UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

April 18, 2023
1:00 p.m.

A special meeting of the University of South Alabama Board of Trustees was duly convened by Ms. Arlene Mitchell, Chair *pro tempore*, on Tuesday, April 18, 2023, at 1:00 p.m. in the Board Room of the Frederick P. Whiddon Administration Building. Meeting attendance was open to the public.

Members:	Alexis Atkins, Ron Graham, Arlene Mitchell, Jimmy Shumock, Mike Windom and Jim Yance were present, and Chandra Brown Stewart, Tom Corcoran, Steve Furr, Ron Jenkins, Lenus Perkins and Margie Tuckson participated remotely.
Members Absent:	Scott Charlton, Bill Lewis, Steve Stokes and Kay Ivey.
Administration & Guests:	Delaware Arif (Faculty Senate), Owen Bailey, Jo Bonner, Jaclyn Bunch (Faculty Senate), Susan Cornejo (Ascension), Kristin Dukes, Monica Ezell, Rod Kanter (Bradley Arant), Andi Kent, Nick Lawkis, John Marymont, Margaret Sullivan and Polly Stokley.
Media:	Shamonee Baker and Arnell Hamilton (WKRG), Kyle Hambrick (Lagniappe), Brendan Kirby (WALA), and Andrea Ramey and Mike Corry (WPMI).

Chair Mitchell thanked the members of the Board and guests for being present, and, following the attendance roll call, **Item 1**, she called on President Bonner to share introductory remarks. President Bonner conveyed appreciation to the Trustees for their willingness to be available when opportunities arise for advancing the mission of the University. He stated that the primary reason for calling the special meeting was to discuss a generational opportunity for USA Health.

Chair Mitchell called for consideration of the revised agenda, **Item 2**. On motion by Mr. Graham, seconded by Mr. Shumock, the Board voted unanimously to adopt the revised agenda.

Chair Mitchell called on Dr. Kent, who discussed the specifics of **Item 3** as follows. Judge Windom expressed his support for the recommendation and moved for the approval of the resolution. Mr. Yance seconded and the Board voted unanimously to approve the resolution:

RESOLUTION
SABBATICAL AWARD

WHEREAS, in accordance with University policy, a proposal for a sabbatical award for Philip Habel, Professor of Political Science and Criminal Justice, has been reviewed and recommended by the departmental peer review committee and Chair, College Dean, Executive Vice President and Provost, and by the University President,

THEREFORE, BE IT RESOLVED, the Board of Trustees of the University of South Alabama hereby approves said sabbatical award for Fall 2023 – Spring 2024 as recommended.

Chair Mitchell called on Dr. Marymont for a report on a strategic transaction, **Item 4**. Dr. Marymont, along with Mr. Bailey and Ms. Stokley, presented a comprehensive overview on plans for USA Health to acquire Providence Hospital and its assets from Ascension. Dr. Marymont advised that, earlier in the day, the USA Health Care Authority (HCA) Board of Directors approved the acquisition at a purchase price of $85 million contingent upon authorization of the transaction financing and a pledge agreement by the USA Board of Trustees. Also discussed were the evolution of these plans and the extensive due diligence conducted, the advantages that would be achieved through this undertaking, the process timeline and the financing. Mr. Bailey thanked Ms. Susan Cornejo, Ascension Chief Operating Officer for Florida and the Gulf Coast region, for being present. In summary, the leadership expressed full confidence in proceeding with the acquisition.

Chair Mitchell called for input from Mr. Shumock, Health Affairs Committee Chair and HCA Director. Mr. Shumock shared perspective on the action taken by the HCA Board, as well as on Alabama's University Authority Act of 2016 and its provisions.

Chair Mitchell called attention to **Item 5** as follows and turned to Dr. Marymont to provide additional information. (To view related documents, refer to Appendix A.) Dr. Marymont introduced Mr. Rod Kanter of Bradley Arant, bond counsel for the University, who explained the particulars of the resolution.

Chair Mitchell called for remarks from President Bonner. President Bonner recognized the enduring values shared by USA Health and Providence Hospital; pledged the leadership's commitment to ensuring a smooth transition; discussed the next steps of welcoming Providence Hospital employees into the University family and providing information to the public; and recommended approval of the resolution. Mr. Yance thanked everyone involved in the due diligence for keeping the Board informed throughout the process. On motion by Mr. Shumock, seconded by Capt. Jenkins, the Board voted unanimously to approve the resolution.

A RESOLUTION AUTHORIZING
THE ISSUANCE OF AN UP TO $80,000,000 UNIVERSITY FACILITIES REVENUE BOND (DRAW DOWN LOAN), SERIES 2023-A, AND AN UP TO $20,000,000 TAXABLE UNIVERSITY FACILITIES REVENUE BOND (DRAW DOWN LOAN), SERIES 2023-B AND
A $50,000,000 TAXABLE LINE OF CREDIT TO FINANCE OPERATIONS OF FACILITIES ACQUIRED WITH THE ABOVE-DESCRIBED BONDS
AND
VARIOUS AGREEMENTS, DOCUMENTS, AND ACTIONS RELATED TO THE AFORESAID TRANSACTIONS AND THE FACILITIES FINANCED THEREBY

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

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

(1) on the date of the adoption of this resolution the University has approved the expansion of its health care operations by acquiring various health care assets and facilities (herein called the "Expansion Project"); and

(2) the Expansion Project is being effectuated through an asset purchase agreement (herein called the "Asset Purchase Agreement") between the University of South Alabama Health Care Authority, a public corporation under Alabama law (herein called the "USA HCA") and the seller of the Expansion Project; and

(3) the University has determined it to be necessary to obtain draw- down loans (the "Loans") to pay the costs of the Expansion Project for operation, use, and management by the USA HCA under the Lease Agreement hereinafter described and authorized, and to finance repairs, improvements, and equipment related thereto; such Loans to consist of a loan in the amount of up to $80,000,000 (the "2023-A Loan") to be evidenced by an up to $80,000,000 principal amount University Facilities Revenue Bond (Draw-Down Loan), Series 2023-A (herein called the "Series 2023-A Bond") and a loan in the amount of up to $20,000,000 (the "2023-B Loan") to be evidenced by an up to $20,000,000 principal amount Taxable University Facilities Revenue Bond (Draw-Down Loan), Series 2023-B (herein called the "Series 2023-B Bond" and, together with the Series 2023-A Bond, the "Series 2023 Bonds") to be issued by the University as herein authorized; and

(4) the University conducted a competitive process seeking terms from qualified banks and financial institutions (herein called the "Expansion Project RFI Process") to secure the Loans and, acting upon the advice and guidance of PFM Financial Advisors LLC, financial advisor to the University (herein called "PFM"), the University determined that DNT Asset Trust, a Delaware statutory trust and wholly owned subsidiary of JPMorgan Chase Bank, N.A. ("DNT"), proposed terms most favorable to the University for the 2023-A Loan, and that JPMorgan Chase Bank, N.A., a national banking association ("JPM"), proposed terms most favorable to the University for the 2023-B Loan; and

(5) the University has determined that it will be necessary to obtain a line of credit in the amount of up to $50,000,000 (herein called the "Line of Credit") to provide funds to stabilize the payment of operating expenses in connection with the early operation, management and use by USA HCA of the Expansion Project, and as part of the Expansion Project RFI Process the University sought terms from qualified banks and financial institutions for the said Line of Credit; and

(6) acting upon the advice and guidance of PFM, the University has determined that Hancock Whitney Bank, a Mississippi chartered banking corporation (herein called "Hancock Whitney"), proposed terms most favorable to the University for the Line of Credit; and

(7) it will be necessary that the University enter one or more agreements (such agreement or agreements hereinafter defined as the "Pledge Agreement") under and pursuant to which the University will pledge its full faith and credit to support

the obligations of USA HCA under the Asset Purchase Agreement and other agreements related thereto and to the Expansion Project; and

(8) USA HCA will operate and manage the Expansion Project pursuant to the terms of the Lease Agreement herein authorized under which the University will lease the Expansion Project to USA HCA.

(b) Series 2023 Bonds to be Issued as Additional Bonds Under the Indenture; Special Findings Under Section 8.2(b) of the Indenture. The Series 2023 Bonds shall be issued as additional parity bonds under Article VIII of the Indenture hereinafter referred to. In accordance with the provisions of Section 8.2(b) of the Indenture, the Board hereby finds and declares as follows:

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

(2) the Series 2023-A Bond shall be designated "University Facilities Revenue Bond (Draw Down Loan), Series 2023-A", and the Series 2023-B Bond shall be designated "Taxable University Facilities Revenue Bond (Draw Down Loan), Series 2023-B";

(3) the person or entity to whom the Series 2023-A Bond is to be delivered shall be DNT Asset Trust, a Delaware statutory trust, and the person or entity to whom the Series 2023-B Bond is to be delivered shall be JPMorgan Chase Bank, N.A., a national banking association;

(4) each of the Series 2023-A Bond and the Series 2023-B Bond is to be issued by sale in accordance with, and at the sale price determined as set forth herein and in the Twenty-First Supplemental Indenture herein authorized;

(5) pursuant to the provisions of the Indenture, the University has issued and sold, and currently has outstanding under the Indenture, its:

(i) $32,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2013-A, dated June 28, 2013 (the "Series 2013-A Bond"),

(ii) $8,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2013-B, dated June 28, 2013 (the "Series 2013-B Bond"),

(iii) $10,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2013-C, dated June 28, 2013 (the "Series 2013-C Bond"),

(iv) $41,245,000 original principal amount University Facilities Revenue Refunding Bond, Series 2014-A, dated March 14, 2014 (the "Series 2014-A Bond"),

(v) $6,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2015, dated June 15, 2015 (the "Series 2015 Bond"),

(vi) $85,605,000 original principal amount University Facilities Revenue Refunding Bonds, Series 2016, dated September 14, 2016 (the "Series 2016-A Bonds"),

(vii) $38,105,000 original principal amount University Facilities Revenue Bonds, Series 2017, dated June 15, 2017 (the "Series 2017 Bonds"),

(viii) $47,750,000 original principal amount University Facilities Revenue Bonds, Series 2019-A, dated February 7, 2019 (the "Series 2019-A Bonds"),

(ix) $18,440,000 original principal amount Taxable University Facilities Revenue Bonds, Series 2019-B, dated February 7, 2019 (the "Series 2019-B Bonds"),

(x) $19,086,000 original principal amount University Facilities Revenue Bond, Series 2019-C, dated December 12, 2019 (the "Series 2019-C Bond"),

(xi) $37,005,000 original principal amount University Facilities Revenue Bond, Series 2020, dated March 10, 2020 (the "Series 2020 Bonds"),

(xii) $40,555,000 University Facilities Revenue Bonds, Series 2021, dated March 10, 2021 (the "Series 2021-A Bonds"),

(xiii) $15,387,000 University Facilities Revenue Bonds, Series 2021-B, dated July 8, 2021 (the "Series 2021-B Bonds"),

(xiv) $20,000,000 original principal amount Amended and Restated University Facilities Revenue Refunding Bond, Series 2016-B, dated September 23, 2021 (the "Amended and Restated Series 2016-B Bond"),

(xv) $35,000,000 original principal amount Amended and Restated University Facilities Revenue Refunding Bond, Series 2016-C, dated September 23, 2021 (the "Amended and Restated Series 2016-C Bond"), and

(xvi) $45,000,000 original principal amount Amended and Restated University Facilities Revenue Refunding Bond, Series 2016-D, dated September 23, 2021 (the "Amended and Restated Series 2016-D Bond").

(6) The only bonds outstanding under the Indenture at the time of issuance of the Series 2023 Bonds are the Series 2013-A Bond, the Series 2013-B Bond, the Series 2013-C Bond, the Series 2014-A Bond, the Series 2015 Bond, Series 2016-A Bonds, the Series 2017 Bonds, Series 2019-A Bonds, Series 2019- B Bonds, the Series 2019-C Bond, Series 2020 Bonds, Series 2021-A Bonds, the Series 2021-B Bonds, the Amended and Restated Series 2016-B Bond, the Amended and Restated Series 2016-C Bond, and the Amended and Restated Series 2016-D Bond (collectively herein called the "Outstanding Bonds"); and

(7) the Series 2023 Bonds are being issued for the purposes described in Section 1(a) hereof.

The Trustee is hereby requested to authenticate the Series 2023-A Bond to DNT at the time the Series 2023-A Bond is to be delivered to DNT, and to authenticate the Series 2023-B Bond to JPM at the time the Series 2023-B Bond is to be delivered to JPM.

Section 2. Authorization of Loans; Authorization of the Series 2023 Bonds. The Board does hereby authorize the 2023-A Loan and, as evidence thereof, that there be issued by the University its up to $80,000,000 principal amount University Facilities Revenue Bond, (Draw Down Loan), Series 2023-A, dated its date of initial issuance (herein called the "Series 2023-A Bond"), and its up to $20,000,000 principal amount Taxable University Facilities Revenue Bond (Draw Down Loan), Series 2023-B (herein called the Series 2023-B Bond"), under such terms, conditions and provisions to be set out in the Twenty-First Supplemental Indenture hereinafter defined.

Section 3. Source of Payment of the Series 2023 Bonds. The principal of and the interest on the Series 2023 Bonds shall be payable from Pledged Revenues (as defined in the Indenture) on parity of lien with the Outstanding Bonds and any Additional Bonds (as defined in the Indenture) hereafter issued. The Series 2023 Bonds shall not represent or constitute an obligation of any nature whatsoever of the State of Alabama (herein called the "State"), and shall not be payable out of money appropriated to the University by the State. The agreements, covenants and representations contained in this resolution, in the Series 2023 Bonds and in the Indenture do not and shall never constitute or give rise to any personal or pecuniary liability or charge against the general credit of the University, and in the event of a breach of any such agreement, covenant or representation, no personal or pecuniary liability or charge payable directly or indirectly from the general revenues of the University shall arise therefrom. Neither the Series 2023 Bonds nor the pledge or any agreement contained in the Indenture or in this resolution shall be or constitute an obligation of any nature whatsoever of the State, and neither the Series 2023 Bonds nor any obligations arising from the aforesaid pledge or agreements shall be payable out of any money appropriated to the University by the State. Nothing contained in this section shall, however, relieve the University from the observance and performance of the several covenants and agreements on its part herein contained and contained in the Indenture.

Section 4. Series 2023 Bonds Payable at Par. All remittances of principal of and interest on the Series 2023 Bonds to the holder thereof shall be made at par without any deduction or exchange or other cost, fees or expenses. The bank at which the Series 2023 Bonds shall at any time be payable shall be considered by acceptance of its duties under the Indenture to have agreed that it will make or cause to be made remittances of principal of and interest on the Series 2023 Bonds, out of the money provided for that purpose, in bankable funds at par without any deduction for exchange or other cost, fees or expenses. The University will pay to such bank all reasonable charges made and expenses incurred by it in making such remittances in bankable funds at par.

Section 5. Authorization of Twenty-First Supplemental Indenture. The Board does hereby authorize and direct the President of the University and the Vice President for Finance and Administration, or either of them, to execute and deliver, for and in the name and behalf of the University, to The Bank of New York Mellon Trust Company, N.A., as trustee (herein called the "Trustee"), a Twenty-First Supplemental University Facilities Trust Indenture dated the date of the Series 2023 Bonds in substantially the form presented to the meeting at which this resolution is adopted and attached as Exhibit I to the minutes of said meeting (which form is hereby adopted in all respects as if set out in full in this resolution), updated to reflect the final terms of the Series 2023 Bonds and such other changes as shall be determined by the President and the Vice President for Finance and Administration, or either of them, acting on behalf of the University (herein called the "Twenty-First Supplemental Indenture"), and does hereby further authorize and

direct the Secretary of the Board, the Vice Chair of the Board and the Chair Pro Tempore of the Board, or any of them, to affix to the Twenty-First Supplemental Indenture the corporate seal of the University and to attest the same. The Twenty-First Supplemental Indenture is supplemental to that certain University Facilities Revenue Trust Indenture between the University and the Trustee dated as of February 15, 1996, as heretofore supplemented and amended (together with the Twenty-First Supplemental Indenture, "Indenture").

Section 6. Sale of the Series 2023 Bonds. (a) The Series 2023-A Bond shall be sold and delivered to DNT. In connection with the sale of the Series 2023-A Bond to DNT, the Board does hereby authorize and direct the President and the Vice President for Finance and Administration of the University, or either of them, to execute and deliver, for and in the name and behalf of the University, such instruments, documents and other agreements as shall be reasonably requested by the DNT to make the 2023-A Loan and acquire the Series 2023- A Bond.

(b) The Series 2023-B Bond shall be sold and delivered to JPM. In connection with the sale of the Series 2023-B Bond to JPM, the Board does hereby authorize and direct the President and the Vice President for Finance and Administration of the University, or either of them, to execute and deliver, for and in the name and behalf of the University, such instruments, documents and other agreements as shall be reasonably requested by the JPM to make the 2023-B Loan and acquire the Series 2023-B Bond.

Section 7. Execution and Delivery of the Series 2023 Bonds. The Board does hereby authorize the President of the University and the Vice President for Finance and Administration, or either of them, to execute the Series 2023 Bonds, in the name and on behalf of the University, by manually signing said bonds, and does hereby authorize the Secretary of the Board, the Vice Chair of the Board and the Chair Pro Tempore of the Board, or either of them, to cause the corporate seal of the University to be imprinted or impressed on the Series 2023 Bonds and to attest the same by signing the Series 2023 Bonds, and for any such officer to deliver the Series 2023-A Bond, subsequent to its execution as provided herein, to DNT following authentication of such bond, and to deliver the Series 2023-B Bond, subsequent to its execution as provided herein, to JPM following authentication of such bond.

Section 8. Application of Proceeds of Series 2023 Bonds. The entire proceeds derived by the University from the sale of the Series 2023 Bonds, less and except any origination fee retained by DNT and JPM or other amounts retained by DNT and JPM for payment of the costs of counsel to DNT and JPM, shall be paid to the University and used to pay (i) the cost of the Expansion Project, (ii) the costs of repairs, improvements, and equipment for the Expansion Project, and (iii) the costs of issuing the Series 2023 Bonds.

Section 9. Line of Credit and Promissory Note. (a) The Board does hereby authorize and approve the terms of the Line of Credit, which are set forth in a Revolving Line of Credit Agreement between the University and Hancock Whitney, the form of which is attached as Exhibit II hereto (the "Line of Credit Agreement"), which such agreement contains a form of Line of Credit Promissory Note (the "Promissory Note") from the University and made payable to Hancock Whitney to evidence the University's obligation to pay the principal of and interest on all advances of funds from Hancock Whitney under the Line of Credit. The President and the Vice President for Finance and Administration, or either of them, may determine to make such changes to the terms and provisions of the Line of Credit Agreement and the Promissory Note (together, the "Line of Credit Documents") as shall be deemed necessary or desirable by said officers or officer prior to the time of execution of the same including, without limitation, to alter or modify the principal amortization provisions and maturity date or dates of principal, to change the provisions to a non-revolving line of credit, or to replace the base index (defined as

"SOFR" in the attached form of Line of Credit Agreement) to a different index deemed acceptable by PFM or by the Vice President for Finance and Administration; provided, (i) if such changes include an increase in the amount of the Spread (as such term is defined in the Line of Credit Agreement), the Spread may not be increased by more than 35 additional basis points, (ii) if such changes are to alter the term of the Line of Credit Documents, the term may be for a period that starts on the effective date of the Line of Credit Documents and matures (including the maturity date of any extension past the initial maturity date) not more than four (4) years thereafter, (iii) if such change is to increase the amount of the Available Rate (as such term is defined in the Line of Credit Agreement), the said Available Rate may not be increased by more than 10 basis points, and (iv) if such changes include an increase the maximum annual amount of the Unused Fee, the said maximum annual amount may not be increased by more than an additional $50,000 per year.

(b) 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, by and on behalf of the University, the Line of Credit Documents, 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 Line of Credit Documents. The Secretary of the Board is hereby authorized to affix the seal of the University on the Line of Credit Documents and to attest the same.

Section 10. Lease Agreement. The Board does hereby authorize the leasing by the University of the Expansion Project, or portions thereof, to USA HCA pursuant to the terms of a Lease Agreement between the University and USA HCA in substantially the form presented to the meeting at which this resolution is adopted and attached as Exhibit III to the minutes of said meeting (which form is hereby adopted in all respects as if set out in full in this resolution) (herein called the "Lease Agreement"), and does hereby authorize and direct the President of the University to sign and deliver the Lease Agreement on behalf of the University, and the Secretary of the Board to affix to the Lease Agreement the corporate seal of the University and to attest the same. Each of the President of the University and the Vice President for Finance and Administration is herein further authorized to execute and deliver, by and on behalf of the University, all notices, directives, declarations, and to take such actions, by and on behalf of the University, as such officer shall determine necessary or desirable under or in connection with the Lease Agreement.

Section 11. Pledge Agreements. The Board does hereby authorize and approve the pledge of the full faith and credit of the University in support of the obligations of USA HCA under the Asset Purchase Agreement, and under any other agreements entered by USA HCA in connection with the Expansion Project, such pledge of the University to be set forth in one or more agreements entered by the University (herein called the "Pledge Agreements"), and does hereby authorize and direct the President of the University to sign and deliver the Pledge Agreements on behalf of the University, and the Secretary of the Board to affix to the Pledge Agreements the corporate seal of the University and to attest the same. Each of the President of the University and the Vice President for Finance and Administration is herein further authorized to execute and deliver, by and on behalf of the University, all notices, directives, declarations, and to take such actions, by and on behalf of the University, as such officer shall determine necessary or desirable under or in connection with the Pledge Agreements.

Section 12. Severability. The various provisions of this resolution are hereby declared to be severable. In the event any provision hereof shall be held invalid by a court of competent jurisdiction, such invalidity shall not affect any other portion of this resolution.

Section 13. General Authorization. The President of the University, the Vice President for Finance and Administration of the University, the Secretary of the Board, the Chair Pro Tempore of the Board and the Vice Chair of the Board, or any of them, are hereby authorized to execute such other agreements, certifications, instruments, notices, consents, acknowledgments, or other documents, containing such terms as such officer 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 (including, without limitation, to obtain the Loans) and to the end that the Series 2023 Bonds may be executed, issued and delivered, the Line of Credit Agreement, the Promissory Note, the Lease Agreement and the Pledge Agreements may be executed, issued, and delivered, and the Expansion Project, and all improvements, renovations and equipment or other assets necessary therefor, shall be purchased, installed, and acquired (as the case may be). The Secretary of the Board, the Chair Pro Tempore of the Board and the Vice Chair of the Board, or any of them, are hereby authorized and directed to affix the official seal of the Board to such agreements, certifications, instruments, notices, consents, acknowledgments, or other documents and to attest the same.

There being no further business, the meeting was adjourned at 1:25 p.m.

Attest to:

Lenus M. Perkins, Secretary

Respectfully Submitted:

Arlene Mitchell

Arlene Mitchell, Chair *pro tempore*

APPENDIX A

EXHIBIT I
FORM OF TWENTY-FIRST SUPPLEMENTAL INDENTURE

TWENTY-FIRST SUPPLEMENTAL UNIVERSITY FACILITIES REVENUE TRUST INDENTURE

between

UNIVERSITY OF SOUTH ALABAMA

and

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

Dated April 19, 2023

TWENTY-FIRST SUPPLEMENTAL UNIVERSITY FACILITIES REVENUE TRUST INDENTURE dated April 19, 2023 (the "Effective Date") between the **UNIVERSITY OF SOUTH ALABAMA**, a public body corporate under the laws of the State of Alabama (herein called the "University"), and **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.** (as successor Trustee to AmSouth Bank of Alabama and being herein called the "Trustee"), a national banking association in its capacity as Trustee under the Trust Indenture of the University dated as of February 15, 1996, as heretofore supplemented and amended (herein called the "Indenture").

R E C I T A L S

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

(a) Pursuant to the provisions of the Indenture, the University has issued and sold, and currently has outstanding under the Indenture, its:

(i) $32,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2013-A, dated June 28, 2013 (the "Series 2013-A Bond"),

(ii) $8,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2013-B, dated June 28, 2013 (the "Series 2013-B Bond"),

(iii) $10,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2013-C, dated June 28, 2013 (the "Series 2013-C Bond"),

(iv) $41,245,000 original principal amount University Facilities Revenue Refunding Bond, Series 2014-A, dated March 14, 2014 (the "Series 2014-A Bond"),

(v) $6,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2015, dated June 15, 2015 (the "Series 2015 Bond"),

(vi) $85,605,000 original principal amount University Facilities Revenue Refunding Bonds, Series 2016, dated September 14, 2016 (the "Series 2016-A Bonds"),

(vii) $38,105,000 original principal amount University Facilities Revenue Bonds, Series 2017, dated June 15, 2017 (the "Series 2017 Bonds"),

(viii) $47,750,000 original principal amount University Facilities Revenue Bonds, Series 2019-A, dated February 7, 2019 (the "Series 2019-A Bonds"),

(ix) $18,440,000 original principal amount Taxable University Facilities Revenue Bonds, Series 2019-B, dated February 7, 2019 (the "Series 2019-B Bonds"),

(x) $19,086,000 original principal amount University Facilities Revenue Bond, Series 2019-C, dated December 12, 2019 (the "Series 2019-C Bond"),

(xi) $37,005,000 original principal amount University Facilities Revenue Bond, Series 2020, dated March 10, 2020 (the "Series 2020 Bonds"),

(xii) $40,555,000 University Facilities Revenue Bonds, Series 2021, dated March 10, 2021 (the "Series 2021-A Bonds"),

(xiii) $15,387,000 University Facilities Revenue Bonds, Series 2021-B, dated July 8, 2021 (the "Series 2021-B Bonds"),

(xiv) $20,000,000 original principal amount Amended and Restated University Facilities Revenue Refunding Bond, Series 2016-B, dated September 23, 2021 (the "Amended and Restated Series 2016-B Bond"),

(xv) $35,000,000 original principal amount Amended and Restated University Facilities Revenue Refunding Bond, Series 2016-C, dated September 23, 2021 (the "Amended and Restated Series 2016-C Bond"), and

(xvi) $45,000,000 original principal amount Amended and Restated University Facilities Revenue Refunding Bond, Series 2016-D, dated September 23, 2021 (the "Amended and Restated Series 2016-D Bond").

(b) The only bonds outstanding under the Indenture are the Series 2013-A Bond, the Series 2013-B Bond, the Series 2013-C Bond, the Series 2014-A Bond, the Series 2015 Bond, Series 2016-A Bonds, the Series 2017 Bonds, Series 2019-A Bonds, Series 2019-B Bonds, the Series 2019-C Bond, Series 2020 Bonds, Series 2021-A Bonds, the Series 2021-B Bonds, the Amended and Restated Series 2016-B Bond, the Amended and Restated Series 2016-C Bond, and the Amended and Restated Series 2016-D Bond;

(c) The University has determined to undertake a capital expansion project at a cost of up to $100,000,000 (the "Project"), and in connection therewith to arrange short-term construction financing consisting of a loan of up to $80,000,000 (the "2023-A Loan"), such 2023-A Loan to be evidenced by the Series 2023-A Bond hereinafter authorized, and a loan of up to $20,000,000 (the "2023-B Loan"), such 2023-B Loan to be evidenced by the Series 2023-B Bond hereinafter authorized;

(d) The University, acting upon the advice of PFM Financial Advisors LLC, financial advisor to the University (herein called "PFM"), has determined

through a competitive selection process that DNT Asset Trust, a Delaware statutory trust, wholly owned subsidiary of JPMorgan Chase Bank, N.A. (the "2023-A Lender"), has offered terms most optimal to the University for the 2023-A Loan, and that JPMorgan Chase Bank, N.A. (the "2023-B Lender") has offered terms most optimal to the University for the 2023-B Loan, and that both such loans contain terms best to finance the overall costs of the Project; and

(e) The University has determined to issue its not to exceed $80,000,000 principal amount University Facilities Revenue Bond (Draw Down Loan), Series 2023-A, dated its date of issuance (the "Series 2023-A Bond") and its not to exceed $20,000,000 principal amount Taxable University Facilities Revenue Bond (Draw Down Loan), Series 2023-B, dated its date of issuance (the "Series 2023-B Bond"), to pay the primary costs of the Project and the costs of issuing the Series 2023-A Bond and the Series 2023-B Bond (collectively, the "Series 2023 Bonds").

Additional Definitions

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

"**Adjusted Term SOFR**" means, for any Term SOFR Determination Date, an interest rate per annum equal to the sum of (a) the Term SOFR Rate and (b) the SOFR Adjustment.

"**Advance**" shall mean funds loaned by the 2023-A Lender under the 2023-A Advance Documents, and funds loaned by the 2023-B Lender under the 2023-B Advance Documents.

"**Bondholder Representative**" shall have the meaning given to such term in Section 3.11 hereof.

"**Business Day**" shall have the meaning given to such term in the Indenture.

"**Code**" means the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

"Determination of Taxability" shall mean a determination that interest on the Series 2023-A Bond is includable for federal income tax purposes in the gross income (as defined in Section 61 of the Internal Revenue Code of 1986, as amended, or any successor provision thereto) of the registered owner or any former registered owner of the Series 2023-A Bond upon the first to occur of the following, but if and only if such occurrence is the result of an action or failure to act on the part of the University:

(a) the date on which the University is advised in writing by the Commissioner or any District Director of the Internal Revenue Service that, based upon any filings of the University, or upon any review or audit of the University, the interest on the Series 2023-A Bond is includable in the gross income of each registered owner or former registered owner thereof;

(b) the date on which the University receives notice from the registered owner or any former registered owner of the Series 2023-A Bond in

writing that the registered owner or former registered owner of the Series 2023-A Bond has received from the Internal Revenue Service a statutory notice of deficiency or similar notice which asserts in effect that the interest on the Series 2023-A Bond is includable in the gross income of the registered owner or former registered owner of the Series 2023-A Bond;

(c) the date on which the University is advised in writing by the Commissioner or any District Director of the Internal Revenue Service or otherwise receives notice that there has been issued a public or private ruling of the Internal Revenue Service or a technical advice memorandum issued by the national office of the Internal Revenue Service that the interest on the Series 2023-A Bond is includable for federal income tax purposes in the gross income of the registered owner or former registered owner of the Series 2023-A Bond; or

(d) the date on which the University is advised in writing that a final determination, from which no further right of appeal exists, has been made by a court of competent jurisdiction in the United States of America that the interest on the Series 2023-A Bond is includable in the gross income of the registered owner or former registered owner of the Series 2023-A Bond;

provided, however, (i) interest on the Series 2023-A Bond shall not be deemed includable for federal income tax purposes in the gross income of a registered owner or former registered owner of the Series 2023-A Bond (and, thus, no Determination of Taxability shall occur) because interest is includable in the calculation of income for purposes of an alternative minimum tax or any other type of taxation other than regular federal tax imposed on income, and (ii) no Determination of Taxability shall occur under subparagraph (a), (b) or (c) of this definition unless the University has been afforded the opportunity, at the expense of the University, to contest any such conclusion and/or assessment. The University shall be deemed to have been afforded the opportunity to contest if it shall have been permitted to commence and maintain any action in the name of the registered owner or any former registered owner of the Series 2023-A Bond to judgment and through any appeals therefrom or other proceedings related thereto.

"**Initial Advance**" means the sum of $485,000 advanced by the 2023-A Lender to the University on the date hereof and pursuant to the 2023-A Advance Agreement to pay costs of issuing the Series 2023-A Bond and the Series 2023-B Bond.

"**Interest Payment Date**" means June 1, 2023; September 1, 2023; December 1, 2023; March 1, 2024; and the date of maturity of each of the Series 2023 Bonds.

"**Lenders**" means the 2023-A Lender and the 2023-B Lender.

"**Series 2023 Bonds**" means, collectively, the Series 2023-A Bond and the Series 2023-B Bond.

"**Series 2023-A Bond**" means the $80,000,000 University Facilities Revenue Bond (Draw Down Loan), Series 2023-A, dated its date of issuance.

"**SOFR Adjustment**" means 0.10% per annum.

"**Term SOFR**" as used herein means the forward-looking SOFR rate administered by the relevant governmental body (or other administrator selected by the Bondholder Representative) and published by a commercially available source providing such quotations as may be selected by the Bondholder Representative relating to quotations for one month, using a 2-day lookback period. At any time Term SOFR is less than 0.00%, Term SOFR shall be deemed to be 0.00% for purposes of calculating Adjusted Term SOFR. If the Bondholder Representative determines that Term SOFR is not being reported or otherwise available, the Bondholder Representative shall select an alternate rate approximating Term SOFR (the "Alternate Base Index") and inform the University and the Trustee in writing of the same. Absent manifest error, "Term SOFR" shall mean such Alternate Base Index, from and after the date so determined, as used in this Indenture.

"**TERM SOFR Determination Date**" means (a) the Effective Date and (b) the first Business Day of each calendar month thereafter.

"**2023-A Advance**" shall mean the Initial Advance and any Advance under the 2023-A Advance Documents.

"**2023-A Advances**" shall mean the sum of the Initial Advance and all other Advances under the 2023-A Advance Documents.

"**2023-A Advance Agreement**" means that certain Advance Agreement (2023-A) dated of even date herewith between the University and the 2023-A Lender."

"**2023-A Advance Deadline**" shall have the meaning given to such term in the 2023-A Advance Agreement.

"**2023-A Advance Documents**" means the 2023-A Advance Agreement and the Series 2023-A Bond.

"**2023-A Advance Period**" means the period beginning on the date of initial issuance of the Series 2023-A Bond and continuing through the 2023-A Advance Deadline.

"**2023-A Lender**" shall mean DNT Asset Trust, a Delaware statutory trust, wholly owned subsidiary of JPMorgan Chase Bank, N.A., and its successors and permitted assigns or transferees.

"**2023-A Spread**" means 45 basis points, or, following a Determination of Taxability, 65 basis points.

"**2023-A Variable Rate**" 80% of Adjusted Term SOFR, plus the 2023-A Spread.

"**2023-B Advance**" shall mean any Advance under the 2023-B Advance Documents.

"**2023-B Advances**" shall mean the sum of all Advances under the 2023-B Advance Documents.

"**2023-B Advance Agreement**" means that certain Advance Agreement (2023-B) dated of even date herewith between the University and the 2023-B Lender.

"**2023-B Advance Deadline**" shall have the meaning given to such term in the 2023-B Advance Agreement.

"**2023-B Advance Documents**" means the 2023-B Advance Agreement and the Series 2023-B Bond.

"**2023-B Advance Period**" means the period beginning on the date of initial issuance of the Series 2023-B Bond and continuing through the 2023-B Advance Deadline.

"**2023-B Lender**" shall mean JPMorgan Chase Bank, N.A., a national banking association, and its successors and permitted assigns or transferees.

"**2023-B Spread**" means 65 basis points.

"**2023-B Variable Rate**" means Adjusted Term SOFR plus the 2023-B Spread.

NOW, THEREFORE, THIS TWENTY-FIRST SUPPLEMENTAL UNIVERSITY FACILITIES REVENUE TRUST INDENTURE

W I T N E S S E T H:

It is hereby agreed among the University, the Trustee and its successors in trust under the Indenture and the holders at any time of the Series 2023 Bonds, as follows:

ARTICLE I
SERIES 2023-A BOND

Section 1.1 Description of the Series 2023-A Bond. (a) **Authorization and General Description.** There is hereby authorized to be issued and delivered by the University under the Indenture one University Facilities Revenue Bond (Draw Down Loan), Series 2023-A, dated its date of issuance, in the principal amount of not to exceed $80,000,000. Under the 2023-A Advance Agreement, the 2023-A Lender has agreed to honor the Initial Advance to pay the costs of issuing the Series 2023 Bonds. From the date of issuance of the Series 2023-A Bond through the close of the 2023-A Advance Period, the University shall have the right, but not the obligation, to request additional 2023-A Advances under the Series 2023-A Bond that, when added to the Initial Advance, do not exceed the aggregate sum of $80,000,000. Certain limitations and conditions applicable to each 2023-A Advance are set forth and described in the 2023-A Advance Agreement.

(b) **Principal Amount of Series 2023-A Bond; 2023-A Maturity Date**. The principal of the Series 2023-A Bond shall equal the sum of all 2023-A Advances honored by the 2023-A Lender prior to the close of the 2023-A Advance Period. All principal on the Series 2023-A Bond shall mature and become due and payable on April 19, 2024 (the "2023-A Maturity Date").

(c) **Interest Rate and Interest Payments**. Interest on each 2023-A Advance shall accrue from the date such 2023-A Advance is honored by the 2023-A Lender until such interest

is paid, and shall be payable in arrears on each Interest Payment Date. The final interest payment with respect to the Series 2023-A Bond shall be due and payable on the 2023-A Maturity Date. Interest on the Series 2023-A Bond shall be calculated by the 2023-A Lender at the 2023-A Variable Rate 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. At least two Business Days prior to each Interest Payment Date, the 2023-A Lender shall notify the University and the Trustee in writing of the amount of interest on the Series 2023-A Bond computed by the 2023-A Lender to be owed on such Interest Payment Date. In no instance will the applicable interest rate on the Series 2023-A Bond exceed the maximum rate permitted by applicable law. In the event an Interest Payment Date is not a Business Day (as defined in the Indenture), the principal or interest due on such date shall be payable on the then next succeeding Business Day.

(d) **Series 2023-A Bond Fund Subaccount.** The Trustee may establish one or more accounts within the Bond Fund for the Series 2023-A Bonds.

Section 1.2 Optional Redemption. The University shall have the right to redeem and retire the Series 2023-A Bond on the first Business Day of any calendar month, in whole or in part without penalty or premium upon not less than 10 days' prior written notice to the holder of the Series 2023-A Bond (with a copy to the Trustee), at and for a price equal to 100% of the principal of the Series 2023-A Bond to be redeemed plus accrued interest to the date set for redemption.

Section 1.3 Method of Payment; Final Payment; Other. Payments of principal and interest on the Series 2023-A Bond shall be payable when due at the designated corporate trust office of the Trustee initially in the City of Birmingham, Alabama, and without presentment of the Series 2023-A Bond. Interest on the Series 2023-A Bond shall be payable by check or draft mailed or otherwise delivered by the Trustee to the 2023-A Lender at its address as it appears on the registry books of the Trustee pertaining to the registration of the Series 2023-A Bond. Principal of the Series 2023-A Bond shall bear interest after its respective maturity until paid or until moneys sufficient for payment thereof shall have been deposited for that purpose with the Trustee, whichever first occurs, at the rate of interest borne by the Series 2023-A Bond plus 400 basis points. By its acceptance of the Series 2023-A Bond, the 2023-A Lender agrees to surrender the said bond within a reasonable period of time not exceeding thirty (30) days following the final payment thereof; provided, however, that the Trustee assumes no liability to any person in the event that the 2023-A Lender should fail to return said bond and no obligation will be imposed upon the Trustee to seek the return of such bond from the 2023-A Lender.

Section 1.4 Form of Series 2023-A Bond. The Series 2023-A Bond and the Trustee's Authentication Certificate shall be in substantially the following forms, respectively, with such insertions, omissions and other variations as may be necessary to conform to the provisions hereof:

THIS SERIES 2023-A BOND MAY BE TRANSFERRED ONLY TO AN "ACCREDITED INVESTOR" OR TO A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN THE SECURITIES AND EXCHANGE ACT OF 1933 AND THE RULES AND REGULATIONS PROMULGATED THEREUNDER AND ONLY UPON COMPLIANCE

WITH APPLICABLE STATE AND FEDERAL SECURITIES LAWS AND WITH THE INDENTURE REFERRED TO HEREIN.

UNITED STATES OF AMERICA

STATE OF ALABAMA

UNIVERSITY OF SOUTH ALABAMA
University Facilities Revenue Bond
(Draw Down Loan)
Series 2023-A

For value received, the **UNIVERSITY OF SOUTH ALABAMA**, a public body corporate under the laws of the State of Alabama (herein called the "University"), will pay, solely from the sources hereinafter referred to, to **DNT ASSET TRUST**, a Delaware statutory trust and wholly owned subsidiary of JPMorgan Chase Bank, N.A. (together with its successors and permitted assigns and transferees, the "2023-A Lender"), the principal sum of up to **EIGHTY MILLION DOLLARS ($80,000,000)**, or such lesser amount as shall be the sum of all 2023-A Advances, as such term is defined in that certain Twenty-First Supplemental University Facilities Revenue Indenture dated of even date herewith (the "Twenty-First Supplemental Indenture") between the University and The Bank of New York Mellon Trust Company, N.A. (the "Trustee").

This bond is dated its date of issuance, April 19, 2023 (the "Dated Date"). All principal of this bond shall mature and become due and payable on April 19, 2024 (the "Maturity Date").

Interest on each 2023-A Advance shall accrue from the date honored by the 2023-A Lender until such interest is paid, and shall be payable in arrears on June 1, 2023; September 1, 2023; December 1, 2023; March 1, 2024; and the Maturity Date. Interest on this bond shall be calculated at the 2023-A Variable Rate (as defined in the Twenty-First Supplemental Indenture) 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. At least two Business Days prior to each Interest Payment Date, the 2023-A Lender shall notify the University and the Trustee in writing of the amount of interest computed by such 2023-A Lender to be owed on such Interest Payment Date. In no instance will the applicable interest rate on this bond exceed the maximum rate permitted by applicable law. In the event an Interest Payment Date is not a Business Day (as defined in the Indenture), the principal or interest due on such date shall be payable on the then next succeeding Business Day.

Principal and interest on this bond are payable by check or draft mailed by the Trustee to the 2023-A Lender on the applicable Interest Payment Date and at the address of the 2023-A Lender shown on the registry books of the Trustee pertaining to this bond as of the close of business on the 15th day immediately preceding the date of such payment; provided, if an Interest Payment Date is not a Business Day, the interest or principal due on such date shall be payable on the next succeeding Business Day. Principal on this bond shall be paid without presentment of this instrument. By its acceptance of this bond, the holder hereof agrees to

surrender this bond within a reasonable period of time not exceeding thirty (30) days following the final payment hereof; provided, however, that the Trustee assumes no liability to any person in the event that the holder should fail to return said bond and no obligation will be imposed upon the Trustee to seek the return of such bond from the holder.

Principal and interest payments that are due with respect to this bond and that are made by check or draft shall be deemed timely made if such check or draft is mailed by the Trustee on or before the due date of such principal or interest. Both the principal of and the interest on this bond shall bear interest after their respective maturities until paid or until moneys sufficient for payment thereof have been deposited with the Trustee at the per annum rate stated above. The Indenture provides that all payments by the University or the Trustee to the 2023-A Lender at the address for the 2023-A Lender shown on the registry books of the Trustee shall to the extent thereof fully discharge and satisfy all liability for the same. Any permitted transferee of this bond takes it subject to all payments of principal and interest in fact made with respect hereto.

This bond is herein entitled "University Facilities Revenue Bond (Draw Down Loan), Series 2023-A" and has been issued under a University Facilities Revenue Trust Indenture dated as of February 15, 1996, as heretofore supplemented and amended and as further supplemented and amended by the Twenty-First Supplemental Indenture (the said Trust Indenture, as so supplemented and amended, being herein called the "Indenture"), between the University and the Trustee.

The principal of and the interest on this bond is payable solely out of and secured by a lien upon and pledge of (a) certain fees from students levied by the University, (b) the gross revenues derived from certain auxiliary enterprises services furnished by the University, including food services, housing, college stores, dining, concessions and other similar services, as such revenues are shown as a separate item on the audited financial statements of the University, (c) additional fees and revenues, if any, that may be subjected to the lien of the Indenture pursuant to a Supplemental Indenture, and (d) an amount not exceeding $10,000,000 in any fiscal year of the University of the gross revenues derived from that certain hospital facility owned and operated by the University and known as USA Children’s and Women’s Hospital (herein called the "Pledged Revenues"), and shall not be payable from any other funds or revenues, on a parity of lien with (I) the University’s (a) $25,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2012-A, dated January 4, 2012, (b) $32,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2013-A, dated June 28, 2013, (c) $8,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2013-B, dated June 28, 2013, (d) $10,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2013-C, dated June 28, 2013, (e) $41,245,000 original principal amount University Facilities Revenue Refunding Bond, Series 2014-A, dated March 14, 2014, (f) $6,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2015, dated June 15, 2015, (g) $85,605,000 original principal amount University Facilities Revenue Refunding Bonds, Series 2016, dated September 14, 2016, (h) $38,105,000 original principal amount University Facilities Revenue Bonds, Series 2017, dated June 15, 2017, (i) $47,750,000 original principal amount University Facilities Revenue Bonds, Series 2019-A, dated February 7, 2019, (j) $18,440,000 original principal amount Taxable University Facilities Revenue Bonds, Series 2019-B, dated February 7, 2019, (k) $19,086,000 original principal amount University

Facilities Revenue Bond, Series 2019-C, dated December 12, 2019, (l) $37,005,000 original principal amount University Facilities Revenue Bond, Series 2020, dated March 10, 2020, (m) $40,555,000 University Facilities Revenue Bonds, Series 2021, dated March 10, 2021, (n) $15,387,000 University Facilities Revenue Bond, Series 2021-B, dated July 8, 2021, (o) $20,000,000 original principal amount Amended and Restated University Facilities Revenue Refunding Bond, Series 2016-B, dated September 23, 2021, (p) $35,000,000 original principal amount Amended and Restated University Facilities Revenue Refunding Bond, Series 2016-C, dated September 23, 2021, (q) $45,000,000 original principal amount Amended and Restated University Facilities Revenue Refunding Bond, Series 2016-D, dated September 23, 2021, (r) not to exceed $20,000,000 Taxable University Facilities Revenue Bond (Draw Down Loan), Series 2023-B, dated the date hereof, and (II) any Additional Bonds hereafter issued pursuant to Article VIII of the Indenture.

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

The principal of this bond shall be subject to redemption and payment by the University, at the option of the University, on the first Business Day of any calendar month, in whole or in part without penalty or premium, upon not less than 10 days' prior written notice to

the holder hereof (with a copy to the Trustee), at and for a redemption price equal to 100% of the principal hereof to be redeemed plus accrued interest to the date fixed for redemption.

This bond is not a general obligation of the University, and the covenants and representations herein contained or contained in the Indenture do not and shall never constitute a personal or pecuniary liability or charge against the general credit of the University. This bond is not an obligation or debt of the State of Alabama nor are the faith and credit of said state pledged for payment thereof, and neither the principal of nor interest on this bond is payable out of any moneys provided for or appropriated to the University by the State of Alabama.

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

The Trustee shall not be required so to transfer or exchange this bond during the period of fifteen days next preceding any interest payment date with respect thereto.

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

IN WITNESS WHEREOF, the University has caused this bond to be executed in its name and behalf with the signature of its President, has caused its corporate seal to be hereunto impressed, has caused this bond to be attested by the signature of the Secretary of its Board of Trustees, and has caused this bond to be dated the Dated Date.

UNIVERSITY OF SOUTH ALABAMA

By: _____
President
University of South Alabama

[S E A L]

Attest:

_____
Secretary of the
Board of Trustees

Form of Trustee's Authentication Certificate

Date of Authentication and Registration:

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

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

as Trustee

By: _____
Its Authorized Officer

Form of Assignment

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

Dated this _____ day of _____, _____.

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

Signature guaranteed:

_____
(Bank, Trust Company or Firm)*

By _____
(Authorized Officer)

Its Medallion Number: _____

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

Section 1.5 Execution and Delivery of Series 2023-A Bond. The Series 2023-A Bond shall be forthwith executed and delivered to the Trustee and shall be authenticated and delivered by the Trustee from time to time upon receipt by the Trustee of an order signed on behalf of the University by its President, requesting such authentication and delivery and designating the person or persons to receive the same or any part thereof.

Section 1.6 Proceeds of Initial Advance. Proceeds from the Initial Advance shall be used to pay the costs of issuing the Series 2023 Bonds, which such costs shall include the fees of bond counsel to the University, the fee of the financial advisor to the University, the fee of the

Trustee, the fee of legal counsel to the Lenders in the amount of not to exceed $40,000, and such other fees or costs as shall be identified by the University in writing to the 2023-A Lender on the date of issuance of the Series 2023-A Bond. All other proceeds (if any) from the Series 2023-A Bond shall be used to pay costs of the Project.

Section 1.7 Concerning the Code. (a) **General**. The University recognizes that the Code imposes certain conditions to the exemption from federal income taxation of interest income on the Series 2023-A Bond. Accordingly, the University agrees that it will continually comply with all requirements imposed by the Code as a condition to the exemption from federal income taxation of the interest income on the Series 2023-A Bond. With respect to any question arising under this Section 1.7, the University may rely upon an opinion of nationally recognized bond counsel acceptable to it.

(b) **Series 2023-A Bond not to be a "Private Activity Bond"**. The University will not apply the proceeds of the Series 2023-A Bond in any manner that would cause the Series 2023-A Bond to be a "private activity bond" within the meaning of Section 141(a) of the Code.

(c) **Concerning the Arbitrage Provisions of the Code**. The University agrees that it will comply with all provisions of the Code necessary to preclude the Series 2023-A Bond being considered an "arbitrage bond" within the meaning of Section 148 of the Code.

(d) **Provisions Respecting Registration of the Series 2023-A Bond to Comply with Provisions of Code**. The University and the Trustee recognize that the provisions of the Code require that the Series 2023-A Bond be in "registered form" and that, in general, the Series 2023-A Bond must be registered as to both principal and interest and any transfer of the Series 2023-A Bond must be effected only by the surrender of the old bond and either by the reissuance of the old bond to a new Holder or the issuance of a new bond to a new Holder. The Trustee may conclusively rely upon an opinion of nationally recognized bond counsel with respect to any question which may arise pertaining to the transfer, exchange or reissuance of the Series 2023-A Bond.

ARTICLE II
THE SERIES 2023-B BOND

Section 2.1 Description of the Series 2023-B Bond. (a) **Authorization and General Description.** There is hereby authorized to be issued and delivered by the University under the Indenture one Taxable University Facilities Revenue Bond (Draw Down Loan), Series 2023-B, dated its date of issuance, in the principal amount of not to exceed $20,000,000. From the date of issuance of the Series 2023-B Bond through the close of the 2023-B Advance Period, the University shall have the right, but not the obligation, to request additional Advances referable to the Series 2023-B Bond that do not exceed the aggregate sum of $20,000,000. Certain limitations and conditions applicable to each 2023-B Advance are set forth and described in the 2023-B Advance Agreement.

(b) **Principal Amount of Series 2023-B Bond; 2023-B Maturity Date**. The principal of the Series 2023-B Bond shall equal the sum of all 2023-B Advances honored by the 2023-B Lender prior to the close of the 2023-B Advance Period. All principal on the Series

2023-B Bond shall mature and become due and payable on April 19, 2024 (the "2023-B Maturity Date").

(c) **Interest Rate and Interest Payments**. Interest on the 2023-B Advance shall accrue from the date the 2023-B Advance is honored by the 2023-B Lender until such interest is paid, and shall be payable in arrears on each Interest Payment Date. The final interest payment with respect to the Series 2023-B Bond shall be due and payable on the 2023-B Maturity Date. Interest on the Series 2023-B Bond shall be calculated by the 2023-B Lender at the 2023-B Variable Rate 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. At least two Business Days prior to each Interest Payment Date, the 2023-B Lender shall notify the University and the Trustee in writing of the amount of interest on the Series 2023-B Bond computed by the 2023-B Lender to be owed on such Interest Payment Date. In no instance will the applicable interest rate on the Series 2023-B Bond exceed the maximum rate permitted by applicable law. In the event an Interest Payment Date is not a Business Day (as defined in the Indenture), the principal or interest due on such date shall be payable on the then next succeeding Business Day.

(d) **Series 2023-B Bond Fund Subaccount.** The Trustee may establish one or more accounts within the Bond Fund for the Series 2023-B Bonds.

Section 2.2 Optional Redemption. The University shall have the right to redeem and retire the Series 2023-B Bond on the first Business Day of any calendar month, in whole or in part without penalty or premium, upon not less than 10 days' prior written notice to the holder of the Series 2023-B Bond (with a copy to the Trustee), at and for a price equal to 100% of the principal of the Series 2023-B Bond to be redeemed plus accrued interest to the date set for redemption.

Section 2.3 Method of Payment; Final Payment; Other. Payments of principal and interest on the Series 2023-B Bond shall be payable when due at the designated corporate trust office of the Trustee initially in the City of Birmingham, Alabama, and without presentment of the Series 2023-B Bond. Interest on the Series 2023-B Bond shall be payable by check or draft mailed or otherwise delivered by the Trustee to the 2023-B Lender at its address as it appears on the registry books of the Trustee pertaining to the registration of the Series 2023-B Bond. Principal of the Series 2023-B Bond shall bear interest after its respective maturity until paid or until moneys sufficient for payment thereof shall have been deposited for that purpose with the Trustee, whichever first occurs, at the rate of interest borne by the Series 2023-B Bond plus 400 basis points. By its acceptance of the Series 2023-B Bond, the 2023-B Lender agrees to surrender the said bond within a reasonable period of time not exceeding thirty (30) days following the final payment thereof; provided, however, that the Trustee assumes no liability to any person in the event that the 2023-B Lender should fail to return said bond and no obligation will be imposed upon the Trustee to seek the return of such bond from the 2023-B Lender.

Section 2.4 Form of Series 2023-B Bond. The Series 2023-B Bond and the Trustee's Authentication Certificate shall be in substantially the following forms, respectively, with such insertions, omissions and other variations as may be necessary to conform to the provisions hereof:

THIS SERIES 2023-B BOND MAY BE TRANSFERRED ONLY TO AN "ACCREDITED INVESTOR" OR TO A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN THE SECURITIES AND EXCHANGE ACT OF 1933 AND THE RULES AND REGULATIONS PROMULGATED THEREUNDER AND ONLY UPON COMPLIANCE WITH APPLICABLE STATE AND FEDERAL SECURITIES LAWS AND WITH THE INDENTURE REFERRED TO HEREIN.

UNITED STATES OF AMERICA

STATE OF ALABAMA

UNIVERSITY OF SOUTH ALABAMA
Taxable University Facilities Revenue Bond
(Draw Down Loan)
Series 2023-B

For value received, the **UNIVERSITY OF SOUTH ALABAMA**, a public body corporate under the laws of the State of Alabama (herein called the "University"), will pay, solely from the sources hereinafter referred to, to **JPMORGAN CHASE BANK, N.A.**, a national banking association (together with its successors and permitted assigns and transferees, the "2023-B Lender"), the principal sum of up to **TWENTY MILLION DOLLARS ($20,000,000)**, or such lesser amount as shall equal the sum of all 2023-B Advances, as such term is defined in that certain Twenty-First Supplemental University Facilities Revenue Indenture dated of even date herewith (the "Twenty-First Supplemental Indenture") between the University and The Bank of New York Mellon Trust Company, N.A. (the "Trustee").

This bond is dated its date of issuance, April 19, 2023 (the "Dated Date"). All principal of this bond shall mature and become due and payable on April 19, 2024 (the "Maturity Date").

Interest on each 2023-B Advance shall accrue from the date honored by the 2023-B Lender until such interest is paid, and shall be payable in arrears on June 1, 2023; September 1, 2023; December 1, 2023; March 1, 2024; and the Maturity Date. Interest on this bond shall be calculated at the 2023-B Variable Rate (as defined in the Twenty-First Supplemental Indenture) 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. At least two Business Days prior to each Interest Payment Date, the 2023-B Lender shall notify the University and the Trustee in writing of the amount of interest computed by the 2023-B Lender to be owed on such Interest Payment Date. In no instance will the applicable interest rate on this bond exceed the maximum rate permitted by applicable law. In the event an Interest Payment Date is not a Business Day (as defined in the Indenture), the principal or interest due on such date shall be payable on the then next succeeding Business Day.

Principal and interest on this bond are payable by check or draft mailed by the Trustee to the 2023-B Lender on the applicable Interest Payment Date and at the address of the 2023-B Lender shown on the registry books of the Trustee pertaining to this bond as of the close of business on the 15th day immediately preceding the date of such payment; provided, if an Interest Payment Date is not a Business Day, the interest or principal due on such date shall be payable on the next succeeding Business Day. Principal on this bond shall be paid without presentment of this instrument. By its acceptance of this bond, the holder hereof agrees to surrender this bond within a reasonable period of time not exceeding thirty (30) days following the final payment hereof; provided, however, that the Trustee assumes no liability to any person in the event that the holder should fail to return said bond and no obligation will be imposed upon the Trustee to seek the return of such bond from the holder.

Principal and interest payments that are due with respect to this bond and that are made by check or draft shall be deemed timely made if such check or draft is mailed by the Trustee on or before the due date of such principal or interest. Both the principal of and the interest on this bond shall bear interest after their respective maturities until paid or until moneys sufficient for payment thereof have been deposited with the Trustee at the per annum rate stated above. The Indenture provides that all payments by the University or the Trustee to the 2023-B Lender at the address for the 2023-B Lender shown on the registry books of the Trustee shall to the extent thereof fully discharge and satisfy all liability for the same. Any permitted transferee of this bond takes it subject to all payments of principal and interest in fact made with respect hereto.

This bond is herein entitled "Taxable University Facilities Revenue Bond (Draw Down Loan), Series 2023-B" and has been issued under a University Facilities Revenue Trust Indenture dated as of February 15, 1996, as heretofore supplemented and amended and as further supplemented and amended by the Twenty-First Supplemental Indenture (the said Trust Indenture, as so supplemented and amended, being herein called the "Indenture"), between the University and the Trustee.

The principal of and the interest on this bond is payable solely out of and secured by a lien upon and pledge of (a) certain fees from students levied by the University, (b) the gross revenues derived from certain auxiliary enterprises services furnished by the University, including food services, housing, college stores, dining, concessions and other similar services, as such revenues are shown as a separate item on the audited financial statements of the University, (c) additional fees and revenues, if any, that may be subjected to the lien of the Indenture pursuant to a Supplemental Indenture, and (d) an amount not exceeding $10,000,000 in any fiscal year of the University of the gross revenues derived from that certain hospital facility owned and operated by the University and known as USA Children’s and Women’s Hospital (herein called the "Pledged Revenues"), and shall not be payable from any other funds or revenues, on a parity of lien with (I) the University’s (a) $25,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2012-A, dated January 4, 2012, (b) $32,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2013-A, dated June 28, 2013, (c) $8,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2013-B, dated June 28, 2013, (d) $10,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2013-C, dated June 28, 2013, (e) $41,245,000 original principal amount University

Facilities Revenue Refunding Bond, Series 2014-A, dated March 14, 2014, (f) $6,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2015, dated June 15, 2015, (g) $85,605,000 original principal amount University Facilities Revenue Refunding Bonds, Series 2016, dated September 14, 2016, (h) $38,105,000 original principal amount University Facilities Revenue Bonds, Series 2017, dated June 15, 2017, (i) $47,750,000 original principal amount University Facilities Revenue Bonds, Series 2019-A, dated February 7, 2019, (j) $18,440,000 original principal amount Taxable University Facilities Revenue Bonds, Series 2019-B, dated February 7, 2019, (k) $19,086,000 original principal amount University Facilities Revenue Bond, Series 2019-C, dated December 12, 2019, (l) $37,005,000 original principal amount University Facilities Revenue Bond, Series 2020, dated March 10, 2020, (m) $40,555,000 University Facilities Revenue Bonds, Series 2021, dated March 10, 2021, (n) $15,387,000 University Facilities Revenue Bond, Series 2021-B, dated July 8, 2021, (o) $20,000,000 original principal amount Amended and Restated University Facilities Revenue Refunding Bond, Series 2016-B, dated September 23, 2021, (p) $35,000,000 original principal amount Amended and Restated University Facilities Revenue Refunding Bond, Series 2016-C, dated September 23, 2021, (q) $45,000,000 original principal amount Amended and Restated University Facilities Revenue Refunding Bond, Series 2016-D, dated September 23, 2021, (r) not to exceed $80,000,000 University Facilities Revenue Bond (Draw Down Loan), Series 2023-A, dated the date hereof, and (II) any Additional Bonds hereafter issued pursuant to Article VIII of the Indenture.

Reference is hereby made to the Indenture for a description of the nature and extent of the security afforded thereby, the rights and duties of the University and the Trustee with respect thereto, the rights of the 2023-B Lender of this bond and the terms and conditions on which additional series of bonds may be issued on a parity of lien with this bond. The Indenture provides, inter alia, (a) that in the event of default by the University in the manner and for the time therein provided, the Trustee may declare the principal of and the interest accrued on this bond immediately due and payable, whereupon the same shall thereupon become immediately due and payable and the Trustee shall be entitled to pursue the remedies provided in the Indenture, (b) that the holder of this bond shall have no right to enforce the provisions of the Indenture except as provided therein and then only for the equal and pro rata benefit of the holders of all the Bonds, and (c) that if this bond shall not be presented for payment when due (whether by maturity or otherwise) and if funds sufficient for such payment shall have been made available to the Trustee therefore, all liability of the University to the holder of such bond and all rights of such holder against the University under such bond or under the Indenture shall cease and terminate and that the sole right of such holder shall thereafter be against the said funds so made available, which the Trustee is required to set aside and hold, subject to any applicable escheat or other similar law, for the benefit of such holder. The Indenture also provides that the University and the Trustee, with the written consent of the holders of not less than a majority in aggregate principal amount of the Bonds then outstanding under the Indenture, may at any time and from time to time amend the Indenture or any indenture supplemental thereto, provided that no such amendment shall (1) without the consent of the holder of each Bond affected, reduce the principal of, the rate of interest on any Bond, or (2) without the consent of the holders of all the Bonds then outstanding under the Indenture, extend the maturity of any installment of principal or interest on any of the Bonds, make any change in the schedule of required sinking fund or other similar payments with respect to any series of the Bonds, create a lien or charge on the Pledged Revenues ranking prior to or (except in connection with the issuance of additional parity bonds under the Indenture) on a parity with the lien or charge

thereon contained in the Indenture, effect a preference or priority of any Bond over any other Bond or reduce the aggregate principal amount of Bonds the holders of which are required to consent to any such amendment.

The principal of this bond shall be subject to redemption and payment by the University, at the option of the University, on the first Business Day of any calendar month, in whole or in part without penalty or premium, upon not less than 10 days' prior written notice to the holder hereof (with a copy to the Trustee), at and for a redemption price equal to 100% of the principal hereof to be redeemed plus accrued interest to the date fixed for redemption.

This bond is not a general obligation of the University, and the covenants and representations herein contained or contained in the Indenture do not and shall never constitute a personal or pecuniary liability or charge against the general credit of the University. This bond is not an obligation or debt of the State of Alabama nor are the faith and credit of said state pledged for payment thereof, and neither the principal of nor interest on this bond is payable out of any moneys provided for or appropriated to the University by the State of Alabama.

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

The Trustee shall not be required so to transfer or exchange this bond during the period of fifteen days next preceding any interest payment date with respect thereto.

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

IN WITNESS WHEREOF, the University has caused this bond to be executed in its name and behalf with the signature of its President, has caused its corporate seal to be hereunto impressed, has caused this bond to be attested by the signature of the Secretary of its Board of Trustees, and has caused this bond to be dated the Dated Date.

UNIVERSITY OF SOUTH ALABAMA

By: _____
President
University of South Alabama

[S E A L]

Attest:

_____
Secretary of the
Board of Trustees

Form of Trustee's Authentication Certificate

Date of Authentication and Registration:

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

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

By: _____
Its Authorized Officer

Form of Assignment

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

Dated this _____ day of _____, _____.

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

Signature guaranteed:

_____
(Bank, Trust Company or Firm)*

By _____
(Authorized Officer)

Its Medallion Number: _____

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

Section 2.5 Execution and Delivery of Series 2023-B Bond. The Series 2023-B Bond shall be forthwith executed and delivered to the Trustee and shall be authenticated and

delivered by the Trustee from time to time upon receipt by the Trustee of an order signed on behalf of the University by its President, requesting such authentication and delivery and designating the person or persons to receive the same or any part thereof.

Section 2.6 Proceeds. Proceeds from the Series 2023-B Bond shall be used to pay costs of the Project.

ARTICLE III
CONCERNING PLEDGED REVENUES; CONFIRMATION OF INDENTURE, AS SUPPLEMENTED; OTHER

Section 3.1 Confirmation of Indenture. All the terms, covenants and conditions of the Indenture, as supplemented hereby, are hereby in all respects ratified and confirmed, and the Indenture as so supplemented shall continue in full force and effect. In addition, each of the Trustee and the University confirms that the Trustee shall have no duties, express or implied, respecting the proceeds of the Series 2023 Bonds during any time when the Trustee is not the depository of such amounts or respecting any other construction funds established under the Indenture for which the Trustee is not the depository.

Section 3.2 Confirmation of Pledges. The provisions of the Indenture, wherein the Pledged Revenues are pledged for payment of all Bonds issued under the Indenture, are hereby ratified and confirmed.

Section 3.3 Construction of Twenty-First Supplemental University Facilities Revenue Trust Indenture. No provisions of this Twenty-First Supplemental University Facilities Revenue Trust Indenture shall be construed to limit or restrict, either expressly or impliedly, the obligations of the University contained in the Indenture or the powers of the Trustee thereunder, nor shall the provisions of this Twenty-First Supplemental University Facilities Revenue Trust Indenture be construed in any manner inconsistent with the provisions of the Indenture or in any manner that would adversely affect the interest of the 2023-A Lender as holder of the Series 2023-A Bond, or the interest of the 2023-B Lender as holder of the Series 2023-B Bond.

Section 3.4 Authorized Denominations. Each of the Series 2023 Bonds may have principal maturing in denominations of any amount.

Section 3.5 Severability. In the event that any provision hereof shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 3.6 Special Reporting Covenants. The University shall provide each holder of Series 2023 Bonds the following:

(i) audited comprehensive financial statements of the University, commencing with the fiscal year ending September 30, 2023, within 120 days following the close of each fiscal year of the University or as soon

thereafter as such audited comprehensive financial statements are made available to the University;

(ii) annual enrollment statistics, including number of FTE students (undergraduate and graduate), undergraduate applications and admissions, average SAT/ACT scores, freshman retention rate, graduation rate (5 years) and faculty data (% full-time and tenured);

(iii) the annual budget for the University by October 31 of each year, commencing October 31, 2023; and

(iv) such additional information as reasonably requested by such holder.

Section 3.7 Communications; No Advisory or Fiduciary Relationship. (a) The University hereby authorizes and consents to communications by the 2023-A Lender with the Trustee with regard to the Series 2023-A Bond including, without limitation, notices of amounts due, interest rate computations and interest amounts, and the University hereby authorizes and consents to communications by the 2023-B Lender with the Trustee with regard to the Series 2023-B Bond including, without limitation, notices of amounts due, interest rate computations and interest amounts.

(b) The University acknowledges and agrees that (i) the transaction contemplated by the Series 2023 Bonds is an arm's length commercial transaction between the University and each of the Lenders and, as to each, its affiliates, (ii) in connection with such transaction, the Lenders and, as to each, its affiliates, are acting solely as a principal and not as an advisor including, without limitation, a "Municipal Advisor" as such term is defined in Section 15B of the Securities and Exchange Act of 1934, as amended, and the related final rules (the "Municipal Advisor Rules"), agent or a fiduciary of the University, (iii) the Lenders and, as to each, its affiliates, are relying on the bank exemption in the Municipal Advisor Rules, (iv) the Lenders and, as to each, its affiliates, have not provided any advice or assumed any advisory or fiduciary responsibility in favor of the University with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (whether or not the Lenders, or, as to each, any affiliate thereof, has provided other services or advised, or is currently providing other services or advising the Issuer on other matters), (v) the Lenders and, as to each, its affiliates, have financial and other interests that differ from those of the University, and (vi) the University has consulted with its own financial, legal, accounting, tax and other advisors, as applicable, to the extent it deemed appropriate.

Section 3.8 Severability. In the event that any provision hereof shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 3.9 No Broker Confirmations. The University agrees that broker confirmations of investments in connection with the Series 2023 Bonds are not required to be issued by the Trustee for each month in which a monthly statement is rendered by the Trustee.

Section 3.10 Electronic Communications. The Trustee shall have the right to accept and act upon directions or instructions given by the University and delivered using Electronic Means (defined below); provided, however, that the University shall provide to the Trustee an incumbency certificate listing Authorized Officers with the authority to provide such directions or instructions (each an "Authorized Officer") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the University elects to give the Trustee directions or instructions using Electronic Means and the Trustee in its discretion elects to act upon such directions or instructions, the Trustees' understanding of such directions or instructions shall be deemed controlling. The University understands and agrees that the Trustee cannot determine the identity of the actual sender of such directions or instructions and that the Trustee shall conclusively presume that directions or instructions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The University shall be responsible for ensuring that only Authorized Officers transmit such directions or instructions to the Trustee and that all Authorized Officers treat applicable user and authorization codes, passwords and/or authentication keys as confidential and with extreme care. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such directions or instructions notwithstanding such directions or instructions conflict or are inconsistent with a subsequent written direction or written instruction. The University agrees: (i) to assume all risks arising out of the use of Electronic Means to submit directions or instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized directions or instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting directions or instructions to the Trustee and that there may be more secure methods of transmitting directions or instructions; (iii) that the security procedures (if any) to be followed in connection with its transmission of directions or instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures. "Electronic Means" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys, or another method or system specified by the Trustee as available for use in connection with its services hereunder.

Section 3.11 Bondholder Representative. JPMorgan Chase Bank, N.A., and its successors and assigns, or any other entity subsequently appointed by the holders of the Series 2023 Bonds (the "Bondholder Representative"), shall, for purposes of such bonds and the Indenture, act as the representative on behalf of the Lenders and shall be the party to provide consent, direct remedies and take action on behalf of the Lenders under and with respect to the Series 2023 Bonds.

Section 3.12 Waiver of Jury Trial. The University and Lender waive, to the fullest extent permitted by applicable law, any right to have a jury participate in resolving any dispute in any way related to the Series 2023-A Bond, the Series 2023-B Bond or the Indenture.

Section 3.13 No Rating or CUSIP; Assignment; Participations. (a) While the 2023-A Lender is a holder of the Series 2023-A Bond, and while the 2023-B Lender is the holder of the Series 2023-B Bond, the Series 2023-A Bond and the Series 2023-B Bond, as the case may be,

shall not be rated by any rating agency, shall not be initially registered to participate in The Depositary Trust Company, shall not contain a CUSIP number by Standard & Poor's CUSIP Service, and shall not be marketed pursuant to any official statement, offering memorandum or any other disclosure documentation. The 2023-A Lender shall take physical delivery of the Series 2023-A Bond at closing, and the 2023-B Lender shall take physical delivery of the Series 2023-B Bond at closing.

(b) The University agrees that the 2023-A Lender may, without limitation (i) at any time sell, assign, pledge or transfer all or a portion of the Series 2023-A Bond, or one or more interests in all or any part of the 2023-A Lender's rights and obligations under the Series 2023-A Bond to one or more assignees and/or participants, which may include affiliates of the 2023-A Lender; and (ii) at the 2023-A Lender's option, disclose information and share fees with such assignees and/or participants; provided that there will be only one holder of the Series 2023-A Bond and the University will pay debt service only to such holder.

(c) The University agrees that the 2023-B Lender may, without limitation (i) at any time sell, assign, pledge or transfer all or a portion of the Series 2023-B Bond, or one or more interests in all or any part of the 2023-B Lender's rights and obligations under the Series 2023-B Bond to one or more assignees and/or participants, which may include affiliates of the 2023-B Lender; and (ii) at the 2023-B Lender's option, disclose information and share fees with such assignees and/or participants; provided that there will be only one holder of the Series 2023-B Bond and the University will pay debt service only to such holder.

(d) The University agrees that the 2023-A Lender may from time to time enter into a participation agreement or agreements with one or more persons (the "2023-A Participants"), pursuant to which the 2023-A Participants may be given participations in the Series 2023-A Bond and that the 2023-A Participants may from time to time similarly grant to one or more other persons (also included in the term "2023-A Participants") subparticipations in the Series 2023-A Bond; provided (i) no participation shall increase any liability of the University, (ii) the University shall not have any direct obligation to a 2023-A Participant, whether respecting the payment of any portion of debt service on the Series 2023-A Bond, delivery of its audited financial statements or other information herein required to be provided by the University, or otherwise, and (iii) the University shall correspond and deal only with the holder of the Series 2023-A Bond on any matters respecting the Series 2023-A Bond, the 2023-A Loan evidenced thereby, this Indenture, or any matters relating to the foregoing. The holder of the Series 2023-A Bond may divulge to any 2023-A Participant all information, reports, financial statements, certificates and documents obtained by it from the University. Prior to entering into any such participation agreement, the holder of the Series 2023-A Bond shall (i) notify the University in writing of such participation and the identity of each 2023-A Participant, and (ii) take commercially reasonable steps to protect the confidentiality of financial and other information of the University that may be provided by the holder of the Series 2023-A Bond to a 2023-A Participant.

(e) The University agrees that the 2023-B Lender may from time to time enter into a participation agreement or agreements with one or more persons (the "2023-B Participants"), pursuant to which the 2023-B Participants may be given participations in the Series 2023-B Bond and that the 2023-B Participants may from time to time similarly grant to one or more other persons (also included in the term "2023-B Participants") subparticipations in the Series

2023-B Bond; provided (i) no participation shall increase any liability of the University, (ii) the University shall not have any direct obligation to a 2023-B Participant, whether respecting the payment of any portion of debt service on the Series 2023-B Bond, delivery of its audited financial statements or other information herein required to be provided by the University, or otherwise, and (iii) the University shall correspond and deal only with the holder of the Series 2023-B Bond on any matters respecting the Series 2023-B Bond, the 2023-B Loan evidenced thereby, this Indenture, or any matters relating to the foregoing. The holder of the Series 2023-B Bond may divulge to any 2023-B Participant all information, reports, financial statements, certificates and documents obtained by it from the University. Prior to entering into any such participation agreement, the holder of the Series 2023-B Bond shall (i) notify the University in writing of such participation and the identity of each 2023-B Participant, and (ii) take commercially reasonable steps to protect the confidentiality of financial and other information of the University that may be provided by the holder of the Series 2023-B Bond to a 2023-B Participant.

Section 3.14 EMMA/Rating Agency Disclosure. The University agrees any public posting regarding the Loan or the Series 2023 Bonds on the Electronic Municipal Market Access system established by the Municipal Securities Rulemaking Board (the "MSRB"), or any similar site or repository, shall be subject to redaction, as requested by Lender, including, without limitation, signatures/names, account numbers, wire transfer and payment instructions and any other data that could be construed as sensitive information, to the extent that such redactions would not violate any disclosure obligations under applicable MSRB and rules of the U.S. Securities Exchange Commission.

IN WITNESS WHEREOF, the University and the Trustee have each caused this Twenty-First Supplemental University Facilities Revenue Trust Indenture to be executed in its name and behalf by an authorized officer thereof, and the University has caused its corporate seal to be hereunto affixed, and the University and the Trustee have caused this Twenty-First Supplemental University Facilities Revenue Trust Indenture to be the Effective Date.

UNIVERSITY OF SOUTH ALABAMA

By: _____
President

[S E A L]

Attest:

_____
Secretary of the Board of Trustees

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

By: _____

Its: _____

STATE OF ALABAMA)
:
COUNTY OF MOBILE)

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

GIVEN under my hand and official seal of office, this ____ day of April, 2023.

_____
Notary Public

[NOTARIAL SEAL]

STATE OF ALABAMA)
:
COUNTY OF JEFFERSON)

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

GIVEN under my hand and official seal of office, this _____ day of April, 2023.

_____
Notary Public

[NOTARIAL SEAL]

EXHIBIT II
FORM OF LINE OF CREDIT AGREEMENT AND PROMISSORY NOTE

REVOLVING LINE OF CREDIT AGREEMENT

This **REVOLVING LINE OF CREDIT AGREEMENT** (this "Agreement") is dated _____, 2023 (the "Dated Date"), 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 (the "Credit Loan"); and

WHEREAS, the 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) Credit Advances.

(1) Prior to the Credit Advance Deadline (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 Credit Loan and the Line of Credit Note ("Credit Advances") as directed by any Authorized Borrower Representative, by delivery to the Lender of a request in the form of ***Exhibit B*** attached hereto or by other written means acceptable to the Lender and the Borrower (a "Credit Advance Requisition"), in an aggregate principal amount outstanding at any time of not to exceed, fifty million and no/100 dollars ($50,000,000) (the "Credit Limit"). As used herein, (i) "Credit Advance Deadline" shall mean the last Business Day of the Credit Advance Period, and (ii) "Credit Advance Period" shall mean a period of thirty (30) consecutive months commencing on the Dated Date (which such period shall include the month in which the Dated Date occurs even if said month is a partial month).

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

(3) Prior to the Credit Advance Deadline, 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 Credit Loan and subsequently repaid to the Lender may be reborrowed by the Borrower so long as the aggregate principal amount outstanding at any one time does not exceed the Credit Limit.

(4) The indebtedness of the Borrower to the Lender under the 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 Credit Advance made thereunder.

(b) Interest.

(1) Interest shall accrue in respect of the outstanding principal balance of the 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 on any principal amount due by the Borrower hereunder 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 Credit Loan is being administered through an automated cash management system mutually approved in writing by the Borrower and the Lender, the unpaid interest accrued in respect of the Credit Loan (i) on the last day of each Quarter until the last full Quarter immediately preceding the Principal Amortization Period, (ii) on the first day of the Principal Amortization Period if the Principal Amortization Period begins on a date other than the first Business Day immediately following a full calendar Quarter, and (iii) on each Monthly Principal Amortization Period Payment Date during the Principal Amortization Period;

(2) As to principal outstanding hereunder, on each Monthly Principal Amortization Period Payment Date during the Principal Amortization Period, such amount as shall equal the Monthly Principal Amortization Period Payment Amount.

(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 Credit 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 Credit 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 Credit 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.

(g) Assignment. The Borrower does hereby assign to Lender all rights of the Borrower to receive payments of Operating Basic Rent (as defined in the Lease Agreement hereinafter described) made by the USA Health Care Authority, an Alabama public corporation ("USA HCA") to the Borrower pursuant to that certain Lease Agreement dated _____, 2023 between the Borrower and USA HCA.

2. **Requests for Advances; Honoring of Credit Advances by Lender**.

(a) Credit Advances. Lender will, from time to time, at the request of the Borrower as hereinafter set forth, make advances on the Credit Loan (each, a "Credit Advance"), except that no Credit 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 Credit Advance, the outstanding principal balance of the Line of Credit would exceed the Credit Limit.

(b) Credit 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 Credit Advance under the Line of Credit shall be requested in writing by Borrower by providing Lender a Credit Advance Requisition. A Credit Advance shall be deemed properly requested upon delivery by Borrower to Lender of the Credit Advance Requisition for such Credit Advance. The Lender shall honor each request for a Credit Advance properly submitted through delivery of a Credit 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 Credit Advance is received by the Lender. A Credit Advance shall be deemed honored by the Lender on such date as the full amount of such Credit 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. **Credit Loan Fees**.

(a) On the first calendar day of each Quarter during the term of this Agreement, commencing _____ 1, 2023, 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 Credit Loan during the immediately preceding Quarter (the "Average Undrawn Charge"), divided by 4; provided, for the Quarter during which the Credit Maturity Date occurs:

(1) If the 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 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 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 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 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;

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

(c) Payment to Lender of an origination fee in the amount of $10,000.

Notwithstanding any other provision of this Agreement, Lender shall have no obligation to make the Initial Credit Advance unless and until it has received the items described in this Section 4.

5. **Representations.** Borrower represents to Lender as of the date hereof and as of the date of each Credit 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 Credit 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 Credit 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 SOFR (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) "Credit Maturity Date" shall mean the last Business Day of the last month during the Principal Amortization Period.

(d) "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 SOFR (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.

(e) "Monthly Principal Payment Amount" means an amount as shall be equal to the principal amount outstanding hereunder as of the Credit Advance Deadline, divided by six (6). By way of example only, if the principal amount outstanding hereunder as of the Credit Advance Deadline is $45,000,000, then the Monthly Principal Payment Amount shall be $7,500,000,

(f) "Monthly Principal Amortization Period Payment Date" means, for each month during the Principal Amortization Period, the last Business Day of such month.

(g) "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.

(h) "Principal Amortization Period" means the six-month period commencing on the first day of the month immediately following the Credit Advance Deadline and ending on the last day of the sixth (6^{th}) calendar month following the Credit Advance Deadline.

(i) "Quarter" means a period of three consecutive calendar months ending on the last day of each March, June, September, and December.

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

(k) "SOFR" means the rate in U.S. Dollars of the compounded daily secured overnight financing rate over the last 30 days as calculated and published by the Federal Reserve Bank of New York (or a successor administrator of SOFR) and in effect on the first day of each calendar month; provided, if for any month SOFR as reported by Bloomberg, L.P. or any other authoritative rate reporting source is less than one percent (1.0%), then SOFR shall be deemed to be one percent (1.0%).

(l) "Spread" shall mean 120 basis points (1.20%).

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:_____

As its:_____

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 Credit 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 Line of Credit Agreement dated [_____, 2023] (the "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 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 Line of Credit Agreement, from the date hereof through and including the Credit Advance Deadline, the Borrower shall have the right at any time and from time to time to request Credit Advances of funds from the Lender in an aggregate amount that, when added to the outstanding principal amount hereunder at the time such Credit Advance is requested, does not exceed $50,000,000.

Interest on each Credit Advance shall accrue from the date such Credit Advance is honored by the Lender until such interest is paid, and shall be payable (i) on the last day of each Quarter until the last full Quarter immediately preceding the Principal Amortization Period, (ii) on the first day of the Principal Amortization Period if the Principal Amortization Period begins on a date other than the first Business Day immediately following a full calendar Quarter, and (iii) on each Monthly Principal Amortization Period Payment Date during the Principal Amortization Period. Principal of this Note outstanding as of the Credit Advance Deadline, if any, shall mature and be due and payable in six equal monthly installments as set forth immediately below.

As to principal outstanding under this Note, principal shall mature and become due and payable on each Monthly Principal Amortization Period Payment Date equal to the Monthly Principal Payment Amount.

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. Contemporaneously with the delivery of this Note, the Borrower has made an assignment of the rights of Borrower to receive

payments of Operating Basic Rent (as such term is defined in the Lease Agreement hereinafter described) paid to the Borrower by USA Health Care Authority under that certain Lease Agreement dated [_____], 20___, between the Borrower and USA Health Care Authority.

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 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 Line of Credit Agreement for a description of all rights and remedies of the Borrower and the Lender concerning the Line of Credit Agreement and this Note. The 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 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 [_____, 2023].

UNIVERSITY OF SOUTH ALABAMA

By: _____

Its: _____

[S E A L]

Attest:

Secretary
Board of Trustees

EXHIBIT B

FORM OF CREDIT ADVANCE REQUISITION

Requisition No. _____

TO: Hancock Whitney Bank, as Lender under that certain Revolving Line of Credit Agreement dated [_____, 2023] between Hancock Whitney Bank and the University of South Alabama (the "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 Credit 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 and/or the USA Health Care Authority;

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

4. no Event of Default has occurred and is continuing under the 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 Line of Credit Agreement.

DATED this ____ day of _____, 20__.

By:_____

Title:_____
University of South Alabama

APPROVED FOR CREDIT 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 [_____, 2023], 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 Line of Credit Agreement dated of even date herewith (the "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 Line of Credit Agreement") under the Line of Credit Agreement will be payable by the University from revenue sources other than state appropriations and that the Note and the 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 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 Line of Credit Agreement, and to perform its obligations thereunder and under the Line of Credit Agreement.

3. Each of the Note and the 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 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 Line of Credit Agreement, or the University's performance of its obligations under the Note and the 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 Line of Credit Agreement, the authority of the officers of the University executing the Note and the 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

_____, 2023

University of South Alabama
Mobile, Alabama

Hancock Whitney Bank, a Mississippi state chartered bank (the "Bank"), has agreed to make a line of revolving credit of up to $50,000,000 to the University of South Alabama (the "University"), and in connection therewith to acquire the University's 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: _____

EXHIBIT III
FORM OF LEASE AGREEMENT

LEASE AGREEMENT

between

UNIVERSITY OF SOUTH ALABAMA

and

UNIVERSITY OF SOUTH ALABAMA HEALTH CARE AUTHORITY

TABLE OF CONTENTS

Page

ARTICLE I

DEFINITIONS AND USE OF PHRASES

Section 1.1 Definitions 2
Section 1.2 Use of Phrases 4

ARTICLE II

REPRESENTATIONS

Section 2.1 Representations by the Landlord 4
Section 2.2 Representations by the Tenant 4

ARTICLE III

DEMISING CLAUSE; USE OF PREMISES

Section 3.1 Demise 5
Section 3.2 Use of Premises 5
Section 3.3 Upon Termination 5
Section 3.4 Hazardous Materials 6

ARTICLE IV

EFFECTIVENESS OF LEASE AGREEMENT, TERM AND LEASE RENTAL

Section 4.1 Term; Early Termination 6
Section 4.2 Rental Provisions 6

ARTICLE V

MAINTENANCE, TAXES AND INSURANCE

Section 5.1 Maintenance, Alterations and Improvements 7
Section 5.2 Removal of Equipment 8
Section 5.3 Taxes, Other Governmental Charges, and Utility Charges 9
Section 5.4 Insurance 10
Section 5.5 Advances by Landlord 10

ARTICLE VI

PROVISIONS RESPECTING DAMAGE, DESTRUCTION AND CONDEMNATION

Section 6.1 Damage and Destruction Provisions 10
Section 6.2 Condemnation Provisions 11
Section 6.3 Tenant Obligations Upon Event of Damage or Condemnation 11
Section 6.4 Condemnation of Right to Use of Facility for Limited Period 12
Section 6.5 Condemnation of Tenant-Owned Property 12

ARTICLE VII

PARTICULAR COVENANTS OF THE TENANT

Section 7.1 General Covenants 12
Section 7.2 Inspection of Premises and Records 12
Section 7.3 Covenants Regarding the Tax Code 13
Section 7.4 Further Assurances 13

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

Section 8.1 Events of Default Defined 13
Section 8.2 Remedies on Default 14
Section 8.3 No Remedy Exclusive 15
Section 8.4 No Additional Waiver Implied by One Waiver 15

ARTICLE IX

MISCELLANEOUS

Section 9.1 Assignment 16
Section 9.2 Binding Effect 16
Section 9.3 Severability 16

LEASE AGREEMENT between the **UNIVERSITY OF SOUTH ALABAMA**, a public body corporate of the State of Alabama (herein sometimes called the "Landlord" or the "University"), and the **UNIVERSITY OF SOUTH ALABAMA HEALTH CARE AUTHORITY**, a public corporation under the laws of the State of Alabama (herein sometimes called the "Tenant");

R E C I T A L S:

WHEREAS, the University is a comprehensive, coeducational, state-assisted institution, which serves as a major center of undergraduate, graduate and professional education for Alabama, the Gulf Coast region and the southeastern United States; and

WHEREAS, the mission of the University includes the education and training of students in the medical field, the support of research to advance medical science, the development of medical enterprises that will offer students a practical, real-world learning experience and that will enhance the educational and professional opportunities available to them, and the development, growth and retention of medical businesses, including medical businesses that will provide professional and career opportunities attractive to the University's students and serve as an inducement for them to remain in Alabama; and

WHEREAS, as part of its mission, the University operates a medical and healthcare enterprise under USA Health, a division of the University ("USA Health"); and

WHEREAS, in furtherance of the educational and research mission of the University, the University has heretofore organized and incorporated the Tenant to assist the University in achieving its mission as it relates to the health care components of the University, including the promotion and enhancement of health care services and operations offered through USA Health; and

WHEREAS, the Tenant administers, operates and executes certain USA Health functions and operations, all for the overall benefit of the University and its students; and

WHEREAS, in furtherance of the mission of USA Health, the University has purchased a medical facility in Mobile, Alabama, more particularly described herein as the "Facility" and on Exhibit A hereto; and

WHEREAS, the Landlord and the Tenant have determined to enter into this Lease Agreement so that the Tenant will operate and manage the Facility under USA Health, in furtherance of the University's educational and research mission and for the benefit of the University and its students;

NOW THEREFORE, in consideration of the respective agreements on the part of the Landlord and the Tenant herein contained, the Landlord and the Tenant do hereby agree as follows:

ARTICLE I

DEFINITIONS AND USE OF PHRASES

Section 1.1 Definitions. The following words and phrases and others evidently intended as the equivalent thereof shall, in the absence of express provision or clear implication in this Lease Agreement to the contrary, be given the following respective meanings in the construction or interpretation of this Lease Agreement:

"Additional Rent" has the meaning given to such term in Section 4.2(b) hereof.

"Basic Rent" has the meaning given to such term in Section 4.2(a) hereof.

"Bonds" means, collectively, (i) the Series 2023 Bonds, and (ii) any bonds, notes or other securities or indebtedness issued to refund or refinance all or any portion of the Series 2023 Bonds.

"Equipment" means all furniture, furnishings, fixtures, machinery and equipment located at or installed on the Facility.

"Facility" means the hospital facility, medical office facilities and all other facilities located on the Site, currently being operated as "Providence Hospital" and located at 6801 Airport Boulevard, Mobile, Alabama 36608, along with all Equipment and other personal property located thereon.

"Indenture" means that certain Trust Indenture dated February 15, 1996, by the University to The Bank of New York Mellon Trust Company, N.A. (as successor trustee to AmSouth Bank of Alabama), as heretofore supplemented and amended, and as may hereinafter be further supplemented and amended.

"Landlord" means the party of the first part hereto and its successors and assigns.

"Lease" or "Lease Agreement" means this Lease Agreement.

"Line of Credit" means, collectively, (i) any line of credit or similar facility maintained by the Landlord and used to finance costs or expenses, including without limitation operating costs, related to the Premises, and (ii) any indebtedness incurred to refinance all or any portion of any such line of credit.

"Line of Credit Agreement" means, collectively, (i) that certain Line of Credit Agreement dated [____, 2023], between the University and Hancock Whitney Bank, as it may be amended, supplemented or replaced from time to time, and (ii) all documents and agreements between the University and the provider of any Line of Credit governing the payment of debt service on the Line of Credit.

"Net Condemnation Award" means the total amount awarded as compensation for any part of the Premises taken under the exercise of the power of eminent domain plus damages to any part not taken, less and except (i) any portion thereof to which the Tenant is entitled under the provisions of Section 6.2 hereof, and (ii) all attorneys' fees and other expenses incurred in the condemnation proceeding with respect to which such award was made (other than those paid directly by the Tenant or deducted, pursuant to the provisions of said Section 6.2, from that portion of the award to which it is entitled under the provisions thereof).

"Net Insurance Proceeds" means the total insurance proceeds recovered by the Landlord and the Tenant on account of any damage to or destruction of the Premises or any part thereof less all expenses (including attorneys' fees) incurred in the collection of such proceeds.

"Occupancy Basic Rent" means an amount equal to (i) the principal, premium (if any) and interest payable on the Bonds, plus (ii) all costs and expenses arising out of, relating to or in connection with the maintenance of the Bonds.

"Operating Basic Rent" means an amount equal to (i) the principal, premium (if any) and interest payable on the Line of Credit, plus (ii) all costs and expenses arising out of, relating to or in connection with the maintenance of the Line of Credit.

"Permitted Encumbrances" means, as of any particular time, (i) liens for ad valorem taxes and special assessments not then delinquent, (ii) this Lease Agreement, (iii) utility, access and other easements and rights-of-way, mineral rights, restrictions and exceptions that, in the opinion of an independent architect or independent engineer, will not materially interfere with or impair the operations being conducted in the Premises (or, if no operations are being conducted therein, the operations for which the Premises was designed or last modified), (iv) any inchoate mechanic's, materialmen's or vendor's lien if payment is not yet due and payable under the contract giving rise to such lien, (v) such minor defects, irregularities, encumbrances, easements, rights-of-way and clouds on title as normally exist with respect to properties similar in size and character to the Premises and as do not, in the opinion of counsel, in the aggregate materially impair the property affected thereby for the purpose for which it was acquired or is held by the Landlord, and (vi) the Site Deed.

"Premises" means the Site, the Facility, the Equipment and all other improvements on the Site, as they may at any time exist, and all other property and rights referred to or intended so to be in the demising clauses hereof.

"Series 2023 Bonds" means, collectively, (a) the University's $[_____] University Facilities Revenue Bond (Draw Down Loan), Series 2023-A, dated [_____], 2023, and (b) the University's $[_____] Taxable University Facilities Revenue Bond (Draw Down Loan), Series 2023-B, dated [_____], 2023.

"Site" means the real property described on Exhibit A hereto.

"Site Deed" means that certain deed pursuant to which the Site has been conveyed to the Landlord.

"Tax Code" means the Internal Revenue Code of 1986, as amended, and all regulations promulgated thereunder.

"Tenant" means the party of the second part hereto and its permitted successors and assigns.

"Term" means the period beginning on the date of the delivery of this Lease Agreement and continuing until and including [_____, 2043].

Section 1.2 Use of Phrases. "Herein", "hereby", "hereunder", "hereof", "hereinbefore", "hereinafter" and other equivalent words refer to this Lease Agreement as an entirety and not solely to the particular portion of this Lease Agreement in which any such word is used. The definitions set forth in Section 1.1 of this Lease Agreement include both singular and plural. Whenever used herein, any pronoun shall be deemed to include both singular and plural and to cover all genders.

ARTICLE II

REPRESENTATIONS

Section 2.1 Representations by the Landlord. The Landlord makes the following representations as part of the basis for the agreements and undertakings on its part herein contained:

(a) Neither the execution and delivery of this Lease Agreement, the consummation of the transactions contemplated hereby, or the fulfillment or compliance with the terms and conditions hereof, conflict with, or result in a breach of any law or constitutional provision applicable to the Landlord or any of the terms, conditions or provisions of any agreement, instrument or governmental order to which the Landlord is now subject or by which it is bound, or constitute a default under any of the foregoing;

(b) All consents, approvals, authorizations and orders of governmental or regulatory authorities, if any, which are required for the execution and delivery of this Lease Agreement and for the consummation of the transactions contemplated hereby have been obtained by or on behalf of the Landlord and are in full force and effect; and

(c) The execution and delivery of this Lease Agreement on the part of the Landlord have been duly authorized by all necessary action.

Section 2.2 Representations by the Tenant. The Tenant makes the following representations as part of the basis for the agreements and undertakings on its part herein contained:

(a) Neither the execution and delivery of this Lease Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions hereof, conflict with, or result in a breach of, any law or constitutional provision applicable to the Tenant or any of the terms, conditions or provisions of any agreement,

instrument or governmental order to which the Tenant is now subject or by which it is bound, or constitute a default under any of the foregoing;

(b) All consents, approvals, authorizations and orders of governmental or regulatory authorities, if any, which are required for the execution and delivery of this Lease Agreement and for the consummation of the transactions contemplated hereby have been obtained by or on behalf of the Tenant and are in full force and effect;

(c) The execution and delivery of this Lease Agreement on the part of the Tenant have been duly authorized by all necessary action; and

(d) The Tenant has examined the Premises, the Equipment, contracts relating to the Facility and/or to the Premises and the improvements and the hospital facility and related medical facilities thereon prior to its acceptance and execution of this Lease Agreement, and the Tenant acknowledges that except as expressly stated herein no representation or warranty, express or implied, has been made by or on behalf of the Landlord with respect to the condition of the Premises and Equipment. The Tenant represents that it is satisfied with the condition thereof and is leasing the Premises, improvements and Equipment in "AS IS/WHERE IS" condition, and the Landlord shall in no event whatsoever be liable for any latent or patent defects therein.

ARTICLE III

DEMISING CLAUSE; USE OF PREMISES

Section 3.1 Demise. The Landlord hereby demises and leases to the Tenant, subject to Permitted Encumbrances, and the Tenant hereby rents from the Landlord, subject to Permitted Encumbrances, for and during the Term, the Site, together with the Facility, the Equipment and all other improvements hereafter situated on the Site, but not including any equipment or other personal property that, under the provisions hereof, is or is to become the sole property of the Tenant or third parties.

Section 3.2 Use of Premises. During the Term of this Lease Agreement, the Premises shall be used and occupied by the Tenant for and as a hospital facility and related medical facilities and for no other purpose. The Tenant shall at all times maintain in good standing and full force license(s) issued by the State of Alabama and all governmental agencies having jurisdiction over the Premises permitting the operation of the Premises as a hospital facility and related medical facilities. The Tenant will not suffer any act to be done or any condition to exist at the Premises which may be dangerous or which may, in law, constitute a public or private nuisance or which may void or make voidable any insurance then in force affecting the Premises.

Section 3.3 Upon Termination. Upon termination of this Lease Agreement for any reason, the Tenant will return to the Landlord the Premises in the same condition as existed on the date of commencement of this Lease Agreement, reasonable wear and tear excepted, and with unrestricted license(s) issued by the State of Alabama and by any and all governmental agencies having jurisdiction over the Premises.

Section 3.4 Hazardous Materials. During the Term of this Lease Agreement, the Tenant shall only use the Premises in accordance with Environmental Laws (as hereinafter defined) and shall not use nor permit the Premises to be used for the treatment, storage or disposal of any Hazardous Substances (as hereinafter defined) nor for any purpose involving the use of Hazardous Substances; provided, however, that the Tenant may use in and store at the Premises such materials and substances as are customarily used in hospital facilities but only in such quantities as are reasonably necessary for the routine business operation of the Premises and such use and storage must in all cases comply with all applicable Environmental Laws. For purposes hereof "Hazardous Substances" shall mean any toxic or hazardous waste or pollutants, or substances, including, without limitation, asbestos, PCBs, petroleum products and byproducts, substances defined or listed as: "Hazardous Substances" or "Toxic Substances" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA") as amended, 42 U.S.C. § 9601, et seq., "Hazardous Materials" in the Hazardous Materials Transportation Act, 49 U.S.C. § 1802, et seq., "Hazardous Waste" in The Resource Conservation and Recovery Act, 42 U.S.C. § 6901, et seq., any chemical substance or mixture regulated under the Toxic Substance Control Act of 1976, as amended, 15 U.S.C. § 2061, et seq., any "Toxic Pollutant" under the Clean Water Act, 33 U.S.C. § 1251, et seq., as amended, any "Hazardous Air Pollutant" under the Clean Air Act, 42 U.S.C. § 7401, et seq., and any hazardous or toxic substance or pollutant regulated under any other applicable federal, state or local Environmental Laws. "Environmental Laws" as used in this Lease Agreement means all federal, state and local environmental, health or safety laws or regulations now or hereafter enacted applicable to the Premises.

ARTICLE IV

EFFECTIVENESS OF LEASE AGREEMENT, TERM AND LEASE RENTAL

Section 4.1 Term; Early Termination. The Landlord and the Tenant hereby acknowledge that the term of this Lease Agreement shall begin on the date of delivery of this Lease Agreement and shall end on [_____, 2043] (the "Term"), unless sooner terminated as provided herein. In addition to any other right of the Landlord to terminate this Lease Agreement contained herein, this Lease Agreement may be terminated prior to the end of the Term, at any time upon the mutual agreement of the Landlord and the Tenant.

Section 4.2 Rental Provisions. (a) From and after the date hereof, the Tenant shall pay to the Landlord, as rent for use and occupancy of the Premises, an amount equal to Occupancy Basic Rent plus Operating Basic Rent (collectively, "Basic Rent"). All payments of Occupancy Basic Rent shall be due to the Landlord no later than [two (2) business days] prior to each date the Landlord is required to pay debt service on the Bonds, as set forth in the Indenture and in any other operative documents governing the payment of debt service on the Bonds. All payments of Operating Basic Rent shall be due to the Landlord no later than [two (2) business days] prior to each date the Landlord is required to pay debt service on the Line of Credit, as set forth in the Line of Credit Agreement and in any other operative documents governing the payment of debt service on the Line of Credit. All payments of Basic Rent shall be paid without demand, deduction or offset for any reason whatsoever except as herein specifically provided.

(b) The Tenant shall pay, as additional rent, all costs, expenses and obligations of every kind whatsoever relating to the Premises which may arise or become due during the Term, including, without limitation, the following (collectively, "Additional Rent"):

(1) all premiums for the insurance provided for in Section 5.4 hereof, if any, such premiums to be paid directly to the insurer or insurers;

(2) all expenses necessary to maintain the Premises and each part thereof and to keep the same in good repair, all such expenses to be paid from time to time as payment of such expenses becomes due directly to the persons furnishing services or material, or both, for such maintenance, repair and upkeep;

(3) all taxes and public improvement assessments against the Premises that may become due and payable, if any, any such taxes and assessments to be paid when due directly to the official to whom the said taxes or assessments, as the case may be, are required to be paid; and

(4) all other charges which, if not paid, would form the basis for a charge or lien on the Premises or on the revenues of the Premises, the said charges to be paid directly to the person or persons to whom such charges are due.

(c) This Lease Agreement is and shall be deemed and construed to be a triple net lease, and the Basic Rent and Additional Rent specified herein shall be net to the Landlord in each year during the Term of this Lease Agreement. The obligation of the Tenant to pay the rental provided for herein and to make all other payments provided for herein and to perform and observe the other agreements and covenants on its part herein contained shall be absolute and unconditional, irrespective of any rights of set-off, recoupment or counterclaim it might otherwise have against the Landlord. In the event the due date of any installment of rental payable hereunder is a Saturday, Sunday or legal holiday in Alabama, such installment shall be due on the next succeeding business day.

ARTICLE V

MAINTENANCE, TAXES, AND INSURANCE

Section 5.1 Maintenance, Alterations and Improvements. (a) During the Term of this Lease Agreement, the Tenant will, at its own expense, (1) keep the Premises in as reasonably safe condition as is reasonable for a public building of such size and character, and (2) subject to the provisions of Section 5.2 hereof, keep the Facility, the Equipment and the other improvements located on the Site in good order and operating condition, without waste and in a suitable state of repair at least comparable to that which existed immediately prior to the commencement of this Lease Agreement (reasonable wear and tear excepted), and will make or case to be made, as and when the same shall become necessary, all structural and nonstructural, exterior and interior, replacing, repairing and restoring necessary to that end. All replacing, repairing and restoring required of the Tenant shall be (in the reasonable opinion of the Landlord) of comparable quality equal to the original work and shall be in compliance with all standards and

requirements of law, licenses and municipal ordinances necessary to operate the Premises as a hospital facility and related medical facilities.

(b) The Tenant will not remove or demolish any portion of the Facility or any improvements on the Site or any portion thereof or allow it to be removed or demolished, without the prior written consent of the Landlord. The Tenant further agrees that it will not make, authorize or permit to be made any changes or alterations in or to the Premises, the cost of which in any twelve (12) month period exceeds [$100,000.00], without first obtaining the Landlord's written consent thereto which will not be unreasonably withheld or delayed. All alterations, improvements and additions to the Premises shall be in quality and class at least equal to the original work and shall become the property of the Landlord and shall comply with all building and fire codes, and all other applicable codes, rules, regulations, laws and ordinances. Not less than [forty-five days] prior to the commencement of any such changes or alterations, the cost of which in any twelve (12) month period may exceed [$250,000.00], the Tenant shall furnish to the Landlord, at the Tenant's sole cost and expense, plans and specifications, prepared by a licensed architect, for such changes or alterations and any additional insurance reasonably required by the Landlord. Such plans and drawings shall include detailed architectural, mechanical, electrical and plumbing working drawings. The plans and drawings will be subject to the Landlord's approval with respect to design, aesthetics, building code compliance and such other matters as the Landlord deems relevant, which approval shall not unreasonably be withheld or delayed.

(c) The Tenant will not, during the Term of this Lease Agreement, permit any mechanics' or other liens to stand against the Premises for labor or materials furnished it in connection with any additions, alterations, improvements, repairs or renewals so made by it. During the Term of this Lease Agreement, the Tenant may, however, at its own expense and in good faith, contest any such mechanics' liens or other liens and in the event of any such contest may permit any such liens to remain unsatisfied and undischarged during the period of such contest and any appeal therefrom unless by such action part of the Premises shall be subject to loss or forfeiture, in such events such mechanics' or other liens shall be promptly satisfied.

Section 5.2 Removal of Equipment. The Landlord and the Tenant recognize that items of the Equipment may from time to time become inadequate, obsolete, worn-out, unsuitable, undesirable or unnecessary in the operation of the Premises. In any instance where the Tenant in its sole discretion determines that any item of Equipment has become inadequate, obsolete, worn-out, unsuitable, undesirable or unnecessary in the operation of the Premises,

(a) The Tenant may (if no event of default has occurred and is continuing, without the necessity of any consent or approval by the Landlord) remove such item of Equipment from the Site and (on behalf of the Landlord) sell, trade in, exchange or otherwise dispose of it without any responsibility or accountability to the Landlord therefor, provided that the Tenant substitutes and installs in the Premises (either by direct payment of the costs thereof or by advancing to the Landlord the funds necessary therefor, as hereinafter provided) other equipment or personal property having equal or greater utility in the operation of the Premises for its intended purposes as hereinabove provided, which such substituted equipment or other personal property shall be free of all liens and encumbrances (other than Permitted Encumbrances), shall be the sole property of the Landlord, shall be and become a part of the Equipment subject to the demise hereof,

and shall be held by the Tenant on the same terms and conditions as the items originally comprising the Equipment; or

(b) The Tenant may (if no event of default has occurred and is continuing, without the necessity of any consent or approval by the Landlord) remove such item of Equipment from the Site and (on behalf of the Landlord) sell, trade in, exchange or otherwise dispose of it, without any responsibility or accountability to the Landlord therefor and without being required to substitute and install in the Premises other equipment or personal property in substitution therefor, provided that either (i) such item of Equipment has an individual book value (cost less accumulated depreciation calculated in accordance with generally accepted accounting principles, as determined for financial reporting purposes) of [$10,000] or less as of the date of its removal from the Premises, or (ii) all such removed items have an aggregate book value (determined as of the respective dates of their removal) not exceeding [$500,000].

Any of the preceding provisions of this Section 5.2 to the contrary notwithstanding, the Tenant shall not exercise the right to remove items of Equipment in such manner as to impair the utility or habitability of the Premises.

In any case where the Tenant is herein required to purchase, install and substitute in the Premises any item of equipment, it may, in lieu of purchasing and installing said equipment or other personal property itself, advance to the Landlord the funds necessary therefor, whereupon the Landlord will purchase and install such equipment in the Premises.

Nothing contained herein shall prohibit the Tenant, at any time during which it is not in default hereunder, from removing from the Site any equipment that is owned by it or leased by it from third parties and that does not constitute part of the Equipment, provided (1) that such equipment may be removed without adversely affecting the structural integrity of any building or other structure forming a part of the Premises or causing any material damage to any such building or structure or to the Site, or (2) that if such removal will result in adversely affecting the structural integrity of any such building or other structure or in causing any material damage to any such building or structure or to the Site, the Tenant promptly after such removal takes such action as is necessary to restore the structural integrity of such building or structure or to repair such damage, as the case may be.

Section 5.3 Taxes, Other Governmental Charges, and Utility Charges. The Tenant will pay, as the same respectively become due, (i) all taxes and governmental charges of any kind whatsoever that may lawfully be assessed or levied against or with respect to the Premises, if any, that may become due and payable during the Term of this Lease Agreement (including, without limiting the generality of the foregoing, any taxes levied upon or with respect to the Premises which, if not paid, would become a lien on the Premises or a charge on the revenues and receipts therefrom), (ii) all utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Premises, and (iii) all assessments and charges lawfully made by any governmental body for public improvements that may be secured by a lien on the Premises, if any; provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the Tenant shall be obligated to pay only such installments as are required to be paid during the Term for which the Lease herein made shall be in effect.

The Tenant may, at its own expense and in its own name and behalf or in the name and behalf of the Tenant, in good faith contest any such taxes, assessments and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless by such action the title of the Landlord to any part of the Premises shall be materially endangered or the Premises or any part thereof shall become subject to loss or forfeiture, in which event such taxes, assessments or charges shall be paid prior to their becoming delinquent. The Landlord will cooperate fully with the Tenant in any such contest.

Section 5.4 Insurance. The Tenant will, at all times while this Lease Agreement is in effect, maintain in effect, or cause to be maintained in effect, reasonable insurance as against loss or damage to the Premises, which shall include at a minimum: (1) insurance against loss or damage to the Premises; (2) comprehensive public liability insurance for injury or death to third parties or damage to their property as a result of occurrences on or about the Premises; and (3) professional malpractice insurance in the amount reasonably established by the Tenant in the operations of its business. Any provision of this Section 5.4 to the contrary notwithstanding, the Tenant's obligation to carry insurance pursuant to the provisions of this Lease Agreement shall be suspended for as long as the Tenant has statutory authority to self-insure such risks. If the Tenant has self-insured and a claim is made or a loss incurred which would be covered by the insurance described above, then the Tenant shall be responsible for any such claim or loss and shall pay any settlement or judgment resulting therefrom.

Section 5.5 Advances by Landlord. In the event the Tenant fails during the Term of this Lease Agreement to take out or maintain the full insurance coverage required by this Lease Agreement or fails to keep the Premises in a safe condition as is reasonable for a facility of such size and character or the Facility, the Equipment and the other improvements located on the Site in reasonable repair and operating condition, the Landlord, after first notifying the Tenant of any such failure on its part and after the subsequent failure by the Tenant to take out or maintain such insurance or to take action reasonably calculated to keep the Premises in a safe condition as is reasonable for a facility of the size and character of the Premises or the Facility, the Equipment and the other improvements located on the Site in reasonable repair and operating condition, may (but shall not be obligated to) take out the required policies of insurance and pay the premiums on the same or make such repairs, renewals and replacements as may be necessary to maintain the Premises in as reasonably safe condition as the Tenant's operations permit and the Facility, the Equipment and the other improvements located on the Site in reasonable repair and operating condition, respectively; and all amounts so advanced therefor by the Landlord shall become an additional obligation of the Tenant to the Landlord, which amounts, together with interest thereon at the rate of ten per cent (10%) per annum from the date thereof, the Tenant will pay to the Landlord upon demand. Any remedy herein vested in the Landlord for the collection of rental payments shall also be available to the Landlord for the collection of all such amounts so advanced.

ARTICLE VI

PROVISIONS RESPECTING DAMAGE, DESTRUCTION AND CONDEMNATION

Section 6.1 Damage and Destruction Provisions. If the Premises or any of the Equipment is destroyed, in whole or in part, or is damaged, by fire or other casualty, the Tenant

will promptly so notify the Landlord in writing. The Net Insurance Proceeds shall be paid to and held by the Landlord, whereupon the Landlord will proceed, as promptly as practicable under the circumstances, to repair, rebuild or restore the property damaged or destroyed to substantially the same condition as prior to the event causing such damage or destruction. Any balance of the Net Insurance Proceeds remaining after payment of all the costs of such repair, rebuilding or restoration shall be retained by the Landlord. The Landlord's obligation to pay costs of repairing, restoring or rebuilding any property damaged or destroyed shall be limited solely to the Net Insurance Proceeds referable thereto, plus any funds that may be contributed for such purpose.

Section 6.2 Condemnation Provisions. If the Premises or any part thereof is taken under the exercise of the power of eminent domain by any governmental authority or person, firm or corporation acting under governmental authority, the entire condemnation award referable to the Premises shall be paid to the Landlord and applied as hereinafter provided:

(a) Taking of All or Substantially All the Premises. If title to all or substantially all the Premises is taken by such eminent domain proceeding, this Lease Agreement shall terminate as of the date the condemning authority enters into possession of the Premises. The Tenant shall not, on account of being deprived of the use and occupancy of the Premises as the result of the taking by eminent domain of all or substantially all thereof, be entitled to any rebate or abatement of any Basic Rent or Additional Rent applicable to the Term that it may have, prior to such taking, paid to the Landlord.

(b) Taking of Less Than All or Less Than Substantially All the Premises. If title to less than all or less than substantially all the Premises is taken by such eminent domain proceeding and the Tenant reasonably believes that, in light of such exercise of eminent domain, it can no longer operate the Premises in materially the same manner as prior to the exercise of eminent domain and such belief is consistent with reasonable business practices, then the Tenant may either (a) terminate this Lease Agreement or, (b) subject to the consent and approval of the Landlord, with reasonable diligence, restore or rebuild to the extent reasonably practicable any improvements upon the Premises affected by the taking. In the event the amount awarded shall be insufficient to repair and restore the Premises, the Tenant shall contribute the amount of any such deficiency. In the event that all or less than all of the Premises is taken or so sold, and this Lease Agreement shall terminate as provided herein, then the Landlord shall be entitled to the entire award for the real estate, improvements, fixtures and personal property relating thereto.

Section 6.3 Tenant Obligations Upon Event of Damage or Condemnation. In the event of damage to or destruction of the Premises or any part thereof or the taking of less than all or less than substantially all the Premises through eminent domain proceedings, the Tenant shall not be or become obligated to pay, or to make any arrangements for the payment of, any of the costs of repairing, replacing, rebuilding or restoring the property damaged, destroyed, or taken or any of the costs of rearranging the Premises or any other facilities then forming a part of the Premises, and the exercise by the Tenant of any of its rights hereunder shall not be deemed to impose any obligations, either direct or consequential, on the Tenant in connection with any such repair, replacement, rebuilding, restoration or rearrangement that may be undertaken by the Landlord. The Tenant shall remain obligated to pay the entire Basic Rent and Additional Rent applicable to the Term of this Lease Agreement, even though it may be deprived of the use and occupancy of the whole or any part of the Premises during the remainder of such Term.

Section 6.4 Condemnation of Right to Use of Facility for Limited Period. If the use, for a limited period, of all or part of the Premises is taken by any such eminent domain proceeding, this Lease Agreement (including, without limitation, the obligation of the Tenant to pay the Basic Rent and Additional Rent) shall continue in full force and effect, but with the consequences specified in the remaining provisions of this Section 6.4.

The Tenant shall remain obligated to pay the entire Basic Rent and Additional Rent, even though it may be deprived of the use and occupancy of the Premises for all or any part of the remainder of the Term. The total of all condemnation awards that may, from time to time, be made to the Tenant or the Landlord as compensation for the taking of the use by or interest in the Premises of either of them, whether by way of damages, rent or otherwise, and all condemnation awards referable to such taking shall be paid to the Landlord. If such taking ends during the Term, the Tenant shall restore the Premises as nearly as practicable to the condition existing immediately prior to such taking, with such changes, alterations and modifications as will not change the character of the Premises.

Section 6.5 Condemnation of Tenant-Owned Property. In the event the Premises or any part thereof is taken through eminent domain proceedings, the Tenant shall be entitled to any condemnation award or portion thereof made for damages to or takings of its own property, as well as all other sums awarded as compensation for the interest of the Tenant in the part of the Premises taken and as damages to the interest of the Tenant in any part thereof not taken (excluding, however, compensation and damages referable to the Tenant's use of or interest in the Premises in the event of a taking of the Premises or any part thereof for a limited period).

ARTICLE VII

PARTICULAR COVENANTS OF THE TENANT

Section 7.1 General Covenants. The Tenant will not do or permit anything to be done on or about the Premises that will affect, impair or contravene any policies of insurance that may be carried on the Premises or any part thereof against loss or damage by fire, casualty or otherwise. The Tenant will, at its sole cost and expense, obey, observe and promptly comply with all present and future laws, ordinances, orders, rules, regulations and requirements of any federal, state and municipal governmental agency or authority having jurisdiction over the Premises and the operation of the Premises as a hospital facility and related medical facilities, which may be applicable to the Site and the Facility and improvements located thereon, whether or not such law, ordinance, order, rules, regulation or requirement shall necessitate structural changes or improvements. The Tenant shall keep in good standing and in full force and effect all necessary licenses, permits and certifications required by any governmental authority for the purpose of maintaining and operating on the Site a hospital facility and related medical facilities.

Section 7.2 Inspection of Premises and Records. The Tenant will permit the Landlord and its duly authorized agents at all reasonable times to enter upon, examine and inspect the Premises. The Tenant will also permit the Landlord and its duly authorized agents to take such action as may be necessary and convenient to cause the Premises to be kept in as reasonably safe condition as is reasonable for a public building of the size and character of the Facility and the Equipment and the other improvements on the Site to be kept in reasonable repair and operating

condition, all as and to the extent provided in Section 5.1 hereof. At any time, during reasonable business hours, the Landlord and/or its authorized agents shall have the right to inspect, and, at the Landlord's expense, make copies of, the books and records relating to the Premises, or any part thereof, including, without limitation, to the extent permitted by applicable law all financial records, patient records, employment records, surveys and inspections reasonably required by the Landlord.

Section 7.3 Covenants Regarding the Tax Code. The Tenant covenants that it will take all actions and do all things necessary or required to enable the Landlord to comply with all provisions of the Tax Code that constitute conditions to or requirements for the exemption from Federal income taxation of interest income on the tax-exempt portion of the Bonds or any other form of tax-exempt financing with respect to any portion of the Premises. Without limiting the forgoing, the Tenant will comply with, and will do all things necessary to enable the Landlord to comply with, all provisions of the Tax Compliance Agreement and Certificate attached hereto as Exhibit B. In the event that the Bonds or any other form of tax-exempt financing with respect to any portion of the Premises are refinanced and a new Tax Compliance Agreement and Certificate is entered into, the Landlord will notify the Tenant of such action, whereupon such new Tax Compliance Agreement and Certificate shall be deemed to replace the Tax Compliance Agreement and Certificate attached hereto as Exhibit B.

Section 7.4 Further Assurances. The Tenant will, at its own cost and expense, take all actions that may at the time and from time to time be necessary to perfect, preserve, protect and secure the interests of the Landlord in and to the Premises. The Tenant further agrees, without in any way limiting the generality of the foregoing, to take any and all such actions that in the judgment of the Landlord are necessary for the perfection, preservation, protection and securing of such interests.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

Section 8.1 Events of Default Defined. The following shall be "events of default" under this Lease Agreement, and the terms "event of default" or "default" shall mean, whenever they are used in this Lease Agreement, any one or more of the following events:

(a) Failure by the Tenant to pay any installment of Basic Rent or Additional Rent; or

(b) Failure by the Tenant to perform or observe any of its other agreements or covenants contained in this Lease Agreement, which failure shall have continued for a period of thirty (30) days after written notice specifying, in reasonable detail, the nature of such failure and requiring the Tenant to perform or observe the agreement or covenant with respect to which it is delinquent shall have been given to the Tenant by the Landlord, unless (i) the Landlord shall agree in writing to an extension of such period prior to its expiration, or (ii) during such thirty (30) day period or any extension thereof, the Tenant has commenced and is diligently pursuing appropriate

corrective action, or (iii) the Tenant is by reason of force majeure at the time prevented from performing or observing the agreement or covenant with respect to which it is delinquent;

(c) The filing by the Tenant of a voluntary petition in bankruptcy, or failure of the Tenant promptly to lift any execution, garnishment or attachment of such consequences as will impair operations at the Premises, the seeking of or consenting to or acquiescing by the Tenant in the appointment of a receiver of all, or substantially all, of the property thereof or of the Premises or the adjudication of the Tenant as a bankrupt, or any assignment by the Tenant for the benefit of its creditors;

(d) Any conveyance or transfer in violation of Section 9.1 hereof;

(e) The abandonment of the Premises by the Tenant;

(f) The institution of any proceedings against the Tenant by any governmental authority either to revoke any license granted to the Tenant for the operation of the Premises as a hospital facility and related medical facilities or requiring the Tenant to cease operating its business; or

(g) The failure of the Tenant to comply with the terms of any insurance policy affecting the Premises and required hereunder within the time provided in such policy to cure such non-compliance prior to cancellation thereof; provided, however, that the Tenant shall not be in default hereunder if prior to the cancellation of such policy of insurance the Tenant obtains a replacement thereof.

The term "force majeure" as used in subsection (b) of this section means acts of God or the public enemy, strikes, labor disputes, lockouts, work slowdowns or stoppages or other industrial disturbances, insurrections, riots or other civil disturbances, orders of the United States of America, the State of Alabama or any department, agency or political subdivision of either thereof, or of other civil or military authority, or partial or entire failure of public utilities.

Section 8.2 Remedies on Default. Whenever any such event of default shall have happened and be continuing, the Landlord may:

(a) terminate the Tenant's right of possession of the Premises, take possession of the Premises and rent all or any part thereof for the account of the Tenant for the remainder of the Term;

(b) terminate this Lease Agreement, take possession of the Premises and lease the same for the account of the Landlord; and

(c) take whatever other action at law or in equity may appear necessary or desirable to collect the rent then due, or to enforce any obligation, covenant or agreement of the Tenant under this Lease Agreement.

Upon any such termination of this Lease Agreement, or upon any such termination of the Tenant's right to possession without termination of this Lease Agreement, the Tenant shall vacate the Premises immediately, and shall quietly and peaceably deliver possession thereof to the Landlord,

and the Tenant hereby grants to the Landlord full and free license to enter into and upon the Premises in such event with process of law and to repossess the Premises and the Equipment. In the event of any such termination of this Lease Agreement, the Landlord shall again have possession and enjoyment of the Premises and the Equipment to the extent as if this Lease Agreement had not been made, and thereupon this Lease Agreement and everything herein contained on the part of the Tenant to be done and performed shall cease and terminate, all, however, without prejudice to and without relinquishing the rights of the Landlord to Basic Rent or Additional Rent (which, upon such termination of this Lease Agreement and entry of the Landlord upon the Premises, shall, in any event, be the right to receive Basic Rent and Additional Rent due up to the time of such entry) or any other right given to the Landlord hereunder or by operation of law.

In the event of an event of default and the Landlord elects either to terminate this Lease Agreement or to terminate the Tenant's right to possession of the Premises, then all licenses, certifications, permits and authorizations issued by any governmental agency, body or authority in connection with or relating to the Premises and the Facility thereon shall be deemed as being assigned to the Landlord to the extent the same are legally assignable. The Tenant hereby agrees to take such other action and execute such other documents as may be reasonably necessary in order to vest in the Landlord all right, title and interest to the items specified herein.

If the event that an event of default arises due to a partial payment of Basic Rent by the Tenant, then the amount of such partial Basic Rent so paid by the Tenant to the Landlord shall automatically be deemed allocated, pro rata, between the amount of Occupancy Basic Rent and the amount of Operating Basic Rent then due.

Section 8.3 No Remedy Exclusive. No remedy herein conferred upon or reserved to the Landlord is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Landlord to exercise any remedy reserved to it in this Article VIII, it shall not be necessary to give any notice, other than such notice as is herein expressly required.

Section 8.4 No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Lease Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder. Further, neither the receipt nor the acceptance of rental hereunder by the Landlord shall be deemed to be a waiver of any breach of any covenant or condition herein contained even though at the time of such receipt or acceptance there has been a breach of one or more covenants or conditions on the part of the Tenant herein contained and the Landlord has knowledge thereof.

ARTICLE IX

MISCELLANEOUS

Section 9.1 Assignment. During the Term of this Lease Agreement, the Tenant shall not assign this Lease Agreement or in any manner whatsoever sublet, assign, encumber or transfer all or any part of the Premises or in any manner whatsoever transfer, assign or encumber any interest in the Premises or any interest in this Lease Agreement (hereinafter collectively an "Assignment") without the prior written consent of the Landlord, which consent may be withheld, in such party's sole discretion. An agreement by any person, corporation or other entity, directly or indirectly, to assume the Tenant's obligations under this Lease Agreement shall be deemed an assignment.

Section 9.2 Binding Effect. This Lease Agreement shall inure to the benefit of and shall be binding upon the Landlord, the Tenant and their respective successors and assigns.

Section 9.3 Severability. In the event that any provision of this Lease Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such provision shall be deemed and construed to be severable from the remaining provisions of this Lease Agreement, with the intended result that such holding shall not invalidate or render unenforceable any other provisions of this Lease Agreement.

IN WITNESS WHEREOF, the Landlord and the Tenant have caused this Lease Agreement to be executed by its duly authorized representatives, as of _____, 2023.

UNIVERSITY OF SOUTH ALABAMA

By: _____
Its: _____

UNIVERSITY OF SOUTH ALABAMA HEALTH CARE AUTHORITY

By: _____
Its: _____

EXHIBIT A
THE SITE

EXHIBIT B
TAX COMPLIANCE AGREEMENT AND CERTIFICATE