined as common stocks, high-yield bonds, reorganization securities, private equity, venture capital, leveraged buyout investments, equity real estate, reorganization securities, exchange traded index funds, etc. Investments made in such less liquid equity investments should be made through funds offered by professional investment managers.

The purpose of the fixed income alternative component is to provide the Endowment a source of returns with low correlation to equity markets and volatility of one third to one half that of the U.S. equity market, while still achieving equity-like returns of Treasury Bills plus 2-8% over time. The Fixed Income Alternative should normally represent approximately 10-30 percent of total Endowment Funds.

Any assets not committed to the fixed-income fund or fixed income alternative shall be allocated to the equity fund and the private equity fund. The equity fund should normally represent approximately 35-75 percent of total Endowment Funds assets at market value. The private equity fund should normally represent approximately 0-10 percent of total Endowment Fund assets at market value. Although the actual percentage of equities will vary with market conditions, levels outside these ranges should be closely monitored by the Investment Committee.

The Endowment includes investments in several categories, and the Endowment Committee targets allocations for the following:

Asset Class	Long-Term Strategic Target (%) of Endowed Funds	Range
Domestic Equity	**42%**	**30-60%**
Large/Mid-Cap	35%	25-55%
Small Cap	5%	3-8%
High Yield Debt	2%	0-5%
International Stocks	**10%**	**5-15%**
Developed Markets	6%	3-10%
Emerging Markets	4%	0-6%
Private Equity	**5%**	**0-10%**
TOTAL EQUITY COMPONENT	**57%**	**35-75%**
Alternative Investments	**20%**	**10-30%**
Absolute Return	15%	12-20%
Long/Short Equity	5%	0-10%
TOTAL ALTERNATIVE COMPONENT	**20%**	**10-30%**
Fixed Income	**23%**	**15-35%**
U.S. Core Bonds	16%	12-20%
Global Bonds	4%	0-7%

Asset Class	Long-Term Strategic Target (%) of Endowed Funds	Range
TIPS	2%	0-5%
Emerging Market Debt	1%	0-2%
TOTAL FIXED INCOME COMPONENT	**23%**	**15-35%**
Cash and Equivalents	**0%**	**0-10%**

Within the equity fund, certain investments can be included, with Endowment Committee approval, to provide a hedge against unanticipated, rapidly accelerating inflation. These include cash, real estate and oil and gas investments. While the Endowment Committee recognizes the argument for having a separate allocation to inflation-hedging assets, at this time, these investments are evaluated primarily as equity-substitutes. The Endowment Committee will periodically review the adoption of an inflation-hedging fund allocation separate from the equity allocation.

Within the equity fund, in addition to cash reserves held by managers, there is normally an investment in cash or short-term instruments. Although the Endowment Committee has not adopted a cash allocation, new gifts to the endowment and endowment income in excess of budgetary distributions generate cash inflow to the Endowment Fund. The level of cash should be closely monitored by the committee.

The Endowment committee may change any of the above ratios; however, it is anticipated that these changes will be infrequent.

The Endowment Funds investments shall be diversified both by asset class (e.g., equities and fixed-income securities) and within asset classes (e.g., within equities by economic sector, geographic area, industry, quality, and size). The purpose of diversification is to provide reasonable assurance that no single security or class of securities shall have a disproportionate impact on the endowment funds aggregate results. Equity securities in any single industry will not exceed 20 percent, nor will equity securities in any single company exceed 10 percent of the market value of the endowment's allocation to equities.

VIII. Spending Policy

It shall be the policy of the University of South Alabama Board of Trustees to preserve and maintain the real purchasing power of the principal of the Endowment Funds. The current spending policy of the University will be determined annually by the President and the Endowment Committee and approved by the Board of Trustees. The spending guideline is based on an expected total return over the long-term less expected inflation.

IX. Volatility of Returns

The Board of Trustees understands that in order to achieve its objectives for Endowment Funds assets, the Funds will experience volatility of returns and fluctuations of market value. The Board will tolerate volatility as measured against the risk/return analysis of the appropriate market indices. The indices used as a measure of an investment manger's performance will be used to measure the allowable volatility (risk).

X. Liquidity

To minimize the possibility of a loss occasioned by the sale of a security forced by the need to meet a required payment, the Vice President for Financial Affairs will periodically provide Investment Manager(s) with an estimate of expected net cash flow. The Vice President will notify the Investment Consultant in a timely manner, to allow sufficient time to build up necessary liquid reserves. Because of the infrequency of cash outflows and overall marketability of Endowment Funds assets, the Board of Trustees does not require the maintenance of a dedicated cash or cash equivalent reserve.

XI. Marketability of Assets

The Board of Trustees requires that all Endowment Funds allocated to cash equivalents, fixed income securities or equity securities be invested in liquid securities, defined as securities that can be transacted quickly and efficiently for the Endowment Funds, with minimal impact on market price. The Board of Trustees recognizes that opportunities may exist in illiquid assets and will allow Investment Managers overseeing Private Equity or Fixed Income Alternatives to invest in securities that may be less liquid and could present a risk of illiquidity.

XII. Investment Guidelines

A. Allowable Assets

1. Cash Equivalents

- Treasury Bills
- Money Market Funds
- Common Fund Short Term Investment Fund
- Commercial Paper
- Banker's Acceptance
- Repurchase Agreements
- Certificates of Deposits

2. Fixed Income Securities

- U.S. Government and Agency Securities
- Corporate Notes and Bonds
- Mortgage Backed Bonds
- Preferred Stock
- Fixed Income Securities of Foreign Governments and Corporations
- Collateralized Mortgage Obligations

3. Fixed Income Alternatives

- Arbitrage (merger, event, convertible, equity and fixed income arbitrage and pairs trading)
- Event investing (restructurings, spin-offs, etc.)
- Distressed securities
- Long Short equities (U.S., global and sector funds)
- Market neutral equities

- Short-biased equities
- Macro investing

4. Equity Securities

- Common Stocks
- Convertible Notes and Bonds
- Convertible Preferred Stocks
- American Depository Receipts (ADRs) of Non-U.S. Companies
- Exchange traded index funds

5. Private Equity

6. Mutual Funds

- Mutual Funds which invest in securities as allowed in this statement.

Other Assets:

Derivative Securities: options and future contracts
In general, the use of derivative securities by the Investment Manager shall be discouraged, unless such an opportunity presents itself that the use of the sophisticated securities would provide substantial opportunity to increase investment returns at an appropriately equivalent level of risk to the remainder of the total portfolio. Also, derivative securities may be used by the Investment Manager in order to hedge certain risks to the portfolio. The approval and use of derivative securities will not be allowed unless the Endowment Committee is confident that the Investment Manager(s) thoroughly understands the risks being taken, has demonstrated expertise in their usage of such securities, and has guidelines in place for the use and monitoring of derivatives.

Real Estate: Investments may also include equity real estate, held in the form of professionally managed, income producing commercial and residential property. Such investments may be made only through professionally managed, income producing commercial and residential property. Such investments may not exceed 10% of the total endowment fund. Such investment may be made only through professionally managed pooled real estate investment funds, as offered by leading real estate managers with proven track records of superior performance over time.

(Is now covered under the derivative section)
The Endowment will avoid highly leveraged strategies and managers who provide insufficient transparency of their actions for adequate monitoring of the risks they are taking.

B. Guidelines for Fixed Income Investments and Cash Equivalents

1. Investment in fixed income securities shall be restricted to only investment grade bonds rated BAA or higher.

2. 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.

3. 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**.**

C. Guidelines for Fixed Income Alternatives

1. Fixed Income alternative investments will be defined as any strategy using a partnership or offshore investment company structure that may or may not be subject to SEC registration, investing primarily in marketable securities and/or subject to a performance fee. These strategies would generally have absolute, as opposed to relative, return objectives driven more by manager skill and market inefficiency than market direction. Use of leverage, short selling and/or derivatives may or may not be employed as part of the investment approach. The endowment will employ a manager of manager's approach to investing in fixed income alternative investments.

D. Limitations on Manager Allocations

1. No more than 5% of the Endowment Fund assets shall be allocated to an individual Investment Manager.

2. No more than 25% of the Endowment Fund assets shall be allocated to a "Fund of Funds" or multi-manager fund.

XIII. Investment Manager Performance Review and Evaluation

Performance reports generated by the Investment Consultant shall be compiled at least quarterly and communicated to the Board of Trustees for review. The investment performance of total portfolios, as well as asset class components, will be measured against commonly accepted performance benchmarks. Consideration shall be given to the extent to which the investment results are consistent with the investment objectives, goals, and guidelines as set forth in this statement. The Board of Trustees intends to evaluate the portfolio(s) over at least a three-year period, but reserves the right to terminate a manager for any reason including the following:

1. Investment performance which is significantly less than anticipated, given the discipline employed and risk parameters established, or unacceptable justification of poor results.

2. Failure to adhere to any aspect of this statement of investment policy, including communication and reporting requirements.

3. Significant qualitative changes to the investment management organization.

Investment managers shall be reviewed annually regarding performance, personnel, strategy, research capabilities, organizational and business matters, and other qualitative factors that may impact their ability to achieve the desired investment results.

XIV. Investment Policy Review

To assure continued relevance of the guidelines, objectives, financial status and capital markets expectations as established in this statement of investment policy, the Board of Trustees will review investment policy at least annually.

Investment Manager Selection

1. The Endowment Committee will decide on guidelines for the desired investment philosophy, asset mix, and performance objectives of the new manager.

2. The Endowment Committee will employ, if appropriate, Investment Consultant(s) to identify potential managers.

3. Potential managers will be reviewed by the Endowment Committee in some or all of the following areas with the importance of each category determined by the Endowment Committee:

Organization
- Experience of firm
- Assets under management
- Ownership
- Number of professionals
- Fees and minimum account size

Performance
- One, three and five-year comparisons
- Up/down market comparisons
- Risk/return graphs

Securities Summary – Equities
- Yield
- Profit/earnings
- Quality
- Growth
- Beta

Securities Summary – Fixed Income
- Quality
- Maturity
- Duration
- Government/non-government
- Investment decision-making process
- Top down/bottom up
- Quantitative/qualitative/traditional
- Expected performance characteristics

Securities Summary – Fixed Income Alternative

- Arbitrage (merger, event, convertible, equity and fixed income arbitrage and pairs trading)
- Event investing (restructurings, spin-offs, etc.)
- Distressed securities
- Long Short equities (U.S., global and sector funds)
- Market neutral equities
- Short-biased equities
- Macro investing

Skill Set Analysis

- Market timing
- Sector diversification
- Security selection
- Security consideration

4. Final selection of a new manager resides with the Endowment Committee.

UNIVERSITY OF SOUTH ALABAMA

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

PROPERTY ADDRESS:

5911 Waringwood Drive
Mobile, Alabama 36608
Key Number 489581

APPRAISAL INFORMATION:

No appraisal was obtained. The Mobile County Revenue Commission reported a 2020 Fair Market Value of $25,200.00 for the property.

CONTRACTS RELATED TO THE PURCHASE:

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

REAL ESTATE PURCHASE CONTRACT

The **University of South Alabama** ("Buyer"), a public body corporate of the State of Alabama, whose principal address is 307 University Boulevard North, AD-170, Mobile, AL 36688 ("Buyer's Address"), hereby agrees to buy and **Florence J. McCants** ("Seller"), whose principal address is 3920 Berwyn Drive South, Apartment 168, Mobile, AL 36608 ("Seller's Address"), hereby agrees to sell for the consideration and upon the terms hereinafter set forth, the real estate commonly known as:

5911 Waringwood Drive, Mobile, Alabama 36608
Parcel: R02 28 04 17 1 000 043.XXX (Key#: 489581)

Lot 5, Block 10 of Hillsdale Heights Subdivision according to plat thereof recorded in Map Book 10, Page 183, of the records in the office of the Judge of Probate, Mobile County, Alabama

TOGETHER WITH all rights, privileges, tenements, hereditaments and appurtenances thereunto belonging, or in anywise appertaining (the "Property").

ARTICLE I - Purchase Price and Condition of Property

1.1 The purchase price for the Property shall be THIRTY FOUR THOUSAND FME RLD *AND NO/100 DOLLARS* ($34,000.00 FME RLD) (the "Purchase Price") and shall be payable on the day of Closing ("Closing Date") by cash, cashier's check, certified check or wire transfer. Buyer shall pay the cost of acquiring a current title insurance policy for the benefit of Buyer, and the cost of document preparation, including a general warranty deed. Buyer further agrees to pay all taxes, fees, other closing and settlement costs.

1.2 Seller agrees that the proceeds of this sale shall be used to satisfy any and all outstanding mortgages and/or liens that exist on the Property at the Closing of this transaction (the "Closing") before any remaining proceeds from the sale are given to Seller.

ARTICLE II- Closing

2.1 Unless otherwise extended by the provisions of the Contract or by agreement in writing by the parties, the Closing shall be held within sixty (60) days of the signing of this Contract.

2.2 The Closing shall be held at the office of Guarantee Title Company, LLC located at 4300 Downtowner Blvd., Mobile, Alabama, 36609.

ARTICLE III - Possession

3.1 Possession shall be delivered to Buyer at Closing. Seller and Buyer acknowledge and agree that until the Closing Date, Seller shall have possession of the Property and shall continue to pay any and all expenses incurred by Seller, such as yard maintenance, and Seller agrees to indemnify and hold Buyer harmless from any and all costs associated with same. Seller shall be responsible for insuring the property during the period of Seller's possession. Buyer shall bear no responsibility for risk of loss prior to the time that Seller vacates the property.

ARTICLE IV - Deed and Other Documents

4.1 Seller shall convey the Property to Buyer by recordable General Warranty Deed (the "Deed"), conveying good and marketable title of record to the Property, in fee simple, free and clear of all liens and encumbrances except for the lien of real property taxes not yet due and payable, any existing easements of record, and other exceptions approved in writing by Buyer.

4.2 Seller shall execute and deliver with the Deed such other documents as may be required by any governmental entity or by the title insurance company as a condition to the issuance of its policy of title insurance in accordance with Article VI, including, but not limited to:

(a) The standard affidavit required by the title insurance company for the removal of the standard preprinted exceptions from the title insurance policy; and

(b) A Certificate of Non-Foreign Status or other evidence satisfactory to Buyer and the title insurance company confirming that Buyer is not required to withhold or pay to the Internal Revenue Service any part of the "amount realized" as such term is defined in the Internal Revenue Code of 1986, as amended, and the regulations promulgated pursuant thereto.

ARTICLE V - Title Insurance

5.1 Buyer shall order a title insurance commitment or preliminary title report issued by Guarantee Title Company (referred to as "Title Insurance Company") in which the Title Insurance Company commits that upon delivery and recordation of the Deed and other documents provided for in this Contract, it will issue, at its usual rate, a standard form ALTA owner's commitment with extended coverage or comparable form, insuring access to the Property and such other endorsements as Buyer may request (the "Policy"), insuring Buyer in the total amount of the Purchase Price, fee simple title to the Premises subject only to (a) the lien for real estate taxes not yet due and payable; (b) exceptions approved in writing

by Buyer; and/or (c) such liens as are to be released and discharged at the Closing. Seller agrees to provide to Buyer and the Title Insurance Company all title information in Seller's possession relating to the Property together with a copy of the most recent tax bills relating to the Property.

5.2 Without limiting the foregoing or being limited thereby, the standard exceptions for parties in possession, mechanics' and materialmen's liens and matters which would be disclosed by an accurate survey shall be eliminated from said Policy.

5.3 Seller shall bear all costs and expenses incurred in connection with the issuance of said title commitment, Policy and any endorsements thereto which are required to conform the Policy to the terms and conditions of this Contract.

5.4 If the title commitment or report shows any exceptions to title other than those referred to in Article 5.1 above, Buyer shall notify Seller in writing of the defects in title within ten (10) days after receipt of the title commitment (with copies of all documents referred to therein). Seller shall then have ten (10) days after receipt of such notice in which to cure such defects and furnish to Buyer satisfactory proof that such defects have been cured. Seller agrees to use its best efforts to cure such defects. If Seller fails or is unable to cure such title defects within such ten (10) day period or to obtain title insurance which will give affirmative coverage to Buyer against loss as a result of such title defects, Buyer shall have the option, to be exercised in its sole discretion, to (i) proceed with Closing of this transaction subject to such title defects, or (ii) terminate this Contract.

ARTICLE VI - Taxes and Assessments

6.1 Seller shall pay or credit against the Purchase Price all unpaid real estate taxes, including penalties and interest, for all tax years preceding the Closing Date, and shall credit a portion of such taxes for the tax year in which the Closing is held, prorated through the Closing Date. The proration of such taxes shall be based on a 365-day year and on the most recently available rate and valuation and the amount so computed and adjusted shall be final.

6.2 Seller shall pay any special assessments which (a) are a lien on the Property on the Closing Date, whether such assessments are past due, then due or thereafter to become due or (b) are not a lien but are then known and will be payable in whole or in part after the Closing Date.

ARTICLE VII - Utility Charges

7.1 Seller shall pay or credit on the Purchase Price all unpaid utility charges and all charges for services of any type furnished to the Property by all governmental agencies, public utilities and/or private utilities through the Closing Date.

ARTICLE VIII - Risk of Loss

8.1 The risk of loss, damage or destruction to the Property and any improvements thereon through condemnation, fire or otherwise shall be borne by Seller until the Closing.

ARTICLE IX - Conditions to Closing

9.1 Buyer's obligation to close this transaction is subject to the following conditions and covenants:

(a) Easements. Buyer may obtain at or prior to Closing all other easements or licenses deemed necessary by Buyer upon terms and conditions acceptable to Buyer. Seller agrees to reasonably cooperate with Buyer in obtaining any such easements or licenses.

(b) Survey. Buyer may obtain, at Buyer's sole cost, a certified ALTA survey, being a legal description, made by a licensed surveyor, showing the area, dimensions and location of the Property to the nearest monuments, streets, alleys or property, the location of all improvements, utilities and encroachments, and the location of all proposed and recorded easements against or appurtenant to the Property. If a survey is obtained and discloses any condition rendering the Property unusable, in Buyer's sole judgment, for the intended purpose of Buyer, Buyer may terminate this Contract with no penalty.

(c) Title Insurance. Buyer shall have obtained from Seller a satisfactory title insurance commitment or preliminary title report in accordance with Article V above.

(d) Seller's Performance. Seller shall have performed all terms, covenants and obligations required of Seller hereunder.

(e) Environmental Audit and Testing. Buyer, at Buyer's expense, may obtain a current satisfactory Phase I or Phase II Environmental Audit of the Property and any other environmental testing which Buyer deems reasonably necessary to evaluate potential environmental risks. If such audit or tests reveal the existence of any toxic

or hazardous waste, material or substance on, under or surrounding the Property, Buyer may terminate this Contract with no further liability to Seller.

(f) Satisfaction of all existing mortgages and/or liens.

(g) Termination of any and all leases on the property and removal of all contents held within any structures remaining.

ARTICLE X - Notices

10.1 Unless otherwise provided herein, all notices shall be in writing and shall be deemed effective upon the earlier of either (a) personal delivery (b) facsimile or (c) deposit in the U.S. Mail, marked Certified or Registered, return receipt requested, with postage prepaid to Seller at 3920 Berwyn Drive South, Apartment 168, Mobile, AL 36608, and to Buyer at 775 N. University Blvd., Suite 150, Mobile, AL 36608.

ARTICLE XI - Representations and Warranties

11.1 Seller represents, warrants and covenants to Buyer as to the following matters, and shall be deemed to remake all of the following representations, warranties and covenants as of the Closing Date.

(a) All covenants, conditions, restrictions, easements and similar matters affecting the Property have been complied with.

(b) There is no pending or threatened litigation, arbitration, administrative action or examination, claim, or demand whatsoever relating to the Property or the furnishings and equipment contained in the premises and sold as part of this Contract. No attachments, execution proceedings, liens, assignments or insolvency proceedings are pending, threatened or contemplated against Seller, the Property or the furnishings and equipment contained in the premises and sold as part of this Contract. Seller is not contemplating the institution of insolvency proceedings.

(c) Seller has no knowledge of any pending or contemplated eminent domain, condemnation, or other governmental or quasi-governmental taking of any part or all of the Property.

(d) Seller has not been notified of any possible future improvements by any public authority, any part of the cost of which might be assessed against any part of the Property.

(e) To the best of Seller's knowledge, Seller: (i) has not used the Property for the

storage, treatment, generation, production or disposal of any toxic or hazardous waste, material or substance nor does Seller have knowledge of such use by others; (ii) has not caused or permitted and has no knowledge of the release of any toxic or hazardous waste, material or substance on or off site of the Property; (iii) has not received any notice from any governmental authority or other agency concerning the removal of any toxic or hazardous waste, material or substance from the Property; and (iv) has disclosed to Buyer the location of all underground storage tanks on the Property (if any).

(f) No event has occurred with respect to the Property which would constitute a violation of any applicable environmental law, ordinance or regulation.

(g) The execution and delivery of this Contract has been duly authorized and validly executed and delivered by Seller, and will not (i) constitute or result in the breach of or default under any oral or written agreement to which Seller is a party or which affects the Property; (ii) constitute or result in a violation of any order, decree or injunction with respect to which either Seller and/or the Property is/are bound; (iii) cause or entitle any party to have a right to accelerate or declare a default under any oral or written agreement to which Seller is a party or which affects the Property; and/or (iv) violate any provision of any municipal, state or federal law, statutory or otherwise, to which either Seller or the Property may be subject.

11.2 As an inducement to Seller to enter into this Contract, Buyer represents that Buyer has the right, power and authority to purchase the Property in accordance with the terms and conditions of this Contract and that Buyer has validly executed and delivered this Contract.

11.3 Except as is expressly provided in this Contract, Buyer acknowledges that neither Seller nor any agent, attorney, employee or representative of Seller has made any representations as to the physical nature or condition of the Property.

ARTICLE XII – Termination, Default, and Remedies.

12.1 If Buyer fails or refuses to consummate the purchase of the Property pursuant to this Contract at the Closing or fails to perform any of Buyer's other obligations hereunder either prior to or at the Closing for any reason other than termination of this Contract by Buyer pursuant to a right so to terminate expressly set forth in this Contract or Seller's failure to perform Seller's obligations under this Contract, then the Seller, as Seller's sole and exclusive remedy, shall have the right to terminate this

Contract by giving written notice thereof to Buyer prior to or at the Closing, whereupon neither party hereto shall have any further rights or obligations hereunder.

12.2 If Seller fails or refuses to consummate the sale of the Property pursuant to this Contract at the Closing or fails to perform any of Seller's other obligations hereunder either prior to or at the Closing for any reason other than the termination of this Contract by Seller pursuant to a right so to terminate expressly set forth in this Contract, or Buyer's failure to perform Buyer's obligations under this Contract, then Buyer, as Buyer's sole and exclusive remedy, shall have the right to terminate this Contract by giving written notice thereof to Seller prior to or at the Closing, whereupon neither party hereto shall have any further rights or obligations hereunder.

ARTICLE XIII - Miscellaneous

13.1 This Contract shall inure to the benefit of and bind the parties hereto, their respective heirs, executors, administrators, personal and/or legal representatives, successors and assigns.

13.2 This Contract constitutes the entire agreement between the parties and there are no representations, oral or written, relating to the Property or to this transaction which have not been incorporated herein. Any agreement hereafter made shall be ineffective to change, modify or discharge this Contract in whole or in part unless such agreement is in writing and signed by the party against whom enforcement of any change, modification or discharge is sought.

13.3 The headings of the Articles hereof have been inserted for convenience only and shall in no way modify or restrict any provisions hereof or be used to construe any such provisions.

13.4 If two or more persons constitute the Seller, the word "Seller" shall be construed as if it reads "Sellers" throughout this Contract.

13.5 This Contract shall be construed, interpreted and enforced in accordance with the laws of the State of Alabama. The parties agree and acknowledge that the only forum for any claim against Buyer pursuant to this Agreement is the Alabama State Board of Adjustment.

13.6 This Contract may be executed in multiple counterparts, each of which shall be considered to be an original document.

13.7 ~~1.7~~ The Effective Date shall be the date of the last execution hereof.

13.8 Time is of the essence hereof.

13.9 Any condition or right of termination, cancellation or rescission granted by this Contract to Seller or Buyer may be waived by such party provided such waiver is in writing.

13.10 If the time period or date by which any right, option or election provided under this

Contract must be exercised, or by which any act required hereunder must be performed, or by which the Closing must be held, expires or occurs on a Saturday, Sunday, or legal or bank holiday, then such time period or date shall be automatically extended through the close of business on the next regularly scheduled business day.

13.11 If any provision of this Contract, or the application thereof to any person, place, or circumstance, shall be held by a court of competent jurisdiction to be invalid, unenforceable, or void, the remainder of this Contract and such provisions as applied to other persons, places, and circumstances shall remain in full force and effect.

ARTICLE XIV - Acceptance

14.1 In the event this Contract is not signed simultaneously by both parties, it shall be considered to be an offer made by the party first executing it. In such event this offer shall expire at 12:00pm NOON, Thursday, June 18, 2020 Central Daylight Time following the offer unless one copy of this Contract, executed by the party to whom this offer had been made, shall have been mailed (in accordance with Article X hereof) or personally delivered to the party making the offer.

ARTICLE XV – Broker Agency Disclosure: 34-27-8-(c)

The selling company is:	The listing company is:
USA Properties	**USA Properties**
TWO BLOCKS MAY BE CHECKED	**TWO BLOCKS MAY BE CHECKED**
☐ and is an Agent of the Seller ☒ and is an Agent of the Buyer ☐ and is an Agent of both Seller and Buyer acting as a limited ☐ and is assisting the ☐ Buyer ☒ Seller as a transaction broker. Buyer(s) initials: RAD _____	☐ and is an Agent of the Seller ☒ and is an Agent of the Buyer ☐ and is an Agent of both Seller and Buyer acting as a limited ☐ and is assisting the ☐ Buyer ☒ Seller as a transaction broker. Seller(s) initials: FMG _____

ARTICLE XVI – Broker Commissions

16.1 Both Buyer and Seller agree and understand that USA Properties is acting as an agent of the Buyer in this transaction and is solely assisting Seller as a transaction broker. Seller understands that Seller is under no obligation to pay a commission to USA Properties with respect to this transaction.

Signed by Buyer this 18th day of June, 2020.

BUYER:

UNIVERSITY OF SOUTH ALABAMA

By: _____

Robert K. Davis
University Treasurer

Signed by Seller(s) this 18th day of June, 2020.

SELLER:

Florence J. McCants

By: _____

Florence J. McCants

Executive Session

University of South Alabama Board of Trustees meeting on September 11, 2020.

The purpose of the executive session for the above-referenced meeting is to discuss good name and character.

This written declaration is submitted pursuant to the requirements of the Alabama Open Meetings Act by Kristin Daniels Dukes, ASB number 6408-o61k.

